

17th Annual Report 2018-2019

SINGLE MINDED **DEDICATION**
TO THE PURSUIT OF **EXCELLENCE**



SECUNDERABAD



KONDAPUR



NELLORE



RAJAHMUNDRY



SRIKAKULAM



ONGOLE



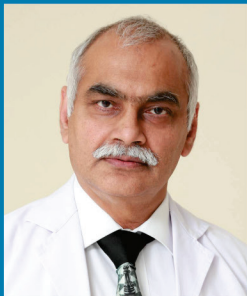
VISAKHAPATNAM



ANANTAPUR



KURNOOL



We at KIMS intend to conduct our business in a way that not only meets but exceeds the expectations of our customers, business partners, shareholders, creditors and as well as the communities in which we operate and society at large.

Dr. B. Bhaskar Rao
Managing Director



True differentiation today lies in delivering an unmatched patient experience. All our efforts in technology, operations and human resources are focused to ensure we deliver on this purpose.

Dr. B. Abhinay
Director & CEO

OUR MISSION

Quality does not happen by chance. It is a relentless pursuit of perfection. Each one of us at KIMS will endeavour to provide the highest quality of care to our patients.

Beyond the wonderful ambience, advanced technology and professional expertise at KIMS, there is something more... the magic touch of caring.

OUR VISION

- Quality services, quality performance to every patient, every time
- To satisfy clients on each and every project/plan we execute
- To provide support and services that exceeds customers' expectations
- To scale greater heights, set new standards and redefine the lifeline of healthcare



3004 BEDS



922 DOCTORS



2683 NURSES



1306 PARAMEDICS



2444 ADMIN

Awards & Excellence



Pharmacie De Qualite (PDQ)
Certification.
Grading - PLATINUM



Nursing Excellence
Award (2015).
'Best Patient Friendly
Hospital' Award (2017).



Winner of 9 awards
including the
Best Hospital of the year
award given by
Times of India 2017.



Ranked the Joint No. 1
Multispecialty Hospital in
Hyderabad, by the
Times of India Survey 2015

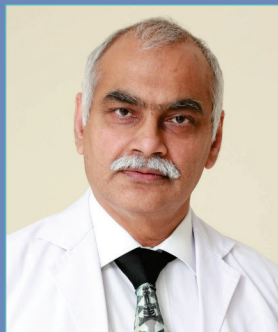


The only hospital in
Telangana and
Andhra Pradesh
to be awarded
**Green Operation Theatre
Certification (2015-2016)**



Winner of APSIC CSSD
Centre of Excellence
Silver Award
2015 - 2016

BOARD OF DIRECTORS



Dr. B. Bhaskar Rao
Managing Director



Dr. B. Abhinay
Director & CEO



Mrs. Anitha
Wholtime Director



Ms. Jyoti Prasad
Independent Director



Mr. G. Rajeswara Rao
Independent Director



Mr. Sandeep Achyut Naik
Investor Director



Mr. Shantanu Rastogi
Investor Director

HEALTH IS WEALTH... PREVENTION IS BETTER THAN CURE...

We are one of the leading multi-disciplinary integrated private healthcare services providers in southern India, operating a chain of multispecialty hospitals with focus on tertiary and quaternary healthcare. We have evolved as the largest corporate healthcare group in Andhra Pradesh and Telangana with our network of nine hospitals. We offer a comprehensive bouquet of healthcare services across specialties and super specialties through our network of nine hospitals under the "KIMS Hospital" brand. Our flagship hospital at Secunderabad, is one of the largest private hospitals in India at a single location (excluding medical colleges), with a capacity of 1,000 beds.

MORE THAN JUST GROWING PAINS

IGNORING YOUR CHILD'S COMPLAINTS OF JOINT PAIN COULD HAVE SERIOUS CONSEQUENCES IN THE LONG RUN

KANIZA GARARI

DEFCAN CHRONICLE
Do you find that your child isn't as active as other kids and often complains of fatigue? Does he or she frequently suffer from pain in the joints? Maybe it's time to consult a rheumatologist, your child could be suffering from juvenile arthritis, a condition that occurs when left undiagnosed and untreated.

Symptoms of juvenile arthritis are often taken to be signs of weakness or malnutrition. But it is actually caused by an inflammation of the joints or vital organs of the body which can cause chronic pain, explains Dr V. Sarath Chandra, Mouli, a senior rheumatologist at KIMS Hospital.

Q Why do some children develop juvenile arthritis?
The exact cause of juvenile idiopathic arthritis is not known, nor are the triggers for this autoimmune disease well-understood. Research has shown that it could result from genetic, environmental or immunological causes.

Q Why is this condition often left undiagnosed?
Knowledge about this disease is limited among parents and even the medical fraternity. There are many who are surprised to hear that even children can develop arthritis because the general perception is that a growing child cannot have such problems. That's why diagnosis of the disease is extremely delayed. We only have 600 rheumatologists in India, while we require 30,000. For children, paediatric rheumatologists are needed at children's hospitals.

Q What are the symptoms of juvenile arthritis?
The symptoms are joint



DR. V. SARATH CHANDRA, MOULI, SENIOR RHEUMATOLOGIST

pain, swelling, redness of the joints, early morning stiffness, fever, and red rashes on the skin.

Q Are there different kinds of juvenile arthritis?
There are five types of juvenile arthritis.

1. Systemic arthritis, which affects the joints as well as internal organs like the heart, spleen, liver and lymph nodes, but not the eyes.

2. Oligoarthritis affects the knees, ankles, wrists and eyes.

3. Polyarticular arthritis affects the joints of the jaw, neck, hands and feet. This is mostly seen in girls.

4. Pauciarticular arthritis in which the child has a skin disorder called psoriasis along with arthritis. Children with this type of arthritis often have pitted ingrown toenails.

5. Enthesitis-related arthritis

which affects the spine, hips, and tendons of the back. This is mostly seen in boys.

Q Which type of arthritis is most common in India?
The most common type of arthritis in India is oligoarthritis. It has an incidence of 1 in 1,000 people. In India, we find this condition is more common in females than it is in males. In this type of arthritis, complications can affect the eyes. It can be one of the major reasons for the early development of cataract, glaucoma and macular degeneration. If not diagnosed in time, it can lead to blindness. For this reason, children with juvenile arthritis are asked to get their eyes checked, as it's important to secure their vision.

Q Is juvenile arthritis reversible? Will a child diagnosed with the disease carry it into adulthood?
Remission of arthritis is observed in a few cases. There isn't a lot of data on the subject, so we're yet to understand which category of children have a higher chance of remission.

Q How is JA treated?
The medications prescribed are usually pain-killers, anti-inflammatory drugs, immunomodulation therapies, oral low-dose steroids, and local steroid injections.

KNOWLEDGE ABOUT THIS DISEASE IS LIMITED AMONG PARENTS AND EVEN THE MEDICAL FRATERNITY. MANY ARE SURPRISED TO HEAR THAT EVEN CHILDREN CAN DEVELOP ARTHRITIS BECAUSE THE GENERAL PERCEPTION IS THAT A GROWING CHILD CANNOT HAVE SUCH PROBLEMS. THAT'S WHY DIAGNOSIS OF THE DISEASE IS DELAYED

and local steroid injections. The side-effects of these drugs must be monitored regularly. A high dose of steroids is not recommended, but it may be prescribed based on an evaluation of risk versus benefit. A child diagnosed with the condition also requires regular physiotherapy and exercise.

Q Can JA become a life-threatening condition?
Ten per cent of JA patients develop a complication called macrophage activation syndrome (MAS), which is a very serious condition. The trigger is often a viral infection or the side-effect of a medication. MAS can lead to liver dysfunction, and in many cases, it is found to decrease the function of natural killer cells. It requires aggressive treatment.

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'Da Vinci Si' robot in city

OUR BUREAU

KIMS Hospitals announced the installation of a next-generation surgical robotic system 'Da Vinci Si' model in its facility in Secunderabad on Thursday.

The surgical robot costs two million USD. Currently, eight doctors in six medical specialisations including oncology, gynecology, urology, ENT, gastroenterology and general surgery at KIMS are performing robotic surgeries.

Dr Bhaskar Rao, CEO and MD, KIMS Hospitals said, "With increased awareness among our patients, we felt the need of acquiring the model in place of our old SD model acquired in 2011, for giving better care and to perform more complex surgical procedures, which otherwise not possible with laparoscopy."

"In last six years, KIMS Hospitals has come a long way in learning and mastering the robotic technology by its clinical applications in the successful outcome of 700 procedures," he said.

Sharing the features of the robot, he said, "The model includes dual console capability to support training and minimal invasion during surgery, enhanced high-definition 3D vision for superior clinical capability, an updated



user interface for streamlined setup and OR (operating room) turnover and an extensibility for digital OR integration."

Some of the doctors who are in charge of the robotic programme include Dr Gopichand, Urologist, Dr Neena Desai, Gynecologist, Dr

Lakshminikanth, Bariatric and Gastrointestinal Surgeon, Dr D Madhu, Surgical Oncologist, Dr Kalyan Chakravarthy, ENT, Dr Suresh Kumar G, General Surgeon, Dr MBV Prasad, General Surgeon, Dr Vijay Kumar Bada, Surgical Gastroenterology.

Rare surgery

Potato-sized stone removed from kidney

OUR BUREAU

Hyderabad: In a rare feat, doctors at KIMS Hospitals successfully removed a large stone measuring eight centimeters by conducting an open kidney surgery conducted by a team of surgeons led by consultant urologist Dr Neil N Trivedi. The stone led the kidney functioning at only 18 per cent. Considering its very large size, doctors had to go for open surgery on the 39-year-old man from Karimnagar.

"Usually with such a large size stone, the kidney function would have been damaged. But to our surprise this patient had partially preserved renal function and therefore we planned to remove the stone."

We planned for Anatomic Nephrolithotomy - a surgery in which the kidney is completely split to remove the stone as a whole and then kidney was re-sutured. The patient recovered well and has been discharged with normal renal parameters," said Dr Neil N Trivedi.



Rare surgery gifts new life to two kids

12-hour complex procedure performed by KIMS doctors

SPECIAL CORRESPONDENT HYDERABAD

A team of doctors at KIMS Hospitals, Secunderabad, successfully performed a rare complex cardiac surgery called 'double switch operation' and gave a new lease of life to two children with identical complex congenital heart disease.

The procedure for both children was done under the Aarogyasri scheme of Andhra Pradesh government.

Muni Dimple, a 12-year-old girl from Madanapalle of Chittoor district, and Lokesh Babu (6) from Prakasam district admitted to the KIMS pediatric cardiac surgical team with an uncommon condition where the blood comes to and goes out of the heart in a reverse fashion.

After being followed up closely for two years by Dr D. Anil Kumar, senior consultant, pediatric cardiac surgeon, and his team, both the kids underwent a 12-hour challenging operation. Dr. Kumar said the condi-



(From top) Muni Dimple and Lokesh Babu with their mothers.

• BY ARRANGEMENT

tion is not very common and to do complete surgical correction, both pathways coming into the heart and going out have to be switched.

Muni and Lokesh now have a well functioning heart that will enable them to lead normal lives, a press release said on Wednesday.

7.4 kg tumor removed from man's abdomen

EXPRESS NEWS SERVICE @Hyderabad

THE phrase 'heave a sigh of relief' has come true for a 34-year-old man who was carrying 7.4-kg tumor in his abdomen for more than six-months, which obstructed him from breathing when lied down. To put it in context, healthy fetus in a pregnant woman's womb weighs between 2.5 to three-kgs.

Head of surgical oncology department at KIMS Hospitals Dr Nagendra Parvataneni and his team who removed the tumor on Tuesday morning said that they sent biopsy samples for tests to know whether it is a cancerous or non-cancerous tumor. The patient Upalesha had lost all appetite and left with no energy due to tumor.

Radiation therapy done on skin cancer patient

CITY BUREAU Hyderabad

Radiation oncologists at Krishna Institute of Medical Sciences (KIMS) on Sunday performed a Total Skin Electron Beam (TSEB) radiation therapy on a 65-year-old patient, who was suffering

from mycosis fungoides, a form of skin cancer, for the past 15 years.

The symptoms for mycosis fungoides, also known as the Alibert-Bazin syndrome or granuloma fungoides, include itchy skin, rashes, skin lesions and tumors. While the cause of the ailment re-

mains unclear, most cases are reported in people over 20 years of age and it is more common in men than women.

Treatment options include ultraviolet light, topical corticosteroids, chemotherapy and radiotherapy. "Due to the lack of

expertise, such patients tend to struggle to get treatment. However, now we have enough expertise to perform radiation therapy for such complex cancers," said Dr T Pratap Reddy, radiation oncologist, KIMS. Doctors said that electron-beam radiation of low energies was

made to penetrate only through the patient's skin. "Treatment required a radiation therapy facility with highly skilled radiation oncologists and considerable technical expertise to deliver precise radiation dose, as the treatment is given to whole skin," he said.

DEALING WITH WERNICKE'S ENCEPHALOPATHY

Wernicke's Encephalopathy is a neuropsychiatric disorder that develops as a result of vitamin B1 deficiency. We examine who is at risk, and the diagnosis and treatment of the disease



KANIZA GARARI

DECCAN CHRONICLE

Deficiency of vitamin B1 in pregnant women with severe vomiting, senior citizens with severely reduced diets, those on intravenous nutrition due to illness and cancer patients who have undergone chemotherapy are at a risk of developing Wernicke's Encephalopathy.

This is a neuropsychiatric disorder that leads to paralysis of eye movements, swayed walking and confusion. Earlier termed to be a disease of chronic alcoholism, this disorder is now found in those having celiac, post-bariatric obesity surgery, infants on formula feeds, which are deficient in thiamine and renal disease patients on hemodialysis. It is also found in those people who are malnourished as their diet is rich in carbohydrates.

Dr. Jayalakshmi, senior consultant neurologist at Krishna Institute of Medical Sciences, throws more light on the subject.

What is Wernicke's Encephalopathy?
It causes Wernicke's Encephalopathy (WE) is a neuropsychiatric disorder caused due to thiamine (vitamin

B1) deficiency. Clinically it is characterised by paralysis of eye movements, swayed while walking and confusion. Earlier it was thought to be a disease of only alcoholics, but now we are seeing in cancer and elderly patients whose dietary intake is poor. Those who starve themselves for being in shape and also severe vomiting in pregnant women can lead to this condition.

What are the causes of altered mental status due to this condition?
This is an initially reversible metabolic condition. Glucose derived from carbohydrates is an important source of energy for the brain cells. Thiamine plays a vital role in metabolism of carbohydrates. In the absence of thiamine, glucose is produced by alternative mechanism which causes production of lactic acid, causing local acidosis. This affects certain structures of brain like thalamus, mammillary bodies, oculomotor nuclei, cerebellar vermis which lead to development of altered mental status.

A normal MRI or CT scan does not rule out WE as the changes may sometimes develop over time
Supplementation of thiamine (intravenously) can help in reversing this condition in the early stages before the damage becomes more profound.

How does this condition develop in can-

cer patients?
The Vitamin B1 demands are higher in cancer patients due to excess cellular turn over. Poor dietary intake either due to associated anorexia or chemotherapy induced vomiting can add to the risk. Identifying and treating this condition in the early stages is very important as supplementation of thiamine can be done intravenously or through injections.

If diagnosis by imaging is difficult, what other methods do doctors opt for?
Imaging particularly MRI is specific in showing the classical signs of WE as it particularly affects the sensitive brain structures. However diagnosis is mainly based on clinical evaluation. Detailed history of the initial inciting events, clinical signs including mental status evaluation and ocular findings and cerebral signs help in diagnosis. There are no specific laboratory tests that can confirm existence of WE. Moreover lab tests like serum electrolytes and haemogram help in ruling out conditions that may mimic WE or coexist with it. The normal MRI or CT scan does not rule out WE as the changes may sometimes develop over time.

Can the condition re-occur due to aging?
We is a reversible metabolic condition and may develop over time whenever relative or frank thiamine deficiency develops either due to poor intake or increasing demands. Chronic alcoholics, elderly or intellectually impaired patients (residents of old age homes or mental asylums) in particular have to be closely monitored for the adequacy of their nutritional supplements. Patients with genetic disorders also need to be on regular high dose intravenous supplements.

What are the treatment options?
Treatment mainly relies on adequate intravenous supplementation of thiamine (available in injectable



Dr. Sita Jayalakshmi, senior consultant neurologist

form: 250-500mg IV 2-3 times a day for five to seven days), along with supplementation of other multivitamins, followed by ensuring maintenance support with injectable or oral thiamine supplements.

How long does it take to cure?

Adequate intravenous supplementation is given over five to seven days and then oral supplements are continued. Patients are closely followed up for next six months to look for signs of recurrence.

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A man had coin in lungs for 30 yrs!

PNS ■ VISAKHAPATNAM

After living with a 25 paise coin in his lungs for three decades, L. Sannibabu is now heaving a sigh of relief thanks to a team of doctors, spearheaded by Dr. KS Phaneendra Kumar, Consultant Pulmonologist at KIMS Icon Hospitals here.

Admitted in the hospital with complaints of severe breathing problems and fever, the doctors came to know that the 77-year-old Sannibabu had accidentally swallowed a 25 paise coin 30 years back and it had not been removed.

Explaining the miraculous achievement, Dr. Phaneendra Kumar said "after initial treatment for his breathlessness and fever, the coin was removed with flexible bronchoscopy, a

KIMS ICON HOSPITALS BRINGS RELIEF



L. Sannibabu with Dr. KS Phaneendra Kumar (insert) a coin removed from lungs

ible tube with a camera is inserted into the lung, to remove the coin. The patient recovered well after the procedure and was dis-

The doctors came to know that the 77-year-old Sannibabu had accidentally swallowed a 25 paise coin 30 years back

delayed diagnosis can lead to complications, including post obstructive pneumonia, or inflammation that occurs around the foreign body in the lungs. The same happened with the patient here."

Sannibabu said, "I was very scared and visited many hospitals to have the coin removed but to no avail. Thanks to Dr. Phaneendra and the team here, my problem is cured completely."

KIMS Saveera healthcare unit at KIA Motors

PNS ■ ANANTAPUR

Leading South Indian healthcare major KIMS Hospitals inaugurated KIMS Saveera emergency care unit at the KIA motors plant in Pengudala mandal of Anantapur district on Saturday. KIMS Saveera Hospitals' CEO Dr. PS Prasad, MD SV Krishna Reddy and ED Y. Surendra Kumar Reddy inaugurated the clinic. Speaking on the occasion, they said, "KIMS Saveera Hospital aims at providing the most appropriate treatment at affordable prices ensuring a world-class treatment. KIMS Saveera emergency clinic was launched keeping up with our vision and commitment. Our leading doctors, skilled spe-



cialists will provide utmost care and best treatment to the patients at the emergency clinic inaugurated at KIA Motors. KIMS Hospitals network ensures the patients have access to the best doctors and specialists at affordable healthcare, just a short distance away." In 2018, KIMS Hospitals

KIMS Saveera Hospital aims at providing the most appropriate treatment at affordable prices ensuring a world-class treatment

built up area offering an entire spectrum of medical services over 30 departments, including cardiology, orthopedics, nephrology, neurology, urology, general surgery, gastroenterology, pulmonology, ophthalmology, obstetrics and gynecology, ENT, emergency and dental among others.

Today is World Brain Tumour Day



DR. R. RAMA MOHAN NAIK

Brain tumor is a collection of abnormal cells in brain. The skull is very rigid and any tumors in brain can cause problems.

When such tumors grow inside brain it causes the pressure inside the brain to increase. Two types of brain tumors are: benign and malignant.

Brain tumors may arise from brain, or from coverings of brain called dura and nerve and its sheath. Brain tumors may spread from other parts of the body. They are called secondary tumors.

In children, brain tumors are common in 0-15 years. In adults, they are common 50 to 70 years. Primary brain tumors can be benign or malignant. Malignant brain tumors are called as brain cancer. They are more serious, grow fast. They can spread for other parts of the body. Secondary tumors can spread for lungs, thyroid, breast, and kidney.

Risk factors:

- Family history very few % of tumors run in families.
- Ionizing radiation-high dose X-ray
- Exposure to certain chemicals-Formaldehyde

Signs and symptoms -

- Headache
- Vomiting, change in speech
- Seizures (fits)
- Difficulty in walking, loss of speech
- Visual disturbance
- Diagnosis:
- CT, Scan brain and if required
- MRI-Brain can be done
- Blood investigations-CSF analysis

Treatment:

- Surgery
- For malignant tumors-
- Chemotherapy
- Radiation therapy
- Stereotactic radio surgery
- (Writer is Consultant Neurosurgeon, KIMS SAVEERA Hospital, Anantapur)

A new lease of life to cancer patients suffering from jaundice

PNS ■ VISAKHAPATNAM

Doctors at KIMS ICON Hospital have given a ray of hope to cancer patients suffering from jaundice. Doctors have provided a new treatment to a cancer patient suffering from jaundice at the Department of Gastroenterology at KIMS ICON Hospital in Visakhapatnam. Jaundice can happen because of obstruction caused by tumors.

Usually a stent will be placed across these tumors into the bile duct to relieve jaundice. But in patients with severe block, these stents often cannot be placed and long tubes will be placed through the liver externally with a collecting bag outside, or they have to undergo morbid surgeries.



EUS-guided choledocoduodenostomy (EUS-CDS) is a new technique, established as an alternative biliary drainage method for biliary decompression in patients with biliary obstruction. This procedure was performed for the first

time in Andhra Pradesh for a cancer patient Mr. Rama Krishna (Name changed) from Odisha, at KIMS ICON Hospitals, Vishakhapatnam.

Dr. Chalapathi Rao Achanta, Chief Gastroenterologist, KIMS ICON Hospital, said,

With newer advances in endoscopy, a new bypass can be created internally between the bile duct and intestine without need of any external pipes or surgery

"With newer advances in endoscopy, a new bypass can be created internally between the bile duct and intestine without need of any external pipes or surgery. Patient can walk home the next day at a lesser cost than surgery, he added. "Recently, we have performed this procedure on a patient, who had jaundice

because of recurrence of cancer even after surgery. Using advanced technology called endoscopic ultrasound, a new bypass was created internally for this patient without any external scar or wound. Patient recovered well from jaundice and is having better quality of life now. This procedure is called EUS guided choledocoduodenostomy and is performed for the first time in Andhra Pradesh."

"Thanks to the team here. I have a better quality of life with this procedure. I was terrified when they diagnosed jaundice on top of my cancer recurrence. They took the other technique and drained the biliary fluids. I am very thankful to KIMS ICON Hospitals," said the patient who underwent the procedure.

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CORPORATE INFORMATION

Board of Directors

Dr. B. Bhaskar Rao	-	Managing Director
Ms. D. Anitha	-	Whole-time Director
Dr. Abhinay Bollineni	-	Director & CEO
Ms. Jyothi Prasad	-	Independent Director
Mr. G. Rajeswara Rao	-	Independent Director
Mr. Sandeep Achyut Naik	-	Investor Director
Mr. Shantanu Rastogi	-	Investor Director

Senior Management

Mr. Vikas Maheshwari	:	Chief Financial Officer
Mr. Uma Shankar Mantha	:	Company Secretary & Compliance Officer

Registered Office : 1-8-31/1, Minister Road, Secunderbad - 500003

Statutory Auditors : **M/s. B S R & Associates LLP**
Chartered Accountants
Salarpuria Knowledge City, Orwell, 6th Floor,
Unit-3, Sy. No. 83/1, Plot No. 2, Raidurg,
Hyderabad - 500081, India

Internal Auditors : **PKF Sridhar & Santhanam**
Chartered Accountants
1-2-272-273/6, MCH. No: 100
2nd Floor, Kiran Arcade,
Sarojini Devi Road (S.D. Road)
Secunderabad, India - 500 003.

Bankers	:	Andhra Bank IDFC Infrastructure Finance Limited Federal Bank Limited HDFC Bank Limited
Registrars & Transfer Agents	:	M/s. Karvy Fintech Pvt Ltd. Karvy Selenium, Tower – B, Plot No. 31 & 32, Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500032.
<u>Board Committees</u>		
Audit and Risk Management Committee	:	Ms. Jyothi Prasad Mr. Rajeswara Rao Mr. Shantanu Rastogi
Nomination & Remuneration Committee	:	Mr. G. Rajeswara Rao Ms. Jyothi Prasad Mr. Sandeep Achyut Naik
Corporate Social Responsibility Committee	:	Dr. B. Bhaskar Rao Dr. Abhinay Bollineni Mr. G. Rajeswara Rao

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NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Krishna Institute of Medical Sciences Limited will be held on Thursday, the 8th day of August, 2019 at 4.00 PM, at “KIMS Hospitals” # 1-8-31/1, Minister’s Road, Secunderabad - 500003 to transact the following business:

A. ORDINARY BUSINESS

1. Adoption of financial statements:

To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March 2019 and the reports of the Board of Directors (“the Board”) and Auditors thereon.

2. Appointment of Dr. B. Bhaskar Rao as a director liable to retire by rotation:

To appoint a director in place of Dr. B. Bhaskar Rao (DIN No: 00008985) who retires by rotation and, being eligible, seeks re-appointment.

“RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013, the approval of the members of the Company be and is hereby accorded for reappointment of Dr. B. Bhaskar Rao (DIN: 00008985) as a director, to the extent that he is liable to retire by rotation.

RESOLVED FURTHER THAT any director or the company secretary of the Company be and is hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

3. To consider and appoint statutory auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act 2013 and the rules made there under (including statutory modification(s) and re-enactment thereof for the time being in force) the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, having Registration No.- (101049W/ E300004), as Statutory Auditors of the Company be and is hereby approved, for a term of 5 years i.e. from conclusion of 17th AGM to the conclusion of 22nd AGM, at such remuneration (plus service tax, out of pocket expenses and travelling expenses etc..) as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT the said Audit fee may be paid to the Auditors on a progressive billing on the basis of the schedule of work to be agreed between the Auditors and the Company”.

B. SPECIAL BUSINESS:

4. To approve the loan, guarantee or security under section 185 of Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 185 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, approval of members of the Company be and is hereby accorded for loan(s) made/to be made, including loan represented by way of Book Debt (the “Loan”) and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by Kurnool Rainbow Hospitals Private Limited, subsidiary Company, upto an aggregate amount of Rs. 90 Crores (**Rupees Ninety crores only**).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "the Board"), be and is hereby authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid loan/ guarantee/ security, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.

RESOLVED FURTHER THAT Dr. B. Bhaskar Rao, Managing Director or M. Uma Shankar, Company Secretary of the company be and is hereby severally authorized to sign/digitally sign all such necessary e-forms as may be required to be filed under the Companies Act, 2013 and rules made there under and as amended from time to time for giving effect to the said resolution.

5. Approval of inter-corporate loans & investments in excess of limits.

To consider and if thought fit to pass, the following resolution, with or without modification(s) as Special Resolution.

RESOLVED THAT pursuant to the provisions of section 186 of the Companies act 2013 (as amended or re-enacted from time to time) read with rule no 11 & 13 the Companies (Meeting of Board and its Powers) Rules, 2014 and subject to such approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary, the consent be and is hereby accorded to grant loans or make investment or provide security or guarantee for an amount(s) exceeding 60% of paid-up capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding Rs 900 crores on such terms and conditions as may be decided by the Board from time to time.

RESOLVED FURTHER THAT pursuant to rule no 12 of the Companies (Meeting of Board and its Powers) Rules, 2014 and section 117 of the Companies Act 2013 (as amended or re-enacted from time to time) read with rule no 24 of the Companies (Management and Administration) Rules 2014, Dr. B. Bhaskar Rao, Managing Director and Uma Shankar Mantha, Company Secretary of the Company be and is hereby severally authorized to making necessary entries in the Register of Investment, authenticate it and file form no MGT-14 with the Registrar of Companies.

RESOLVED FURTHER THAT, Dr. B. Bhaskar Rao, Managing Director and Uma Shankar Mantha, Company Secretary of the Company, be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company for the purpose of giving effect to the said Resolution.

6. To approve the amendment of the existing articles of association of the Company

To consider and if thought fit, to pass with or without modifications(s), the following resolution as a special resolution:

"RESOLVED THAT in accordance with the provisions of the Companies Act, 2013, approval and consent of the members is hereby given for adoption of the revised articles of association of the Company.

RESOLVED FURTHER THAT the following changes be and hereby altered/amended/included and adopted as follows:

Existing Article	Amendment Article
<p>101. General Covenants</p> <p>(b) Other than</p> <p>(i) the Existing Encumbrances over the Shares held by the Promoters as set out in Schedule 3 of these Articles, or</p> <p>(ii) the Existing Encumbrance over: (A) 5,760,770 Shares of Dr. Bhaskar Bollineni; and (B) 2,117,936 Shares of Rajyasri Bollineni (, for the benefit of IDBI Trusteeship Services Limited acting as security trustee for Avendus Finance Private Limited ("Avendus Transferee"), details of which are set out in Schedule 3 of these Articles (the "Avendus Existing Encumbrance Shares"), created in accordance with the provisions of the facility agreement dated October 17, 2017 by and between BVR Educational Institutions Private Limited, Mrs. Rajyasri Bollineni, Mr. Adwik Bollineni, Mr. Bhaskara Rao Bollineni, Mr. Abhinay Bollineni, Avendus Finance Private Limited and IDBI Trusteeship Services Limited, in its capacity as a security trustee for Avendus Finance Private Limited (the "Avendus Agreement"),</p> <p>the Promoters shall not create any Encumbrance over: (i) any of their Shares; or (ii) the Shares or other securities of the Promoters.</p> <p>(c) During the subsistence of the Existing Encumbrance over Avendus Existing Encumbrance Shares in favour of Avendus Transferee, in accordance with the provisions of the Avendus Agreement, in the limited event of enforcement or invocation of such Existing Encumbrance by the Avendus Transferee in accordance with the provisions of the Avendus Agreement, the Avendus Existing Encumbrance Shares shall be freely transferrable in favour of the Avendus Transferee, upon providing a</p>	<p>101. General Covenants</p> <p>(b) Other than</p> <p>(i) the Existing Encumbrance over the Shares held by the Promoters, as set out in Schedule 3 of these Articles; or</p> <p>(ii) the Shares pledged/to be pledged by Dr. Bhaskar Rao Bollineni ("Pledgor") to maintain the Required Cover ("New Pledge"), on a fully diluted basis, for securing the Avendus Secured Facilities in accordance with the provisions of the Avendus Share Pledge Agreement in favour of Vistra ITCL (India) Limited acting in the capacity of a "Security Trustee" under the Avendus Security Trustee Agreements acting for the benefit of the Avendus Lenders in relation to the Avendus Secured Facilities (such Shares hereinafter referred to as the "Avendus Pledged Shares"),</p> <p>the Promoters shall not create any Encumbrance over any of their Shares.</p> <p>(c) Subject to Articles 101(c)(1) and 101(c)(2), during the subsistence of the New Pledge over Avendus Pledged Shares in favour of the Security Trustee, in the limited event of enforcement or invocation of such New Pledge by the Security Trustee strictly in accordance with the provisions of the Avendus Facility Agreements, Avendus Security Trustee Agreements and Avendus Share Pledge Agreement, the Avendus Pledged Shares shall be freely transferrable to enable invocation and subsequent sale of the Pledged Shares by the Security Trustee subject to compliance with the provisions of Article 101(c)(2), and without the consent of any of the Remaining Shareholders or Other Shareholders or the Promoters for such invocation and subsequent sale of the</p>

written intimation of 10 days to the Investor by the Promoters, and without the consent of any of the Remaining Shareholders or Other Shareholders or the Promoters for such transfer to the Avendus Transferee, provided that in the event any such Transfer in favour of Avendus Transferee results in Change of Control of the Company, the Investor shall be permitted to exercise all rights available to the Investor under these Articles in relation to Transfer of any Shares, in the Investor's sole discretion. Until invocation and/or enforcement of of such Existing Encumbrance by the Avendus Transferee in accordance with the provisions of the Avendus Agreement, and also upon the release of the Existing Encumbrance over the Avendus Existing Encumbrance Shares, such Avendus Existing Encumbrance Shares shall be subject to the applicable Transfer restrictions as set out under these Articles.

Avendus Pledged Shares by the Security Trustee, provided that in the event any such Transfer in favour of Security Trustee and/or such subsequent sale of the Avendus Pledged Shares by the Security Trustee, the Investor shall be permitted to exercise all rights available to the Investor against the Promoters under the Shareholders' Agreement and these Articles, in the Investor's sole discretion, except in relation to the Transfer of Shares of the Avendus Pledged Shares resulting in a Change of Control of the Company. Until invocation and/or enforcement of such New Pledge by the Security Trustee in accordance with the provisions of the Avendus Facility Agreements, Avendus Security Trustee Agreements and Avendus Share Pledge Agreement and Article 101(c), 101(c)(1) and 101(c)(2), and also upon the release of the New Pledge over all or any of the Avendus Pledged Shares, such Avendus Pledged Shares shall be subject to the applicable Transfer restrictions as set out under these Articles.

- (c)(1) In the event, after the invocation of the New Pledge, pursuant to any Transfer or series of Transfers if the Pledgor, Promoters or any of their Affiliates (including directly, indirectly or in any manner whatsoever) acquire the Avendus Pledged Shares or any rights therein then: (i) the limited waiver provided by the Investor under this Article 101 or any other documents in relation to the New Pledge shall cease to exist in relation to such Avendus Pledged Shares; and (ii) the terms and conditions of the Shareholders' Agreement and these Articles, as applicable to other Shares of the Company held by the Pledgor or the Promoters, shall apply mutatis mutandis to such Avendus Pledged Shares.
- (c)(2) In the event, the Avendus Lenders and/or the Security Trustee invokes the New Pledge created for securing the Avendus Secured Facilities, the Investor or any of its Affiliates ("**Avendus ROFO Holder**") shall have the right of first

	<p>offer ("Investor ROFO") on such Avendus Pledged Shares, in accordance with the following provisions:</p> <p>(A) prior to Transfer of the Avendus Pledged Shares to any Third Party, the Avendus Lenders and the Security Trustee shall give a written notice ("Avendus ROFO Notice") to the Avendus ROFO Holder specifying entire outstanding amount in relation to the Avendus Secured Facilities as on the date of the Avendus ROFO Notice (including all interest, additional interest, penal interest, principal, any other accrued interest, unpaid costs, unpaid fees and unpaid expenses) and the number of Avendus Pledged Shares desired to be Transferred (the "Avendus ROFO Shares");</p> <p>(B) the Avendus ROFO Holder shall have 7 (seven) calendar days from the receipt of a Avendus ROFO Notice to issue a price per Avendus ROFO Share to purchase all the Avendus ROFO Shares ("Avendus ROFO Price") to the Avendus Lenders ("ROFO Price"), in writing (such notice being the "Avendus ROFO Acceptance Notice");</p> <p>(C) In the event, the Avendus ROFO Price for the Avendus ROFO Shares is above than and/or equal to the amount required to cover all the outstanding amounts under the Avendus Secured Facilities, the Avendus Lenders and the Security Trustee shall be bound to accept the Avendus ROFO Price and Transfer the ROFO Shares to the Avendus ROFO Holder and issue an acceptance letter to the Avendus ROFO Holder ("Avendus Acceptance Letter"). Such payment of consideration for the ROFO Shares and Transfer of ROFO Shares shall be completed within 15 (fifteen) calendar days from the Avendus Acceptance Letter. However, in the event the Avendus ROFO Price for the Avendus ROFO Shares is not sufficient to cover the entire outstanding amount under the Avendus Secured Facilities, then Avendus Lenders and the Security Trustee shall have a right to sell the Avendus ROFO Shares to any Third Party, provided that</p>
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	<p>prior to such Transfer of the Avendus Pledged Shares to any Third Party (other than the Avendus ROFO Holder) at a price lower than the Avendus ROFO Price, the Avendus Lenders and the Security Trustee shall inform to the Avendus ROFO Holder, in writing, of such proposed sale ("2 Avendus ROFO Notice"), and the Avendus ROFO Holders, at their sole discretion, shall have an option to purchase the Avendus ROFO Shares at the ROFO Price by providing the Avendus Lenders and the Security Trustee a firm binding offer, in writing, within 3 (three) calendar days from the receipt of the 2 Avendus ROFO Notice issued by the Avendus Lenders and the Security Trustee for the purchase the Pledged Shares (such notice being the "2 Avendus ROFO Acceptance Notice") and upon receipt of 2 Avendus ROFO Acceptance Notice, Avendus Lenders shall be compulsorily required to sell the Avendus Pledged Shares to the Investor. The Transfer of Avendus Pledge Shares to the Avendus ROFO Holder and payment of consideration to the Avendus Lenders for sale of Pledged Shares shall be made within 7 (seven) calendar days from the 2 Avendus ROFO Acceptance Notice date. Provided, the provisions of this Article 101(c)(2)(C) shall deemed to have been duly complied with, in the event the Avendus ROFO Holders fail to provide their notices or fail to pay the required consideration to the Avendus Lenders, in accordance with the provisions of this Article 101(c)(2)(C), provided that in such an event, the Avendus Lenders shall be free to sell the Pledged Shares to any person at a price acceptable to the Avendus Lenders. Such sale of the Pledged Shares by the Avendus Lenders in accordance with this Article shall absolve the Avendus Lenders of any and all liabilities in relation to the Investor ROFO.</p> <p>(c)(3) In these Articles:</p> <p>"Avendus Facility Agreements" means, cumulatively (i) the facility agreement dated April 29, 2019 entered into inter alia among BRMH, Avendus Finance</p>
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	<p>Private Limited and the Security Trustee, and the debenture trust deed dated April 29, 2019 entered into inter alia among BRMH, Vistra ITCL (India) Limited as the debenture trustee and the Security Trustee; and (ii) the facility agreement dated May 24, 2018 entered into inter alia among Shangrila and the Avendus Finance Private Limited in relation to the Shangrila Facility.</p> <p>“Avendus Lenders” means Shangrila Lender and the BRMH Lender;”</p> <p>“Avendus Secured Facilities” means Shangrila Facility and the BRMH Facility;</p> <p>“Avendus Security Trustee Agreements” means cumulatively the security trustee agreement dated April 29, 2019 for the BRMH Facility and the security trustee agreement dated May 24, 2018 for the Shangrila Facility;</p> <p>“Avendus Share Pledge Agreement” means share pledge agreement dated April 29, 2019 executed between the Pledgor and the Security Trustee;</p> <p>“BRMH Facility” means certain financial assistances (including by way of issuance of non-convertible debentures) availed by BRMH from Avendus Finance Private Limited and Avendus Structured Credit Fund I represented through Vistra ITCL (India) Limited for an aggregate amount of Rs. 840,000,000 (Rupees Eight Hundred and Forty Million only);</p> <p>“BRMH Lender” means Avendus Finance Private Limited and Avendus Structured Credit Fund I represented through Vistra ITCL (India) Limited as the debenture trustee;</p> <p>“BRMH” means Bollineni Ramanaiah Memorial Hospitals Private Limited, a company in India, incorporated under the (Indian) Companies Act, 1956, with Corporate Identification Number U85110TG1999PTC030882 and whose registered office is at 300A, MLA Colony, Road No 12, Banjarahills Hyderabad – 500034, Telangana, India;</p> <p>“Pledge Security Cover” shall mean Pledged Share Value / entire</p>
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	<p>outstanding amounts under the Avendus Secured Facilities (including all interest, additional interest, penal interest, principal, any other accrued interest, unpaid costs, unpaid fees and unpaid expenses determined in accordance with the Avendus Secured Facilities).</p> <p>“Pledged Share Value” shall mean the total value of the shares of the Company pledged by the Pledgor in favour of the Security Trustee, which upon occurrence of a Primary Issuance shall be determined basis the post-money equity valuation of the shares of the Company or upon the occurrence of an IPO shall be determined on the per share value finalized for the IPO of the Company;</p> <p>“Primary Issuance” shall mean issuance of any new shares or any other convertible securities by the Company (excluding any new shares issued pursuant to an IPO);</p> <p>“Required Cover” shall mean:</p> <ul style="list-style-type: none"> (i) till occurrence of any Primary Issuance and/or an IPO: 13% (thirteen percent) of the equity shares of the Company on a fully diluted basis, (amounting to 96,83,642 (Ninety Six Lakhs Eighty Three Thousand and Six Hundred and Forty Two) number of shares as of the date of the Avendus Share Pledge Agreement; (ii) upon occurrence of any Primary Issuance and/or a IPO: the summation of: (a) shares already pledged in favour of the Security Trustee; and (b) such additional number of shares of the Company (if any) required to ensure that the Pledge Security Cover is at least 3x of the entire outstanding of the Avendus Secured Facilities; <p>“Shangrila Facility” means the financial assistances worth Rs. 300,000,000 (Rupees Three Hundred Million only) availed by Shangrila under the facility agreement dated 24 May 2018 entered</p>
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	<p>into between Shangrila, Avendus Finance Private Limited and IDBI Trusteeship Services Limited, as the security trustee for the facility;</p> <p>"Shangrila Lender" means Avendus Finance Private Limited;</p> <p>"Shangrila" means Shangrila Infracon India Private Limited, a company in India, incorporated under the (Indian) Companies Act, 1956, with Corporate Identification Number U45209TG2012PTC083011 and whose registered office is at 21-26C, Golden Enclave, Fort Grand Road Shamshabad, Rangareddy, Telangana – 501218 India;"</p>
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RESOLVED FURTHER THAT, Dr. B. Bhaskar Rao, Managing Director and/ or Mr. Uma Shankar Mantha, Company Secretary be and are hereby severally authorized to take all such steps required for giving effect to the said resolution."

7. Payment of remuneration to Cost Auditor M/s. Sagar & Associates, for the financial year 2019-20.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), a remuneration of Rs. 5,00,000/- excluding applicable taxes, being paid to M/s. Sagar & Associates, Cost Accountants who were appointed as the Cost Auditors of the Company by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2020, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

<p>Date: 03.07.2019 Place: Secunderabad</p>	<p>By the order of the Board of Directors of Krishna Institute of Medical Sciences Ltd</p> <p>Sd/- Uma Shankar Mantha Company Secretary</p>
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Notes

1. The Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 is enclosed and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, to enable the management to keep the information ready at the meeting.
7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance's by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following: cs@kimshospitals.com
8. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same.

Explanatory Statement (Pursuant to Section 102(1) of the Companies Act, 2013)

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No's. 4 to 7 of the accompanying Notice dated 03.07.2019.

Item No. 4

The Company may be required to make loan(s) including loan represented by way of Book Debt (the "loan") to and/or give guarantee(s) and/or provide security(ies) in connection with any loan, taken/ to be taken by Kurnool Rainbow Hospitals Private Limited, Subsidiary Company. The said loan(s)/guarantee(s)/security (ies) are utilized or shall be utilized by the subsidiary for their principal business activities and the matters connected and incidental thereto.

The Subsidiary entity is covered under the sub-section 2 of the Section 185 of Companies Act, 2013 and hence consent of the members is being sought by way of a special resolution pursuant to Section 185 of the Companies Act, 2013 (as amended by the Companies (Amendment) Act, 2017) for making of loan(s) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any loan taken/ to

be taken by Kurnool Rainbow Hospitals Private Limited, subsidiary Company for an aggregate amount not exceeding Rs. 90 Crores (i.e. Rs. Ninety Crores) as set out in the resolution at item no. 4 and necessary delegation of authority to the Board for this purpose. Your Directors recommend the resolution set out at Item no. 4 to be passed as a special resolution by the members.

Following are the brief particulars of Loan given or guarantee given or security provided and approval of the further limits for the proposed loans/guarantees/securities by your Company to Kurnool Rainbow Hospitals Private Limited, subsidiary company.

Name of the Subsidiary Company	Particulars of loans, guarantee security provided/to be provided.	Purpose
Kurnool Rainbow Hospitals Private Limited.	Rs. 90 Crores.	For principle business activities of subsidiary company.

Except Dr. B. Abhinay, Common Director, no other director or KMP are in anyway interested or concerned financially or otherwise.

Item No. 5

The company from time to time has made equity investments, provided loans & advances and giving guarantees to the companies/body corporates. As part of its expansion plans, the Company may have to make further investments, provide loans and give guarantees in excess of limits specified under section 186 of the Companies Act 2013. Hence, the Company requires approval from the shareholders in a general meeting.

Pursuant to Section 186(2) of the Companies Act 2013, no company shall give any loan, guarantee or invest in any body corporate exceeding 60% of paid-up share capital, free reserves and securities premium account or 100% of free reserves and securities premium account, whichever is more.

Pursuant to Rule 13 of the Companies (meetings of board and its powers) rules 2014, where the aggregate of the loans and investments so far made, the amount for which guarantee or security so far provided to or all other bodies corporate along with the investment, loan, guarantee or security proposed to be made or given by the board, exceed the limits specified under section 186, no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorized by as special resolution passed in a general meeting.

Calculation of the limits as per section 186 of Companies Act 2013

Particulars	INR in Crores As on 31.03.2019
Paid up Share capital	74.49
Retained Earnings	(329.21)
Securities Premium	752.58
Adjustment Reserve	5.76
Total of above - A	503.62
Retained Earnings	(329.21)
Securities Premium	752.58
Adjustment Reserve	5.76
Total of above - B	429.13
60% of A above	302.17
100% of B above	429.13

Since the approval is for Rs. 900 crores which is over and above the limit of Rs.429.13 crores, the Company requires approval from the shareholders in a general meeting.

The Board recommends the special resolution set out at item No. 5 of the Notice for approval by the Members.

None of the directors, key managerial personnel are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

Item No 6

Shangrila Infracon India Private Limited, and Bollineni Ramanaiah Memorial Hospitals Private Limited, companies in which Dr. B. Bhaskar Rao, is one of the promoter has availed a loan of Rs. 30 Crore (Shangrilla facility) and Rs. 77 Crore (BRMH facility) respectively from Avendus Finance Private Limited. Bollineni Ramanaiah Memorial Hospitals Private Limited further issued debentures of Rs. 7 crore to Avendus Structured Credit Fund I, represented through Vistra ITCL (India) Limited (BRMH Facility).

One of the conditions of the Shangrila Facility and the BRMH Facility (cumulatively the "Secured Facilities") is that the obligations of the relevant Borrowers shall be secured by exclusive pari passu pledge over 13% (thirteen percent) of the equity shares of the Krishna Institute of Medical Sciences Limited (Company) on a fully diluted basis, (amounting to 96,83,642 (Ninety Six Lakhs Eighty Three Thousand and Six Hundred and Forty Two) equity shares of the Company and Dr. B. Bhaskar Rao has pledged his 96,83,642 Equity Shares of the company.

In order to secure the rights of Avendus Finance Private Limited pursuant to pledge of 13% equity shares by Dr. B. Bhaskar Rao, there is a requirement for amendment to the Article 101 of the Articles of Association of the Company.

Except Dr. B. Bhaskar Rao and Dr. B. Abhinay none of the directors or key managerial personnel of the Company, are in any way, concerned or interested, financially or otherwise, in the resolution set out at in the notice.

The board of directors of the Company recommends the special resolution set out in this notice for approval by the members.

Item No 7

The Board of Directors, approved the re-appointment of M/s. Sagar & Associates Cost Accountants as the Cost Auditors of the Company for the financial year 2019-20 at fees of Rs. 5,00,000/-, exclusive of applicable taxes.

In accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 ("the Act"), the remuneration so payable to the Cost Auditors is required to be ratified by the Shareholders of the Company.

None of the directors/key managerial personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, directly or indirectly in the proposed resolution.

The resolution as set out in items no. 7 of this Notice is accordingly re-commended for your approval.

<p>Date: 03.07.2019 Place: Secunderabad</p>	<p>By the order of the Board of Directors of Krishna Institute of Medical Sciences Ltd</p> <p style="text-align: right;">Sd/- Uma Shankar Mantha Company Secretary</p>
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DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 17th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2019.

1. Financial Summary of the Company

Particulars	Standalone Rs. In Million		Consolidated Rs. In Million	
	2018-19	2017-18	2018-19	2017-18
Total Revenue	7133.86	6313.52	9237.37	6980.23
Profit/(Loss) Before Interest and Depreciation	609.26	641.14	812.81	1007.88
Less: Finance Cost	333.79	827.88	407.96	830.80
Less: Depreciation and amortization expenses	409.70	381.07	521.38	396.54
Profit/ (Loss) before Tax	(134.23)	(567.81)	(116.53)	(219.46)
Less: Income Tax				
- Current Tax	345.55	167.95	386.09	180.84
- Deferred Tax Charge	(43.23)	73.47	(41.54)	74.29
- Tax Pertaining to earlier years	-	3.36	2.15	3.36
Profit/(Loss) After Tax *	(436.55)	(812.59)	(463.23)	(477.95)
Add: Share of Profit / (Loss) in Associate	0.00	0.00	0.00	18.08
Profit/ (Loss) for the year	(436.55)	(812.59)	(463.23)	(459.87)
Add: Other Comprehensive Income	(12.91)	18.11	(12.20)	22.55
Total Comprehensive Income	(449.46)	(794.48)	(475.43)	(437.32)

* During the year, the Company has entered into a securities subscription and purchase agreement along with General Atlantic Singapore KH Pte. Ltd ("new investors"), India Advantage Fund ("old investor") and existing shareholders through which new investors have purchased few shares from the existing shareholders and entire shares from the old investors. However, during the current financial year, Profit and Loss account is impacted by Rs. 991.28 million due to the provisions as per the terms of the contract with certain shareholders. The terms of the contract with the new investors had resulted in de-recognition of the same.

Excluding the above charge which has reversed during the financial year, company's PAT for FY 2018-19 stands at Rs. 554.73 million for standalone and Rs. 528.05 million for consolidated.

2. Brief description of the Company's working during the year/State of Company's affair

- a. **KIMS Standalone:** During the year under review, your Company achieved total revenue of Rs. 7133.86 million. The total revenue grew by 13% as compared to the previous year. Loss for the year decreased from Rs. 794.48 million to Rs. 449.46 millions.
- b. **KIMS Consolidated:** During the year under review, your Company achieved total revenue of Rs. 9237.37 million. The total revenue grew by 32.34% as compared to the previous year. Loss for the year increased from Rs.437.32 million to Rs.475.43 million.
- c. **Arunodaya Hospitals Pvt. Ltd (Subsidiary Company):** has recorded the total revenue of Rs.364.46 million during the financial year 2018-19.
- d. **KIMS Hospital Enterprises Pvt. Ltd (Subsidiary Company):** has recorded the total revenue of Rs.1184.71 million during the financial year 2018-19.
- e. **Iconkrishi Institute of Medical Sciences Private Limited (Subsidiary Company):** During the year your company has acquired 51% equity stake. The subsidiary company has recorded a total revenue of Rs. 360.80 million during the financial year 2018-19.

- f. **Saveera Institute of Medical Sciences Private Limited (Subsidiary Company):** During the year your company has acquired 80% equity stake. The subsidiary company has recorded a total revenue of Rs. 229.36 million during the financial year 2018-19.
- g. **KIMS Hospitals Pvt. Ltd., KIMS Swastha Private Limited, KIMS Cuddles Pvt Ltd and KIMS Hospital (Bhubaneswar) Private Limited:** are the subsidiaries of your Company, which are still under the process of setting up its infrastructure to run the hospital.
- h. **KIMS Sahariah Healthcare Private Limited (Subsidiary Company):** As there was no business in the Company, the Board had decided to close the company in its meeting held on 18.01.2019 through Fast Track Exit Route. The subsidiary company has filed the application under the Fast Track Exit Route scheme with the Ministry of Corporate Affairs and the said company has been struck off from the Registrar of Companies.

3. Change in the nature of business, if any

There was no change in the nature of Business during the year.

4. Dividend

Keeping in view the expansion plans of the Company and upgrading the available facilities at the Hospital, the Board has not recommended any dividend this year.

5. Transfer of Reserves

The Company has recorded a Net loss of Rs. 449.46 million (Standalone) for the period 2018-19 and the same was transferred to the head of Other Equity.

6. Share Capital

There was no change in Authorized Share Capital of the Company during the Financial Year 2018-19.

The paid up share capital as on 31st March 2019 is Rs. 74,48,95,520/-. During the period under review the company has made one allotment in the Financial Year 2018-19. The details of which are as follows:

Your Company has issued 28,64,956 equity shares on private placement basis u/s, 42 & 62 of Companies Act, 2013 on 20.06.2018. The company has not issued shares with differential voting rights or granted stock option nor sweat equity shares.

7. Directors and Key Managerial Personnel

Composition of the Board: The Board of Directors ("**the Board**") of the Company consists of an optimal combination of Executive, Non-Executive and Independent Directors which represent a mix of professionalism, knowledge and experience.

The Board brings in the guidance, leadership and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to the ethics, transparency and disclosure norms.

As on date of this report, the Board comprises of 7 (Seven) Directors, of whom, 3 (Three) are Executive Director and 4 (Four) are Non-Executive Directors. Amongst the Non-Executive Directors, 2 (Two) are Independent Directors and 2 (Two) are Investor Directors. The Non-Executive Directors bring an external and wider perspective in Board's deliberations and decisions. The size and composition of the Board conforms to the requirements of the Companies Act, 2013.

Composition of the Board of Directors

Name of Director	Designation
Dr. B. Bhaskar Rao	Managing Director
Ms. D. Anitha	Whole-time Director
Dr. Abhinay Bollineni	Director & CEO
Mr. G. Rajeswara Rao	Independent Director
Ms. Jyothi Prasad	Independent Director
Mr. Sandeep Achyut Naik	Investor Director
Mr. Shantanu Rastogi	Investor Director

Independent Directors

Your Independent Directors fulfill all the conditions for being Independent to the Company, as stipulated under the Companies Act, 2013. All Independent Directors have given the declaration that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act 2013, the Key Managerial Personnel of the Company are Dr. B. Bhaskar Rao, Managing Director, Dr. Abhinay Bollineni, Director & CEO, Mr. Vikas Maheshwari, Chief Financial Officer and Mr. Uma Shankar Mantha, Company Secretary.

Change in Directors during the year

During the year there were following Changes in Directors

S.No	Name of Director	Date of Appointment	Type of Director
1	Mr. Sandeep Achyut Naik	20.06.2018	Investor Director
2	Mr. Shantanu Rastogi	20.06.2018	Investor Director
3	Mr. Abhinay Bollineni	18.01.2019	Executive Director
S.No	Name of Director	Date of Resignation	Type of Director
1	Mr. Sanjeev Sehrawat	20.06.2018	Investor Director
2	Mr. K. Padmanabhaiah	20.06.2018	Independent Director
3	Mr. Krishnaiah Bollineni	18.01.2019	Non- Executive Chairman
S.No	Name of Director	Expiry of Term	Type of Director
1	Mr. Amitabha Guha	24.01.2019	Independent Director

8. Board Functioning & Meetings

Your Company's Board plays a pivotal role in ensuring good governance. In accordance with Companies Act, 2013, the Board meets at least once in every quarter and if required, additional meetings are held.

During the year ended March 31, 2019, Seven (7) Board Meetings were held:

(i) April 12, 2018 (ii) June 14, 2018 (iii) June 20, 2018 (iv) August 31, 2018 (v) December 20, 2018 (vi) January 18, 2019 (vii) March 28, 2019.

9. Committees of the Board

In terms of the provisions of the Companies Act, 2013, your Company has re-constituted the following Board level committees:

- (a) Audit and Risk Management Committee;
- (b) Nomination and Remuneration Committee;
- (c) Corporate Social Responsibility Committee.

Following is the composition of the committees as on the date of this Report:

Audit and Risk Management Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
Ms. Jyothi Prasad Mr. G. Rajeswara Rao Mr. Shantanu Rastogi	Mr. G. Rajeswara Rao Ms. Jyothi Prasad Mr. Sandeep Achyut Naik	Dr. B. Bhaskar Rao Dr. Abhinay Bollineni Mr. G. Rajeswara Rao

10. Nomination and Remuneration Policy

The Board on the recommendation of the Nomination & Remuneration Committee approved a policy for selection and appointment of Directors, Senior Management and for determining their remuneration.

11. Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is annexed herewith as **ANNEXURE - I**.

12. Details of Subsidiary/Joint Ventures/Associate Companies

The information on subsidiaries/Joint Ventures/Associate Companies pursuant to Section 129(3) of the Act read with rule 5 of the Companies (Accounts) Rules, 2014 is annexed herewith as **ANNEXURE - II** in Form AOC - 1.

13. Particulars of contracts or arrangements with related parties.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 were on arm's length basis. All the details regarding the contracts and arrangements entered with related parties is annexed herewith as **ANNEXURE - III** in Form AOC - 2

14. Auditors

The term of office of M/s. BSR & Associates LLP (having Registration Number: 116231W/W-100024), Chartered Accountants, shall expire upon the conclusion of this Annual General Meeting. Therefore your Directors are recommending S. R. Batliboi & Associates LLP (having Registration Number: 101049W/E300004) Chartered Accountants as Auditors of the Company for the term of 5 years i. e. from the conclusion of 17th AGM to the conclusion of 22nd AGM as mentioned in the Notice of 17th Annual General Meeting.

15. Disclosure about Cost Audit

As per the Cost Audit Orders, Cost Audit is applicable to your Company for the FY 2019-20. In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sagar & Associates, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2019-20 and submitted their report for board approval.

Your Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

16. Internal Audit & Controls

The Company has appointed M/s. PKF Sridhar & Santhanam as its Internal Auditor for the Fy 2018-19. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment.

Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the operational departments and suitable corrective actions are taken as per their directions on an ongoing basis to improve efficiency in operations.

17. Statutory Auditors Report and Secretarial Auditors Report

The Directors hereby confirm that there are no qualification, reservation or adverse remark made by the statutory auditors of the company or in the secretarial audit report by the practicing company secretary for the year ended 31st March, 2019.

18. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, M/s IKR & Associates Practicing Company Secretary has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as **ANNEXURE - IV** to this report. The report is self-explanatory and do not call for any further comments.

19. Vigil Mechanism

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism policy for directors and employees to report genuine concerns was proposed and approved by the Board of the Directors in the Board meeting held on February 22, 2017. The Audit and Risk Management committee will oversee the vigil mechanism established by the Company and the Chairman of Audit and Risk Management committee shall directly hear grievances of victimization of employees and directors, if any, who use vigil mechanism to report genuine concerns; and the policy is uploaded on the website of the Company at www.kimshospitals.com

20. Risk Assessment and Minimization

The Board of Directors of the Company formed an Audit and Risk Management Committee with a defined roles and responsibilities, which includes evaluation of internal financial controls and risk management systems and report for approval of the Board thereon.

21. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

22. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and companies operations in future

23. Deposits

Your Company has not accepted any deposits from the public covered under Chapter V of the Act, during the year under review.

24. Particulars of loans, guarantees or investments under section 186

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

25. Particulars of Employees

There are no employees in the Company who falls under the purview of Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

26. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

Particulars required under section 134(3) of the Companies Act, 2013 read with Companies (accounts) Rules, 2014 is not applicable as the Company is not energy conservative; however your company is taking necessary steps to save the energy.

b) Foreign exchange earnings and Outgo

During the year, the total foreign exchange earned was Rs. 2,77,21,481 and Rs. 2,05,02,741 were the expenses.

27. Corporate Social Responsibility (CSR)

As per the Provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility (CSR) committee has been formed by the company. The areas for CSR activities are promoting health care including preventive health care, promoting education and enhancing vocation skills to enhance employment opportunities. The Company is required to spend a minimum of Rs. 1,01,37,869 for the purpose of CSR for the year 2018-19. Your Company has spent an amount of Rs. 1,01,40,000 towards CSR activity the details of which are mentioned in the notes to accounts in the Financial Statements. A report on CSR activity is annexed herewith as **ANNEXURE – V** to this report.

28. Human Resources

Your Company treats its “human resources” as one of its most important assets. Your Company continuously invests in attracting, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway.

29. Obligation of company under the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has received Nil complaints

30. Directors’ Responsibility Statement

The Directors’ Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that –

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

32. Acknowledgment

Your Directors place on record their gratitude to the Central Government, State Governments and all other Government agencies for the assistance, co-operation and encouragement they have extended to the Company.

Your Directors also take this opportunity to extend a special thanks to the medical fraternity and patients for their continued cooperation, patronage and trust reposed in the Company. Your Directors also greatly appreciate the commitment and dedication of all the employees at all levels, that has contributed to the growth and success of the Company.

Your Directors also thank all the strategic partners, business associates, Banks, financial institutions and other stakeholders including the shareholders for their assistance, co-operation and encouragement to the Company during the year.

**For and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Ltd**

**Place: Hyderabad
Date: 03.07.2019**

**Sd/-
Dr. B. Bhaskar Rao
Managing Director
(DIN No.00008985)**

**Sd/-
D. Anitha
Wholetime Director
(DIN No. 00025480)**

ANNEXURE INDEX

Annexure	Content
I	Annual Return Extracts in MGT 9
II	AOC-1 Details of Subsidiary/Joint Ventures/Associate Companies
III	AOC-2 Particulars of contracts or arrangements with related parties
IV	MR-3 Secretarial Audit Report
V	Report on CSR Activity

Annexure I

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U55101TG1973PLC040558
2.	Registration Date	26/07/1973
3.	Name of the Company	Krishna Institute of Medical Sciences Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company.
5.	Address of the Registered office & contact details	D.No. 1-8-31/1, Minister's Road, Secunderabad-3, Telangana – 500003
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited. Karvy Selenium, Tower- B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana 500032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Health Care Services	85	100%

III. Particulars of Holding, Subsidiary and Associate Companies

S.No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Arunodaya Hospitals Private Limited, New Bridge Road, Near Datta Temple, PN Colony Junction, Srikakulam, Andhra Pradesh – 532001	U85110AP2008PTC058016	Subsidiary	57.83	2(87)
2	KIMS Hospital Enterprises Private Limited Building No. 1-112/86, Survey No.55/EE, Kondapur Village, Serilingampally Mandal, Hyderabad-500084, Telangana, India	U85191TG2013PTC085793	Subsidiary	50.27	2(87)
3	KIMS Hospitals Private Limited # 78-7-15/1, SSR Plaza, Gandhipuram-3 Near Sri Gowthami School, Danavaipet, Rajahmundry, Andhra Pradesh – 533103	U85110AP2014PTC095812	Subsidiary	100	2(87)
4	KIMS Swastha Private Limited Indore 153, Chhoti Khajrani, A.B.Road, Indore – 452011	U85110MP2015PTC034786	Subsidiary	100	2(87)
5	KIMS Hospital (Bhubaneswar) Private Limited Door No.1-111/55/E, Block-1, 1st Floor, Kondapur, Serilingampally, Hyderabad –500084, Telangana, India.	U85300TG2017PTC115987	Subsidiary	100	2(87)
6	KIMS Cuddles Private Limited Door No.1-111/55/E, Block-2, 1st floor, Kondapur Village, Serilingampally Mandal, Hyderabad – 500084, Telangana, India	U85200TG2016PTC110600	Subsidiary	100	2(87)
7	Iconkrishi Institute of Medical Sciences Private Limited D.No. 32-11-02, Sheelanagar, BHPV Post Visakhapatnam – 530012, Andhra Pradesh, India.	U85110AP2018PTC108133	Subsidiary	51	2(87)
8	Saveera Institute of Medical Sciences Private Limited. D.No:1-1348, Srinagar Colony Extension Opposite to Sakshi Office, Anantapur – 515004, Andhra Pradesh, India.	U85100AP2018PTC109004	Subsidiary	80	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individual/ HUF	3,92,47,192	-	3,92,47,192	54.80	3,42,74,871	-	3,42,74,871	46.01	(8.79)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	3,92,47,192	-	3,92,47,192	54.80	3,42,74,871	-	3,42,74,871	46.01	(8.79)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-					-
b) Banks / FI	-	-	-	-					-
c) Central Govt	-	-	-	-					-
d) State Govt(s)	-	-	-	-					-
e) Venture Capital Funds	2,14,74,864		2,14,74,864	29.98	-	-	-	-	(29.98)
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	3,02,50,115	-	3,02,50,115	40.61	40.61
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(I):-	2,14,74,864		2,14,74,864	29.98	3,02,50,115	-	3,02,50,115	40.61	10.63

2. Non-Institutions																				
a) Bodies Corp.																				
i) Indian	-	1,04,184	1,04,184	0.15															0.14	(0.01)
ii) Overseas	-	-	-	-															-	-
b) Individuals	92,09,548	1,481,848	1,06,91,432	14.93	86,45,446	11,07,976	97,53,422	13.09												(1.84)
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-															-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-															-	-
c) Others (specify) - HUF	1,06,960	-	1,06,960	0.15	1,06,960	-	1,06,960	0.14												(0.01)
Non Resident Indians	-	-	-	-																-
Overseas Corporate Bodies	-	-	-	-																-
Foreign Nationals	-	-	-	-																-
Clearing Members	-	-	-	-																-
Trusts	-	-	-	-																-
Foreign Bodies - D R	-	-	-	-																-
Sub-total (B)(2):-	93,16,508	15,86,032	1,09,02,540	15.22	87,52,406	12,12,160	99,64,566	13.38												1.84
Total Public Shareholding (B)=(1)+(B)(2)	3,07,91,372	15,86,032	3,23,77,404	45.20	39,00,252	12,12,160	4,02,14,681	53.99												(8.79)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-																-
Grand Total (A+B+C)	7,00,38,564	15,86,032	7,16,24,596	100	7,32,77,392	12,12,160	7,44,89,552	100												-

B) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	B Bhaskar Rao	1,97,56,664	27.58	15.88	1,83,04,164	24.57%	9.23	(3.01)
2	B Krishnaiah	1,73,944	0.24	0.02	1,73,944	0.23	0.02	(0.01)
3	Seenaiah Bollineni	53,30,408	7.44	0.34	49,72,308	6.68	0.33	(0.76)
4	B Abhinay	41,520	0.06	0.00	46,549	0.06	-	-
5	Bollineni Ramanaiyah Memorial Hospitals Pvt. Ltd	48,00,632	6.70	0.00	48,00,632	6.44	-	(0.26)
6	Sujatha Bollineni	32,83,136	4.58	0.38	11,34,386	1.52	1.17	(3.41)
7	Bollineni Aishwarya	26,83,272	3.75	0.00	26,83,272	3.60	-	(0.15)
8	Rajyasri Bollineni	31,67,936	4.42	2.96	21,49,936	2.89	2.84	(1.53)
9	Adwik Bollineni	8,128	0.01	0.00	8,128	0.01	-	-
10	Sweata Raavi	1,552	0.00	0.00	1,552	0.00	-	-
	Total	3,92,47,192	54.80	19.58	3,42,74,871	46.01	13.59	

C) Change in Promoters' Shareholding (please specify, if there is no change) –

Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Share holding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
BHASKAR RAO						
At the beginning of the year	1,97,56,664	27.58			1,97,56,664	27.58
Sale to General Atlantic Singapore KH. Pte. Ltd.	(14,56,500)	1.96			1,83,00,164	24.57
Purchase from Naga Chaitanya Nagarakanti	4,000	0.00			1,83,04,164	24.57
At the end of the year	-	-			1,83,04,164	24.57
B KRISHNAIAH						
At the beginning of the year	1,73,944	0.24			1,73,944	0.24
At the end of the year	-	-			1,73,944	0.23*
SEENAIAH BOLLINENI						
At the beginning of the year	53,30,408	7.44			53,30,408	7.44
Sale to General Atlantic Singapore KH. Pte. Ltd	3,58,100	0.48			49,72,308	6.68
At the end of the year					49,72,308	6.68
BABHINAY						
At the beginning of the year	41,520	0.06			41,520	0.06
Purchase from Dr. G. Ravikanth	4029	0.00			45,549	0.06
At the end of the year	-	-			45,549	0.06

C) Change in Promoters' Shareholding (please specify, if there is no change) –

Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Share holding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
BOLLINENI RAMANAIAH MEMORIAL HOSPITALS PVT LTD						
At the beginning of the year	48,00,632	6.70			48,00,632	6.70
At the end of the year					48,00,632	6.44*
SUJATHA BOLLINENI						
At the beginning of the year	32,83,136	4.58			32,83,136	4.58
Sale to General Atlantic Singapore KH. Pte. Ltd	21,48,750	3.06			11,34,386	1.52
At the end of the year	-	-			11,34,386	1.52
BOLLINENI AISHWARYA						
At the beginning of the year	26,83,272	3.75			26,83,272	3.75
At the end of the year	-	-			26,83,272	3.60*
RAJYASRI BOLLINENI						
At the beginning of the year	31,67,936	4.42			31,67,936	4.42
Sale to General Atlantic Singapore KH. Pte. Ltd	10,50,000	1.58			21,17,936	2.84
Purchase from Garipalli Ravikanth	15,000	0.02			21,32,936	2.86
Purchase from Neena Desai	10,000	0.02			21,42,936	2.88
Purchase from Darshan Jayantilal Rathod	2,000	0.00			21,44,936	2.88
Purchase from V. Subhashini	5,000	0.01			21,49,936	2.89
At the end of the year	-	-			21,49,936	2.89
ADWIK BOLLINENI						
At the beginning of the year	8,128	0.01			8,128	0.01
At the end of the year					8,128	0.00*
SWEATA RAAVI						
At the beginning of the year	1,552	0.00			1,552	0.00
At the end of the year					1,552	0.00

* The said change is due to Allotment of Equity Shares to General Atlantic Singapore KH. Pte Ltd on 20.06.2018.

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
GENERAL ATLANTIC SINGAPORE KH. PTE LTD				
At the beginning of the year	-	-	-	-
Preferential Allotment on 20.06.2018	28,64,956	-	28,64,956	3.84
Purchase from Rajendra Kumar Premchand	3,22,936	-	31,87,892	4.28
Purchase from Sahariah Sarbeswar	4,05,425	-	35,93,317	4.82
Purchase from D. Radhika Chowdary	35,000	-	36,28,317	4.87
Purchase from Mohandas Surath	98,584	-	37,26,901	5.00
Purchase from Pyarali Jiواني	35,000	-	37,61,901	5.05
Purchase from Dr. Bhaskar Rao Bollineni	14,56,500	-	52,18,401	7.00
Purchase from Seendaiah Bollineni	3,58,100	-	55,76,501	7.48
Purchase from Rajyasri Bollineni	10,50,000	-	66,26,501	8.90
Purchase from Sujatha Bollineni	21,48,750	-	87,75,251	11.78
Purchase from India Advantage Fund S3 I	1,96,63,728	-	2,84,38,979	38.18
Purchase from Emerging India Fund	18,11,136	-	3,02,50,115	40.61
At the end of the year	-	-	3,02,50,115	40.61
RAJENDRA KUMAR PREMCHAND				
At the beginning of the year	14,58,936	2.04	14,58,936	2.04
Sale to General Atlantic Singapore KH. Pte Ltd	3,22,936	-	11,36,000	1.53
At the end of the year	-	-	11,36,000	1.53
VENKATA KRISHNA KUMAR KODALI				
At the beginning of the year	10,60,560	1.48	10,60,560	1.48
At the end of the year	-	-	10,60,560	1.42*

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
SAHARIAH SARBESWAR				
At the beginning of the year	12,16,280	1.70	12,16,280	1.70
Sale to General Atlantic Singapore KH. Pte Ltd	4,05,425	-	8,10,855	1.09
At the end of the year			8,10,855	1.09
RAGHU RAMA PILLARISETTY				
At the beginning of the year	3,83,288	0.54	3,83,288	0.54
At the end of the year	-	-	3,83,288	0.54
MANAS KUMAR PANIGRAHI				
At the beginning of the year	3,69,491	0.52	3,69,491	0.52
At the end of the year			3,69,491	0.50*
SUSHRUT				
At the beginning of the year	3,50,736	0.49	3,50,736	0.49
At the end of the year			3,50,736	0.47*
T. GIRI NAIDU				
At the beginning of the year	4,32,552	0.60	4,32,552	0.60
Sale to Nandakishore Dukkupati	1,00,225	-	3,32,327	0.45
At the end of the year	-	-	3,32,327	0.45
SITARAM PRASAD GOGINENI				
At the beginning of the year	2,81,202	0.39	2,81,202	0.39
At the end of the year	-	-	2,81,202	0.38*
N S RAMA RAJU				
At the beginning of the year	198,488	0.28	198,488	0.28
			198,488	0.27*

* The said change is due to Allotment of Equity Shares to General Atlantic Singapore KH. Pte Ltd on 20.06.2018.

E) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Share holding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
BHASKAR RAO						
At the beginning of the year	1,97,56,664	27.58			1,97,56,664	27.58
Sale to General Atlantic Singapore KH. Pte. Ltd.	(14,56,500)	1.96			1,83,00,164	24.57
Purchase from Naga Chaitanya Nagarakanti	4,000	0.00			1,83,04,164	24.57
At the end of the year	-	-			1,83,04,164	24.57
VIKAS MAHESHWARI						
At the beginning of the year	-	-			-	-
Purchase from Sarath Babu Devarakonda	4,000	-			4,000	0.005
Purchase from Kuraparthi Sambasivaiah	2,500	-			6,500	0.008
At the end of the year					6,500	0.008
UMA SHANKAR MANTHA						
At the beginning of the year	-	-			-	-
Purchase from Sarath Babu Devarakonda	1,000	-			1,000	0.001
At the end of the year					1,000	0.001

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,601,560,672.41	4,055,716,399.15	-	6,657,277,071.56
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	2,630,174.00	-	-	2,630,174.00
Total (i+ii+iii)	2,604,190,846.41	4,055,716,399.15	-	6,659,907,245.56
Change in Indebtedness during the financial year				
* Addition	642,931,811.00	-	-	642,931,811.00
* Reduction	1,398,354,028.49	4,031,339,531.38	-	5,429,693,559.87
Net Change	755,422,217.49	4,031,339,531.38	-	4,876,761,748.87
Indebtedness at the end of the financial year				
i) Principal Amount	1,848,768,628.92	24,376,867.77	-	1,871,854,106.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,291,390.00	-	-	1,291,390.00
Total (i+ii+iii)	1,848,768,628.92	24,376,867.77	-	1,873,146,496.69

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

In Rs million per Annum

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1	Gross salary	Dr. B. Bhaskar Rao	Ms. D. Anitha	Dr. Abhinay Bollineni	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.00	3.00	5.35	32.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	24.00	3.00	5.35	32.35
	Ceiling as per the Act	-	-	-	-

B. Remuneration to other Directors

In Rs million per Annum

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Ms. Jyothi Prasad	Mr. Rajeswara Rao			
1	Independent Directors					
	Fee for attending board committee meetings	0.38	0.47			0.85
	Commission	-	-			
	Others, please specify	-	-			
	Total (1)	0.38	0.47			0.85 per
2	Other Non-Executive Directors	Mr. B. Krishnaiah	-	-	-	
	Fee for attending board committee meetings	0.29	-	-	-	0.29
	Commission					
	Others, please specify					
	Total (2)	0.29				0.29
	Total (B)=(1+2)					1.14
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

In Rs million

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Uma Shankar Mantha CS	Vikas Maheshwari CFO	Total
1	Gross salary	-	1.78	6.57	8.35
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	Nil	1.78	6.57	8.35

VII. Penalties / Punishment/ Compounding Of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Ltd

Sd/-	Sd/-
Dr. B. Bhaskar Rao Managing Director (DIN No.00008985)	D. Anitha Wholesale Director (DIN No. 00025480)

Place: Hyderabad
Date: 03.07.2019

Annexure - II

Form No. AOC - 1

(Pursuant to the first provision to sub-section 3 of Section 129, read with Rule 5 of Companies (Accounts) Rules, 2014); Salient Features of Financial Statements of Subsidiary/associate companies/joint ventures as per Companies Act, 2013

Part "A": Subsidiaries

Amount in Rs million

1.	Name of Subsidiary	Arunodaya Hospitals Pvt. Ltd.	KIMS Hospital Enterprises Pvt. Ltd.	Iconkrishi Institute of Medical Sciences Pvt. Ltd.	Saveera Institute of Medical Sciences Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
4.	Share Capital	20.27	245.45	100.10	290.10
5.	Other Equity	170.39	120.85	(67.62)	(15.42)
6.	Total Assets	278.39	841.93	341.98	987.75
7.	Total Liabilities	87.73	475.63	309.50	713.07
8.	Investments	0.00	0.00	0.00	0.00
9.	Turnover	364.46	1184.71	360.80	229.36
10.	Profit/(Loss) Before Taxation	50.04	123.86	(98.10)	(46.23)
11.	Provision for Tax Expenses	15.93	68.07	(27.10)	(12.86)
12.	Profit after Taxation	34.11	55.79	(71.00)	(33.37)
13.	Proposed Dividend	0.00	0.00	0.00	0.00
14.	% of Shareholding	57.83%	50.27%	51.00%	80.00%

Additional Information:

1.	Names of subsidiaries which are yet to commence operations	1.KIMS Hospitals Pvt. Ltd. 2.KIMS Swastha Pvt. Ltd 3. KIMS Cuddles Private Limited 4. KIMS Hospital (Bhubaneswar) Private Limited
2.	Names of subsidiaries which have been liquidated or sold during the year.	NIL

Part "B": Associates/Joint Ventures - Nil

1.	Name of Associates	
2.	Latest audited Balance Sheet Date	
3.	Shares of Associate/Joint Ventures held by the company on the year end	
4.	Amount of Investment in Associates/Joint Venture	
5.	Extend of Holding %	
6.	Description of how there is significant influence	
7.	Reason why the associate/joint venture is not consolidated	
8.	Net worth attributable to Shareholding as per latest audited balance sheet	
9.	Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

Additional Information:

1.	Names of associates or joint ventures which are yet to commence operations	Nil
2.	Names of associates or joint ventures which have been liquidated or sold during the year	Nil

**For and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Ltd**

**Place: Hyderabad
Date: 03.07.2019**

**Sd/-
Dr. B. Bhaskar Rao
Managing Director
(DIN No.00008985)**

**Sd/-
D. Anitha
Wholetime Director
(DIN No. 00025480)**

Annexure - III

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.- NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

S.No	Related Parties	Nature of Transaction	Amount in Rs. Millions
1	Dr. B. Bhaskar Rao	Office or Place of Profit In The Company	18.00
2	Dr. Sweata Raavi		1.80
2	Vikas Maheswari		6.57
4	Uma Shankar Mantha		1.78
5	Dr. B. Bhaskar Rao	Leasing of property of any kind;	0.10
6	KIMS Hospitals Enterprises Pvt. Ltd.	Sale, Purchase or supply of any goods or material	10.90
7	Arunodaya Hospitals Pvt Ltd		0.11

ANNEXURE – IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members of,
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
D.No.1-8-31/1,Minister's Road,
Secunderabad – 500003, Telangana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Krishna Institute of Medical Sciences Limited (hereinafter called the 'Company') for the financial year ended on 31st March, 2019 (the 'Audit Period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and based on the Management representations and undertakings, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit year ended on 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under read with the Companies (Amendment) Act, 2017;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to Board Meetings and General Meetings.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company;

- (a) The Indian Medical Council Act, 1956
- (b) Clinical Establishments (Registration and Regulation) Act, 2010
- (c) Drugs and Cosmetics Act, 1940
- (d) Biomedical Waste Management Handling Rules, 2016
- (e) The Medical Termination Of Pregnancy Act, 1971
- (f) Pre-natal Diagnostic Techniques Act, 1994
- (g) Transplantation of Human Organ Act, 1994
- (h) The Pharmacy Act, 1961
- (i) Atomic Energy Act, 1962

- (j) Food Safety and Standards Act, 2006
- (k) Indian Boilers Act, 1923

We further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and few meeting at short notice complying the Secretarial Standard (SS-1) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. Decisions at the meetings of the Board of Directors of the Company and its committees thereof were carried through on the basis of majority. There were no dissenting views by any members of the Board of Directors during the audit period.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have been verified on limited review basis in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that the compliance by the Company of applicable Medical laws which are applicable specifically to the hospital industry and maintenance its records have been verified on limited review basis in this audit since the same have been subject to review by other designated professionals engaged by the Company.

We further report that during the audit period there were following specific events/actions having a major bearing on company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.,

- The Company has entered into a securities subscription and purchase agreement along with General Atlantic Singapore KH Pte Ltd ("new investors"), India Investor Fund ("old investor") and existing shareholders through which new investors have purchased few shares from the existing shareholders and entire shares from the old investors.

Further, the Company has issued and allotted 2,864,956 fully paid up Equity shares of Rs.10/- each at a premium of Rs. 297.16/- per share to General Atlantic Singapore KH Pte. Ltd ("new investor") on 20th June, 2018.

- The Company has withdrawn the Draft Red Herring Prospectus ("DRHP") dated December 11, 2017 filed with the Securities and Exchange Board of India ("SEBI") considering the prevailing market conditions and in the interest of pursuing alternate strategies for its future plans.
- The Company has entered into a securities subscription and purchase agreement with Iconkrishi Institute of Medical Sciences Private Limited ("Investee Company") and its shareholders through which the Company has purchased 51% stake in the Investee Company and became a Holding Company of Investee Company.

- The Company has entered into a securities subscription and purchase agreement with Saveera Institute of Medical Sciences Private Limited ("Investee Company") and its shareholders through which the Company has purchased 80% stake in the Investee Company and became a Holding Company of Investee Company.

For **IKR & Associates**
Company Secretaries
[Firm Regn. No. S2016TL372100]

Sd/-
Krishna Rao Inturi
Proprietor
ACS No.23071 , CP No.10486

Place: Hyderabad
Date: 03.07.2019

To,
The Members of,
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
D.No.1-8-31/1,Minister's Road,
Secunderabad – 500003, Telangana

Our Secretarial Audit Report of even date is to be read along with this letter and further that:

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Krishna Institute of Medical Sciences Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the Audit Practices and Processes as were appropriate to obtain reasonable assurance about the correctness of contents of Secretarial Records and the verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management of the Company has conducted affairs of the Company.

For **IKR & Associates**
Company Secretaries
[Firm Regn. No. S2016TL372100]

Sd/-
Krishna Rao Inturi
Proprietor
ACS No.23071 , CP No.10486

Place: Hyderabad
Date: 03.07.2019

Annexure – VI

Report on CSR Activities

- (1) **(a) A Brief outline of the Company's CSR policy:** KIMS CSR policy intends to embrace responsibility for the company's action and encourage a positive impact through its activities on education, clean environmental living, genetic research and new drug discovery initiatives, in primary and secondary health-care.
- (b) **Overview of projects or programs proposed to be undertaken:** KIMS contributes its designated CSR funds primarily to the medical research and other government proposed programs such as Swach Bharath programs etc.,
- (2) **As on the date of this report, the Composition of the CSR Committee:**
 - Dr. B. Bhaskar Rao
 - Dr. Abhinay Bollineni
 - Mr. G. Rajeswara Rao
- (3) **Average net profits of the Company for the last three financial years: Rs. 50,68,93,471**
- (4) **Prescribed CSR Expenditure (two percent of the amount as in item 3 above) is Rs.1,01,37,869**

(5) Details of CSR Spent during the year:

(1) Sl. No	(2) CSR Project Or Activity Identified	(3) Sector in which the project is covered	(4) Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency *
1	Medical Research	Promoting preventive healthcare	Telangana	-	An amount of Rs. 1,01,40,000 was given to KIMS Foundation and Research Centre, registered trust for the purpose of medical research.	1,01,40,000	*Spent through implementing agencies.
Total						1,01,40,000	

* Implementing agency is KIMS Foundation and Research Center a registered Trust under the Indian Trust Act 1882.

STANDALONE FINANCIALS

INDEPENDENT AUDITOR'S REPORT

To the Members of Krishna Institute of Medical Sciences Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this report.

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 2.25 (a) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 2.40 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Sd/-

Sulabh Kumar Kedia

Partner

Membership No.: 066380

UDIN: 19066380AAAAA06513

Place: Hyderabad

Date: 03 July 2019

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of Krishna Institute of Medical Sciences Limited for the year ended 31 March 2019

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of Independent Auditors' report to the Members of Krishna Institute of Medical Sciences Limited, ('the Company') on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. In accordance with the aforesaid programme, Management has verified certain assets during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (Freehold Land, Leasehold Land and Buildings), as disclosed in the note 2.1 (a) to the standalone financial statements, are held in the name of the Company.
- (ii) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has granted unsecured loans to four companies covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - (b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the same is not due as on balance sheet date.
 - (c) In respect of the aforesaid loans, there are no amounts which are overdue for more than ninety days.

The Company has not granted loans to firms, limited liability partnerships or other parties covered in the register mentioned under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loan given, investments made, securities and guarantees provided by it.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions of paragraph 3(v) of the said Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of medical and healthcare services pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under Section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including, Provident fund, Employees' State Insurance, Income-tax, Goods and Service tax, Duty of Customs, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there has been slight delays in few cases. As explained to us, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Duty of customs, Goods and Service tax and any other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable

- (b) According to the information and explanations given to us, there are no dues of Income tax, Goods and Service tax and Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Value added tax, Luxury tax and Service tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount disputed (INR)	Amount paid under protest (INR)	Period to which the amount relates	Forum where dispute is pending
The Andhra Pradesh tax on luxuries Act, 1987	Luxury tax*	16,140,468	7,993,480	2004-07	Honorable High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
The Andhra Pradesh tax on luxuries Act, 1987	Luxury tax*	25,877,242	13,674,582	2007-09	Sales Tax Appellate Tribunal, Hyderabad
The Andhra Pradesh tax Luxuries Act, 1987	Penalty on Luxury tax*	14,101,865	2,115,280	2008-09	Appellate Deputy Commissioner, Hyderabad
The Andhra Pradesh tax Luxuries Act, 1987	Luxury tax*	26,145,631	15,687,379	2009-11	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Value added tax	1,758,116	1,098,823	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Service tax and penalty*	31,628,610	8,899,928	July 2010 to April 2011	CESTAT, Bangalore

* Interest will be levied separately as applicable.

As explained to us, the Company did not have any dues on account of Duty of Excise and Sales tax

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution. The Company did not have any dues to Government, nor has it issued any debentures as at the balance sheet date.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company and applied during the year were for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the said Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company has made a private placement of shares during the year under audit, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.

According to the information and explanations given to us, the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the said Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company and applied during the year were for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order is not applicable to the Company.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3 (xvi) of the said Order is not applicable to the Company.

For **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Sd/-

Sulabh Kumar Kedia

Partner

Membership No.: 066380

UDIN: 19066380AAAAA06513

Place: Hyderabad

Date: 03 July 2019

Annexure B to the Independent Auditors' Report on the Standalone Financial Statements of Krishna Institute of Medical Sciences Limited for the year ended 31 March 2019

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

Referred to in paragraph 1(A) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Krishna Institute of Medical Sciences Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Sd/-

Sulabh Kumar Kedia

Partner

Membership No.: 066380

UDIN: 19066380AAAAA06513

Place: Hyderabad

Date: 03 July 2019

Standalone balance sheet

INR in millions

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.1 (a)	5,640.01	5,743.61
Capital work-in-progress	2.1 (a)	2.32	-
Intangible assets	2.1 (b)	27.93	13.33
Financial assets			
(i) Investments	2.2	796.21	314.90
(ii) Loans	2.3 (a)	21.45	20.28
(iii) Other financial assets	2.4 (a)	7.32	11.26
Non-current tax assets (net)	2.9	200.22	200.21
Other non-current assets	2.5	278.28	88.80
Total non-current assets		6,973.74	6,392.39
Current assets			
Inventories	2.6	189.67	162.83
Financial assets			
(i) Trade receivables	2.7	1,000.30	960.10
(ii) Cash and cash equivalents	2.8 (a)	62.59	85.02
(iii) Bank balances other than (ii) above	2.8 (b)	21.11	3.26
(iv) Loans	2.3 (b)	215.46	139.55
(v) Other financial assets	2.4 (b)	87.56	137.08
Other current assets	2.10	17.66	13.81
Total current assets		1,594.35	1,501.65
Total assets		8,568.09	7,894.04
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.11	744.90	501.50
Other equity		4,294.38	(2,492.08)
Total equity		5,039.28	(1,990.58)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.12	1,523.72	2,140.33
(ii) Other financial liabilities	2.13 (a)	0.09	0.09
Provisions	2.14	128.81	86.92
Other liabilities	2.18 (a)	25.87	9.42
Deferred tax liabilities (net)	2.37	420.91	471.08
Total non-current liabilities		2,099.40	2,707.84
Current liabilities			
Financial liabilities			
(i) Borrowings	2.15	85.39	265.71
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.16	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises"	2.16	736.71	787.85
(iii) Other financial liabilities	2.13 (b)	387.35	6,000.65
Provisions	2.17	13.85	6.41
Other current liabilities	2.18 (b)	110.84	116.16
Current tax liability, net		95.27	-
Total current liabilities		1,429.41	7,176.78
Total equity and liabilities		8,568.09	7,894.04

Significant accounting policies 1.3
Notes to the standalone financial statements 2
The accompanying notes form an integral part of the standalone financial statements.
As per our Report on standalone financial statements of even date attached

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

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAA06513

Place: Hyderabad
Date: 03 July 2019

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

Sd/-
Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: 03 July 2019

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Uma Shankar Mantha
Company Secretary

Standalone statement of profit and loss

INR in millions

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	2.19	7,069.13	6,282.39
Other income	2.20	64.73	31.13
Total revenue		7,133.86	6,313.52
Expenses			
Medical consumables and pharmacy items consumed	2.21	1,643.78	1,521.02
Employee benefits expense	2.22	1,269.10	1,149.55
Finance costs	2.23	333.79	827.88
Depreciation and amortisation expense	2.1	409.70	381.07
Other expenses	2.24	3,611.72	3,001.81
Total expenses		7,268.09	6,881.33
Profit / (loss) before tax		(134.23)	(567.81)
Tax expense			
- Current tax	2.37	345.55	167.95
- Deferred tax charge	2.37	(43.23)	73.47
- Tax pertaining to earlier years	2.37	-	3.36
Total expense		302.32	244.78
Loss for the year (A)		(436.55)	(812.59)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Remeasurement of defined benefit plans		(19.85)	27.84
- Income-tax relating to these items		6.94	(9.73)
Other comprehensive income, net of tax (B)		(12.91)	18.11
Total comprehensive income for the year (A+B)		(449.46)	(794.48)
Earnings per share (face value of share INR 10 each)	2.30		
- Basic		(6.31)	(16.20)
- Diluted		(6.31)	(16.20)
Significant accounting policies Notes to the standalone financial statements The accompanying notes form an integral part of the standalone financial statements. As per our Report on standalone financial statements of even date attached for B S R & Associates LLP Chartered Accountants ICAI Firm Registration No.: 116231W/W-100024 Sd/- Sulabh Kumar Kedia Partner Membership No.: 066380 UDIN: 19066380AAAAAO6513 Place: Hyderabad Date: 03 July 2019			
1.3 2 for and on behalf of the Board of Directors of Krishna Institute of Medical Sciences Limited CIN: U55101TG1973PLC040558 Sd/- Dr. B. Bhaskar Rao Managing Director DIN: 00008985 Sd/- Vikas Maheshwari Chief Financial Officer Place: Hyderabad Date: 03 July 2019			
Sd/- D Anitha Director DIN: 00025480 Sd/- Uma Shankar Mantha Company Secretary			

Standalone statement of cash flows

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
I. Cash flows from operating activities:		
Profit / (loss) before tax	(134.23)	(567.81)
Adjustments for operating activities:		
Depreciation and amortisation expenses	409.70	381.07
Loss on sale of property, plant and equipment	1.52	-
Provision for impairment of receivables	155.84	(13.21)
Trade receivables written off	41.56	-
Guarantee commission income	(2.91)	(1.71)
Lease income	(1.95)	(2.42)
Interest income	(25.27)	(11.59)
Liabilities no longer required written back	(16.62)	-
Interest on income tax refund	-	(0.85)
Changes in fair value of financial instrument	871.27	702.87
Interest expense	333.79	827.88
Operating cash flows before working capital changes	1,632.70	1,314.23
Adjustments for:		
Increase in trade receivables	(237.60)	(186.18)
Increase in inventories	(26.84)	(9.81)
Increase in loans and other assets	(89.66)	(64.50)
Increase / (decrease) in liabilities and provisions	(12.30)	103.86
Cash provided by operations	1,266.30	1,157.60
Income taxes paid, net	(250.29)	(215.18)
Net cash provided by operating activities (A)	1,016.01	942.42
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(460.99)	(462.93)
Proceeds from sale of property, plant and equipment	2.06	16.17
Investment in subsidiaries	(459.98)	(80.00)
Redemption of bank deposits (having original maturity of more than three months)	2.54	-
Bank deposits (having original maturity of more than three months)	(17.84)	(2.01)
Lease income received	1.95	2.42
Interest received	15.46	6.01
Net cash used in investing activities (B)	(916.80)	(520.34)
III. Cash flows from financing activities*		
Repayment of long-term borrowings	(1,250.32)	(1,873.57)
Proceeds from long-term borrowings	642.93	1,583.47
Repayment of short-term borrowings (net)	(180.32)	161.22
Payment of finance lease obligations	(10.52)	(3.63)
Proceeds from issue of shares	880.00	-
Proceeds from issue of share warrants	3.10	-
Interest paid	(206.51)	(284.59)
Net cash used in financing activities (C)	(121.64)	(417.10)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(22.43)	4.98
Cash and cash equivalents at the beginning of the year	85.02	80.04
Cash and cash equivalents at the end of the year [refer note 2.8 (a)]	62.59	85.02
Note:		
Components of cash and cash equivalents		
Cash on hand	8.83	7.11
Balances with banks		
- On current accounts	53.76	77.91
Total	62.59	85.02

*** Changes in liabilities arising from financing activities**

Particulars	As at 01 April 2018	Cash flow changes	Non-cash changes (net) (Refer note 1 below)	As at 31 March 2019
Long-term borrowings	6,391.58	(617.91)	(3,987.21)	1,786.46
Short-term borrowings	265.71	(180.32)	-	85.39

Note 1: Includes INR 3,995.81 million towards conversion of financial liability into equity (fair value changes) and INR 8.61 million towards amortisation cost. The notes referred above form an integral part of the standalone financial statements.

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

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAO6513

Place: Hyderabad
Date: 03 July 2019

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

Sd/-
Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
Vikas Maheshwari
Chief Financial Officer
Place: Hyderabad
Date: 03 July 2019

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Uma Shankar Mantha
Company Secretary

Standalone statement of changes in equity

INR in millions

Particulars	Equity share capital	Other equity				Total of other equity
		Reserve and surplus			Share warrants	
		Securities premium	Adjustment reserve	Retained earnings		
Balance as at 1 April 2018	501.50	292.98	57.64	(2,842.70)	-	(2,492.08)
Loss for the year	-	-	-	(436.55)	-	(436.55)
Issue of shares	28.65	851.35	-	-	-	851.35
Issue of share warrants	-	-	-	-	3.10	3.10
Conversion of financial liability into equity	214.75	6,381.47	-	-	-	6,381.47
Re-measurement of net defined benefit liability (net of tax)	-	-	-	(12.91)	-	(12.91)
Balance as at 31 March 2019	744.90	7,525.80	57.64	(3,292.16)	3.10	4,294.38

Particulars	Equity share capital	Other equity				Total of other equity
		Reserve and surplus			Share warrants	
		Securities premium	Adjustment reserve	Retained earnings		
Balance as at 1 April 2017	501.50	292.98	57.64	(2,048.22)	-	(1,697.60)
Loss for the year	-	-	-	(812.59)	-	(812.59)
Re-measurement of net defined benefit liability (net of tax)	-	-	-	18.11	-	18.11
Balance as at 31 March 2018	501.50	292.98	57.64	(2,842.70)	-	(2,492.08)

Note:
1. Securities premium

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

2. Adjustment reserve

During the year ended 31 March 2014, pursuant to the Scheme of arrangement (Scheme) approved by Honourable High Court of Andhra Pradesh, the Company has allotted 306,069 equity shares of INR 10 each to the share holders of the transferor company against 4,455,000 equity shares of INR 10 each outstanding in the transferor company in the ratio of 9 equity shares of INR 10 each for every 131 equity shares of INR 10 each of the transferor company. The difference of INR 41.49 millions on account of the above share swap has been added to the adjustment reserve of the Company as per the Scheme.

Pursuant to the Scheme of arrangement approved by the High Court, the Company allotted 969,231 equity shares of INR 10 each to the shareholders of the Demerged company against 2,100,000 equity shares of INR 10 each outstanding in the Demerged company in the ratio of 6 equity shares of INR 10 each for every 13 equity shares of INR 10 each of the Demerged company. The difference between the consideration payable and the value of net assets taken over as per the Scheme amounting to INR 16.15 millions has been added to the adjustment reserve of the Company as per the Scheme.

3. Conversion of financial liability into Equity

"During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement (SSPA) along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders through which new investor have purchased few shares from the existing shareholders and entire shares from the old investor. The terms of the contract with the new investor had resulted in de-recognition of the existing liability by INR 5,604.94 millions (as at 31 March 2018) and recognition of the same in equity share capital and securities premium.

Apart from the exit to the old investor, the new investor has also infused an amount of INR 880 millions in the form of 2,864,956 equity shares of face value of INR 10 each, fully paid up at the premium of INR 297.16 per share in the Company."

4. Issue of share warrants

In accordance with the aforesaid securities, subscription and purchase agreement (SSPA), during the year the Company has issued 3,103,731 numbers of share warrants to Dr B Bhaskara Rao. Each of these share warrants are convertible into 1 equity share of INR 10 each at a future date as per the terms of SSPA. As at 31 March 2019, the Company has received INR 1 each against the share warrants issued aggregating to INR 3.10 million.

The accompanying notes form an integral part of the standalone financial statements.

As per our Report on standalone financial statements of even date attached

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAAO6513

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

Sd/-
Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shankar Mantha
Company Secretary

Place: Hyderabad
Date: 03 July 2019

Place: Hyderabad
Date: 03 July 2019

Notes to the standalone financial statements for the year ended 31 March 2019 (continued)

2.1 (a) Property, plant and equipment ('PPE') and capital work in progress

INR in millions

Particulars	Freehold land	Leasehold land	Buildings	Medical and surgical equipment	Plant and equipment	Office equipment	Electrical equipment	Computers	Furniture and fixtures	Vehicles	Total of property, plant and equipment	Capital work-in-progress
Cost												
Balance as at 1 April 2017	1780	15182	2,917,24	1,667,14	110,04	21,65	263,50	26,14	174,49	17,81	5,367,63	635,48
Additions	65,62	-	514,30	414,90	11,85	9,26	35,59	18,75	28,86	12,69	1,111,82	149,77
Disposals	-	-	-	(19,16)	-	-	-	-	-	-	(19,16)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	(785,25)
Balance as at 31 March 2018	83,42	151,82	3,431,54	2,062,88	121,89	30,91	299,09	44,89	203,35	30,50	6,460,29	-
Balance as at 1 April 2018	83,42	151,82	3,431,54	2,062,88	121,89	30,91	299,09	44,89	203,35	30,50	6,460,29	-
Additions	-	-	38,80	234,79	2,57	0,90	5,79	11,40	8,55	0,63	303,43	38,68
Disposals	-	-	-	(4,02)	-	-	-	-	-	(1,68)	(5,70)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	(36,36)
Balance as at 31 March 2019	83,42	151,82	3,470,34	2,293,65	124,46	31,81	304,88	56,29	211,90	29,45	6,758,02	2,32
Accumulated depreciation												
Balance as at 1 April 2017	-	-	49,04	193,28	9,71	8,01	43,37	10,26	26,12	2,99	342,78	-
Depreciation charge for the year	-	-	57,63	214,86	10,45	9,34	42,60	12,09	25,71	4,20	376,88	-
Disposals	-	-	-	(2,98)	-	-	-	-	-	-	(2,98)	-
Balance as at 31 March 2018	-	-	106,67	405,16	20,16	17,35	85,97	22,35	51,83	7,19	716,68	-
Balance as at 1 April 2018	-	-	106,67	405,16	20,16	17,35	85,97	22,35	51,83	7,19	716,68	-
Depreciation charge for the year	-	-	60,37	239,77	10,72	5,65	43,05	13,30	26,25	4,35	403,46	-
Disposals	-	-	-	(1,45)	-	-	-	-	-	(0,68)	(2,13)	-
Balance as at 31 March 2019	-	-	167,04	643,48	30,88	23,00	129,02	35,65	78,08	10,86	1,118,01	-
Carrying amounts (net)												
At 31 March 2018	83,42	151,82	3,324,87	1,657,72	101,73	13,56	213,12	22,54	151,52	23,31	5,743,61	-
At 31 March 2019	83,42	151,82	3,303,30	1,650,17	93,58	8,81	175,86	20,64	133,82	18,59	5,640,01	2,32

Notes :

1. Leasehold land is in the nature of perpetual lease and is not amortised.
2. Buildings amounting to gross block INR 75.06 millions (31 March 2018: INR 49.63 millions) and net block INR 57.99 millions (31 March 2018: INR 34.91 millions) are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
3. Refer note 2.26 for incidental expenditure incurred during the construction period.
4. Refer note 2.38 for details of assets pledged as security.
5. Refer note 2.27 for assets taken on finance lease.

2.1 (b) Intangible assets

INR in millions

Particulars	Software
Cost	
Balance as at 1 April 2017	17.50
Additions	3.06
Disposals	-
Balance as at 31 March 2018	20.56
Balance as at 1 April 2018	20.56
Additions	20.84
Disposals	-
Balance as at 31 March 2019	41.40
Accumulated depreciation	
Balance as at 1 April 2017	3.04
Amortisation charge for the year	4.19
Disposals	-
Balance as at 31 March 2018	7.23
Balance as at 1 April 2018	7.23
Amortisation charge for the year	6.24
Disposals	-
Balance as at 31 March 2019	13.47
Carrying amounts (net)	
At 31 March 2018	13.33
At 31 March 2019	27.93

2.2 Non current investments (Unquoted, trade investment)

INR in millions

	As at 31 March 2019	As at 1 April 2018
Investment in subsidiaries - valued at cost		
1,172,281 (31 March 2018: 1,172,281) equity shares of INR 10 each fully paid up held in Arunodaya Hospitals Private Limited	63.34	63.34
10,000 (31 March 2018: 10,000) equity shares of INR 10 each fully paid up held in KIMS Hospitals Private Limited	0.10	0.10
10,000 (31 March 2018: 10,000) equity shares of INR 10 each fully paid up held in KIMS Swastha Private Limited	0.10	0.10
10,000 (31 March 2018: 10,000) equity shares of INR 10 each fully paid up held in KIMS Cuddles Private Limited	0.10	0.10
Nil (31 March 2018 : 9,990) equity shares of INR 10 each fully paid up held in KIMS Sahariah Healthcare Private Limited **	-	0.10
10,000 (31 March 2018: 10,000) equity shares of INR 10 each fully paid up held in KIMS Hospital (Bhubaneswar) Private Limited	0.10	0.10
12,338,155 (31 March 2018: 12,338,155) equity shares of INR 10 each fully paid up held in KIMS Hospital Enterprises Private Limited	251.06	251.06
5,100 (31 March 2018: Nil) equity shares of INR 10 each fully paid up held in Ikonkrishi Institute of Medical Sciences Limited	73.38	-
8,000 (31 March 2018: Nil) equity shares of INR 10 each fully paid up held in Saveera Institute of Medical Sciences Private Limited [Refer note 2.25 (c)(II)(ii)]	18.03	-
29,000,000 (31 March 2018: Nil) 0.001% optionally convertible redeemable preference shares of INR 10 each fully paid up held in Saveera Institute of Medical Sciences Private Limited	290.00	-
10,000,000 (31 March 2018: Nil) 12% cumulative optionally convertible redeemable preference shares of INR 10 each fully paid up held in Ikonkrishi Institute of Medical Sciences Private Limited	100.00	-
Total	796.21	314.90
Aggregate amount of unquoted investments	796.21	314.90
Aggregate provision for impairment in value of investments	-	-
** Investment written off during the year as the entity is in the process of winding up.		

2.3 Loans (Unsecured, considered good)

INR in millions

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Security deposits	21.45	20.28
Total	21.45	20.28
(b) Current		
-To parties other than related parties		
Security deposits	9.08	4.64
-To related parties (refer note 2.29)		
Loans to related parties	206.38	134.91
	215.46	139.55

2.4 Other financial assets (Unsecured, considered good)

INR in millions

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Bank deposits (due to mature after 12 months of reporting date*)	6.36	8.90
Interest accrued on bank deposits	0.96	2.36
Total	7.32	11.26
* Bank deposits placed are restrictive in nature as it pertains to bank guarantee.		
(b) Current		
-To parties other than related parties		
Contract assets (Unbilled revenue)	56.54	54.06
Other receivable	-	-
Other advances (refer note 2.39)	-	61.78
Interest accrued on bank deposits	0.69	0.30
-To related parties (refer note 2.29)		
Advance to related parties	10.01	11.43
Interest accrued on loans	20.32	9.51
Total	87.56	137.08

2.5 Other non-current assets (Unsecured, considered good)

INR in millions

	As at 31 March 2019	As at 31 March 2018
Capital advances*	166.90	46.87
Advance for purchase of shares [Refer note 2.25 (c)(II)(i)]	60.00	-
Paid under protest	49.47	39.49
Prepaid expenses	1.91	2.44
Total	278.28	88.80

* Includes a transaction entered between the Company and Dr. B Bhaskara Rao towards purchase of land for a total consideration INR 74.25 million. Out of the total consideration, an amount of INR 70.00 million is paid as an capital advance. Refer note 2.29.

2.6 Inventories*

INR in millions

	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost or net realisable value)		
Medical consumables and pharmacy items	189.67	162.83
Total	189.67	162.83

*Refer note 2.38 for details of assets pledged as security.

2.7 Trade receivables*

INR in millions

	As at 31 March 2019	As at 31 March 2018
Considered good - Secured	-	-
Considered good - Unsecured	1,298.34	1,102.30
Total receivables	1,298.34	1,102.30
Less : Provision for impairment	(298.04)	(142.20)
Net trade receivables	1,000.30	960.10

*Includes amount receivables from related party amounting to INR 2.21 millions (31 March 2018: INR 2.21 millions). (Refer note 2.29). *Refer note 2.38 for details of assets pledged as security.

2.8 Cash and bank balances

INR in millions

	As at 31 March 2019	As at 31 March 2018
a) Cash and cash equivalents		
Cash on hand	8.83	7.11
Balances with banks - in current accounts	53.76	77.91
b) Other bank balances*	21.11	3.26
	21.11	3.26
Total	83.70	88.28

* Includes INR 0.02 millions (31 March 2018: 3.26 millions) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing within 12 months of the reporting date.

2.9 Non-current tax assets (net)

INR in millions

	As at 31 March 2019	As at 31 March 2018
Advance tax (net of provision for taxation)	200.22	200.21
Total	200.22	200.21

2.10 Other current assets (Unsecured, considered good)

INR in millions

	As at 31 March 2019	As at 31 March 2018
Advance to suppliers	6.65	3.11
Prepaid expenses	4.12	6.81
Staff advances	6.64	3.89
Other advances	0.25	-
Total	17.66	13.81

2.11 Equity share capital

INR in millions

	As at 31 March 2019	As at 31 March 2018
Authorised		
95,000,000 (31 March 2018: 95,000,000) equity shares of INR 10 each	950.00	950.00
	950.00	950.00
Issued, subscribed and paid-up*		
74,489,552 (31 March 2018: 50,149,732) equity shares of INR 10 each fully paid-up	744.90	501.50
	744.90	501.50

* As at 31 March 2018, issued equity shares excludes 21,474,864 equity shares of INR 10 each fully paid up which were classified as financial liability.

(a) Reconciliation of number of equity shares of INR 10 each, fully paid up outstanding at the beginning and at the end of the year: INR in millions

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year*	50,149,732	501.50	50,149,732	501.50
Add: Conversion of put options to equity shares	21,474,864	214.75	-	-
Add: Shares issued during the year	2,864,956	28.65	-	-
Shares outstanding at the end of the year*	74,489,552	744.90	50,149,732	501.50

* As at 31 March 2018, issued equity shares excludes 21,474,864 equity shares of INR 10 each fully paid up which were classified as financial liability.

(b) Rights, preferences and restrictions attached to equity shares of INR 10 each, fully paid up:

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

(c) Particulars of shareholders holding more than 5% equity shares of INR 10 each, fully paid up

INR in millions

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Dr. B Bhaskar Rao	18,304,164	24.57%	19,756,664	39.40%
General Atlantic Singapore KH Pte Ltd	30,250,115	40.61%	-	-
B. Seeniah	4,972,308	6.68%	5,330,408	10.63%
BRM Hospitals Private Limited	4,800,632	6.44%	4,800,632	9.57%

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

INR in millions

Particulars	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Equity shares of INR 10 each, fully paid up allotted as bonus shares by capitalisation of securities premium	-	-	-	61,603,374	2,933,494

(e) The Company has not bought back any shares during the period of five years immediately preceding the balance sheet date.

(f) "During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders through which new investor have purchased few shares from the existing shareholders and entire shares from the old investor. The terms of the contract with the new investor had resulted in de-recognition of the existing liability by INR 5,604.93 millions (as at 31 March 2018) and recognition of the same in equity share capital and securities premium.

Apart from the exit to the old investor, the new investor has also infused an amount of INR 880 millions in the form of 2,864,956 equity shares of face value of INR 10 each, fully paid up at the premium of INR 297.16 per share in the Company."

2.12 Long-term borrowings

INR in millions

	As at 31 March 2019		As at 31 March 2018	
	Non- current	Current*	Non- current	Current*
Secured				
Term loans from banks				
- Andhra Bank term loan - 1 (refer note i)	-	-	78.88	79.36
- Andhra Bank term loan - 2 (refer note ii)	-	-	-	6.38
- Andhra Bank term loan - 3 (refer note iii)	-	-	73.18	29.52
- Andhra Bank term loan - 4 (refer note iv)	-	-	479.70	12.13
- HDFC Bank equipment loan - 1 (refer note v)	79.06	10.94	65.00	-
- HDFC Bank equipment loan - 2 (refer note vi)	122.08	11.80	-	-
- HDFC Bank vehicle loans (refer note vii)	-	-	0.24	0.52
- Federal bank term loan (refer note ix)	494.07	66.24	182.00	-
Total loans from banks (A)	695.21	88.98	879.00	127.91
Term loans from other parties				
- Siemens Financial Services Private Limited (refer note x)	-	16.75	16.75	47.45
- IDFC Infrastructure Finance Limited (refer note viii)	819.10	142.04	1,210.28	44.06
- De Lage London Finance Service (refer note xi)	-	-	9.92	0.50
Total loans from other parties (B)	819.10	158.79	1,236.95	92.01
Unsecured				
Deferred payment liability (refer note xii)	-	-	-	25.00
Finance lease obligation (refer note xiii)	9.41	14.97	24.38	10.52
Liability component of financial instrument (refer note xiv)	-	-	-	3,995.81
Total unsecured loans (C)	9.41	14.97	24.38	4,031.33
Total (A) + (B) + (C)	1,523.72	262.74	2,140.33	4,251.25

Notes:

*Refer current maturities of long term borrowings under note 2.13 (b)

- i Andhra Bank term loan - 1 was secured by pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financiers and Rajahmundry unit property and Pari Passu second charge on entire fixed assets (existing and future) of the Company. Further, it was secured by pledge of Rs. 1.08 lakh shares of promoter directors of total FV of Rs. 10.80 lakhs and 20% of shares of the Company held by the Dr. B. Bhaskara Rao and/or directors of the Company. The loan was further secured by personal guarantee of B. Krishnaiah, Dr. B. Bhaskara Rao, B.Seenaiah and D.Anitha. Further, the loan was secured by property belonging to Dr. B. Bhaskara Rao.. This loan was repayable in 22 quarterly equal instalments from December 2014 to March 2020 and carried interest rate of 1Y MCLR + 0.45% + 0.50% (TP) (31 March 2018 : 1Y MCLR + 0.45% (spread) + 0.50% (TP)). The loan was pre closed during the year.
- ii Andhra Bank term loan - 2 was secured by pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financiers and Rajahmundry unit property and Pari Passu second charge on entire fixed assets (existing and future) of the Company. Further, it was secured by pledge of Rs. 1.08 lakh shares of promoter directors of total FV of Rs. 10.80 lakhs and 20% of shares of the Company held by the Dr. B. Bhaskara Rao and/or directors of the Company. The loan was further secured by personal guarantee of B. Krishnaiah, Dr. B. Bhaskara Rao, B.Seenaiah and D.Anitha. Further, the loan was secured by property belonging to Dr. B. Bhaskara Rao. Loan was repayable in 29 monthly equal instalments from December 2015 to April 2018 and carried interest rate of 1Y MCLR + 1.20% (31 March 2018: 1Y MCLR + 0.45% (spread) + 0.50% (TP)). The loan was fully repaid during the year.
- iii Andhra Bank term loan - 3 was secured by second pari passu charge on other unencumbered movable and immoveable fixed assets of the Company both present and future along with other term lenders except Rajahmundry unit fixed assets. Further, it was secured by personal guarantee of Dr. B. Bhaskara Rao, Mr. B. Krishnaiah, Mr. B. Seenaiah and D. Anitha and pledge of 14.1 millions shares of promoter directors. The loan was also secured by second pari passu charge on the commercial land and building situated at Nellore belonging to the Company, second charge on land and building and all other fixed assets purchased for Ongole unit in slump sale and other assets purchased out of term loan. This loan is repayable in 20 quarterly equal instalments from December 2016 to September 2021 and carried interest rate of 1Y MCLR + 1.20% (31 March 2018 : 1Y MCLR + 0.45% (spread) + 0.50% (TP)). The loan was pre closed during the year.
- iv Andhra Bank term loan - 4 was secured by exclusive charge on land and building and all other assets purchased for Ongole unit in slump sale and other assets purchased out of term loan and second charge on the current assets (existing and future) pertaining to Ongole unit. Further, it was secured by personal guarantee of Dr. B. Bhaskara Rao, Mr. B. Krishnaiah, Mr. B. Seenaiah and D. Anitha and pledge of 14.1 millions shares of promoter directors. This loan was repayable in 40 quarterly unequal instalments from March 2019 to December 2028 and carried interest rate of 1Y MCLR + 0.45% (spread) + 0.50% (TP) (31 March 2018 : 1Y MCLR + 0.45% (spread) + 0.50% (TP)). The loan was pre closed during the year.

- v Term loan - 1 from HDFC bank towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment out of sanctioned facility, carrying an interest rate ranging from 9.5% p.a. fixed (31 March 2018: 9.5% p.a. fixed). This loan is repayable in 84 unequal monthly instalments starting from July 2017 to June 2024. Outstanding amount as on 31 March 2019 is INR 90.00 millions (31 March 2018: INR 65.00 millions).
- vi Term loan - 2 availed during the year from HDFC bank towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment out of sanctioned facility, carrying an interest rate of 1Y MCLR + 0.65%. Also secured by personal guarantee of Dr B Bhaskara rao. This loan is repayable in 84 unequal monthly instalments starting from January 2019 to December 2024. Outstanding amount as on 31 March 2019 is INR 133.88 millions (31 March 2018: Nil)
- vii Term loan from HDFC bank consisted of vehicle loan secured by first exclusive hypothecation charge on the vehicle acquired from the said loan and carried interest rate ranging from 9.75% to 12.51% (31 March 2018: ranging from 9.75% to 12.51%). The This loans was repayable in equal monthly instalments starting from August 2016 to August 2019. The loan was pre closed during the year.
- viii Term loan from IDFC Infrastructure Finance Limited is secured by a first pari-passu mortgage and charge of immovable properties of the Secunderabad hospital and Nellore hospital building. Also secured by a first pari-passu charge by way of hypothecation of Secunderabad hospital and Nellore Hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans and a second pari-passu mortgage and charge of immovable properties of the Ongole hospital. Also includes a second pari-passu charge by way of hypothecation of Ongole hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment's which are purchased by Company out of medical equipment loans; a second charge on the entire cash flows, receivables, book debts and revenues of the Company, of whatsoever nature and wherever arising; subject to the prior charge of the working capital lenders. Also secured by personal guarantee of Dr. Bhaskara Rao. The loan is repayable in 72 equal monthly instalments and carries an interest rate of 9.10% p.a. (31 March 2018: 9.10% p.a.). Outstanding amount as on 31 March 2019 is INR 961.14 millions (31 March 2018: INR 1,254.34 millions).
- ix Federal Bank term loan consists of 2 loans (31 March 2018: 1 loan) is secured by exclusive charge on existing hospital at Rajahmundry and pledge of minimum 51% shareholding of the Company in KIMS Hospital Private Limited, a subsidiary of the Company. Also secured by personal guarantee of Dr. B. Bhaskara Rao. The loan is repayable in 66 equal monthly instalments starting from May 2019 to April 2025 and , carries an interest rate ranging from 9.50% to 9.80% p.a. (31 March 2018: 9.50%). Outstanding amount as on 31 March 2019 is INR 560.31 millions (31 March 2018: INR 182 millions).
- x Term loan - Siemens Financial Services Private Limited consists of 1 loans (31 March 2018: 3 loans) secured by way of hypothecation of medical and surgical equipment procured from the said loan and personal guarantee of Dr. B Bhaskara Rao. The loans are repayable in unequal monthly instalments from January 2012 to July 2019 and carries interests rate ranging from 11% to 13.50% p.a. (31 March 2018 : interests rate ranging from 11 % to 13.50% p.a.). Outstanding amount as on 31 March 2019 is INR 16.75 millions (31 March 2018: INR 64.20 millions).
- xi Term loan - De Lage Landen Financial Services India Private Limited is repaid during the current year (31 March 2018: 3 loans). It was secured by way of first and exclusive charge on all assets procured through the facility. Further, the loan was secured by collateral security of medical and surgical equipment procured from the said loans and personal guarantee of Dr. B Bhaskara Rao. The loans were repayable in 42 monthly unequal instalments, inclusive of 6 months moratorium, from September 2016 to February 2020 and carried fixed interest rate of 11.25% p.a. (31 March 2018: 11.25%). The loan was pre closed during the year.
- xii Deferred payment liability relates to payable in respect of purchase of equipment from Vattikutti Technologies Private Limited. The liability is repaid in the current year.
- xiii Finance lease obligations pertain to medical equipment's taken on finance lease. The lease term of such medical equipment is 5 to 6 years with equated monthly payments. The same carries an interest rate ranging from 17.18% to 44.44% per annum (31 March 2018: 17.18% to 44.44% per annum). Outstanding amount as on 31 March 2019 INR 24.38 million (31 March 2018: INR 34.90 million)

2.12 Long-term borrowings (continued)

xiii Finance lease obligations

INR in millions

	31 March 2019			31 March 2018		
	Future minimum lease payments (MLP)	Interest element of MLP	Present value of minimum lease payments	Future minimum lease payments (MLP)	Interest element of MLP	Present value of minimum lease payments
Within less than one year	23.55	8.58	14.97	22.65	12.13	10.52
Between one and five years	15.31	5.90	9.41	38.48	14.38	24.10
After more than five years	-	-	-	0.39	0.11	0.28
Total	38.86	14.48	24.38	61.52	26.62	34.90

Certain items of medical equipment have been obtained on finance lease basis. The legal title to these items vests with their lessor. The lease term of such medical equipment ranges from 5 years to 6 years with equated monthly payments beginning from the month subsequent to the commencement of lease. The legal title of medical equipment will be transferred to the Company at the end of the lease term of the respective agreements at nominal values. The said lease arrangement does not contain any contingent rent.

xiv Liability component of financial instrument is converted into equity during the current year which carried IRR at 15% per annum.

xv Aggregate amount of secured loans (including current maturities of long term borrowings) guaranteed by Directors and others : INR 1,672.09 millions (31 March 2018: INR 2,270.10 millions)

xvi Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 2.36

2.13 Other financial liabilities

INR in millions

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Security deposits	0.09	0.09
Total	0.09	0.09
(b) Current		
Current maturity of long term debts (refer note 2.12)	262.74	4,251.25
Capital creditors	6.93	21.27
Employee benefits payable*	108.90	108.34
Interest accrued but not due on borrowings	1.29	2.63
Security and caution deposit	7.49	8.04
Derivatives	-	1,609.12
Total	387.35	6,000.65
The Company's exposure to currency and liquidity risks is disclosed in note 2.36		
*Includes payables to related parties. For details refer note 2.29.		

2.14 Long-term provisions

INR in millions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity (refer note 2.28)	91.63	57.18
Compensated absences	37.18	29.74
Total	128.81	86.92

2.15 Short-term borrowings

INR in millions

	As at 31 March 2019	As at 31 March 2018
Secured		
Working capital loans from banks [refer note i]	85.39	265.71
Total	85.39	265.71

Notes:

- i "Working capital loans consists of loans from :
- a) Andhra bank - Loan is secured by pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financiers and Rajahmundry unit property and pari passu second charge on entire fixed assets (existing and future) of the Company. Further, it is secured by personal guarantee of Dr B Bhaskara Rao, Sri B. Krishnaiah, Sri B.Seenaiah and D. Anitha. Loan is repayable on demand and carries interest rate of 1Y MCLR+1.20% (31 March 2018: 1Y MCLR+0.95%)"
- b) Federal bank - Loan is secured by primary exclusive charge on current assets of Rajahmundry hospital, both current and future and collateral security by exclusive charge on existing hospital at Rajahmundry and pledge of minimum 51% shareholding of the Company in KIMS Hospital Private Limited, a subsidiary of the Company. Also secured by personal guarantee of Dr. B. Bhaskara Rao. Loan is repayable on demand and carries interest rate of 9.40% p.a. (31 March 2018: Nil)
- ii Amount of secured loans guaranteed by directors and others aggregates to INR 85.39 millions (31 March 2018: INR 265.71 millions).
- iii Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 2.36

2.16 Trade payables

INR in millions

	As at 31 March 2019	As at 31 March 2018
- total outstanding dues of micro enterprises and small enterprises (refer note 2.32)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	736.71	787.85
Total	736.71	787.85
The above includes payable to related party. For details refer note 2.29		
All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 2.36		

2.17 Short term provisions

INR in millions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Compensated absences	13.85	6.41
Total	13.85	6.41

2.18 Other liabilities

INR in millions

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Financial guarantee liability (refer note 2.36)	25.87	9.42
Total	25.87	9.42
(b) Current		
Statutory dues payable	44.47	50.64
Contract liabilities*	35.70	42.24
Financial guarantee liability (refer note 2.36)	3.98	2.00
Other liabilities	26.69	21.28
Total	110.84	116.16

* Represents advance received from patients

2.19 Revenue from operations

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Income from medical and healthcare services		
Income from hospital services	4,465.50	3,994.31
Income from pharmacy	2,440.87	2,146.69
Total	6,906.37	6,141.00
B. Other operating income		
Income from academic courses	58.26	46.09
Income from sale of food and beverages	101.70	89.69
Other hospital income	2.80	5.61
Total	162.76	141.39
Total revenue from operations (A+B)	7,069.13	6,282.39
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	7,511.97	
Adjustments for:		
Discounts and disallowances	(522.95)	
Others	(82.65)	
Income from medical and healthcare services	6,906.37	

2.20 Other income

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on:		
- fixed deposits	3.33	1.56
- income tax refunds	-	0.85
- loans to related parties	21.94	10.03
Lease income	1.95	2.42
Liabilities no longer required written back	16.62	-
Guarantee commission income	2.91	1.71
Miscellaneous income	17.98	14.56
Total	64.73	31.13

2.21 Medical consumables and pharmacy items consumed

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock	162.83	153.02
Add: Purchases during the year	1,670.62	1,530.83
Less: Closing stock	189.67	162.83
Total	1,643.78	1,521.02

2.22 Employee benefit expenses*

INR in millions

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	1,173.66	1,054.97
Contribution to provident and other funds (refer note no 2.28)	84.43	83.14
Staff welfare expenses	11.01	11.44
Total	1,269.10	1,149.55
*Net of amount capitalised (refer note 2.26)		

2.23 Finance cost

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on		
- term loans	181.32	255.39
- other loans	11.72	16.55
- finance lease obligations	12.13	14.52
- liability component of financial instruments	120.01	521.19
Others	8.61	20.23
Total	333.79	827.88

2.24 Other expenses*

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Consultancy charges	1,448.30	1,276.83
House keeping expenses	231.38	212.46
Power and fuel	144.22	157.50
Catering and patient welfare expenses	97.05	91.59
Rent (refer note 2.27)	48.07	51.10
Tests and investigations	10.66	15.08
Academic courses expenses	0.83	1.30
Repairs and maintenance:		
- Medical equipment	133.28	150.49
- Hospital building and others	81.21	72.81
Printing and stationery	24.76	24.54
Legal and professional charges	114.05	23.88
Rates and taxes	49.51	60.50
Loss on fair value changes in financial instrument	871.27	702.87
Travelling and conveyance	26.06	23.15
Advertisement and publicity	54.29	58.93
Communication expenses	8.93	8.56
Trade receivable written off	41.56	-
Provision for impairment of trade receivables	155.84	(13.21)
Insurance	4.40	2.96
Subscriptions and membership fees	3.66	4.91
Loss on sale of property, plant and equipment	1.52	-
Investment written off	0.10	
Donations	1.65	0.61
Bank charges	26.10	49.43
Contributions towards Corporate Social Responsibility (refer note 2.34)	10.14	6.71
Directors sitting fee	1.84	1.37
Miscellaneous expenses	21.04	17.44
Total	3,611.72	3,001.81
* Net of amount capitalised (refer note 2.26)		
Payment to auditors (excluding applicable taxes) included in legal and professional charges above		
Statutory audit fee	3.30	2.80
Other services (Refer note 2.39)	9.82	-
Out of pocket expenses	0.20	0.13

2.25 Contingent liabilities and commitments

(a) Contingent liabilities

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
i) Guarantee issued by the Company on behalf of related entities (Value of loan availed outstanding as at period end against aforesaid guarantee is INR 1,004.36 millions (31 March 2018: INR 392.16 millions))	1,120.00	400.00
ii) Luxury tax matters in dispute, pending appeals filed by the Company [paid in protest and disclosed under other non-current assets INR 39.47 millions (31 March 2018: INR 28.44 millions)]	82.27	82.27
iii) Service tax matters in dispute, pending appeals filed by the Company [paid in protest and disclosed under other non-current assets INR 8.90 millions; (31 March 2018: INR 9.95 millions)]	31.63	31.60
iv) VAT matters in dispute, pending appeals filed by the Company [paid in protest and disclosed under other non-current assets INR 1.10 millions (31 March 2018: INR 1.10 millions)]	1.76	1.76
v) Medical claims (gross, excluding interest/costs)	82.68	75.53
vi) Other claims	23.76	23.76
vii) The Company has obtained a stay from High Court for the state of Andhra Pradesh, dated 11 November 2014, directing the local authorities not to proceed with the acquisition of part of the building in Nellore for the purpose of road widening. No provision thereof has been made in the standalone financials statements.		
viii) An individual has filed a consumer case at National Consumer Disputes Redressal Commission against the Company along with 3 other hospitals demanding a total compensation of Rs 235.01 million along with interest @ 18% p.a towards medical negligence. The Company has replied for the allegations made and believes that it has a strong case in this regard and there shall not be any outflow of resources. No provision thereof has been made in the standalone financial statement.		

(b) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February, 2019, in the case of Surya Roshani Limited & others v/s Employee Provident Fund Organisation (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 based on a legal opinion has a view that the applicability of the decision is prospective and accordingly 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 and hence disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

Notes:

- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its standalone financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

(c) Commitments

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
I) Capital commitment		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	52.62	169.63
II) Other commitments		
i) The Company vide its Board meeting dated 18 January 2019 has approved for an investment in Kurnool Rainbow Hospitals Private Limited (Kurnool Rainbow). Accordingly, as at 31 March 2019 the Company has paid an advance amounting to INR 60.00 millions towards purchase of 55% shareholding in Kurnool Rainbow out of the total consideration payable of INR 81.68 million accordingly as at 31 March 2019 balance of INR 21.68 millions is disclosed as commitment. Subsequent to the year end, the Company has entered into a share purchase agreement dated 1 April 2019 with the shareholders of Kurnool Rainbow and acquired 55% shareholding.		
ii) During the year, the Company has acquired 80% shareholding in Saveera Institute of Medical Sciences Private Limited ('Saveera'). As per the shareholder's agreement, the Company agreed to transfer 3.5% of the equity shares of Saveera to the minority shareholders of Saveera subject to fulfillment of certain conditions.		

2.26 Incidental expenditure during the construction period

The Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment, as they are attributable expenses. Consequently amounts disclosed under the respective notes as mentioned below are net of amounts capitalised by the Company.

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Other expenses (refer note 2.24)		
Rates and taxes	-	1.33
Travelling and other expenses	-	3.27
Power and fuel	-	0.12
Total (A)	-	4.72
Employee benefit expenses (B) (refer note 2.22)	-	15.22
Grand total (A+B)	-	19.94

2.27 Lease

Operating leases in the capacity of lessee

The Company has taken offices, residential premises and medical equipment under cancellable operating leases. The Company intends to renew such lease in the normal course of business. Total rental expenses under cancellable operating lease amounted to INR 48.07 millions (31 March 2018: INR 51.10 millions). The same are grouped under other expenses in the standalone statement of profit and loss.

Finance lease in capacity of lessee

Medical equipment includes the following amounts where the Company is a lessee under a finance lease:

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Cost	48.00	48.00
Accumulated depreciation	(34.90)	(26.10)
Net carrying amount	13.10	21.90

The lease term in respect of assets acquired under finance leases generally expire within 5 years to 6 years. Under the term of leases, the Company has the option to acquire the leased assets at nominal value at the expiry of the leases.

2.28 Employee benefits

(i) Defined benefit plan

The Company operates post-employment defined benefit plan that provides for gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed services at the time of retirement/exit. The gratuity fund is administered by trust formed for this purpose and is managed by Life Insurance Corporation of India. The Company's obligation in respect of gratuity plan, which is a defined benefit plan is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company accrues gratuity as per the provisions of the payment of Gratuity Act, 1972 as applicable as at the balance sheet date and accordingly the maximum payment is restricted to INR 2 million per employee.

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

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligations	111.40	75.06
Fair value of plan assets	19.77	17.88
Net defined benefit obligations	91.63	57.18
Total employee benefit liability	91.63	57.18
Non-current	91.63	57.18
Current	-	-

B. Reconciliation of net defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit obligation and its components.

i) Reconciliation of present value of defined benefit obligation

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation as at 1 April	75.06	85.30
Benefits paid	(2.92)	(3.28)
Current service cost	14.57	13.54
Past service cost	-	1.51
Interest cost	5.47	6.25
Actuarial losses/(gains) recognised in other comprehensive income		
- Changes in demographic assumptions	12.03	(0.68)
- Changes in financial assumptions	4.72	(2.72)
- experience adjustments	2.47	(24.86)
Defined benefit obligation as at 31 March	111.40	75.06

ii) Reconciliation to fair value of plan assets

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Plan assets at beginning of the year	17.88	16.69
Contributions paid into the plan	4.10	3.63
Interest income	1.34	1.26
Benefits paid	(2.92)	(3.28)
Return on plan assets	(0.63)	(0.42)
Plan assets at end of the year	19.77	17.88
Net defined benefit liability	91.63	57.18

C. i) Expenses recognised in the statement of profit and loss

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	14.57	13.54
Past service cost	-	1.51
Interest on net defined benefit obligation	4.13	4.99
Net gratuity cost, included in 'employee benefits expense'	18.70	20.04

C. ii) Re-measurements recognised in other comprehensive income (OCI)

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gain) / loss on net defined benefit obligation	(19.85)	27.84

D. Plan assets (Plan assets comprises of the following:)

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Fund managed by Insurer	19.77	17.88

E. Defined benefit obligation

i) Actuarial assumptions

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

INR in millions

Principal actuarial assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	7.50%	7.55%
Salary escalation rate	8.00%	6.00%

Maturity profile of defined benefit obligation

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
1st following year	19.25	5.20
Year 2 to 5	56.36	20.79
Year 6 to 9	41.52	17.94
Year 10 and above	73.95	173.53

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

Salary escalation rate: The estimates of future salary increases considered takes into accounts the inflation, seniority, promotion and other relevant factors.

ii) Sensitivity analysis

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

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(6.19)	6.90	(7.80)	9.26
Salary escalation rate (1% movement)	6.62	(6.11)	9.09	(7.93)

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

F. Defined contribution plan

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount recognised in the statement of profit and loss towards		
i) Provident fund	37.54	40.65
ii) Employee state insurance	28.19	22.45

2.29 Related party disclosures

(a) Parties where control exists or where significant influence exists and with whom transactions have taken place during the current year or previous year

Nature of relationship	Name of related parties
Subsidiaries	Arunodaya Hospitals Private Limited KIMS Hospitals Private Limited KIMS Swastha Private Limited KIMS Cuddles Private Limited KIMS Sahariah Healthcare Private Limited (closed on 30 March 2019) KIMS Hospital Enterprises Private Limited (w.e.f. 30 March 2018) KIMS Hospital (Bhubaneswar) Private Limited Iconkrishi Institute of Medical Sciences Private Limited (w.e.f. 05 May 2018) Saveera Institute of Medical Sciences Private Limited (w.e.f. 05 September 2018)
Associates	KIMS Hospital Enterprises Private Limited (until 29 March 2018)
Key Management personnel (KMP)	Dr. B Bhaskara Rao - Managing Director and Chief Executive Officer (CEO) Uma Shanker Mantha - Company secretary Vikas Maheshwari - Chief Financial Officer Mrs. Dandamudi Anitha -Whole-time Director
Directors	Mr. B Abhinay (appointed w.e.f. 18 January 2019) B Krishnaiah - Chairman (resigned on 18 January 2019) Mr G Rajeswara Rao Mrs Jyothi Prasad Mr K Padmanaabhaiah (resigned w.e.f. 20 June 2018) Mr Amitabha Guha (resigned w.e.f. 18 January 2019)
Relative of KMP	Dr. Raavi Sweata - Daughter in law of Managing Director and CEO
Enterprises under control or joint control of	Sri Viswa Medicare Limited (Formerly known as Reliance Medicare Limited)
KMP and other relative	KIMS Foundation and Research Centre Bollineni Krishnaiah Charitable Trust
Enterprise having significant influence over the company	India Advantage Fund S31 (until 20 June 2018) General Atlantic Singapore KH Pte. Ltd (w.e.f. 20 June 2018)

(b) Transactions with related parties

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
i. Loans and advances given		
KIMS Hospitals Private Limited	5.10	89.04
KIMS Swastha Private Limited	0.07	0.28
KIMS Hospital Enterprises Private Limited	-	6.00
KIMS Foundation and Research Centre	3.58	0.60
Iconkrishi Institute of Medical Sciences Private Limited	195.80	-
Saveera Institute of Medical Sciences Private Limited	37.00	-
ii. Refund of loans and advances		
KIMS Cuddles Private Limited	-	3.18
KIMS Foundation and Research Centre	5.00	3.00
KIMS Hospital Enterprises Private Limited	-	10.96
Iconkrishi Institute of Medical Sciences Private Limited	166.50	-
iii. Interest income earned on loans given		
KIMS Hospitals Private Limited	10.55	9.02
KIMS Cuddles Private Limited	-	0.25
KIMS Swastha Private Limited	0.51	0.49
KIMS Hospital Enterprises Private Limited	-	0.27
Iconkrishi Institute of Medical Sciences Private Limited	8.91	-
Saveera Institute of Medical Sciences Private Limited	1.97	-
iv. Interest income received		
KIMS Hospitals Private Limited	-	3.18
KIMS Cuddles Private Limited	-	0.10
KIMS Swastha Private Limited	-	0.25
KIMS Hospital Enterprises Private Limited	-	0.71
Iconkrishi Institute of Medical Sciences Private Limited	8.91	-
v. Advance for purchase of land		
Dr. B Bhaskara Rao	70.00	-
vi. Professional fee to KMP		
Dr. B Bhaskara Rao	18.00	18.00
vii. Professional fee to relative of KMP		
Dr. Raavi Sweata	1.80	0.36
viii. Rent to KMP		
Dr. B Bhaskara Rao	0.10	0.10
ix. Managerial remuneration **		
Dr. B Bhaskara Rao	24.00	24.00
Mrs. Dandamudi Anitha	3.00	3.00
Mr B Abhinay	5.35	2.10
Vikas Maheshwari	6.57	5.74
Uma Shanker Mantha	1.78	1.68
x. Directors sitting fee		
Mr B Krishnaiah	0.29	0.15
Mr G Rajeswara Rao	0.47	0.31
Mrs Jyothi Prasad	0.38	0.36
Mr K Padmanaabhaiah	0.23	0.22
Mr Amitabha Guha	0.47	0.33
xi. Expenditure towards CSR		
KIMS Foundation and Research Centre	10.14	6.51
xii. Purchase of pharmacy items		
KIMS Hospital Enterprises Private Limited	0.95	1.76
xiii. Revenue from sale of pharmacy and sale of services		
KIMS Hospital Enterprises Private Limited	9.95	11.16
Arunodaya Hospitals private Limited	0.11	-

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
xiv Investment in Associate KIMS Hospital Enterprises Private Limited	-	80.00
xv Investment in subsidiaries Iconkrishi Institute of Medical Sciences Private Limited (equity shares)	73.38	-
Iconkrishi Institute of Medical Sciences Private Limited (preference shares)	100.00	-
Saveera Institute of Medical Sciences Private Limited (equity shares)	18.03	-
Saveera Institute of Medical Sciences Private Limited (preference shares)	290.00	-
xvi Write off of investment KIMS Sahariah Healthcare Private Limited	0.10	-
xvii Reimbursement of claims Bollineni Krishnaiah Charitable Trust	-	0.38
KIMS Hospital Enterprises Private Limited	9.00	9.40
Sri Viswa Medicare Limited *	0.00	-
Arunodaya Hospitals private Limited	0.11	-
xviii Guarantee closed KIMS Hospital Enterprises Private Limited	-	310.00
xix Guarantee given on behalf of KIMS Hospital Enterprises Private Limited	-	400.00
Iconkrishi Institute of Medical Sciences Private Limited	170.00	-
Saveera Institute of Medical Sciences Private Limited	550.00	-
xx Commission income on guarantees given to KIMS Hospital Enterprises Private Limited	2.00	1.71
Iconkrishi Institute of Medical Sciences Private Limited	0.18	-
Saveera Institute of Medical Sciences Private Limited	0.71	-
xxi Intercompany deposit taken from Arunodaya Hospitals Private Limited	-	15.00
xxii Repayment of intercompany deposit Arunodaya Hospitals Private Limited	-	15.00
xxiii Interest expenses on intercompany deposit Arunodaya Hospitals Private Limited	-	0.36
xxiv Repayment of unsecured loan Dr. B Bhaskara Rao	-	2.74
xxv Sale of medical equipment KIMS Hospital Enterprises Private Limited	-	16.17
xxvi Interest expense India Advantage Fund	120.01	521.19
xxvii Fair value changes in financial instrument India Advantage Fund	871.27	702.87
xxviii Derecognition of financial liability India Advantage Fund	6,596.22	-
xxix Issue of equity shares including share premium General Atlantic Singapore KH Pte. Ltd	880.00	-
xxx Cash received for issue of share warrants Dr B Bhaskara Rao	3.10	-

(c) The balances receivables from and payable to related parties

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Receivable from related parties		
i. Trade receivables		
Sri Viswa Medicare Limited	2.21	2.21
ii. Loans		
KIMS Hospitals Private Limited	133.74	128.63
KIMS Swastha Private Limited	6.34	6.28
Iconkrishi Institute of Medical Sciences Private Limited	29.30	-
Saveera Institute of Medical Sciences Private Limited	37.00	-
iii. Other advances		
KIMS Foundation and Research Centre	10.01	11.43
iv. Interest accrued on loans		
KIMS Hospitals Private Limited	17.60	9.02
KIMS Swastha Private Limited	0.95	0.49
Saveera Institute of Medical Sciences Private Limited	1.77	-
v. Capital advance		
Dr. B Bhaskara Rao (refer note 2.5)	70.00	-
Payable to related parties		
vi. Trade payables		
Dr. B Bhaskara Rao	1.36	1.40
Dr. Raavi Sweata	0.14	-
vii. Employee benefits payable		
Dr. B Bhaskara Rao	1.16	-
Mr. B Abhinay	0.47	0.16
Vikas Maheshwari *	0.00	0.42
Uma Shanker Mantha	0.11	0.10
Mrs Dandamudi Anitha	0.14	0.14
viii. Guarantee given on behalf of		
KIMS Hospital Enterprises Private Limited	400.00	400.00
Iconkrishi Institute of Medical Sciences Private Limited	170.00	-
Saveera Institute of Medical Sciences Private Limited	550.00	-
ix. Financial guarantee liability		
KIMS Hospital Enterprises Private Limited	9.42	11.42
Iconkrishi Institute of Medical Sciences Private Limited	3.19	-
Saveera Institute of Medical Sciences Private Limited	17.24	-
x. Liability for financial instrument		
India Advantage Fund	-	5,604.93

(d) For certain loan availed by the Company, Directors of the Company have given personal guarantee. Refer note 2.12 and 2.15 for details.

* Amount is below the rounding off norms adopted by the Company. Below is the particulars in full value:

S.No.	Particulars	Amount in INR
(i)	Reimbursement of claims to Sri Viswa Medicare Limited	1,500
(ii)	Employee benefits payable to Vikas Maheshwari	1,108

** The managerial personnel are covered by the Company's gratuity policy and are eligible for leave encashment along with other employees of the Company. The proportionate amount of gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are determined on an actuarial basis for the Company as a whole.

(e) Refer note 2.2 for the investments as at 31 March 2019 and 31 March 2018

Terms and conditions:

All transactions with these related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash as per terms of agreement. None of the balances are secured.

All transactions with those related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date. None of balances are secured.

2.30 Earnings per share (EPS)

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Earnings		
Loss for the year attributable to equity shareholders	(436.55)	(812.59)
Shares		
Number of shares at the beginning of the year	50,149,732	50,149,732
Add: Equity shares issued during the year*	24,339,820	-
Total number of equity shares outstanding at the end of the year	74,489,552	50,149,732
Weighted average number of equity shares outstanding during the year - Basic	69,154,797	50,149,732
Weighted average number of equity shares arising out of issue of share warrant that have dilutive effect on EPS	548,813	-
Weighted average number of equity shares outstanding during the year - Diluted	69,703,610	50,149,732
Earnings per share of par value INR 10-Basic (INR)	(6.31)	(16.20)
Earnings per share of par value INR 10-Diluted (INR) **	(6.31)	(16.20)

* Number of equity shares issued during the year 31 March 2019 includes 21,474,864 equity shares of INR 10 each, fully paid up which were classified as financial liability as at 31 March 2018.

** For the year ended 31 March 2019, the share warrants are anti dilutive in nature and hence basic and dilutive EPS are the same.

2.31 Segment information

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

Further the business operation of the Company are concentrated in India, and hence, the Company is considered to operate only in one geographical segment."

2.32 Due to Micro and Small Enterprises

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

Particulars	As at 31 March 2019	As at 31 March 2018
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
"The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;"	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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 disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-

2.33 Investments, loans, guarantees and security:

(a) The Company has made investment in the following Companies:

INR in millions

Entity	As at 31 March 2018	Allotted / purchased during the year	Sold during the year	Investment written off	As at 31 March 2019
Investment in securities					
KKIMS Hospital Private Limited	0.10	-	-	-	0.10
KIMS Cuddles Private Limited	0.10	-	-	-	0.10
KIMS Swastha Private Limited	0.10	-	-	-	0.10
Arunodaya Hospitals Private Limited	63.34	-	-	-	63.34
KIMS Hospitals Enterprises Private Limited	251.06	-	-	-	251.06
KIMS Sahariah Healthcare Private Limited	0.10	-	-	0.10	-
KIMS Hospital (Bhubaneswar) Private Limited	0.10	-	-	-	0.10
Iconkrishi Institute of Medical Sciences Private Limited	-	173.38	-	-	173.38
Saveera Institute of Medical Sciences Private Limited	-	308.03	-	-	308.03

(b) The Company has given unsecured loans to its following subsidiaries/associate:

INR in millions

Entity	Purpose of loans	As at 31 March 2018	Given during the year	Repaid during the year	As at 31 March 2019
KIMS Hospital Private Limited	Financial assistance	128.64	5.10	-	133.74
KIMS Swastha Private Limited	Financial assistance	6.27	0.07	-	6.34
Iconkrishi Institute of Medical Sciences Private Limited	Financial assistance	-	195.80	166.50	29.30
Saveera Institute of Medical Sciences Private Limited	Financial assistance	-	37.00	-	37.00

(c) Details of guarantee provided

The Company has provided guarantees to the following subsidiaries:

For the year ended 31 March 2019

INR in millions

Particulars	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	Total for the year ended 31 March 2019
Guarantee provided outstanding as at the beginning of the financial year	400.00	-	-	400.00
Guarantee provided during the financial year	-	170.00	550.00	720.00
Guarantee provided settled/expired during the financial year	-	-	-	-
Guarantee provided outstanding as at the end of the financial year	400.00	170.00	550.00	1,120.00

For the year ended 31 March 2018

INR in millions

Particulars	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	Total for the year ended 31 March 2018
Guarantee provided outstanding as at the beginning of the financial year	310.00	-	-	310.00
Guarantee provided during the financial year	400.00	-	-	400.00
Guarantee provided settled/expired during the financial year	(310.00)	-	-	(310.00)
Guarantee provided outstanding as at the end of the financial year	400.00	-	-	400.00

2.34 Consequent to the requirements of Section 135 of the Companies Act 2013, the Company has made contributions as stated below. The same is in line with activities specified in Schedule VII of the Companies Act, 2013 and activities approved by the CSR committee:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Gross amount required to be spent by the Company during the year	13.72	6.71
b) Amount spent during the year	-	-
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above:	-	-
Promoting preventive healthcare*	13.72	6.71
Total	13.72	6.71

* The above amounts include INR 13.72 millions (31 March 2018: INR 6.51 millions) Spent by way of contribution to KIMS Foundation and Research Centre, a registered trust where KMP have significant influence.

2.35 Capital management

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

For this purpose, adjusted net debt is defined as total liabilities, including interest bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio as of 31 March 2019 and 31 March 2018 was as follows:

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total liabilities	3,528.81	9,884.61
Less: Cash and cash equivalents	62.59	85.02
Adjusted net debt	3,466.22	9,799.59
Total equity	5,039.28	(1,990.58)
Adjusted net debt to equity ratio	0.69	(4.92)

2.36 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

INR in millions

As at 31 March 2019	Financial assets – amortised cost	Financial liabilities – FVTPL	Financial liabilities – amortised cost	Total carrying amount	Fair value level
Financial assets measured at fair value	-	-	-	-	-
Financial liabilities measured at fair value					
Other financial liabilities	-	-	-	-	Level 3
Financial assets not measured at fair value					
Trade receivables	1,000.30	-	-	1,000.30	-
Investments	796.21	-	-	796.21	-
Cash and cash equivalents	62.59	-	-	62.59	-
Bank balances other than above	21.11	-	-	21.11	-
Loans	236.91	-	-	236.91	-
Other financial assets	94.88	-	-	94.88	-
Total	2,212.00	-	-	2,212.00	-
Financial liabilities not measured at fair value (Refer note below)					
Long-term borrowings (excluding current maturities)	-	-	1,523.72	1,523.72	-
Short-term borrowings	-	-	85.39	85.39	-
Trade payables	-	-	736.71	736.71	-
Other financial liabilities	-	-	387.44	387.44	-
Total	-	-	2,733.26	2,733.26	-

INR in millions

As at 31 March 2018	Financial assets – amortised cost	Financial liabilities – FVTPL	Financial liabilities – amortised cost	Total carrying amount	Fair value level
Financial assets measured at fair value	-	-	-	-	-
Financial liabilities measured at fair value					
Other financial liabilities	-	1,609.12	-	1,609.12	Level 3
Financial assets not measured at fair value (Refer note below)					
Trade receivables	960.10	-	-	960.10	-
Investments	314.90	-	-	314.90	-
Cash and cash equivalents	85.02	-	-	85.02	-
Bank balances other than above	3.26	-	-	3.26	-
Loans	159.83	-	-	159.83	-
Other financial assets	148.34	-	-	148.34	-
Total	1,671.45	-	-	1,671.45	-
Financial liabilities not measured at fair value (Refer note below)					
Long-term borrowings (excluding current maturities)	-	-	2,140.33	2,140.33	-
Short-term borrowings	-	-	265.71	265.71	-
Trade payables	-	-	787.85	787.85	-
Other financial liabilities	-	-	6,000.74	6,000.74	-
Total	-	-	9,194.63	9,194.63	-

Note: The Company has not disclosed the fair values for financial instruments such as short-term trade receivables or short-term trade payables because their carrying amounts are a reasonable approximation of fair values.

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

Financial instrument: The fair value is determined based on the value arrived as per discounted cash flows approach as on the reporting date. Significant unobservable input includes forecast annual revenue growth rate for income from hospital services ranges from 20% p.a to 25% p.a. (31 March 2018: 25% p.a.), forecast annual revenue growth rate for income from pharmacy and others ranges from 10% p.a. to 15% p.a. (31 March 2018: 15% p.a.) and Weighted average cost of capital 31 March 2019: Nil (31 March 2018: 11.77% p.a.).

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2018-19 and no transfers in either direction in 2017-18.

iii. Level 3 fair values

INR in millions

	FVTPL Financial instruments
Balance at 01 April 2017	906.25
Net change in fair value (unrealised)	702.87
Balance at 31 March 2018	1,609.12
Balance at 01 April 2018	1,609.12
Net change in fair value (unrealised)	(1,609.12)
Balance at 31 March 2019	-

Sensitivity analysis

For the fair values of FVTPL financial instrument, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

INR in millions

	Profit and loss, net of tax	
	Increase	Decrease
2018-19		
Annual revenue growth rate (1% movement)		
Risk adjusted discount rate (1% movement)		
2017-18		
Annual revenue growth rate (1% movement)	(167.65)	167.65
Risk adjusted discount rate (1% movement)	419.12	(502.94)

C. Financial risk management

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

(i) Risk management framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

"The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all the employees understand their roles and obligations."

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

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is controlled by analysing credit limits to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to INR 1,337.52 millions as on 31 March 2019 (31 March 2018 : INR 1,102.30 millions). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

INR in millions

Allowance for credit losses		As at 31 March 2019	As at 31 March 2018
Opening balance		142.20	155.41
Credit loss added / (reversed)		155.84	(13.21)
Closing Balance		298.04	142.20

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.

(iii) Liquidity risk

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

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

INR in millions

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	1,523.72	-	1,148.72	378.56	1,527.28
Short-term borrowings	85.39	85.39	-	-	85.39
Interest accrued on long-term borrowings	-	153.99	349.49	27.05	530.53
Trade payables	736.71	736.71	-	-	736.71
Other financial liabilities	387.44	387.35	-	0.09	387.44
Total	2,733.26	1,363.44	1,498.21	405.70	3,267.35

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

INR in millions

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	2,140.33	-	1,020.70	1,126.66	2,147.36
Short-term borrowings	265.71	265.71	-	-	265.71
Interest on long-term borrowings	-	211.01	516.22	121.92	849.15
Trade payables	787.85	787.85	-	-	787.85
Other financial liabilities	6,000.74	6,000.65	-	0.09	6,000.74
Total	9,194.63	7,265.22	1,536.92	1,248.67	10,050.81

The Company has secured loans from bank that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

D. Market risk

(i) Interest rate risk exposure

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

Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate long term borrowings (including current maturities) and short term borrowings	1,740.73	2,472.44
Total	1,740.73	2,472.44

(i) Sensitivity

INR in millions

Particulars	Impact on profit or loss		Impact on equity, net of tax	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Sensitivity				
1% increase in MCLR	(17.41)	(24.72)	(11.32)	(16.17)
1% decrease in MCLR	17.41	24.72	11.32	16.17

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

D. Currency risk

The Company is not exposed to currency risk.

2.37 Income-tax

a. Amount recognised in statement of profit and loss

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	345.55	167.95
Taxes for earlier years	-	3.36
Deferred tax attributable to temporary differences	(43.23)	73.47
Tax expenses for the year	302.32	244.78

b. Amount recognised in other comprehensive income

INR in millions

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	(19.85)	6.94	(12.91)	27.84	(9.73)	18.11

c. Reconciliation of effective tax rate

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss before tax	(134.23)	(567.81)
Enacted tax rates	34.944%	34.608%
Tax expense at enacted rates	(46.91)	(196.51)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Non-deductible expenses	349.44	426.78
Taxes not routed through PL	-	(0.23)
Impact of change in rate of tax	-	4.45
Adjustment in respect of income-tax for earlier years	-	3.36
Others	(0.22)	6.93
Total	302.32	244.78

d. Recognition of deferred tax assets and liabilities
(i) Deferred tax assets and liabilities are attributable to the following

INR in millions

	As at 31 March 2019	As at 31 March 2018
Deferred tax asset		
Provision for doubtful receivables	104.15	49.69
Provision for employee benefits	59.22	42.37
Others	6.34	6.73
Total deferred tax asset	169.71	98.79
Deferred tax liability		
Expenses of depreciation on the fixed assets under income-tax, 1961 over depreciation under Companies Act.	588.93	564.56
Others	1.69	5.31
Total deferred tax liability	590.62	569.87
Deferred tax liability (net)	(420.91)	(471.08)

(ii) Movement in temporary differences

INR in millions

Particulars	Balance as at 1 April 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018	Balance as at 1 April 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019
Provision for doubtful receivables	53.79	(4.10)	-	49.69	49.69	54.46	-	104.15
Provision for employee benefits	38.24	13.86	(9.73)	42.37	42.37	9.91	6.94	59.22
Others items - assets	40.37	(33.64)	-	6.73	6.73	(0.39)	-	6.34
Expenses of depreciation on the fixed assets under income tax, 1961 over depreciation under Companies Act.	(511.48)	(53.08)	-	(564.56)	(564.56)	(24.37)	-	(588.93)
Others items - liability	(8.80)	3.49	-	(5.31)	(5.31)	3.62	-	(1.69)
	(387.88)	(73.47)	(9.73)	(471.08)	(471.08)	43.23	6.94	(420.91)

2.38 Assets pledged as security

INR in millions

	As at 31 March 2019	As at 31 March 2018
Charge on property, plant and equipment		
Freehold land	83.42	83.42
Leasehold land	151.82	151.82
Buildings	3,303.30	3,324.87
Medical and surgical equipment	1,650.17	1,657.72
Plant and equipment	93.58	101.73
Office equipment	8.81	13.56
Electrical equipment	175.86	213.12
Computers	20.64	22.54
Furniture and fixtures	133.82	151.52
Vehicles	18.59	23.31
Total property, plant and equipment pledged as security	5,640.01	5,743.61
Charge on current assets		
Trade receivables	110.92	1,102.30
Inventories	11.04	162.83
Total current assets pledged as security	121.96	1,265.13

2.39 "During the previous year, the Company has paid amount aggregating INR 61.78 millions towards various services received for Initial Public Offering (IPO). These payments were classified as "Other advances" under ""Other current financial assets"" as it was recoverable from shareholders in proportionate of shares offered. During the year, the Company has decided not to proceed with the IPO and accordingly the advances paid could not be recovered from the shareholders and charged off as expenses in the respective head of profit and loss account."

2.40 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2019.

As per our Report on standalone financial statements of even date attached

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAO6513

Place: Hyderabad
Date: 03 July 2019

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

Sd/-
Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: 03 July 2019

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Uma Shankar Mantha
Company Secretary

CONSOLIDATED FINANCIALS

Independent Auditor's Report

To the Members of Krishna Institute of Medical Sciences Limited

Report on the Audit of Consolidated Financial Statements

We have audited the consolidated financial statements of Krishna Institute of Medical Sciences Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as was audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company; and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

Report on Other Legal and Regulatory Requirements

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group (company and its subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

- (a) We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of INR 1,119.95 million as at 31 March 2019, total revenues of INR 229.39 million and net cash flows amounting to INR 2.90 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated 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 Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is 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 financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures and joint operations, as noted in the 'Other Matters' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 2.24 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019. Refer Note 2.36 to the consolidated financial statements.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAAP9471

Place: Hyderabad
Date: 03 July 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Krishna Institute of Medical Sciences Limited for the year ended 31 March 2019

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Krishna Institute of Medical Sciences Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 6 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such Companies incorporated in India.

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Sd/-

Sulabh Kumar Kedia

Partner

Membership No.: 066380

UDIN: 19066380AAAAAP9471

Place: Hyderabad

Date: 03 July 2019

Consolidated balance sheet

INR in millions

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.1 (a)	7,216.95	6,666.24
Capital work-in-progress	2.1 (a)	2.32	-
Other intangible assets	2.1 (b)	578.28	13.48
Goodwill on consolidation		437.72	430.16
Financial assets			
(i) Loans	2.2 (a)	39.81	33.73
(ii) Other financial assets	2.3 (a)	24.37	12.27
Deferred tax assets (net)	2.41	37.97	40.39
Non-current tax assets (net)	2.8	328.01	283.97
Other non-current assets	2.4	374.14	102.44
Total non-current assets		9,039.57	7,582.68
Current assets			
Inventories	2.5	268.61	201.42
Financial assets			
(i) Trade receivables	2.6	1,232.69	1,075.28
(ii) Cash and cash equivalents	2.7 (a)	80.63	109.62
(iii) Bank balances other than (ii) above	2.7 (b)	21.36	3.83
(iv) Loans	2.2 (b)	15.19	22.23
(v) Other financial assets	2.3 (b)	87.59	124.68
Other current assets	2.9	32.43	22.66
Total current assets		1,738.50	1,559.72
Total assets		10,778.07	9,142.40
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.10	744.90	501.50
Other equity		4,675.26	(2,084.02)
Total equity attributable to owners of the Company		5,420.16	(1,582.52)
Non-controlling interests		273.79	212.58
Total Equity		5,693.95	(1,369.94)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.11	2,437.81	2,488.36
(ii) Other financial liabilities	2.12 (a)	5.81	1.32
Provisions	2.13	144.79	96.56
Other non-current liabilities	2.17 (a)	13.48	0.42
Deferred tax liabilities (net)	2.41	528.09	472.33
Total non-current liabilities		3,129.98	3,058.99
Current liabilities			
Financial liabilities			
(i) Borrowings	2.14	175.53	305.14
(ii) Trade payables	2.15	1.36	0.73
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.15	1,039.23	948.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises"	2.12 (b)	493.25	6,059.05
(iii) Other financial liabilities	2.16	17.61	10.95
Provisions	2.17 (b)	131.89	128.65
Other current liabilities		95.27	-
Current tax liability, net			
Total current liabilities		1,954.14	7,453.35
Total equity and liabilities		10,778.07	9,142.40

Significant accounting policies
Notes to the standalone financial statements
The accompanying notes form an integral part of the consolidated financial statements.
As per our Report on consolidated financial statements of even date attached.

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

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAAP9471

Place: Hyderabad
Date: 03 July 2019

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

Sd/-
Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: 03 July 2019

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Uma Shankar Mantha
Company Secretary

Consolidated statement of profit and loss

INR in millions

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	2.18	9,180.05	6,636.71
Other income	2.19	57.32	25.00
Gain on fair value of investment in equity accounted investee	2.38	-	318.52
Total revenue		9,237.37	6,980.23
Expenses			
Medical consumables and pharmacy items consumed	2.20	2,102.07	1,615.50
Employee benefits expense	2.21	1,630.28	1,217.11
Finance costs	2.22	407.96	830.80
Depreciation and amortisation expense	2.1	521.38	396.54
Other expenses	2.23	4,692.21	3,139.74
Total expenses		9,353.90	7,199.69
Loss before share of loss of equity accounted investees and tax expense		(116.53)	(219.46)
Share of profit / (loss) of equity accounted investees		-	18.08
Tax expense			
- Current tax	2.41	386.09	180.84
- Deferred tax (benefit) / charge	2.41	(41.54)	74.29
- Tax pertaining to earlier years	2.41	2.15	3.36
Total tax expense		346.70	258.49
Loss for the year		(463.23)	(459.87)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement of defined benefit plans		(18.84)	33.68
- Income-tax effect		6.64	(11.35)
- Share of other comprehensive income in equity accounted investee		-	0.22
Other comprehensive income, net of tax		(12.20)	22.55
Total comprehensive income for the year		(475.43)	(437.32)
Loss attributable to:			
Owners of the Company		(464.13)	(471.67)
Non-controlling interests		0.90	11.80
Loss for the year		(463.23)	(459.87)
Other comprehensive income attributable to:			
Owners of the Company		(12.51)	20.77
Non-controlling interests		0.31	1.78
Other comprehensive income for the year		(12.20)	22.55
Total comprehensive income attributable to:			
Owners of the Company		(476.64)	(450.89)
Non-controlling interests		1.21	13.58
Total comprehensive income for the year		(475.43)	(437.31)
Earnings per share (face value of share INR 10 each)			
- Basic	2.29	(6.71)	(9.41)
- Diluted	2.29	(6.71)	(9.41)

Significant accounting policies
Notes to the standalone financial statements
The accompanying notes form an integral part of the consolidated financial statements.
As per our Report on consolidated financial statements of even date attached.

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

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAAP9471

Place: Hyderabad
Date: 03 July 2019

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

Sd/-
Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: 03 July 2019

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Uma Shankar Mantha
Company Secretary

Consolidated statement of changes in equity

INR in millions

Particulars	Equity share capital	Other equity				Total of other equity	Non-controlling interest
		Reserve and surplus			Share warrants		
		Securities premium account	Adjustment reserve	Retained earnings			
Balance as at 1 April 2018	501.50	292.98	57.64	(2,434.64)	-	(2,084.02)	212.58
Loss for the year	-	-	-	(464.13)	-	(464.13)	0.90
Issue of shares	28.65	851.35	-	-	-	851.35	-
Issue of share warrants	-	-	-	-	3.10	3.10	-
Conversion of financial liability into equity	214.75	6,381.47	-	-	-	6,381.47	-
Non controlling interest on new subsidiary	-	-	-	-	-	-	60.00
Re-measurement of net defined benefit liability (net of tax)	-	-	-	(12.51)	-	(12.51)	0.31
Balance as at 31 March 2019	744.90	7,525.80	57.64	(2,911.28)	3.10	4,675.26	273.79

Particulars	Equity share capital	Other equity				Total of other equity	Non-controlling interest
		Reserve and surplus			Share warrants		
		Securities premium account	Adjustment reserve	Retained earnings			
Balance as at 1 April 2017	501.50	292.98	57.64	(1,983.74)	-	(1,633.12)	52.29
Loss for the year	-	-	-	(471.67)	-	(471.67)	11.80
Non-controlling interest on new subsidiary	-	-	-	-	-	-	146.71
Re-measurement of net defined benefit liability (net of tax)	-	-	-	20.77	-	20.77	1.78
Balance as at 31 March 2018	501.50	292.98	57.64	(2,434.64)	-	(2,084.02)	212.58

Securities premium

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

Adjustment reserve

During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by Honourable High Court of Andhra Pradesh, the Company has allotted 306,069 Equity Shares of INR 10 each to the Share holders of the transferor Company against 4,455,000 equity shares of INR 10 each outstanding in the transferor Company in the ratio of 9 equity shares of INR 10 each for every 131 equity shares of INR 10 each of the Transferor Company. The difference of INR 41.49 millions on account of the above share swap has been added to the Adjustment Reserve of the Company as per the Scheme.

Pursuant to the Scheme of Arrangement approved by the High Court, the Company allotted 969,231 equity shares of INR 10 each to the shareholders of the Demerged Company against 2,100,000 equity shares of INR 10 each outstanding in the Demerged Company in the ratio of 6 equity shares of INR 10 each for every 13 equity shares of INR 10 each of the Demerged Company. The difference between the consideration payable and the value of net assets taken over as per the Scheme amounting to INR 16.15 millions has been added to the Adjustment Reserve of the Company as per the Scheme.

The accompanying notes form an integral part of the consolidated financial statements
As per our Report on consolidated financial statements of even date attached

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

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAAP9471

Place: Hyderabad
Date: 03 July 2019

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

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Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: 03 July 2019

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Uma Shankar Mantha
Company Secretary

Consolidated statement of cash flows

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flows from operating activities		
Net loss before tax	(116.53)	(219.46)
Adjustments for:		
Depreciation and amortisation expenses	521.38	396.54
Finance costs	407.96	830.80
Provision for impairment of receivables and advances	179.67	(9.62)
Interest income	(5.68)	(3.60)
Net loss on sale of property, plant and equipment	1.52	0.15
Gain on fair value of investment in equity accounted investee	-	(318.52)
Loss on changes in fair value of financial instruments	871.27	702.87
Liabilities no longer required written back	(20.29)	-
Operating profit before working capital changes	1,839.30	1,379.16
Charge in assets and liabilities:		
Increase in inventories	(57.36)	(37.33)
Increase in trade receivables	(267.33)	(264.00)
Decrease in other financial assets and other assets	67.74	34.39
Increase in trade payables, other financial liabilities and provisions	23.56	243.11
Cash provided by operations	1,605.91	1,355.33
Income taxes paid, net	(314.58)	(294.67)
Net cash provided by operating activities (A)	1,291.33	1,060.66
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(773.49)	(585.13)
Proceeds from sale of property, plant and equipment	2.13	16.39
Purchase of investment (net)	(70.00)	(80.00)
Payment of purchase consideration for slump sale	(197.27)	-
Advance for purchase of shares	(60.00)	-
Loans to related parties	-	7.36
Interest received	5.54	2.35
Bank balances not considered as cash and cash equivalents (net)	(15.53)	(3.03)
Net cash used in investing activities (B)	(1,108.62)	(642.06)
C. Cash flows from financing activities*		
Repayment of long-term borrowings	(1,863.78)	(2,233.43)
Receipts of long-term borrowings	1,302.70	1964.32
(Repayment)/ proceeds of short-term borrowings (net)	(250.91)	188.38
Payment of finance lease obligations	(11.51)	-
Proceeds from issue of shares	880.00	-
Proceeds from issue of share warrants	3.10	-
Finance costs	(274.58)	(311.05)
Net cash used in financing activities (C)	(214.98)	(391.78)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(32.27)	26.82
Cash and cash equivalents acquired through business combination	3.28	-
Cash and cash equivalents at the beginning of the year	109.62	82.80
Cash and cash equivalents at the end of the year	80.63	109.62
* The changes in liabilities arising from financing activities are only due to changes arising from cash flows during the current as well as previous year.		

Consolidated cash flow statement

a) The consolidated statement of cash flows 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		
- On current accounts	68.07	100.65
Cash on hand	12.56	8.97
Total	80.63	109.62

The accompanying notes form an integral part of the consolidated financial statements
As per our Report on consolidated financial statements of even date attached

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAAP9471

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

Sd/-
Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Uma Shankar Mantha
Company Secretary

Place: Hyderabad
Date: 03 July 2019

Place: Hyderabad
Date: 03 July 2019

Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)

2.1 (a) Property, plant and equipment ('PPE') and capital work in progress

INR in millions

Particulars	Freehold land	Leasehold land	Leasehold improvement	Buildings	Medical and surgical equipment	Plant and equipment	Office equipment	Electrical equipment	Computers	Furniture and fixtures	Vehicles	Total of property, plant and equipment	Capital work-in-progress
Cost													
Balance as at 1 April 2017	29.03	151.82	-	2,967.58	1,754.97	122.81	22.28	270.70	27.45	179.56	21.05	5,547.25	636.02
Acquisition through business combinations (refer note 2.37)	-	-	154.34	-	290.97	108.84	10.36	50.13	29.21	65.51	12.46	721.82	-
Additions	65.62	122.55	-	518.37	432.38	12.86	9.83	36.32	20.00	29.76	12.69	1,260.38	149.76
Disposals	-	-	-	-	(19.65)	-	-	-	-	-	-	(19.65)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(785.78)
Balance as at 31 March 2018	94.65	274.37	154.34	3,485.95	2,458.67	244.51	42.47	357.15	76.66	274.83	46.20	7,509.80	-
Balance as at 1 April 2018	94.65	274.37	154.34	3,485.95	2,458.67	244.51	42.47	357.15	76.66	274.83	46.20	7,509.80	-
Acquisition through business combinations (refer note 2.37)	-	-	-	253.58	219.03	21.66	6.82	15.78	7.88	11.56	2.79	539.10	-
Additions	24.90	-	-	85.91	344.17	5.99	4.91	13.74	22.04	17.58	3.05	522.29	38.68
Disposals	-	-	-	-	(4.10)	-	-	-	-	-	(1.68)	(5.78)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(36.36)
Balance as at 31 March 2019	119.55	274.37	154.34	3,825.44	3,017.77	272.16	54.20	386.67	106.58	303.97	50.36	8,565.41	2.32
Accumulated depreciation													
Balance as at 1 April 2017	-	-	-	49.94	201.76	10.57	8.14	44.54	10.53	26.94	3.47	355.89	-
Acquisition through business combinations (refer note 2.37)	-	-	3.91	-	40.46	12.81	4.20	8.77	13.77	13.04	1.52	98.48	-
Depreciation charge for the year	-	-	0.01	58.57	224.93	11.54	9.48	43.87	12.62	26.65	4.63	392.30	-
Disposals	-	-	-	-	(3.11)	-	-	-	-	-	-	(3.11)	-
Balance as at 31 March 2018	-	-	3.92	108.51	464.04	34.92	21.82	97.18	36.92	66.63	9.62	843.56	-
Balance as at 31 March 2018	-	-	3.92	108.51	464.04	34.92	21.82	97.18	36.92	66.63	9.62	843.56	-
Acquisition through business combinations (refer note 2.37)	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	2.78	64.49	290.17	20.55	9.64	51.40	24.77	36.37	6.86	507.03	-
Disposals	-	-	-	-	(1.45)	-	-	-	-	-	(0.68)	(2.13)	-
Balance as at 31 March 2019	-	-	6.70	173.00	752.76	55.47	31.46	148.58	61.69	103.00	15.80	1,348.46	-
Carrying amounts (net)													
At 31 March 2018	94.65	274.37	150.42	3,377.44	1,994.63	209.59	20.65	259.97	39.74	208.20	36.58	6,666.24	-
At 31 March 2019	119.55	274.37	147.64	3,652.44	2,265.01	216.69	22.74	238.09	44.89	200.97	34.56	7,216.95	2.32

Notes :

1. Leasehold land is in the nature of perpetual lease and is not amortised.
2. Buildings amounting to gross block INR 75.06 millions (31 March 2018: INR 49.63 millions) and net block INR 57.99 millions (31 March 2018: INR 34.91 millions) are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Group.
3. Refer note 2.25 for incidental expenditure incurred during the construction period.
4. Refer note 2.34 for details of assets pledged as security.
5. Refer note 2.26 for assets taken on finance lease.

2.1 (b) Other intangible assets

INR in millions

Description	Software	Brand	Non compete	Goodwill	Customer contract	Total
Cost						
Balance as at 1 April 2017	17.88	-	-	-	-	17.88
Additions	3.06	-	-	-	-	3.06
Disposals	-	-	-	-	-	-
Balance as at 31 March 2018	20.94	-	-	-	-	20.94
Balance as at 1 April 2018	20.94	-	-	-	-	20.94
Acquisition through business combinations (refer note 2.37)	1.36	13.10	28.30	314.17	188.02	544.95
Additions	34.20	-	-	-	-	34.20
Disposals	-	-	-	-	-	-
Balance as at 31 March 2019	56.50	13.10	28.30	314.17	188.02	600.09
Accumulated amortisation						
Balance as at 1 April 2017	3.22	-	-	-	-	3.22
Amortisation charge for the year	4.24	-	-	-	-	4.24
Disposals	-	-	-	-	-	-
Balance as at 31 March 2018	7.46	-	-	-	-	7.46
Balance as at 1 April 2018	7.46	-	-	-	-	7.46
Amortisation charge for the year	7.37	1.30	2.81	-	2.87	14.35
Disposals	-	-	-	-	-	-
Balance as at 31 March 2019	14.83	1.30	2.81	-	2.87	21.81
Carrying amounts (net)						
At 31 March 2018	13.48	-	-	-	-	13.48
At 31 March 2019	41.67	11.80	25.49	314.17	185.15	578.28

2.2 Loans (Unsecured, considered good)

INR in millions

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Security deposits	39.81	33.73
Total	39.81	33.73
(b) Current		
-To parties other than related parties		
Security deposits	15.19	10.80
-To related parties (refer note 2.28)		
Advances to related parties	-	11.43
Total	15.19	22.23

2.3 Other financial assets (Unsecured, considered good)

INR in millions

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Bank deposits (due to mature after 12 months of reporting date)*	7.90	9.91
Interest accrued on bank deposits	1.12	2.36
Other receivable	15.35	-
Total	24.37	12.27
* Bank deposits placed are restrictive in nature as it pertains to bank guarantee.		
(b) Current		
-To parties other than related parties		
Contract assets (Unbilled revenue)	74.46	62.51
Other receivables	2.43	-
Other advances (refer note 2.35)	-	61.78
Interest accrued on bank deposits	0.69	0.30
-To related parties (refer note 2.28)		
Advance to related parties	10.01	-
Interest accrued on loans	-	0.09
(Unsecured, considered doubtful)		
Other advances	0.32	1.50
Less : Provision for other advances	(0.32)	(1.50)
Total	87.59	124.68

2.4 Other non-current assets (Unsecured, considered good)

INR in millions

	As at 31 March 2019	As at 31 March 2018
Capital advances*	249.22	47.67
Advance for purchase of shares [Refer note 2.24 (c)(II)(i)]	60.00	-
Paid under protest	49.47	39.49
Prepaid expenses	15.45	15.28
Total	374.14	102.44

* Includes a transaction entered between the Company and Dr. B Bhaskara Rao towards purchase of land for a total consideration INR 74.25 million. Out of the total consideration, an amount of INR 70.00 million is paid as an capital advance. Refer note 2.28.

2.5 Inventories (Valued at lower of cost or net realisable value)

INR in millions

	As at 31 March 2019	As at 31 March 2018
Medical consumables and pharmacy items	268.61	201.42
Total	268.61	201.42
* Refer note 2.34 for details of assets pledged as security.		

2.7 Trade receivables*

INR in millions

	As at 31 March 2019	As at 31 March 2018
Considered good - Secured	-	-
Considered good - Unsecured	1,559.17	1,220.80
Total receivables	1,559.17	1,220.80
Less : Provision for impairment	(326.48)	(145.52)
Net trade receivables	1,232.69	1,075.28
<p>* * Includes amount receivables from related party amounting to INR 2.21 millions (31 March 2018: INR 2.21 millions). (Refer note 2.28).</p> <p>* Refer note 2.34 for details of assets pledged as security.</p> <p>The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 2.33</p>		

2.7 Cash and bank balances

INR in millions

	As at 31 March 2019	As at 31 March 2018
a) Cash and cash equivalents		
Cash on hand	12.56	8.97
Balances with banks		
- in current accounts	68.07	100.65
	80.63	109.62
b) Other bank balances	21.36	3.83
	21.36	3.83
Total	101.99	113.45
<p>*The above deposits are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing within 12 months of the reporting date.</p>		

2.8 Non-current tax assets (net)

INR in millions

	As at 31 March 2019	As at 31 March 2018
Advance tax (net of provision for taxation)	328.01	283.97
Total	328.01	283.97

2.9 Other current assets (Unsecured, considered good)

INR in millions

	As at 31 March 2019	As at 31 March 2019
Advance to suppliers	10.87	4.55
Prepaid expenses	9.43	11.82
Staff advances	9.19	6.21
Other advances	2.92	-
Other receivables	0.02	0.08
Total	32.43	22.66

2.10 Equity share capital

INR in millions

	As at 31 March 2019	As at 31 March 2018
Authorised Equity shares 95,000,000 (31 March 2018: 95,000,000) equity shares of INR 10 each	950.00	950.00
	950.00	950.00
Issued, subscribed and paid-up* 74,489,552 (31 March 2018: 50,149,732) equity shares of INR 10 each fully paid-up	744.90	501.50
	744.90	501.50

* As at 31 March 2018, issued equity shares excludes 21,474,864 equity shares of INR 10 each fully paid up which were classified as financial liability.

(a) Reconciliation of number of equity shares of INR 10 each, fully paid up outstanding at the beginning and at the end of the year:

INR in millions

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year*	50,149,732	501.50	50,149,732	501.50
Add: Conversion of put options to equity shares	21,474,864	214.75	-	-
Add: Shares issued during the year	2,864,956	28.65	-	-
Shares outstanding at the end of the year*	74,489,552	744.90	50,149,732	501.50

* As at 31 March 2018, issued equity shares excludes 21,474,864 equity shares of INR 10 each fully paid up which were classified as financial liability.

(b) Rights, preferences and restrictions attached to equity shares of INR 10 each, fully paid up:

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

(c) Particulars of shareholders holding more than 5% equity shares of INR 10 each, fully paid up

INR in millions

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Dr. B Bhaskar Rao	18,304,164	24.57%	19,756,664	39.40%
General Atlantic Singapore KH Pte Ltd	30,250,115	40.61%	-	-
B. Seenaiiah	4,972,308	6.68%	5,330,408	10.63%
BRM Hospitals Private Limited	4,800,632	6.44%	4,800,632	9.57%

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

INR in millions

Particulars	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Equity shares of INR 10 each, fully paid up allotted as bonus shares by capitalisation of securities premium	-	-	-	61,603,374	2,933,494

(e) The Company has not bought back any shares during the period of five years immediately preceding the balance sheet date.

(f) "During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders through which new investor have purchased few shares from the existing shareholders and entire shares from the old investor. The terms of the contract with the new investor had resulted in de-recognition of the existing liability by INR 5,604.93 millions (as at 31 March 2018) and recognition of the same in equity share capital and securities premium.

Apart from the exit to the old investor, the new investor has also infused an amount of INR 880 millions in the form of 2,864,956 equity shares of face value of INR 10 each, fully paid up at the premium of INR 297.16 per share in the Company."

2.11 Long-term borrowings

INR in millions

	As at 31 March 2019		As at 31 March 2018	
	Non- current	Current*	Non- current	Current*
Secured				
Term loans from banks				
- Andhra Bank term loan - 1 (refer note i)	-	-	78.88	79.36
- Andhra Bank term loan - 2 (refer note ii)	-	-	-	6.38
- Andhra Bank term loan - 3 (refer note iii)	-	-	73.18	29.52
- Andhra Bank term loan - 4 (refer note iv)	-	-	479.70	12.13
- HDFC Bank equipment loan - 1 (refer note v)	79.06	10.94	79.19	3.38
- HDFC Bank equipment loan - 2 (refer note vi)	122.08	11.80	-	-
- HDFC Bank vehicle loan - 1 (refer note vii)	-	-	0.24	0.52
- HDFC Bank vehicle loan - 2 (refer note viii)	3.70	0.62	-	-
- Federal bank term loan (refer note ix)	494.07	66.24	182.00	-
- Federal bank term loans (refer note x and xi)	122.80	7.67	-	-
- HDFC Bank term loan (refer note xii)	495.14	2.29	-	-
- Yes bank term loan (refer note xiii)	291.32	19.81	331.13	21.60
Total loans from banks (A)	1,608.17	119.37	1,224.32	152.89
Term loans from other parties				
- Siemens Financial Services Private Limited (refer note xiv)	-	16.75	16.75	47.45
- IDFC Infrastructure Finance Limited (refer note xv)	819.10	142.05	1,210.28	44.05
- De Lage London Finance Service (refer note xvi)	-	-	9.92	0.50
Total loans from other parties (B)	819.10	158.80	1,236.95	92.00
Unsecured				
Deferred payment liability (refer note xvii)	-	-	-	25.00
Finance lease obligation (refer note xviii)	10.54	16.55	27.09	11.51
Liability component of financial instrument (refer note xix)	-	-	-	3,995.81
Total unsecured loans (C)	10.54	16.55	27.09	4,032.32
Total (A) + (B) + (C)	2,437.81	294.72	2,488.36	4,277.21

Notes:

Refer current maturities of long-term borrowings under note 2.12 Other financial liabilities

- i Andhra Bank term loan - 1 was secured by pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financiers and Rajahmundry unit property and Pari Passu second charge on entire fixed assets (existing and future) of the Company. Further, it was secured by pledge of Rs. 1.08 lakh shares of promoter directors of total FV of Rs. 10.80 lakhs and 20% of shares of the Company held by the Dr. B. Bhaskara Rao and/or directors of the Company. The loan was further secured by personal guarantee of B. Krishnaiah, Dr. B. Bhaskara Rao, B.Seenaiah and D.Anitha. Further, the loan was secured by property belonging to Dr. B. Bhaskara Rao.. This loan was repayable in 22 quarterly equal instalments from December 2014 to March 2020 and carried interest rate of 1Y MCLR + 0.45% + 0.50% (TP) (31 March 2018 : 1Y MCLR + 0.45% (spread) + 0.50% (TP)). The loan was pre closed during the year.
- ii Andhra Bank term loan - 2 was secured by pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financiers and Rajahmundry unit property and Pari Passu second charge on entire fixed assets (existing and future) of the Company. Further, it was secured by pledge of Rs. 1.08 lakh shares of promoter directors of total FV of Rs. 10.80 lakhs and 20% of shares of the Company held by the Dr. B. Bhaskara Rao and/or directors of the Company. The loan was further secured by personal guarantee of B. Krishnaiah, Dr. B. Bhaskara Rao, B.Seenaiah and D.Anitha. Further, the loan was secured by property belonging to Dr. B. Bhaskara Rao. Loan was repayable in 29 monthly equal instalments from December 2015 to April 2018 and carried interest rate of 1Y MCLR + 1.20% (31 March 2018: 1Y MCLR + 0.45% (spread) + 0.50% (TP)). The loan was fully repaid during the year.
- iii Andhra Bank term loan - 3 was secured by second pari passu charge on other unencumbered movable and immoveable fixed assets of the Company both present and future along with other term lenders except Rajahmundry unit fixed assets. Further, it was secured by personal guarantee of Dr. B. Bhaskara Rao, Mr. B. Krishnaiah, Mr. B. Seenaiah and D. Anitha and pledge of 14.1 millions shares of promoter directors. The loan was also secured by second pari passu charge on the commercial land and building situated at Nellore belonging to the Company, second charge on land and building and all other fixed assets purchased for Ongole unit in slump sale and other assets purchased out of term loan. This loan is repayable in 20 quarterly equal instalments from December 2016 to September 2021 and carried interest rate of 1Y MCLR + 1.20% (31 March 2018 : 1Y MCLR + 0.45% (spread) + 0.50% (TP)). The loan was pre closed during the year.

- iv Andhra Bank term loan - 4 was secured by exclusive charge on land and building and all other assets purchased for Ongole unit in slump sale and other assets purchased out of term loan and second charge on the current assets (existing and future) pertaining to Ongole unit. Further, it was secured by personal guarantee of Dr. B. Bhaskara Rao, Mr. B. Krishnaiah, Mr. B. Seenaiiah and D. Anitha and pledge of 14.1 millions shares of promoter directors. This loan was repayable in 40 quarterly unequal instalments from March 2019 to December 2028 and carried interest rate of 1Y MCLR + 0.45% (spread) + 0.50% (TP) (31 March 2018 : 1Y MCLR + 0.45% (spread) + 0.50% (TP)). The loan was pre closed during the year.
- v Term loan - 1 from HDFC bank towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment out of sanctioned facility, carrying an interest rate ranging from 9.5% p.a. fixed (31 March 2018: 9.5% p.a. fixed). This loan is repayable in 84 unequal monthly instalments starting from July 2017 to June 2024. Outstanding amount as on 31 March 2019 is INR 90.00 millions (31 March 2018: INR 65.00 millions).
- vi Term loan - 2 availed during the year from HDFC bank towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment out of sanctioned facility, carrying an interest rate of 1Y MCLR + 0.65%. Also secured by personal guarantee of Dr B Bhaskara rao. This loan is repayable in 84 unequal monthly instalments starting from January 2019 to December 2024. Outstanding amount as on 31 March 2019 is INR 133.88 millions (31 March 2018: Nil)
- vii Term loan from HDFC bank consisted of vehicle loan secured by first exclusive hypothecation charge on the vehicle acquired from the said loan and carried interest rate ranging from 9.75% to 12.51% (31 March 2018: ranging from 9.75% to 12.51%). The This loans was repayable in equal monthly instalments starting from August 2016 to August 2019. The loan was pre closed during the year.
- viii Term loan from HDFC Bank of INR 5.03 millions is secured by first exclusive hypothecation charge on the vehicle acquired from the said loans. The loan carries interest rate of 8.01% per annum. These loans are repayable in 84 equated monthly instalments starting from January 2018 to December 2024. Outstanding amount as on 31 March 2019 is INR 4.32 millions (31 March 2018: INR 4.89 millions).
- ix Federal Bank term loan consists of 2 loans (31 March 2018: 1 loan) is secured by exclusive charge on existing hospital at Rajahmundry and pledge of minimum 51% shareholding of the Company in KIMS Hospital Private Limited, a subsidiary of the Company. Also secured by personal guarantee of Dr. B. Bhaskara Rao. The loan is repayable in 66 equal monthly instalments starting from May 2019 to April 2025 and carries an interest rate ranging from 9.50% to 9.80% p.a. (31 March 2018: 9.50%). Outstanding amount as on 31 March 2019 is INR 560.31 millions (31 March 2018: INR 182.00 millions).
- x Federal bank term loan is secured by way of first charge on the medical equipment, other movable assets, building improvements and fixtures of ICIMSPL and second charge on entire current assets of ICIMSPL. Further, it is secured by personal guarantee of Dr. Abhinay Bollineni, Dr. Bhaskara Rao, Dr. Sai (Director of ICIMSPL) and Dr. P. Satish Kumar (Director of ICIMSPL). The loan is also secured by corporate guarantee given by the Company. The loan is repayable in 72 equated monthly instalments starting September 2019 and carries an interest rate of 9.50% per annum with annual reset (linked to 1 year MCLR).
- xi Federal bank term loan is secured by way of first charge on medical equipment (minimum 1.19x cover), with 15% margin, of ICIMSPL and second charge on entire current assets of ICIMSPL. Further, it is secured by personal guarantee of Dr. Abhinay Bollineni, Dr. Bhaskara Rao, Dr. Sai (Director of ICIMSPL) and Dr. P. Satish Kumar (Director of ICIMSPL). The loan is also secured by corporate guarantee given by the Company. The loan is repayable in 72 equated monthly instalments starting April 2020 and carries an interest rate of 9.80% per annum with annual reset (linked to 1 year MCLR).
- xii Term loans from HDFC Bank Limited are repayable in equated monthly instalments covering principle and interest for term loans. These loans are for a term of 12 years, with a structured EMI payments for the first 1.5 years and uniform EMI payables for the balance 10.5 years and carries a interest rate of 9.75% floating rate linked to bank's 1 year MCLR for term loans. The loans are secured by first and exclusive charge on movable and immovable assets, current assets of SIMSPL and equitable mortgage on the property owned by Veera Kishore Reddy (Director of SIMSPL) situated at Sy no.155, D.No.1-1348, NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004. Further, the loan is secured by way of Corporate guarantee given by the Company and personal guarantee given by Mr. Veera Kishore Reddy and Mr. Yelakala Surendra Reddy (Directors of SIMSPL).
- xiii Yes Bank term loan of INR 360 millions is secured by first exclusive charge on entire movable fixed assets including leasehold improvements, present and future, by way deed of hypothecation and first exclusive charge on all current assets of KHEPL. Further, the loan is secured by unconditional and irrevocable personal guarantees of Dr. B. Abhinay, Mrs. CH. Harini (Director of KHEPL) and Mr. S. Sunand (Director of KHEPL) and Dr. B. Bhaskara Rao. The amount is repayable in 72 monthly instalments starting from January 2018 to December 2023. The loan carries an interest rate of 1Y MCLR + 1.15% (spread) per annum. The loan is also secured by corporate guarantee given by the Company. Further, the loan is secured by a charge on the escrow account. Outstanding amount as on 31 March 2019 is INR 311.13 millions (31 March 2018: INR 352.73 millions).

- xiv Term loan - Siemens Financial Services Private Limited consists of 1 loans (31 March 2018: 3 loans) secured by way of hypothecation of medical and surgical equipment procured from the said loan and personal guarantee of Dr. B Bhaskara Rao. The loans are repayable in unequal monthly instalments from January 2012 to July 2019 and carries interests rate ranging from 11% to 13.50% p.a. (31 March 2018 : interests rate ranging from 11 % to 13.50% p.a.). Outstanding amount as on 31 March 2019 is INR 16.75 millions (31 March 2018: INR 64.20 millions).
- xv Term loan from IDFC Infrastructure Finance Limited is secured by a first pari-passu mortgage and charge of immovable properties of the Secunderabad hospital and Nellore hospital building. Also secured by a first pari-passu charge by way of hypothecation of Secunderabad hospital and Nellore Hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans and a second pari-passu mortgage and charge of immovable properties of the Ongole hospital. Also includes a second pari-passu charge by way of hypothecation of Ongole hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans; a second charge on the entire cash flows, receivables, book debts and revenues of the Company, of whatsoever nature and wherever arising; subject to the prior charge of the working capital lenders. Also secured by personal guarantee of Dr. Bhaskara Rao. The loan is repayable in 72 equal monthly instalments and carries an interest rate of 9.10% p.a. (31 March 2018: 9.10% p.a.). Outstanding amount as on 31 March 2019 is INR 961.14 millions (31 March 2018: INR 1,254.34 millions).
- xvi Term loan - De Lage Landen Financial Services India Private Limited is repaid during the current year (31 March 2018: 3 loans). It was secured by way of first and exclusive charge on all assets procured through the facility. Further, the loan was secured by collateral security of medical and surgical equipment procured from the said loans and personal guarantee of Dr. B Bhaskara Rao. The loans were repayable in 42 monthly unequal instalments, inclusive of 6 months moratorium, from September 2016 to February 2020 and carried fixed interest rate of 11.25% p.a. (31 March 2018: 11.25%). The loan was pre-closed during the year.
- xvii Deferred payment liability relates to payable in respect of purchase of equipment from Vattikutti Technologies Private Limited. The liability is repaid in the current year.

2.11 Long-term borrowings (continued)

xiii Finance lease obligations

INR in millions

	31 March 2019			31 March 2018		
	Future minimum lease payments (MLP)	Interest element of MLP	Present value of minimum lease payments	Future minimum lease payments (MLP)	Interest element of MLP	Present value of minimum lease payments
Within less than one year	26.23	9.68	16.55	25.14	13.63	11.51
Between one and five years	17.19	6.65	10.54	43.05	16.23	26.82
After more than five years	-	-	-	0.38	0.11	0.27
Total	43.42	16.33	27.09	68.57	29.97	38.60

Certain items of medical equipment have been obtained on finance lease basis. The legal title to these items vests with their lessor. The lease term of such medical equipment ranges from 5 years to 6 years with equated monthly payments beginning from the month subsequent to the commencement of lease. The legal title of medical equipment will be transferred to the Group at the end of the lease term of the respective agreements at nominal values. The said lease arrangement does not contain any contingent rent.

xix Liability component of financial instrument is converted into equity during the current year which carried IRR at 15% per annum.

xx Aggregate amount of secured loans (including current maturities of long term borrowings) guaranteed by Directors and others : INR 2,603.43 millions (31 March 2018: INR 2,635.52 millions)

xxi Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 2.33

2.12 Other financial liabilities

INR in millions

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Security deposits	2.55	1.32
Capital creditors	3.26	-
Total	5.81	1.32
(b) Current		
Current maturity of long term debts (refer note 2.11)	294.72	4,277.21
Capital creditors	33.49	28.48
Employee benefits payable*	147.28	128.40
Interest accrued but not due on borrowings	8.57	5.64
Security and caution deposit	7.59	10.20
Derivatives	-	1,609.12
Other deposits	1.60	-
Total	493.25	6,059.05
The Group's exposure to currency and liquidity risks related to other financial liabilities is disclosed in note 2.33		
*Includes payables to related parties. For details refer note 2.28		

2.13 Long-term provisions

INR in millions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity [refer note 2.27]	101.89	64.11
Compensated absences	42.90	32.45
Total	144.79	96.56

2.14 Short-term borrowings

INR in millions

	As at 31 March 2019	As at 31 March 2018
Secured		
Working capital loans from banks [refer note i]	175.53	305.14
Total	175.53	305.14

Notes:

- i "Working capital loans consists of loans from :
 - a) Andhra bank - Loan is secured by pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financiers and Rajahmundry unit property and pari passu second charge on entire fixed assets (existing and future) of the Company. Further, it is secured by personal guarantee of Dr B Bhaskara Rao, Sri B. Krishnaiah, Sri B.Seenaiah and D. Anitha. Loan is repayable on demand and carries interest rate of 1Y MCLR+1.20% (31 March 2018: 1Y MCLR+0.95%)
 - b) Federal bank - Loan is secured by primary exclusive charge on current assets of Rajahmundry hospital, both current and future and collateral security by exclusive charge on existing hospital at Rajahmundry and pledge of minimum 51% shareholding of the Company in KIMS Hospital Private Limited, a subsidiary of the Company. Also secured by personal guarantee of Dr. B. Bhaskara Rao. Loan is repayable on demand and carries interest rate of 9.40% p.a. (31 March 2018: Nil)
 - c) Yes Bank - Working capital loan from Yes Bank of INR 40.00 millions secured by first exclusive charge on entire movable fixed assets including leasehold improvements, present and future, by way deed of hypothecation and first exclusive charge on all current assets of KHEPL. Further, the loan is secured by unconditional and irrevocable personal guarantees of Dr. B. Abhinay, Mrs. CH. Harini (Director of KHEPL) and Mr. S. Sunand (Director of KHEPL) and Dr. B. Bhaskara Rao. The loan is also secured by corporate guarantee given by the Company aggregating to INR 400 millions. Further, the loan is secured by a charge on the escrow account. The loan carries an interest rate of quarterly MCLR + 2% (spread). Outstanding amount as on 31 March 2019 is INR 12.52 millions (31 March 2018: INR 39.43 millions).
 - d) HDFC Bank - Working capital loan is secured by first and exclusive charge on fixed and current assets of AHPL other than assets exclusively charged to other equipment financiers. It is also secured by personal guarantee of Dr. G. Someswara Rao (Director of AHPL). Loan is repayable on demand and carries interest rate of 1 Yr MCLR + 1.85% per annum (31 March 2018: Base rate + 2.75%). Outstanding amount as on 31 March 2019 is INR 10.01 millions (31 March 2018: Nil).
 - e) Federal Bank - Working capital loan is secured by first charge on entire current assets of ICIMSPL with a margin of 25% on stock and receivables and second charge on medical equipment, other movable assets, building improvements and fixtures of ICIMSPL. Further, it is secured by personal guarantee of Dr. Abhinay Bollineni, Dr. Bhaskara Rao, Dr. Sai (Director of ICIMSPL) and Dr. P Satish Kumar (Director of ICIMSPL). The loan is further secured by corporate guarantee given by the Company. Loan is repayable on demand and carries an interest rate of 9.50% per annum (linked to 1 year MCLR).
 - f) HDFC Bank - Working capital loan carries interest rate of 9.95% per annum, linked to 1 year MCLR. The loan is secured by first and exclusive charge on moveable and immoveable assets, current assets of the SIMSPL and equitable mortgage on the property owned by Veera Kishore Reddy (Director of SIMSPL) situated at Sy no.155, D.No.1-1348, NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004. Further, the loan is secured by way of Corporate guarantee given by the Company and personal guarantee given by Mr. Veera Kishore Reddy and Mr. Yelakala Surendra Reddy (Directors of SIMSPL).
- ii Amount of secured loans guaranteed by directors and others aggregates to INR 175.53 millions (31 March 2018: INR 305.14 millions).
- iii Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 2.33

2.15 Trade payables

INR in millions

	As at 31 March 2019	As at 31 March 2018
- total outstanding dues of micro enterprises and small enterprises (refer note 2.31)	1.36	0.73
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,039.23	948.83
Total	1,040.59	949.56
The above includes payable to related party. For details refer note 2.28 All trade payables are 'current'. The Group's exposure to currency and liquidity risks related to trade payable is disclosed in note 2.33		

2.16 Short term provisions

INR in millions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity [refer note 2.27]	-	0.18
Compensated absences	17.61	10.77
Total	17.61	10.95

2.17 Other liabilities

INR in millions

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Deferred income	13.48	0.42
Total	13.48	0.42
(b) Current		
Statutory dues payable	63.98	61.50
Contract liabilities*	40.66	45.65
Deferred income	0.64	0.18
Other liabilities	26.61	21.32
Total	131.89	128.65

* Represents advance received from patients

2.18 Revenue from operations

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Income from medical and healthcare services		
Income from hospital services	6,036.98	4,222.09
Income from pharmacy and others	2,970.99	2,269.85
Total	9,007.97	6,491.94
B. Other operating income		
Income from academic courses	58.26	46.09
Income from sale of food and beverages	105.07	89.70
Other hospital income	8.75	8.98
Total	172.08	144.77
Total revenue from operations (A+B)	9,180.05	6,636.71
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	9,744.65	
Adjustments for:		
Discounts and disallowances	(645.65)	
Others	(91.03)	
Income from medical and healthcare services	9,007.97	

2.19 Other income

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on:		
- fixed deposits	3.55	1.72
- security deposits	1.13	-
- income tax refunds	1.00	1.61
- loans to related parties	-	0.27
- Others	0.16	0.11
Lease income	7.70	4.74
Liabilities no longer required written back	20.29	-
Guarantee commission income	-	1.70
Sponsorship income	1.96	
Miscellaneous income	21.53	14.85
Total	57.32	25.00

2.20 Medical consumables and pharmacy items consumed

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock	201.42	164.09
Add: Purchases during the year	2,169.26	1,652.83
Less: Closing stock	(268.61)	(201.42)
Total	2,102.07	1,615.50

2.21 Employee benefit expenses*

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	1,504.27	1,115.14
Contribution to provident and other funds (refer note no 2.27)	109.31	89.78
Staff welfare expenses	16.70	12.19
Total	1,630.28	1,217.11
*Net of amount capitalised (refer note 2.25)		

2.22 Finance cost

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on		
- term loans	246.41	257.49
- other loans	17.38	17.00
- on security deposit	0.08	0.14
- finance lease obligations	13.63	14.53
- liability component of financial instruments	120.01	521.19
Other borrowing costs	10.45	20.45
Total	407.96	830.80

2.23 Other expenses*

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Consultancy charges	2,009.92	1,349.92
House keeping expenses	321.13	219.08
Power and fuel	206.35	166.46
Catering and patient welfare expenses	131.46	94.70
Rent (refer note 2.26)	120.87	53.80
Tests and investigations	21.15	15.46
Academic courses expenses	0.83	1.30
Repairs and maintenance:		
- Medical equipment	175.27	158.73
- Hospital building and others	110.74	74.60
Printing and stationery	45.49	26.62
Legal and professional charges	134.88	26.40
Rates and taxes	62.55	71.24
Loss on fair value changes in financial instrument	871.27	702.87
Travelling and conveyance	36.84	25.46
Advertisement and publicity	106.62	65.94
Communication expenses	13.98	9.33
Provision for doubtful advances	(1.18)	1.50
Trade receivable written off	47.83	-
Provision for impairment of trade receivables	180.85	(11.12)
Insurance	5.37	3.11
Subscriptions and membership fees	4.27	4.91
Donations	1.65	0.61
Bank charges	36.55	50.02
Contributions towards Corporate Social Responsibility	10.14	6.71
Loss on sale of property, plant and equipment	1.52	0.15
Investment written off	0.10	-
Directors sitting fee	1.84	-
Miscellaneous expenses	33.92	21.94
Total	4,692.21	3,139.74
* Net of amount capitalised (refer note 2.25)		

2.24 Contingent liabilities and commitments

(a) Contingent liabilities

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
i) Luxury tax matters in dispute, pending appeals filed by the Company [paid in protest and disclosed under other non-current assets INR 39.47 millions (31 March 2018: INR 28.44 millions)]	82.27	82.27
ii) Service tax matters in dispute, pending appeals filed by the Group [paid in protest and disclosed under other non-current assets INR 8.90 millions; (31 March 2018: INR 9.95 millions)]	31.72	31.60
iii) VAT matters in dispute, pending appeals filed by the Company [paid in protest and disclosed under other non-current assets INR 1.10 millions (31 March 2018: INR 1.10 millions)]	1.76	1.76
iv) Medical claims (gross, excluding interest/costs)	88.38	81.23
v) Other claims	23.76	23.76
vi) The Company has obtained a stay from High Court for the state of Andhra Pradesh, dated 11 November 2014, directing the local authorities not to proceed with the acquisition of part of the building in Nellore for the purpose of road widening. No provision thereof has been made in the consolidated financials statements.		
vii) An individual has filed a consumer case at National Consumer Disputes Redressal Commission against the Company along with 3 other hospitals demanding a total compensation of Rs 235.01 million along with interest @ 18% p.a towards medical negligence. The Company has replied for the allegations made and believes that it has a strong case in this regard and there shall not be any outflow of resources. No provision thereof has been made in the consolidated financial statement.		

(b) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February, 2019, in the case of Surya Roshani Limited & others v/s Employee Provident Fund Organisation (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 based on a legal opinion has a view that the applicability of the decision is prospective and accordingly 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 and hence disclosed as a Contingent liability in the consolidated financial statements. The impact of the same is not ascertainable.

Notes:

- Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its consolidated financial statements. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

(c) Commitments

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
I) Capital commitment		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	201.70	169.63
II) Other commitments		
i) The Company vide its Board meeting dated 18 January 2019 has approved for an investment in Kurnool Rainbow Hospitals Private Limited (Kurnool Rainbow). Accordingly, as at 31 March 2019 the Company has paid an advance amounting to INR 60.00 millions towards purchase of 55% shareholding in Kurnool Rainbow out of the total consideration payable of INR 81.68 million accordingly as at 31 March 2019 balance of INR 21.68 millions is disclosed as commitment. Subsequent to the year end, the Company has entered into a share purchase agreement dated 1 April 2019 with the shareholders of Kurnool Rainbow and acquired 55% shareholding.		
ii) During the year, the Group has acquired 80% shareholding in Saveera Institute of Medical Sciences Private Limited ('Saveera'). As per the shareholder's agreement, the Group agreed to transfer 3.5% of the equity shares of Saveera to the minority shareholders of Saveera subject to fulfillment of certain conditions.		

2.25 Incidental expenditure during the construction period

During the year, the Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment, as they are attributable expenses. Consequently amounts disclosed under the respective notes as mentioned below are net of amounts capitalised by the Group.

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Other expenses (refer note 2.23)		
Rates and taxes	-	1.33
Travelling and other expenses	-	3.28
Power and fuel	-	0.12
Consultancy technical fee	-	0.68
Total (A)	-	5.41
Employee benefit expenses (B) (refer note 2.21)	-	16.95
Grand total (A+B)	-	22.36

2.26 Lease

Operating lease in the capacity of lessee

a) The Group has taken offices and residential premises under cancellable and non-cancellable operating lease agreements. The Group intends to renew such lease in the normal course of its business. Total rental expenses under non-cancellable operating leases amounts to INR 63.16 millions (31 March 2018: 0.35 millions) and cancellable amounts to INR 57.71 millions (31 March 2018: INR 53.45 millions). The same are grouped under other expenses in the statement of profit and loss.

b) The subsidiaries has non-cancellable operating leases. The total of minimum lease payment (MLP) under non-cancellable operating leases is as follows:

INR in millions

Particulars	Total MLP outstanding as at 31 March 2019	Total MLP outstanding as at 31 March 2018
Due within one year	36.82	53.44
Due later than one year and not later than one five years	63.76	95.96
Due after five years	-	-
Total	100.58	149.40

c) A part of the leased property of a subsidiary, KIMS Hospital Enterprises Private Limited has been sublet by the Group. The lease expires in May 2073 and the sub-lease expires in March 2023. An amount of INR 1.58 millions (31 March 2018: INR 1.08 millions) is recognised under 'Other income' in respect of sublease.

d) A part of the leased property has been sublet by the subsidiary, Arunodaya Hospitals Private Limited. The lease expires in June 2022 and the sublease expires in April 2022. An amount of INR 2.46 millions (31 March 2018: INR 2.33 millions) is recognised under 'Other income' in respect of sublease.

Operating lease in the capacity of lessor

e) The Group has given certain part of property, plant and equipment on cancellable leases to various parties. The rental income earned from such leases recognised in other income is INR 7.70 million (31 March 2018: INR 4.74 million).

Finance lease in the capacity of lessee

f) Medical equipment includes the following amounts where the Group is a lessee under a finance lease:

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Cost	52.15	52.15
Accumulated depreciation	(37.22)	(27.62)
Net carrying amount	14.93	24.53

The lease term in respect of assets acquired under finance leases generally expire within 5 years to 6 years. Under the term of leases, the Group has the option to acquire the leased assets at nominal value at the expiry of the leases.

2.27 Employee benefits

(i) Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed services at the time of retirement/exit. The gratuity fund is administered by trust formed for this purpose and is managed by Life Insurance Corporation of India. The Group's obligation in respect of gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Group accrues gratuity as per the provisions of the payment of Gratuity Act, 1972 as applicable as at the balance sheet date and accordingly the maximum payment is restricted to INR 2 million per employee.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's Consolidated balance sheet as at reporting date:

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligation	124.76	83.14
Fair value of plan assets	22.87	18.85
Net funded obligation	101.89	64.29
Total employee benefit liability	101.89	64.29
Non-current	101.89	64.11
Current	-	0.18

B. Reconciliation of net defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit obligation and its components.

i) Reconciliation of present value of defined benefit obligation

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation as at 1 April	84.58	94.99
Benefits paid	(2.95)	(3.28)
Current service cost	18.63	15.04
Past service cost	-	1.51
Interest cost	6.20	6.98
Actuarial losses/(gains) recognised in other comprehensive income due to:		
- Changes in financial assumptions	12.05	(0.68)
- Changes in demographic assumptions	6.43	(2.72)
- experience changes	(0.18)	(28.70)
Defined benefit obligation as at 31 March	124.76	83.14

ii) Reconciliation to fair value of plan assets

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Plan assets at beginning of the year	20.29	16.69
Contributions paid into the plan	4.78	4.63
Interest income	1.55	1.21
Benefits paid	(3.20)	(3.28)
Return on plan assets	(0.54)	(0.40)
Plan assets at end of the year	22.87	18.85
Net defined benefit liability	101.89	64.29

C. i) Expenses recognised in the consolidated statement of profit and loss

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	18.63	15.04
Past service cost	-	1.51
Interest on net defined benefit obligation	4.65	5.72
Net gratuity cost, included in 'employee benefits expense'	23.28	22.27

ii) Re-measurements recognised in other comprehensive income (OCI)

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gain) / loss on net defined benefit obligation	18.30	(34.08)
Actual return on plan assets less interest on plan assets	0.54	0.40

D. Plan assets (Plan assets comprises of the following:)

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Fund managed by Insurer	22.87	18.85

E. Defined benefit obligation

i) Actuarial assumptions

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

INR in millions

Principal actuarial assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	7.50%	7.55%
Salary escalation rate	8.00%	6.00%

F) Maturity profile of defined benefit obligation

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
1st following year	21.59	5.20
Year 2 to 5	62.86	20.79
Year 6 to 9	45.50	17.94
Year 10 and above	88.75	173.53

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

Salary escalation rate: The estimates of future salary increases considered takes into accounts the inflation, seniority, promotion and other relevant factors.

ii) Sensitivity analysis

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

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(7.08)	7.90	(8.82)	10.49
Salary escalation rate (1% movement)	7.61	(7.00)	11.52	(9.85)

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

(ii) Defined contribution plan

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount recognised in the consolidated statement of profit and loss towards		
i) Provident fund	50.68	43.31
ii) Employee state insurance	36.57	24.10

2.28 Related party disclosures

(a) Parties where control exists or where significant influence exists and with whom transactions have taken place during the year

Nature of relationship	Name of related parties
Subsidiaries	<p>Arunodaya Hospitals Private Limited</p> <p>KIMS Hospitals Private Limited</p> <p>KIMS Swastha Private Limited</p> <p>KIMS Cuddles Private Limited</p> <p>KIMS Sahariah Healthcare Private Limited (closed on 30 March 2019)</p> <p>KIMS Hospital Enterprises Private Limited (w.e.f. 30 March 2018)</p> <p>KIMS Hospital (Bhubaneswar) Private Limited</p> <p>Iconkrishi Institute of Medical Sciences Private Limited (w.e.f. 05 May 2018)</p> <p>Saveera Institute of Medical Sciences Private Limited (w.e.f. 05 September 2018)</p>
Associates	KIMS Hospital Enterprises Private Limited (until 29 March 2018)
Key Management personnel (KMP)	<p>B Krishnaiah - Chairman (resigned on 18 January 2019)</p> <p>Dr. B Bhaskara Rao - Managing Director and Chief Executive Officer (CEO)</p> <p>Uma Shanker Mantha - Company secretary</p> <p>Vikas Maheshwari - Chief Financial Officer</p> <p>Mrs. Dandamudi Anitha -Whole-time Director</p>
Directors	<p>Mr. B Abhinay (appointed w.e.f. 18 January 2019)</p> <p>Mr G Rajeswara Rao</p> <p>Mrs Jyothi Prasad</p> <p>Mr K Padmanaabhaiah (resigned w.e.f. 20 June 2018)</p> <p>Mr Amitabha Guha (resigned w.e.f. 18 January 2019)</p>
Relative of KMP	Dr. Raavi Swetha- Daughter in law of Managing Director and CEO
Enterprises under control or joint control of KMP	<p>Sri Viswa Medicare Limited (Formerly known as Reliance Medicare Limited)</p> <p>KIMS Foundation and Research Centre</p> <p>Bollineni Krishnaiah Charitable Trust</p>
Enterprises having significant influence over the Group	<p>India Advantage Fund S31 (until 20 June 2018)</p> <p>General Atlantic Singapore KH Pte. Ltd (w.e.f. 20 June 2018)</p>

(b) Transactions with related parties

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
i. Loans and advances given		
KIMS Hospital Enterprises Private Limited	-	6.00
KIMS Foundation and Research Centre	3.58	0.60
ii. Refund of loans and advances		
KIMS Hospital Enterprises Private Limited	-	10.96
KIMS Foundation and Research Centre	5.00	3.00
iii. Interest income on advances given		
KIMS Hospital Enterprises Private Limited	-	0.27
iv. Interest income earned on loans given		
KIMS Hospital Enterprises Private Limited	-	0.71
v. Interest income received		
KIMS Hospital Enterprises Private Limited	-	3.18
vi. Advance for land		
Dr. B Bhaskara Rao	70.00	-
vii. Professional fee to KMP		
Dr. B Bhaskara Rao	18.00	18.00
Mr. B Abhinay	-	0.90
Dr. Raavi Swetha	2.31	2.66
viii. Professional fee to relative of KMP		
Dr. Raavi Swetha	1.80	-
ix. Rent expenses		
Dr. B Bhaskara Rao	0.10	0.10
x. Managerial remuneration to KMP**		
Dr. B Bhaskara Rao	24.00	24.00
Mr. B Abhinay	5.35	2.10
Mrs. Dandamudi Anitha	3.00	3.00
Vikas Maheshwari	6.57	5.74
Uma Shanker Mantha	1.78	1.68
xi. Directors sitting fee		
Mr B Krishnaiah	0.29	0.15
Mr G Rajeswara Rao	0.47	0.31
Mrs Jyothi Prasad	0.38	0.36
Mr K Padmanaabhaiah	0.23	0.22
Mr Amitabha Guha	0.47	0.33
xii. Expenditure towards CSR		
KIMS Foundation and Research Centre	10.14	6.51
xiii. Purchase of pharmacy items		
KIMS Hospital Enterprises Private Limited	-	1.76
xiv. Revenue from sale of pharmacy and sale of services		
KIMS Hospital Enterprises Private Limited	-	11.16
xv. Investment in associates		
KIMS Hospital Enterprises Private Limited	-	80
xvi. Reimbursement of claims		
Sri Viswa Medicare Limited *	0.00	-
Bollineni Krishnaiah Chartable trust	-	0.38
KIMS Hospital Enterprises Private Limited	-	9.40
xvii. Guarantee given on behalf of		
KIMS Hospital Enterprises Private Limited	-	400.00
xviii. Guarantee closed during the year		
KIMS Hospital Enterprises Private Limited	-	310.00

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
xix. Commission income on guarantee commission KIMS Hospital Enterprises Private Limited	-	1.71
xx. Repayment of unsecured loan Dr. B Bhaskar Rao	-	2.74
xxi. Sale of medical equipment (excluding taxes) KIMS Hospital Enterprises Private Limited	-	16.17
xxii. Interest expense India Advantage Fund	120.01	512.19
xxiii. Fair value changes in financial instrument India Advantage Fund	871.27	702.87
xxiv. Derecognition of financial liability India Advantage Fund	6,596.22	-
xxv. Issue of equity shares including share premium General Atlantic Singapore KH Pte. Ltd	880.00	-
xxvi. Cash received for issue of share warrants Dr B Bhaskara Rao	3.10	-

(c) The balances receivables from and payable to related parties

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
i. Trade receivables Sri Viswa Medicare Limited	2.21	2.21
ii. Other advances KIMS Foundation and Research Centre	10.01	11.43
iii. Capital advance Dr. B Bhaskara Rao (refer note 2.5) Payable to related parties	70.00	-
iv. Trade payables Dr. B Bhaskara Rao Dr. Raavi Swetha	1.36 0.14	1.40 0.23
v. Employee benefits payable Dr. B Bhaskara Rao Mr. B Abhinay Vikas Maheshwari* Uma Shanker Mantha Mrs. Dandamudi Anitha	1.16 0.47 0.00 0.11 0.14	- 0.16 0.42 0.10 0.14
vi. Liability for financial instrument India Advantage Fund	-	5,604.93

(d) For certain loan availed by the Group, Directors of the Group have given personal guarantee. Refer note 2.11 and 2.14 for details.

* Amount is below the rounding off norms adopted by the Group. Below is the particulars in full value:

S.No.	Particulars	Amount in INR
(i)	Reimbursement of claims to Sri Viswa Medicare Limited	1,500
(ii)	Employee benefits payable to Vikas Maheshwari	1,108

** The managerial personnel are covered by the Groups's gratuity policy and are eligible for leave encashment along with other employees of the Group. The proportionate amount of gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are determined on an actuarial basis for the Group as a whole.

Terms and conditions:

All transactions with those related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date. None of balances are secured.

2.29 Earnings per share (EPS)

INR in millions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Earnings		
Loss for the year attributable to equity shareholders	(464.13)	(471.67)
Shares		
Number of shares at the beginning of the year	50,149,732	50,149,732
Add: Equity shares issued during the year*	24,339,820	-
Total number of equity shares outstanding at the end of the year	74,489,552	50,149,732
Weighted average number of equity shares outstanding during the year - Basic	69,154,797	50,149,732
Weighted average number of equity shares arising out of issue of share warrant that have dilutive effect on EPS	548,813	-
Weighted average number of equity shares outstanding during the year - Diluted	69,703,610	50,149,732
Earnings per share of par value INR 10-Basic (INR)	(6.71)	(9.41)
Earnings per share of par value INR 10-Diluted (INR) **	(6.71)	(9.41)

* Number of equity shares issued during the year 31 March 2019 includes 21,474,864 equity shares of INR 10 each, fully paid up which were classified as financial liability as at 31 March 2018.

** For the year ended 31 March 2019, the share warrants are anti dilutive in nature and hence basic and dilutive EPS are the same.

2.30 Segment information

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

Further the business operation of the Group are concentrated in India, and hence, the Group is considered to operate only in one geographical segment."

2.31 Due to Micro and Small Enterprises

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

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	1.36	0.73
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
"The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;"	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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 disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-

2.32 Capital management

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

For this purpose, adjusted net debt is defined as total liabilities, including interest bearing borrowings and obligations under finance lease, less cash and cash equivalents. Total equity comprises of issued share capital and all other equity reserves.

The capital structure as of 31 March 2019 and 31 March 2018 was as follows:

INR in millions

Particulars		As at 31 March 2019	As at 31 March 2018
Total liabilities		5,084.12	10,512.34
Less: Cash and cash equivalents		(80.63)	(109.62)
Adjusted net debt		5,003.49	10,402.72
Total equity		5,693.95	(1,369.94)
Adjusted net debt to equity ratio		0.88	(7.59)

2.33 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

INR in millions

As at 31 March 2019	Financial assets – amortised cost	Financial liabilities – FVTPL	Financial liabilities – amortised cost	Total carrying amount	Fair value level
Financial assets measured at fair value	-	-	-	-	-
Financial liabilities measured at fair value					
Other financial liabilities	-	-	-	-	Level 3
Financial assets not measured at fair value (Refer note below)					
Trade receivables	1,232.69	-	-	1,232.69	-
Cash and cash equivalents	80.63	-	-	80.63	-
Bank balances other than above	21.36	-	-	21.36	-
Loans	55.00	-	-	55.00	-
Other financial assets	111.96	-	-	111.96	-
Total	1,501.64	-	-	1,501.64	-
Financial liabilities not measured at fair value (Refer note below)					
Long-term borrowings (excluding current maturities)	-	-	2,437.81	2,437.81	-
Short-term borrowings	-	-	175.53	175.53	-
Trade payables	-	-	1,040.59	1,040.59	-
Other financial liabilities	-	-	499.06	499.06	-
Total	-	-	4,152.99	4,152.99	-

INR in millions

As at 31 March 2018	Financial assets – amortised cost	Financial liabilities – FVTPL	Financial liabilities – amortised cost	Total carrying amount	Fair value level
Financial assets measured at fair value	-	-	-	-	-
Financial liabilities measured at fair value					
Other financial liabilities	-	1,609.12	-	1,609.12	Level 3
Financial assets not measured at fair value (Refer note below)					
Trade receivables	1,075.28	-	-	1,075.28	-
Cash and cash equivalents	109.62	-	-	109.62	-
Bank balances other than above	3.83	-	-	3.83	-
Loans	55.96	-	-	55.96	-
Other financial assets	136.95	-	-	136.95	-
Total	1,381.64	-	-	1,381.64	-
Financial liabilities not measured at fair value (Refer note below)					
Long-term borrowings (excluding current maturities)	-	-	2,488.36	2,488.36	-
Short-term borrowings	-	-	305.14	305.14	-
Trade payables	-	-	949.56	949.56	-
Other financial liabilities	-	-	4,451.25	4,451.25	-
Total	-	-	8,194.31	8,194.31	-

Note: The Group has not disclosed the fair values for financial instruments such as short-term trade receivables or short-term trade payables because their carrying amounts are a reasonable approximation of fair values.

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

Financial instrument: The fair value is determined based on the value arrived as per discounted cash flows approach as on the reporting date. Significant unobservable input includes forecast annual revenue growth rate for income from hospital services ranges from 20% p.a to 25% p.a. (31 March 2018: 25% p.a.), forecast annual revenue growth rate for income from pharmacy and others ranges from 10% p.a. to 15% p.a. (31 March 2018: 15% p.a.) and Weighted average cost of capital 31 March 2019: Nil (31 March 2018: 11.77% p.a.).

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2018-19 and no transfers in either direction in 2017-18.

iii. Level 3 fair values

INR in millions

	FVTPL Financial instruments
Balance at 01 April 2017	906.25
Net change in fair value (unrealised)	702.87
Balance at 31 March 2018	1,609.12
Balance at 01 April 2018	1,609.12
Net change in fair value (unrealised)	(1,609.12)
Balance at 31 March 2019	-

Sensitivity analysis

For the fair values of FVTPL financial instrument, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

INR in millions

	Increase	Decrease
2018-19		
Annual revenue growth rate (1% movement)	-	-
Risk adjusted discount rate (1% movement) -	-	
2017-18		
Annual revenue growth rate (1% movement)	(167.65)	167.65
Risk adjusted discount rate (1% movement)	419.12	(502.94)

C. Financial risk management

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

(i) Risk management framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

"The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all the employees understand their roles and obligations."

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is controlled by analysing credit limits to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to INR 1,598.34 millions as on 31 March 2019 (31 March 2018 : INR 1,220.80 millions). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

INR in millions

Allowance for credit losses	As at 31 March 2019	As at 31 March 2018
Opening balance	145.52	155.92
Credit loss added / (reversed)	180.96	(10.40)
Closing Balance	326.48	145.52

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

(iii) Liquidity risk

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

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

INR in millions

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	2,437.81	-	1,661.20	781.51	2,442.71
Short-term borrowings	175.53	175.53	-	-	175.53
Interest on long-term borrowings	-	249.03	613.13	162.10	1,024.26
Trade payables	1,040.59	1,040.59	-	-	1,040.59
Other financial liabilities	499.06	493.25	4.65	1.16	499.06
Total	4,152.99	1,958.40	2,278.97	944.77	5,182.14

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

INR in millions

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	2,488.36	-	1,301.22	1,195.59	2,496.81
Short-term borrowings	305.14	305.14	-	-	305.14
Interest on long-term borrowings	-	245.93	608.00	125.14	979.07
Trade payables	949.56	949.56	-	-	949.56
Other financial liabilities	6,060.37	6,059.04	-	1.33	6,060.37
Total	9,803.43	7,559.67	1,909.22	1,322.06	10,790.95

The Group has secured loans from bank that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table.

D. Market risk

(i) Interest rate risk exposure

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

Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate long term borrowings (including current maturities) and short term borrowings	2,722.59	2,907.93
Total	2,722.59	2,907.93

(i) Sensitivity

INR in millions

Particulars	Impact on profit or loss		Impact on equity, net of tax	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Sensitivity				
1% increase in MCLR	(27.23)	(29.08)	(17.71)	(19.01)
1% decrease in MCLR	27.23	29.08	17.71	19.01

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

D. Currency risk

The Group is not exposed to currency risk.

2.34 Assets pledged as security

INR in millions

	As at 31 March 2019	As at 31 March 2018
Charge on property, plant and equipment		
Freehold land	119.56	94.65
Leasehold land	274.37	274.37
Leasehold improvements	147.63	150.42
Buildings	3,641.75	3,377.44
Medical and surgical equipment	2,228.65	1,994.63
Plant and equipment	212.52	209.59
Office equipment	22.40	20.65
Electrical equipment	235.11	259.97
Computers	44.53	39.74
Furniture and fixtures	199.32	208.20
Vehicles	33.47	36.58
Total property, plant and equipment pledged as security	7,159.31	6,666.24
Charge on current assets		
Trade receivables	355.55	1,220.80
Inventories	89.98	201.42
Total current assets pledged as security	445.53	1,422.22

2.35 "During the previous year, the Group has paid amount aggregating INR 61.78 millions towards various services received for Initial Public Offering (IPO). These payments were classified as ""Other advances"" under ""Other current financial assets"" as it was recoverable from shareholders in proportionate of shares offered.

During the year, the Group has decided not to proceed with the IPO and accordingly the advances paid could not be recovered from the shareholders and charged off as expenses in the respective head of profit and loss account."

2.36 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Group does not have any unhedged foreign currency exposure as at 31 March 2019.

2.37 Business combination

I. Acquisition by the Company

(i) Acquisition of shares of Iconkrishi Institute of Medical Sciences Private Limited

On 05 May 2018, the Group acquired 51 percent of the voting shares of Iconkrishi Institute of Medical Sciences Private Limited ("ICIMSPL") giving it control of ICIMSPL.

Control over ICIMSPL is expected to provide the Group with an increased share to the healthcare market through access to ICIMSPL's customer base.

Since the date of aquisition, ICIMSPL has contributed revenue of INR 358.70 million and loss after tax of INR 70.95 million to the Group's results. ICIMSPL was incorporated on 10 April 2018 and started its full fledged operations after the acquisition by the Group, hence, Management estimates consolidated revenue and consolidated profit would not have changed, if the acquisition has occurred on the date of incorporation of ICIMSPL.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred: INR in millions

Cash	70.00
------	-------

B. Assets acquired and liabilities recognised at the date of acquisition

Intangible assets	95.94
Total assets	95.94
Deferred tax liabilities	33.51
Total liabilities	33.51
Total net identifiable assets acquired	62.43

The fair value of above acquired assets and liabilities were determined by a registered valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

Weighted-Average Required Return on Assets (WARA)	16.40%
Implied Internal Rate of Return (IRR)	15.00%
Weighted-Average Cost of Capital (WACC)	15.20%

C. Goodwill arising on acquisition

Consideration transferred	70.00
Fair value of net identifiable assets	(62.43)
Goodwill	7.57

Goodwill arose in the acquisition of ICIMSPL because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth due to existing customer contract, future market development and assembled workforce of ICIMSPL.

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

(ii) Acquisition of shares of Saveera Institute of Medical Sciences Private Limited

On 05 September 2018, the Company entered into a share purchase agreement with the existing shareholders of Saveera Institute of Medical Sciences Private Limited ('Saveera') to acquire 80% equity shares at a total consideration of INR 0.08 million at face value per share giving it control over Saveera.

Since the date of aquisition, Saveera has contributed revenue of INR 228.01 million and loss after tax of INR 33.38 million to the Group's results. Saveera was incorporated on 16 August 2018 and started its full fledged operations after the acquisition by the Group, hence, Management estimates consolidated revenue and consolidated profit would not have changed, if the acquisition has occurred on the date of incorporation of Saveera.

The Company has acquired the shares of Saveera at face value per share of INR 10 each. There were no identifiable assets and liabilities on the date of acquisition. Hence, no Goodwill is recognised in the consolidated financial statements of the Company on account of the acquisition of Saveera.

(iii) Acquisition of shares of KIMS Hospital Enterprises Private Limited

On 30 March 2018, the Group acquired 2.44 percent of the voting shares of KIMS Hospital Enterprises Private Limited ("KHEPL"). As a result, the group's equity interest in KIMS Hospital Enterprises Private Limited increased from 47.83 percent to 50.27 percent, giving it control of KIMS Hospital Enterprises Private Limited.

Control over KHEPL is expected to provide the Group with an increased share to the healthcare market through access to KHEPL's customer base.

Since the date of acquisition, KHEPL has contributed revenue of INR 4.90 millions and profit of INR 0.23 millions to the Group's results. Management estimates that if the acquisition had occurred on 1 April 2017, consolidated revenue and consolidated profit for the year would have been INR 7,541.66 millions and INR 862.90 millions respectively. Management has determined these amounts on the basis that the fair value adjustments, determined provisionally, that arose on that date of acquisition would have been the same if the acquisition had occurred in 1 April 2017.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred: INR in millions

Cash	30.00
------	-------

B. Assets acquired and liabilities recognised at the date of acquisition

Property, plant and equipment	313.20
Other non-current assets	22.18
Net working capital	(15.73)
Total assets	319.65
Long term liabilities	1.54
Debts	170.00
Total liabilities	171.54
Total net identifiable assets acquired	148.11

The fair value of above acquired assets and liabilities were determined by a registered valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

Weighted-Average Required Return on Assets (WARA)	16.15%
Implied Internal Rate of Return (IRR)	16.27%
Weighted-Average Cost of Capital (WACC)	15.00%

C. Goodwill arising on acquisition

Consideration transferred	30.00
Fair value of pre-existing equity interest	528.19
Fair value of net identifiable assets	(148.11)
Goodwill	410.08

The remeasurement to fair value of the Group's existing 47.82 percent share has resulted in a gain of INR 318.52 millions, which has been recognised in the statement of profit and loss.

Goodwill arose in the acquisition of KIMS Hospital Enterprises Private Limited because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth, future market development and assembled workforce of KIMS Hospital Enterprises Private Limited.

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

INR in millions

Cash	-
------	---

B. Assets acquired and liabilities recognised at the date of acquisition

Property, plant and equipment	50.11
Other non-current assets and loans and advances	29.57
Net working capital	(18.99)
Total assets	60.69
Debts	116.67
Total liabilities	116.67
Total net identifiable assets acquired	(55.98)

The fair value of above acquired assets and liabilities were determined by a valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

Weighted-Average Cost of Capital (WACC)	15.20%
---	--------

C. Goodwill arising on acquisition

Consideration transferred	-
Fair value of net identifiable assets/ (liabilities)	(55.98)
Goodwill	55.98

Goodwill arose in the acquisition of ICHPL because the cost of combination included a control premium. The goodwill is attributable mainly to the skills and technical work force and the synergies expected to be achieved from integrating ICHPL's business into the ICIMSPL's business.

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

(ii) Acquisition by Saveera Institute of Medical Sciences Private Limited ('SIMSPL')

SIMSPL through a business transfer agreement, purchased the hospital and healthcare division of Saveera Hospitals Private Limited ('SHPL') under slump sale on 25 September 2018 for a purchase consideration of INR 197.27 on a going concern basis with effect from 01 October 2018. Accordingly, an amount of INR 258.19 being the excess of purchase consideration over the net value of the assets acquired (based on a valuation report) has been recognised as Goodwill on acquisition. The details of purchase price allocation is as follows:

INR in millions

Particulars	
Total Assets	
Property, plant and equipment	489.00
Other non-current assets and loans and advances	64.19
Net working capital	(43.89)
	509.30
Total Liabilities	
Borrowings	529.55
Deferred tax liabilities	40.67
	570.22
Net Assets	(60.92)
Less: Purchase consideration	(197.27)
Goodwill on acquisition	258.19

The fair value of above acquired assets and liabilities were determined by a valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

Weighted-Average Cost of Capital (WACC)	16.4%
Weighted-Average required return on assets	17.3%
Implied internal rate of return	16.6%

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

2.38 Equity accounted investees

The following table summarises the financial information for the reporting years:

INR in millions

KIMS Hospital Enterprises Private Limited	As at 31 March 2019	As at 31 March 2018
Percentage of ownership interest	-	-
Non-current assets	-	-
Current assets	-	-
Non-current liabilities	-	-
Current liabilities	-	-
Net Assets	-	-
Group's share of net assets	-	-

*w.e.f. 30 March 2018, KIMS Hospital Enterprises Private Limited became a subsidiary.

For the year ended 31 March 2018:

INR in millions

Particulars	For the period 24 March 2018 to 29 March 2018	For the period 11 May 2017 to 23 March 2018	For the period 1 April 2017 to 10 May 2017	Total
Percentage of ownership interest	47.82%	43.75%	46.77%	
Revenue	19.58	778.41	95.47	893.46
Profit	0.90	35.67	4.38	40.95
Other comprehensive income	0.01	0.43	0.05	0.49
Total comprehensive income	0.91	36.10	4.43	41.44
Group's share of profit	0.43	15.61	2.05	18.09
Group's share of other comprehensive income	0.01	0.19	0.02	0.22
Group's share of total comprehensive income	0.44	15.80	2.07	18.31

w.e.f 30 March 2018, KIMS Hospital Enterprises Private Limited became a subsidiary.

2.39 Non-controlling interest

The following table summarises the financial information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations

INR in millions

As at 31 March 2019	Arunodaya Hospitals Private Limited	Iconkrishi Institute of Medical Sciences	KIMS Hospital Enterprises Private Limited	Saveera Institute of Medical Sciences Private Limited
NCI Percentage	42.17%	49.00%	49.73%	20.00%
Non-current assets	205.97	257.97	729.42	888.14
Current assets	72.40	83.98	112.49	99.60
Non-current liabilities	(10.47)	(137.92)	(316.50)	(526.88)
Current liabilities	(77.27)	(171.56)	(159.70)	(186.19)
Net Assets	190.63	32.47	365.71	274.67
Net Assets attributable to NCI	80.39	15.91	181.87	54.93
Revenue	357.90	358.70	1,177.31	228.00
Profit	34.11	(71.01)	55.17	(33.38)
Other comprehensive income ('OCI')	0.59	-	0.13	-
Total comprehensive income	34.70	(71.01)	55.30	(33.38)
Profit allocated to NCI	14.38	(34.79)	27.43	(6.68)
OCI allocated to NCI	0.25	-	0.06	-
Total comprehensive income allocated to NCI	14.63	(34.79)	27.49	(6.68)
Cash flows attributable to NCI				
Cash flow from operating activities	24.37	(31.81)	87.57	(9.35)
Cash flow from investing activities	(26.78)	(52.66)	(33.61)	(14.02)
Cash flow from financing activities	(1.49)	80.21	(55.80)	24.27
Net increase / (decrease) in cash and cash equivalents	(3.90)	(4.26)	(1.84)	0.90

INR in millions

As at 31 March 2018	Arunodaya Hospitals Private Limited	KIMS Sahariah Healthcare Private Limited	KIMS Hospital Enterprises Private Limited
NCI Percentage	42.17%	0.10%	49.73%
Non-current assets	165.16	-	723.24
Current assets	72.54	0.10	123.90
Non-current liabilities	(18.09)	-	(341.23)
Current liabilities	(63.68)	(0.02)	(211.05)
Net Assets	155.93	0.08	294.86
Net Assets attributable to NCI	65.76	0.00	146.63
Revenue	350.12	-	4.91
Profit	27.71	(0.01)	0.22
OCI	4.21	-	-
Total comprehensive income	31.92	(0.01)	0.22
Profit allocated to NCI	13.46	(0.00)	0.11
OCI allocated to NCI	1.78	-	-
Total comprehensive income allocated to NCI	15.24	(0.00)	0.11
Cash flows attributable to NCI			
Cash flow from operating activities	21.89	-	-
Cash flow from investing activities	(6.53)	-	-
Cash flow from financing activities	(10.79)	-	-
Net increase / (decrease) in cash and cash equivalents	4.57	-	-

2.40 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

31 March 2019

INR in millions

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Krishna Institute of Medical Sciences Limited	88.50%	5,039.16	94.21%	(436.40)	105.86%	(12.92)	95%	(449.32)
Subsidiary								
Arunodaya Hospitals Private Limited	3.35%	190.63	-4.26%	19.73	-2.79%	0.34	-4%	20.07
KIMS Hospitals Private Limited	-0.48%	(27.39)	2.28%	(10.57)	0.00%	-	2%	(10.57)
KIMS Swastha Private Limited	-0.02%	(1.40)	0.11%	(0.52)	0.00%	-	0%	(0.52)
KIMS Cuddles Private Limited	0.01%	0.33	0.00%	0.01	0.00%	-	0%	0.01
KIMS Sahariah Healthcare Private Limited	0.00%	-	0.02%	(0.08)	0.00%	-	0%	(0.08)
KIMS Hospital (Bhubaneswar) Private Limited	0.00%	0.09	0.00%	(0.01)	0.00%	-	0%	(0.01)
KIMS Hospital Enterprises Private Limited*	6.42%	365.72	-5.99%	27.73	-0.52%	0.06	-6%	27.80
Saveera Institute Of Medical Sciences Private Limited	4.82%	274.67	5.76%	(26.70)	0.00%	-	6%	(26.70)
Iconkrishi Institute Of Medical Sciences Private Limited	0.57%	32.47	7.82%	(36.21)	0.00%	-	8%	(36.21)
Non-controlling interests in all subsidiaries	4.81%	273.80	-0.20%	0.90	-2.55%	0.31	0%	1.22
Eliminations	-7.98%	(454.12)	0.24%	(1.11)	0.00%	-	0%	(1.11)
Total	100.00%	5,693.95	100.00%	(463.23)	100.00%	(12.20)	100.00%	(475.43)

31 March 2018

INR in millions

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Krishna Institute of Medical Sciences Limited	145.32%	(1,990.75)	106.94%	(491.77)	80.33%	18.11	108%	(473.66)
Subsidiary								
Arunodaya Hospitals Private Limited	-11.38%	155.93	-3.49%	16.03	10.80%	2.44	-4%	18.46
KIMS Hospitals Private Limited	1.23%	(16.82)	2.98%	(13.69)	0.00%	-	3%	(13.69)
KIMS Swastha Private Limited	0.06%	(0.88)	0.16%	(0.72)	0.00%	-	0%	(0.72)
KIMS Cuddles Private Limited	-0.02%	0.32	-0.07%	0.31	0.00%	-	0%	0.31
KIMS Sahariah Healthcare Private Limited	-0.01%	0.08	0.00%	(0.01)	0.00%	-	0%	(0.01)
KIMS Hospital (Bhubaneswar) Private Limited	-0.01%	0.09	0.00%	(0.00)	0.00%	-	0%	(0.00)
KIMS Hospital Enterprises Private Limited*	-22.63%	310.03	-0.02%	0.11	0.00%	-	0%	0.11
Non-controlling interests in all subsidiaries	-15.52%	212.58	-2.57%	11.80	7.90%	1.78	-3%	13.58
Associate (Investment as per equity method)								
KIMS Hospital Enterprises Private Limited*	0.00%	-	-3.93%	18.08	0.98%	0.22	-4%	18.30
Eliminations	2.96%	(40.53)	0.00%	-	0.00%	-	0%	-
Total	100.00%	(1,369.94)	100.00%	(459.87)	100%	22.55	100.00%	(437.32)

*The status of KIMS Hospital Enterprises Private Limited changed from associate to subsidiary on 30 March 2018.

2.41 Income-tax

a. Amount recognised in statement of profit and loss

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	386.09	180.84
Deferred tax attributable to temporary differences	(41.54)	74.29
Taxes for earlier years	2.15	3.36
Tax expenses for the year	346.70	258.49

b. Amount recognised in other comprehensive income

INR in millions

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	(18.84)	6.64	(12.20)	33.68	(11.35)	22.33

c. Reconciliation of effective tax rate

INR in millions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	(116.53)	(219.46)
Enacted tax rates	34.944%	34.608%
Tax expense at enacted rates	(40.72)	(75.95)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Non-deductible expenses	349.64	431.21
Impact of change in rate of tax	(2.94)	2.43
Adjustment in respect of income-tax for earlier years	2.15	3.36
Recognition of previously unrecognised tax losses	26.71	(42.67)
Taxes on Indexation benefit on freehold land	(0.15)	-
Income not liable to tax	-	(110.23)
Others	12.01	50.34
Total	346.70	258.49

d. Recognition of deferred tax assets and liabilities

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

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax asset		
Provision for impairment on receivables	114.93	50.97
Provision for employee benefits	67.67	47.38
Tax losses carried forward	52.48	66.93
Excess of depreciation on the fixed assets under Companies Act over depreciation under income-tax act, 1961	5.46	4.90
Others	39.73	15.47
Total deferred tax asset	280.27	185.65
Deferred tax liability		
Expenses of depreciation on the fixed assets under income-tax, 1961 over depreciation under Companies Act.	700.66	611.16
Others	69.73	6.44
Total deferred tax liability	770.39	617.60
Deferred tax asset	(490.12)	(431.95)
Net deferred tax liabilities	(528.09)	(472.33)
Net deferred tax asset	37.97	40.39

(i) Movement in temporary differences

INR in millions

Particulars	Balance as at 1 April 2017	Recognised during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018	Balance as at 1 April 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019
Provision for impairment on receivables	53.95	(2.98)	-	50.97	50.97	63.96	-	114.93
Provision for employee benefits	43.91	14.82	(11.35)	47.38	47.38	13.65	6.64	67.67
Others items - assets	51.34	(35.87)	-	15.47	15.47	24.26	-	39.73
Tax losses carried forward	-	66.93	-	66.93	66.93	(14.45)	-	52.48
Excess of depreciation on the fixed assets under Companies Act over depreciation under income-tax act, 1961	5.11	(0.21)	-	4.90	4.90	0.56	-	5.46
Expenses of depreciation on the fixed assets under income-tax, 1961 over depreciation under Companies Act.	(511.48)	(99.68)	-	(611.16)	(611.16)	(89.50)	-	(700.66)
Others items - liability	(8.84)	2.40	-	(6.44)	(6.44)	(63.29)	-	(69.73)
	(366.01)	(54.59)	(11.35)	(431.95)	(431.95)	(64.81)	6.64	(490.12)

The accompanying notes form an integral part of the consolidated financial statements
As per our Report on consolidated financial statements of even date attached

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024

Sd/-
Sulabh Kumar Kedia
Partner
Membership No.: 066380
UDIN: 19066380AAAAAP9471

Place: Hyderabad
Date: 03 July 2019

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558

Sd/-
Dr. B. Bhaskar Rao
Managing Director
DIN: 00008985

Sd/-
Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: 03 July 2019

Sd/-
D Anitha
Director
DIN: 00025480

Sd/-
Uma Shankar Mantha
Company Secretary

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature	

or failing him

Name :	E-mail Id:
Address:	
Signature, or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the company, to be held on the Thursday, 8th day of August 2019 at 4.00 p.m. at the registered office of the company situated at "KIMS Hospitals", 1-8-31/1, Minister Road, Secunderabad - 500003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No's.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March 2019 and the reports of the Board of Directors ("the Board") and Auditors thereon.		
2.	To appoint a director in place of Dr. B. Bhaskar Rao (DIN No: 00008985) who retires by rotation and, being eligible, seeks re-appointment.		
3.	To consider and appoint statutory auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.		
4.	To approve the Loan, Guarantee or security under section 185 of Companies Act, 2013.		
5.	To approval of Inter-corporate Loans & Investments in excess of limits.		
6.	To approve the amendment of the existing articles of association of the Company.		
7.	To ratify the remuneration to Cost Auditor M/s. Sagar & Associates, for the financial year 2019-20.		

Signed this _____ day of _____, 2019

Signature of Shareholder

Signature of Proxy holder

Affix
Revenue
Stamps

Note:

- This form of proxy in order to be effective should be duly completed and deposited either at the Registered Office of the Company at D.NO.1-8-31/1, Minister's Road, Secunderabad, Telangana - 500003, not less than 48 hours before the commencement of the meeting.
- A proxy need not be a member of the company.
- In case the appointer is a body corporate the proxy form should be signed under its seal or be signed by an office or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
- A person can act as a proxy on behalf of such number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further a member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Member.
- In case of joint holders, the signature of any one holder will be sufficient but names of all the joint holders should be stated.

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KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED

CIN: U55101TG1973PLC040558

Regd.office: # 1-8-31/1, Minister's Road, Secunderabad - 500003

ATTENDANCE SLIP

I/We hereby record my/our presence at the 17th Annual General Meeting of the Company held on Thursday, the 8th day of August 2019, at 4.00 p.m., at "KIMS Hospitals" # 1-8-31/1, Minister's Road, Secunderabad - 500003.

Name and Address of the Shareholder(s)		
If Shareholder(s) please sign here	If Proxy please mention and sign here	
	Name of Proxy	Signature

Note:

(1) Shareholders/Proxy holders as the case may be are requested to produce the attendance slip duly signed at the entrance of the meeting venue.

(2) Members are requested to advise the change of their address, if any, to the Registrar & Share Transfer Agent, Karvy Fintech Private Limited, Karvy Selenium, Tower - B, Plot No. 31 & 32, Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500032.

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Our Departments

- Accident & Emergency Care
- Anaesthesiology
- Centre for Breast Diseases
- Cardiology
- Cardio Thoracic Surgery
- Dermatology & Cosmetology
- Dental
- Diabetology & Endocrinology
- ENT
- Epilepsy Centre
- Fertility Centre
- Genetic Counselling & Evaluation
- Intensive Care
- Internal Medicine
- Joint Replacement Surgery
- Laboratory & Blood Bank
- Medical Gastroenterology
- Medical Oncology
- Neonatology
- Nephrology
- Neurology
- Neurosurgery
- Nuclear Medicine
- Obstetrics & Gynaecology
- Ophthalmology
- Organ Transplantation – Kidney, Liver, Pancreas, Bone Marrow & Heart
- Orthopaedics
- Paediatrics
- Paediatric Cardiac Surgery
- Physiotherapy
- Plastic Surgery
- Psychology
- Psychiatry
- Pulmonology
- Radiation Oncology
- Radiology
- Rheumatology
- Robotic Surgery Centre
- Speech Therapy
- Spine Surgery
- Surgical Gastroenterology
- Surgical Oncology
- Urology
- Urogynaecology
- Vascular Surgery
- Wellness Clinic

Providing Comprehensive & Compassionate Healthcare to Telangana & Andhra Pradesh

SECUNDERABAD

- 1000 bedded hospital
- ISO 9001-2015 certified
- NABH accredited

KONDAPUR

- 200 bedded hospital
- Multi-specialty hospital
- NABH accredited

NELLORE

- 250 operational beds
- Super-specialty hospital
- NABH accredited

RAJAHMUNDRY

- 120 operational beds
- NABH accredited

SRIKAKULAM

- 200 operational beds

ONGOLE

- 350 operational beds
- Multi-specialty hospital

VISAKHAPATNAM (KIMS-ICON Hospital)

- 434 operational beds
- Super-specialty hospital

ANANTAPUR (KIMS-SAVEERA Hospital)

- 250 operational beds
- Super-specialty hospital

KURNOOL

- 200 operational beds
- Super-specialty hospital

KIMS CUBDLES

MOTHER & CHILD CENTRE

- Exclusive Mother & Child Centre in Kondapur
(An unit of KIMS Hospital Enterprises Pvt. Ltd.)
- Comprehensive High Risk Obstetrics, Gynaecology, Urogynaecology, Fertility, Paediatrics and Neonatology
- Fetal Medicine Unit with 4D Ultrasound Scanning
- Level 3 NICU Care



Krishna Institute of Medical Sciences Ltd.

Regd. Office: 1-8-31/1, Minister Road,
Secunderabad - 500 003, Telangana, India.
Ph: +91-40-4488 5000/5184, Fax: +91 -40-27840980
cs@kimshospitals.com