

18th Annual Report 2019-2020



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



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



3054 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

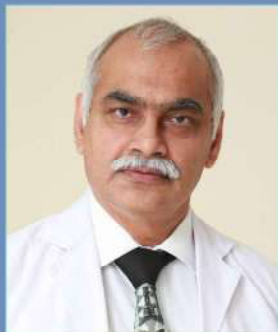


The only hospital in
Telangana and
Andhra Pradesh
to be awarded
Green Operation Theatre
Certification (2015-2016)



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.

10.2 KG TUMOUR REMOVED FROM PATIENT'S ABDOMEN

KIMS doctors give a new lease of life to a farmer from Warangal

- Although such cancers are commonly seen, the size of tumour makes the surgery unique
- The surgery lasted for over 6 hours. The giant tumour occupied almost the entire abdominal cavity
- The operation required precise dissection in order to prevent injury to vital organs

HANS NEWS SERVICE

Secunderabad: After a complex surgery doctors at KIMS Hospital, Secunderabad, gave a new lease of life to Srinivas, a farmer from Warangal, who had been suffering from the abdominal cancer for the past 10 months. In the surgery that lasted for over 6 hours, doctors successfully removed a giant tumour, weighing 10.2 kg, from the abdomen of patient. The patient was experiencing discomfort and was confined to the house for almost 3 to 4 months because of his stomach size and weight. He also lost more than 10 kg weight in these few months.

The scan revealed that the tumour was occupying almost 80% of the space in the abdomen. Also, the tumour had grown to an extent that the entire di-



aphragm of the patient was pushing up making it difficult for the patient to breathe. He had to even sleep by sitting in a chair. His spent most of his time sitting in the chair. Further, the tumour was compressing the vital organs in the abdomen, including the liver, kidneys, stomach, intestines and major blood vessels.

Dr. Nagendra Parvatham, consultant and surgical oncologist, the surgeon who operated on the patient, said, "The tumour had occupied almost the entire abdominal cavity and due to which the patient was unable to stand or sleep. The long-term compression of the vi-

tal organs could be detrimental. The patient is a farmer, and he did not realise the changes initially and gradually his stomach enlarged. Later, he was unable to walk even for a few metres. Gradually, he was unable to even do his house chores. The situation made him to see a doctor. He later approached several hospitals for treatment. Due to delay, the tumour grew further, and the patient was crippled because of its massive size and was confined to a chair. The patient's attendants were helped from the experts at KIMS Hospital."

Dr. Nagendra Parvatham and his team members, along with the anaesthesiologist team, headed by Dr. Naveesh Reddy, consultant anaesthesiologist, performed the complex operation after thoroughly investigating the case. The surgeon opined that such operations require extremely precise dissection in order to prevent injury to vital organs like liver, intestines, kidneys and blood vessels. The tumour was stuck to the left kidney and pancreas and had to be dealt delicately with these two organs. Further, the tumour was stuck to the back bones from inside. It took about 6 to 8 hours to get the tumour out. The patient was in the ICU for 48 hrs and then was shifted to the ward. He was discharged 8 days after the surgery. The histopathology of the tumour was reported as liposarcoma.

Although this kind of cancers is commonly seen, the size of the tumour makes it unique. The largest liposarcoma tumour to be reported and published in literature across the world is 32 kg and 18 kg in western patients. However, considering the body size of westerners 10 plus kg is large. This patient was only 5'7" tall. Considering his small stature, the tumour is monstrous. The largest such liposarcoma tumour reported in Indian published literature is 12 kg. The comparative average body weight for Indian babies is around 13 to 15 kg.

KIMS surgeons remove cyst from pregnant woman's ovary

CITY BUREAU
Hyderabad

Surgeons at Krishna Institute of Medical Sciences (KIMS), Secunderabad, performed a laparoscopic surgery on a woman who was into fourth month of pregnancy and successfully removed an ovarian cyst. This surgery helped save the life of mother and the foetus. According to doctors, 27-

year-old Nandini was admitted to hospital when she was nine-week pregnant. At a separate medical facility, the pregnant woman was diagnosed with ovarian cyst.

Senior gynaecologist, Dr. Vasundara Cheepurupalli, who led the team of surgeons, said ovarian cysts could grow to large sizes, take up space and apply pressure on the intestines, ureter and urinary bladder.

Tests had revealed that the pregnant woman had 20 cm ovarian cyst.

"As the patient was in her first trimester, she was medically managed till 13-week gestation. Then we took decided to go for minimally invasive laparoscopic surgery to ensure less post operation complications," said Dr. Cheepurupalli. The woman has recovered and will be discharged soon.



KIMS Kurnool successfully performs complicated surgery to save 24-yr-old youth

Kurnool: Doctors at KIMS Kurnool Hospital saved life of a 24-year-old male patient by performing retrograde intrarenal surgery (RIRS). The case of this young patient is complicated as well as rare as he had 2 stones in his ectopic kidney. An ectopic kidney is a congenital defect in which a kidney is located in an abnormal position. Ectopic Kidney is a rare condition which is seen in 1 in 3000 people. Having Kidney stones in ectopic kidneys is much more complicated and needs high expertise medical team.

The patient was brought to KIMS Kurnool with complaints of pain in abdomen on and off in the last 6 months. Upon investigation, it was found that he has a rare condition called Ectopic Kidney and 2 stones in the left kidney, sized 18mm and 4 mm each. Right

kidney normal size and echotexture. Patient is suffering for the last one year visiting many hospitals without treatment because of the complexity of the surgery.

Speaking about the case, Dr. Manoj Kumar Y, Consultant Urologist, KIMS Kurnool Hospitals, said, "The case of Kidney stones has become more common in past decade and have been steadily increasing. However, this case got more complicated due to the different location of his kidney.

RIRS was done on this patient within 15 days of reaching KIMS Kurnool relieving him from pain and bringing him back to normal life. The Urology team at KIMS Kurnool with experienced RIRS surgeon Dr. Manoj Kumar, are performing many complex kidney stones and stones in the paediatric patients successfully.

'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.

11-month baby goes thru complex cardiac surgery

Secunderabad: A team of doctors from Pediatric Cardiac Surgery Unit at KIMS Hospital, have given a new lease of life to a baby from Zaidarabw by performing a complex cardiac surgery called Unifocalization.

A 11-month-old baby from Zaidarabw was brought to the hospital with a history of breathing difficulty and inability to feed properly. The weight of the baby was only 6.5 kg. On cardiac evaluation, the baby was found to have a very complex congenital cardiac problem called pulmonary atresia with MAPCAs (Major Aortic Pulmonary Connections). This is a rare congenital heart defect that is found at birth.

In this baby, the pulmonary artery from the right ventricle was absent leading to a condition called,

In this baby, the pulmonary artery from the right ventricle was absent leading to a condition called, pulmonary atresia. Because of this, the branches of the pulmonary artery to the right and left lung are very small. Hence, there was no blood going from the heart to the lungs

pulmonary atresia. Because of this, the branches of the pulmonary artery to the right and left lung are very small. Hence, there was no blood going from the heart to the lungs. On the other hand, the lungs have been receiving blood in an ab-

normal fashion by vessels called MAPCAs which take oxygen directly from the aorta that is going behind the heart in the chest. There were four of them, two going to the right lung and two going to the left lung (as depicted in the diagram).

This circulation is not normal and cannot be compatible with life. To restore normal circulation and to give a life to the baby, the doctors performed a very major and difficult operation called Unifocalization. Unifocalization is a full day operation and takes lot of time since the MAPCAs are very fine vessels and have to be carefully dissected behind the heart deep in the chest. This is a technically demanding operation and has been popularized in the world by the Stanford University group of surgeons in the USA. Dr. Anil Kumar Dharmaparam, the Pediatric Cardiac Surgeon who performed this surgery at KIMS Hospital was trained in the Stanford University and has brought back the technology of this operation to KIMS Hospital in Hyderabad.



Recurrent fungal infections and antibiotic resistance are fast becoming a growing public health concern, with certain groups of people falling in the high-risk category

KANZA GARARI

DECCAN CHRONICLE
Resistance to fungal infections is an emerging public health problem, with recurrent infections noted in those who are immunocompromised, suffering from cancer, organ transplants or severely diabetic in nature. Apart from genetic mutations in the body, climate change also plays a major role in recurrent fungal infections along with resistance to antibiotics, making it very important for those in the immunocompromised state to be extra careful, explains Dr Shiva Raju, senior consultant physician and diabetologist at KIMS Hospitals.

Why is there a rise in resistance when dealing with fungal infections?
Antibiotic resistance is a serious issue, making it necessary to use higher doses of antibiotics for treating regular infections. Antibiotics are normally used to treat bacterial infections. When they are used in excess, for longer duration or inappropriately, then fungal infections make their appearance.

Resistance to fungal infections is an emerging public health problem. Excess use of anti-fungal medication, low doses and varying durations in treatment lead to fungal resistance. Some fungi are inherently resistant while some acquire resistance through different mechanisms. Azole resistance is very common in the present scenario.

How are fungal infections classified?
Fungal infections are classified as follows:
■ Common infections occurring in humans include Candida infections, ringworm and toenail fungal infections.
■ Infections when travelling to specific areas - Blastomycosis, Histoplasmosis, Coccidioidomycosis.

■ Infections occurring in people with low immunity - Oral Candidiasis, Vaginal Candidiasis, Aspergillus fumigatus and Mucormycosis.

FIGHTING AGAINST FUNGAL INFECTIONS



Which category and type of fungal infection is becoming a cause of concern in terms of treatment?
Fungal infections which are of particular concern are Candida albicans, Candida non albicans group, invasive Candidiasis, Aspergillus fumigatus, and Mucormycosis. These fungal infections are seen more in diabetic, immunocompromised patients, those suffering from cancer and those who have undergone organ transplants.

Which parts of the body do fungal infections regularly occur in and why?
Common fungal infections that occur are:
■ Candida infections: Oral cavity, oesophagus, vaginal (moniliasis).
■ Ringworm infections: Tinea cruris (groin), tinea corporis (scalp).
■ Fungal infections: Onychomycosis.

Are there home remedies to deal with fungal infections?
Home remedies are not very effective.

Are fungal infections and climate change related to one another?
Yes, there is a correlation between the two. Few fungal infections like nail infections, Tinea cruris etc. occur in particular seasons. Fungi usually grow in damp, moist, dark areas and more so, in the rainy and winter season. Fungal infections impact the body with a change in climate, global warming and varying temperatures. In the rainy and winter seasons, fungi thrive well. Moreover, poor hygiene, diabetes and low immunity are high risk factors.

Are there home remedies to deal with fungal infections?
Home remedies are not very effective.

ANTIBIOTIC RESISTANCE IS A SERIOUS ISSUE, MAKING IT NECESSARY TO USE HIGHER DOSES OF ANTIBIOTICS FOR TREATING REGULAR INFECTIONS. ANTIBIOTICS ARE NORMALLY USED TO TREAT BACTERIAL INFECTIONS. WHEN THEY ARE USED IN EXCESS, FOR LONGER DURATION OR INAPPROPRIATELY, THEN FUNGAL INFECTIONS MAKE THEIR APPEARANCE
helpful in the treatment of fungal infections.

What are the precautions that one must take for preventing fungal infections?
Here are some of the precautions:
■ Observe hand hygiene.
■ Avoid wearing wet clothes to prevent common fungal infections.
■ Maintain proper hygiene in the surroundings.
■ Avoid anti-fungals unless indicated as it can cause resistance.
■ Reduce usage of antibiotics as far as possible.
■ Develop anti-fungal stewardship programme.
■ Ensure proper monitoring at regular intervals.
■ High risk groups like those with low immunity, cancer, HIV and organ transplants need special care and close monitoring as they have a high risk of invasive fungal infections.

NEW LEASE OF LIFE



KIMS performs complicated heart surgery on woman

EXPRESS NEWS SERVICE @Anantapur

CARDIOLOGISTS of KIMS Saveera Hospitals, Anantapur, gave a new lease of life to a 72-year-old woman who was at high surgical risk.

Dr Bala Kishore and Dr Moode Sandeep, Interventional Cardiologists along with their team, performed a minimally invasive stenting on the patient who had very complex bifurcation blockage of heart vessels. This is an alternative procedure for open heart surgery.

When Narayanamma was brought to KIMS Saveera Hospitals, she was in a critical condition and was diagnosed with 50 per cent reduced heart pumping capacity and kidney failure. Though there is a need to go for an open heart surgery to remove those complex blocks, due to high surgical risk, the doctors did not go for it in this case. In

complicated cases like these, minimally invasive stenting can be performed under experienced cardiologists and a hospital where there is infrastructure to deal with such cases.

Speaking on the occasion, Sandeep said, "This stenting procedure gives hope to patients who are otherwise at high risk for conventional open heart surgery. The results achieved with this procedure has fewer complications with good long-term outcome. This is also an effective low-cost procedure."

Bala Kishore said, "After thorough analysis, we proceeded with stenting of the complex bifurcated artery. We used high grade devices to manage this stenting and puncture site. Procedure was completed in two hours and we have placed three stents. She was mobilised by evening and discharged after 48 hours."

Doctors at KIMS remove 2 kidney stones from 4-year-old boy



4 year-old-boy with his parents (Right) Dr Rafiq Ahmed, Paediatrician, Dr Manoj Kumar Consultant urologist and andrologist and Dr T Arvind Reddy radiologist who performed surgery to the boy

Kurnool: Doctors at KIMS Kurnool Hospital saved life of a 4-year-old boy by performing retrograde intra renal surgery (RIRS). The child had 2 kidney stones, measuring 1.2 cm on right side and measuring 1.1 cm on left side. The Retrograde renal procedure was done on both the sides within 15 days gap along with

stenting to relieve the kid from pain and bring him back to normal life.

Speaking to the media, Dr. Manoj Kumar Y, Consultant Urologist, KIMS Kurnool Hospitals, said, "The case of kidney stones at the pediatric stage has become more common in past decade and have been steadily increasing. For this little child, both

the stones are measuring more than 1 cm and needed immediate attention and removal. We have taken up a procedure called RIRS (Retrograde intrarenal surgery). In this procedure, the surgery is performed within the kidney using a viewing tube called a fiberoptic endoscope to remove the stone.

Six-yr-old undergoes rare surgery

CITY BUREAU Hyderabad

Heart surgeons from Krishna Institute of Medical Sciences (KIMS) performed a complex cardiac procedure known as 'Double Switch Operation' on a 6-year-old girl from Sudan.



Dr Anil Kumar Dharmaparam along with the girl from Sudan who underwent a rare heart surgery at KIMS

"The young girl had a rare congenital heart disorder 'Corrected transposition of great arteries' in which the heart's lower two chambers, the ventricles are in reverse positions. As a result, the major pumping chamber of the heart i.e. left ventricle is weak because it

is pumping blood to lungs instead of the body.

To correct the disorder, the weaker left ventricle must be trained over a period to improve

its strength so that it can pump blood to the entire body. After that, second stage of operation called Double Switch is performed. According to pediatric cardiac sur-

geon, KIMS, Dr Anil Kumar Dharmaparam, the young girl underwent the first stage of the operation a year ago called the Pulmonary Artery Band, which involves placing a circular constricting band in the pulmonary artery that is coming off from the left ventricle, making the left ventricle work against resistance and train it to be eligible for the second stage of the surgery.

After a year, the girl came back for the second stage of the surgery. After a marathon surgery, the girl has recovered gradually and was recently discharged.

Doctor feted for performing 1,000 kidney transplants

CITY BUREAU Hyderabad

Senior nephrologist Dr. Sarbeswar Sahariah has achieved a milestone by conducting 1,000 kidney transplant surgeries at a single unit that is managed by him at Krishna Institute of Medical Sciences (KIMS).

On the occasion of completing the transplant surgeries, KIMS on Sunday organised a conference 'Past, Present and Future of Transplant Surgeries in India'. Later, the senior nephrologist was also felicitated for conducting nearly 3,000 transplant surgeries in his life time and 1,000 transplant surgeries at KIMS.

"We are proud to have completed 1,000 cases at this unit. It was possible only because of the faith and courage shown by our patients and continuous support for all the depart-



Dr. S Sahariah being felicitated by KIMS officials for successfully performing over 1,000 kidney transplants.

ments," Dr. Sahariah said. Before KIMS, Dr. Sahariah, who is a Padma Shree awardee, conducted nearly 1,300 transplant surgeries at Mahavir Hospitals, Masab Tank. He has also performed nearly 200 cadaver kidney transplantations in Hyderabad, which is considered as one of the largest series by a single surgeon in the country.

"We would like to congratulate, Dr S Sahariah and his team who has best success rates. KIMS has been doing the both living and deceased donor transplant programme for many years," Dr Bhaskar Rao, MD, KIMS Hospitals, said. On the occasion, a panel of senior nephrologists spoke about chances in Chronic Kidney Diseases (CKD) that took place in the last one decade.



KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED

Corporate Information

Board of Directors

Dr. B. Bhaskar Rao	-	Managing Director
Ms. D. Anita	-	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. S. R. Batliboi & Associates LLP Chartered Accountants The Skyview 10, 18th Floor, Zone B, Survey No. 83/1, Raidurgam, Hyderabad – 500 032.
---	--

Internal Auditors

:	PricewaterhouseCoopers Services LLP, 8 th Floor, Octave Block, E1 Building, Parcel- 4, Unit-2, Raidurg Village, Serilingpally Mandal, Ranga Reddy District, Telangana – 500081.
---	---

Bankers

:	Federal Bank, D No. 8-2-293/82/564/A-43, Prasanthi Towers, Road No 92 Jubilee Hills, Hyderabad – 500034, Telangana. HDFC Bank Limited H. No. 6-3-246 &6-3-244/A, Road No. 1, Banjara Hills , Hyderabad – 500034, Telangana.
---	--



Registrars & Transfer Agents

: **M/s. KFin Technologies Pvt Ltd**
Karvy Selenium, Tower –B, Plot No. 31 &
32, Financial district, Nanakramguda,
Serilingampally Mandal, Hyderabad,
Telangana – 500032.

Board Committees

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

INDEX

S.NO	CONTENTS	PAGE NO.S
1	NOTICE OF AGM	1
2	DIRECTOR'S REPORT	4
3	ANNEXURE TO THE DIRECTORS REPORT	12
4	AUDITORS REPORT & ANNEXURES TO AUDITORS REPORT ON STANDALONE FINANCIAL STATEMENTS	35
5	STANDALONE FINANCIAL STATEMENTS	44
6	AUDITORS REPORT & ANNEXURES TO AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS	93
7	CONSOLIDATED FINANCIAL STATEMENTS	100
8	PROXY FORM	158
9	ATTENDANCE SLIP	160

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Krishna Institute of Medical Sciences Limited will be held on Monday, the 24th day of August, 2020 at 3.00 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 2020 and the reports of the Board of Directors (“the Board”) and Auditors thereon.

2. Appointment of Ms. D. Anitha as a director liable to retire by rotation:

To appoint a director in place of Ms. D. Anitha (**DIN No: 00025480**) 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 Ms. D. Anitha (**DIN: 00025480**) 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.”

B. SPECIAL BUSINESS:

3. Payment of remuneration to Cost Auditor M/s. Sagar & Associates, for the financial year 2020-21.

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 Lakhs 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, 2021, 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.”

Date: 21.07.2020

Place: Hyderabad

**By the order of the Board of Directors of
For Krishna Institute of Medical Sciences Limited**

Sd/-

**Uma Shankar Mantha
Company Secretary**

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 2019-20 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. 3 of the accompanying Notice dated 21.07.2020

Item No 3

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 2020-21 at a fee of Rs. 5 Lakhs, 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. 3 of this Notice is accordingly re-commended for your approval.

Date: 21.07.2020

Place: Hyderabad

**By Order of the Board of
Krishna Institute of Medical Sciences Limited**

Sd/-
**Uma Shankar Mantha
Company Secretary**

DIRECTORS' REPORT

**To
The Members,**

Your Directors have pleasure in presenting the 18th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2020.

1. Financial Summary of the Company

Particulars	Standalone Rs. In Million		Consolidated Rs. In Million	
	2019-20	2018-19	2019-20	2018-19
Total Revenue	7970.60	7133.86	11287.28	9237.37
Profit/(Loss) Before Interest and Depreciation	2097.36	609.26	2510.78	812.81
Less: Finance Cost	205.69	333.79	399.42	407.96
Less: Depreciation and amortization expenses	426.62	409.70	706.10	521.38
Profit/ (Loss) before Tax	1465.05	(134.23)	1405.26	(116.53)
Less: Income Tax				
- Current Tax	387.41	345.55	432.98	386.09
- Deferred Tax Charge	(113.49)	(43.23)	(154.79)	(41.54)
- Tax Pertaining to earlier years	(19.93)	-	(23.65)	2.15
Profit/(Loss) After Tax *	1211.06	(436.55)	1150.72	(463.23)
Add: Share of Profit / (Loss) in Associate	0.00	0.00	0	0.00
Profit/ (Loss) for the year	1211.06	(436.55)	1150.72	(463.23)
Add: Other Comprehensive Income	(9.04)	(12.91)	(10.01)	(12.20)
Total Comprehensive Income	1202.02	(449.46)	1140.71	(475.43)

* During the year ended 31 March 2019, the Company had entered into a Securities Subscription and Purchase Agreement (SSPA) along with General Atlantic Singapore KH Pte. Ltd (“new investors”), India Advantage Fund (“old investor”) and other existing shareholders through which new investors had purchased few shares from the existing shareholders and entire shares from the old investors. Further, the Profit and Loss account for the previous financial year ended 31 March 2019, had an impact of Rs. 991.28 million due to the provisions as per the terms of the above contract. The terms of the contract with the new investors had resulted in de-recognition of the same.

Excluding the above charge which had reversed during the previous year ended 31 March 2019, company’s PAT for FY 2019-20 stands at Rs. 1211.06 million for standalone and Rs. 1150.72 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. 7970.60 million. The total revenue grew by 11.73% as compared to the previous year. Total Profit for the year is Rs.1202.02 millions.

- b. **KIMS Consolidated:** During the year under review, your Company achieved total revenue of Rs.11287.28 million. The total revenue grew by 22.19% as compared to the previous year. Total Profit for the year is Rs. 1140.71 million.
- c. **Arunodaya Hospitals Pvt. Ltd (Subsidiary Company):** has recorded the total revenue of Rs.393.46 million during the financial year 2019-20.
- d. **KIMS Hospital Enterprises Pvt. Ltd (Subsidiary Company):** has recorded the total revenue of Rs.1422.43 million during the financial year 2019-20.
- e. **Iconkrishi Institute of Medical Sciences Private Limited (Subsidiary Company):**. The subsidiary company has recorded a total revenue of Rs.559.43 million during the financial year 2019-20.
- f. **Saveera Institute of Medical Sciences Private Limited (Subsidiary Company):** The subsidiary company has recorded a total revenue of Rs. 585.10 million during the financial year 2019-20.
- g. **KIMS Hospital Kurnool Private Limited (Subsidiary Company):** During the Year your Company has Acquired 55% of Equity Stake in Kurnool Rainbow Hospitals Private Limited thereon became Subsidiary of your Company. Subsequently with the approval of Shareholders Kurnool Rainbow Hospitals Private Limited changed its name to KIMS Hospital Kurnool Private Limited.

The subsidiary company has recorded a total revenue of Rs.409.82 million during the financial year 2019-20.

- h. **KIMS Hospitals Pvt. Ltd., KIMS Swastha Pvt. Ltd., KIMS Cuddles Pvt. Ltd. and KIMS Hospital (Bhubaneswar) Pvt. Ltd.** are the subsidiaries of your Company, which are still under the process of setting up its infrastructure to run the hospital.

3. Impact of COVID-19 Pandemic.

The outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world and uncertainty to the global economy. Your Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its employees, vendors and business partners. Your Company based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact. Based on the current estimates, your Company expects to fully recover the carrying amount of assets, and does not foresee any material adverse impact on its operations. As the outbreak continues to evolve, your Company will continue to closely monitor any material changes to future economic condition.

4. Change in the nature of business, if any

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

5. 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.

6. Transfer of Reserves

The Company has recorded a profit of Rs. 1202.02 million (Standalone) for the period 2019-20 and the same was transferred to the head of other Equity.

7. Share Capital

There was no change in Authorized Share Capital of the Company during the Financial Year 2019-20. The paid up share capital as on 31st March 2020 is Rs. 74,48,95,520/-. During the period under review the company has not made any allotment in the Financial Year 2019-20.

8. 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 and Change in Directors during the year

During the year Dr. Abhinay Bollineni was appointed as Chief Executive officer (CEO) of the Company.

9. 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, 2020, Five (5) Board Meetings were held on (i) June 10, 2019 (ii) July 3, 2019 (iii) August 19, 2019 (iv) December 5, 2019 (v) March 5, 2020.

10. Committees of the Board

In terms of the provisions of the Companies Act, 2013, your Company has 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

11. 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, qualifications, positive attributes and Independence of a director.

12. 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**.

13. 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.

14. 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.

15. Auditors

During the year in the 17th Annual General Meeting, S. R. Batliboi & Associates LLP (having Registration Number: 101049W/ E300004) Chartered Accountants were appointed 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.

16. Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee, appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad (FRN 000118) to audit the cost accounts of the Company for the financial year 2020-2021 on a remuneration of Rs. 5.00 lakhs.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. Sagar & Associates, Cost Accountants, Hyderabad (FRN 000118) is included at Item No. 3 of the Notice convening the Annual General Meeting.

The Company has maintained cost records in accordance with the provisions of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 in respect of healthcare services.

17. Internal Audit & Controls

The Company has appointed M/s. PricewaterhouseCoopers as its Internal Auditor of the Company and accordingly they have submitted their report to the Audit Committee.

Their scope of work include 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.

18. Statutory Auditors Report and Secretarial Auditors Report

The Directors hereby confirm that the Statutory Auditors and Secretarial Auditors have reported that there are no qualification, reservation, adverse remark or any frauds made by the company in their respective audit reports for the year ended 31st March, 2020.

19. 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 comments.

20. 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.

21. Performance Evaluation of the Board and the Directors

Pursuant to the provisions of the Companies Act, 2013 the annual performance evaluation was conducted including the working of the Board and its Committees. This evaluation was conducted by the Managing Director of the Company on the performance and effective functioning of the Board. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, succession planning, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interests and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc. The performance evaluation of the Managing Director and other Directors was carried out by the Independent Directors in their meeting.

22. 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.

23. 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.

24. 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.

25. Deposits

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

26. 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.

27. 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.

28. 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

Your Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. Your Company does not have any unhedged foreign currency exposure as at 31 March 2020 and 31 March 2019.

29. 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. 1.47 crores for the purpose of CSR for the year 2019-20. Your Company has spent an amount of Rs. 1.50 crores 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.

30. 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.

31. 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.

32. 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;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) 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.

33. 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).

34. 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 Limited**

Place: Hyderabad
Date: 21.07.2020

**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 31.03.2020

**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.	KFin Technologies Private Limited 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	75.26	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)
9	KIMS Hospital Kurnool Private Limited Plot No 27 & 28 Sy No 931/J1&2B, Joharapuram Road, Kurnool – 518002, Andhra Pradesh, India.	U85110AP2012PTC083865	Subsidiary	55	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	3,42,74,871	-	3,42,74,871	46.01	3,32,13,076	-	3,32,13,076	44.59 (1.42)
b) Central Govt	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-

Total shareholding of Promoter (A)	3,42,74,871	-	3,42,74,871	46.01	3,32,13,076	3,32,13,076	44.59	(1.42)
B. Public Shareholding								
I. Institutions								
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-
e) Venture Capital Funds								
f) Insurance Companies	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	3,02,50,115	-	3,02,50,115	40.61	3,17,39,906	3,17,39,906	42.61	2.00
i) Others (specify)	-	-	-	-	-	-	-	-
Sub-total (B)(I):-	3,02,50,115	-	3,02,50,115	40.61	3,17,39,906	3,17,39,906	42.61	2.00
2. Non-Institutions								
a) Bodies Corp.								
i) Indian	-	1,04,184	1,04,184	0.14	1,04,184	1,04,184	0.14	-
ii) Overseas	-	-	-	-	-	-	-	-
b) Individuals	86,45,446	11,07,976	97,53,422	13.09	84,86,416	92,97,648	12.48	(0.61)
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	-	-	-	-	-	-	-	-	-
Others (specify)									
- HUF	1,06,960	-	1,06,960	0.14	1,34,738	1,34,738	0.18	0.04	
Non Resident Indians	-	-	-	-				-	
Overseas Corporate Bodies	-	-	-	-				-	
Foreign Nationals	-	-	-	-				-	
Clearing Members	-	-	-	-				-	
Trusts	-	-	-	-				-	
Foreign Bodies - DR	-	-	-	-				-	
Sub-total (B)(2):-	87,52,406	12,12,160	99,64,566	13.38	87,25,338	95,36,570	12.80	(0.58)	
Total Shareholding (B)=(1)+(B)(2)	3,90,02,521	12,12,160	4,02,14,681	53.99	4,04,65,244	4,12,76,476	55.41	1.42	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-				-	
Grand Total (A+B+C)	7,32,77,392	12,12,160	7,44,89,552	100	7,36,78,320	7,44,89,552	100	-	

B) Shareholding of Promoters

Sl. No	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 Pledged / encumbered to total shares	% of Shares / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Pledged / encumbered to total shares	% of Shares / encumbered to total shares	
1	Dr. Bhaskar Rao Bollineni	1,83,04,164	24.57 %	9.23 %	21.90 %	1,83,04,164	24.57 %	21.90 %	21.90 %	-
2	Krishnaiah Bollineni	1,73,944	0.23 %	0.02 %	-	1,73,944	0.23 %	-	-	-
3	Seenaiah Bollineni	49,72,308	6.68 %	0.33 %	-	45,82,517	6.15 %	-	-	(0.53)
4	Abhinay Bollineni	46,549	0.06 %	-	-	46,549	0.06 %	-	-	-
5	Bollineni Ramanaiah Memorial Hospitals Pvt. Ltd	48,00,632	6.44 %	-	-	52,28,628	7.02 %	-	-	0.58
6	Sujatha Bollineni	11,34,386	1.52 %	1.17 %	-	34,386	0.05 %	-	-	(1.47)
7	Bollineni Aishwarya	26,83,272	3.60 %	-	-	26,83,272	3.60 %	-	-	-
8.	Rajyasri Bollineni	21,49,936	2.89 %	2.84 %	-	21,49,936	2.89 %	-	-	-
9	Adwik Bollineni	8,128	0.01 %	-	-	8,128	0.01 %	-	-	-
10	Sweata Raavi	1,552	0.00 %	-	-	1,552	0.00 %	-	-	-
	Total	3,42,74,871	46.01 %	13.59 %	-	3,32,13,076	44.59 %	21.90 %	21.90 %	(1.42)

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative during the year		Shareholding
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	BHASKAR RAO BOLLINENI					
	At the beginning of the year	1,83,04,164	24.57 %	1,83,04,164	24.57 %	24.57 %
	At the end of the year	-	-	1,83,04,164	24.57 %	24.57 %

KRISHNAIAH BOLLINENI						
	At the beginning of the year		1,73,944	0.23 %	1,73,944	0.23 %
	At the end of the year		-	-	1,73,944	0.23 %
SEENAIAH BOLLINENI						
	At the beginning of the year		49,72,308	6.68 %	49,72,308	6.68 %
	Sale on 10.05.2019		3,89,791	0.53 %	45,82,517	6.15 %
	At the end of the year				45,82,517	6.15 %
ABHINAV BOLLINENI						
	At the beginning of the year		46,549	0.06 %	46,549	0.06 %
	At the end of the year		-	-	46,549	0.06 %
BOLLINENI RAMANAIAH MEMORIAL HOSPITALS PVT LTD						
	At the beginning of the year		48,00,632	6.44 %	48,00,632	6.44 %
	Acquire on 26.04.2019		3,32,327	0.45 %	51,32,959	6.89 %
	Acquire on 03.05.2019		29,984	0.04 %	51,62,943	6.93 %
	Acquire on 06.09.2019		36,660	0.05 %	51,99,603	6.98 %
	Acquire on 18.10.2019		29,025	0.04 %	52,28,628	7.02 %
	At the end of the year				52,28,628	7.02 %
SUJATHA BOLLINENI						
	At the beginning of the year		11,34,386	1.52 %	11,34,386	1.52 %
	Sale on 10.05.2019		5,00,000	(0.67 %)	6,34,386	0.85 %
	Sale on 17.05.2019		6,00,000	(0.80 %)	34,386	0.05 %
	At the end of the year					
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		21,49,936	2.89 %	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 %

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding 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	3,02,50,115	40.61 %	3,02,50,115	40.61 %
	Purchase on 10.05.2019	8,89,791	1.19 %	3,11,39,906	41.80 %
	Purchase on 17.05.2019	6,00,000	0.81 %	3,17,39,906	42.61 %
	At the end of the year	-	-	3,17,39,906	42.61 %
RAJENDRA KUMAR PREMCHAND					
	At the beginning of the year	11,36,000	1.53 %	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	1.42 %	10,60,560	1.42 %
	At the end of the year	-	-	10,60,560	1.42 %
SAHARIAH SARBESWAR					
	At the beginning of the year	8,10,855	1.09 %	8,10,855	1.09 %
	At the end of the year			8,10,855	1.09 %
RAGHU RAMA PILLARISSETTY					
	At the beginning of the year	3,83,288	0.51 %	3,83,288	0.51 %
	At the end of the year	-	-	3,83,288	0.51 %
MANAS KUMAR PANIGRAHI					
	At the beginning of the year	3,69,491	0.50 %	3,69,491	0.50 %
	At the end of the year			3,69,491	0.50 %
SITARAM PRASAD GOGINENI					
	At the beginning of the year	2,81,202	0.38 %	2,81,202	0.38 %
	Purchase on 09.08.2019	66,000	0.09 %	3,47,202	0.47 %
	Purchase on 23.08.2019	3,798	0.00 %	3,51,000	0.47 %

	Purchase on 31.12.2019	18,330	0.03 %	3,69,330	0.50 %
	At the end of the year			3,69,330	0.50 %
SUSHRUT					
	At the beginning of the year	3,50,736	0.47 %	3,50,736	0.47 %
	At the end of the year			3,50,736	0.47 %
N S RAMA RAJU					
	At the beginning of the year	198,488	0.27 %	198,488	0.27 %
	At the end of the year			198,488	0.27 %
PADMA VEERAPANENI					
	At the beginning of the year	1,89,504	0.25 %	1,89,504	0.25 %
	At the end of the year			1,89,504	0.25 %

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
B BHASKAR RAO					
	At the beginning of the year	1,83,04,164	24.57 %	1,83,04,164	24.57 %
	At the end of the year	-	-	1,83,04,164	24.57 %
ABHINAV BOLLINENI					
	At the beginning of the year	46,549	0.06 %	46,549	0.06 %
	At the end of the year	-	-	46,549	0.06 %
VIKAS MAHESHWARI					
	At the beginning of the year	6,500	0.008 %	6,500	0.008 %
	At the end of the year			6,500	0.008 %
UMA SHANKAR MANTHA					
	At the beginning of the year	1,000	0.001 %	1,000	0.001 %
	Purchase on 16.08.2019	1,000	0.001 %	1,000	0.001 %
	At the end of the year			2,000	0.002 %

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	1,847,477,238.92	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
Change in Indebtedness during the financial year				
* Addition	330,000,000.00	26,947,962.13		356,947,962.13
* Reduction	350,626,426.84	17,179,304.87		367,805,731.71
Net Change	20,626,426.84	(9,768,657.26)		10,857,769.58
Indebtedness at the end of the financial year				
i) Principal Amount	1,827,147,578.08	34,145,525.03		1,861,293,103.11
ii) Interest due but not paid				
iii) Interest accrued but not due	994,624.00			994,624.00
Total (i+ii+iii)	1,828,142,202.08	34,145,525.03		1,862,287,727.11

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In Millions

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	Dr. B. Bhaskar Rao	Ms. D. Anitha
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.00	3.60
	(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	3.60
	Ceiling as per the Act	-	-

B. Remuneration to other Directors

In Millions

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Ms. Jyothi Prasad	Mr. Rajeswara Rao		
1	Independent Directors				
	Fee for attending board committee meetings	0.58	0.64		1.22
	Commission	-	-		
	Others, please specify	-	-		
	Total (1)	0.58	0.64		1.22
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	0.58	0.64		1.22
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

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

In Millions

SN	Particulars of Remuneration	Key Managerial Personnel				
		Abhinay Bollineni - CEO	Mr. Maheshwari CFO	Uma Mantha CS	Shankar	Total
1	Gross salary	-				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.75	7.37		1.98	17.1
	(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	7.75	7.37		1.98	17.1

VII. Penalties / Punishment/ Compounding Of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD/ COURT)	NCLT/	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 Limited

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

Place: Hyderabad

Date: 21.07.2020

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 Private Limited	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospital Kurnool Private Limited
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	310.00	60.00
5.	Other Equity	208.52	231.25	(148.85)	(45.33)	(175.08)
6.	Total Assets	307.46	1308.19	355.27	1011.72	527.03
7.	Total Liabilities	79.68	831.49	384.02	747.07	642.12
8.	Investments	0.00	0.00	0.00	0.00	0.00
9.	Turnover	393.46	1422.43	559.43	585.10	409.82
10.	Profit/(Loss) Before Taxation	50.74	120.59	(55.52)	(58.99)	(93.34)
11.	Provision for Tax Expenses	11.32	6.02	27.10	(27.95)	(0.07)
12.	Profit after Taxation	39.42	114.57	(81.48)	(31.04)	(93.27)
13.	Proposed Dividend	0.00	0.00	0.00	0.00	0.00
14.	% of Shareholding	57.83%	75.26%	51.00%	80.00%	55.00%

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 Pvt. Ltd. 4. KIMS Hospital (Bhubaneswar) Pvt. Ltd.
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 Limited**

Place:Hyderabad
Date:21.07.2020

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

Sd/-
Ms. D. Anitha
Whole-time 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		2.16
3	Vikas Maheswari		7.37
4	Uma Shankar Mantha		1.98
5	Dr. B. Bhaskar Rao	Leasing of property of any kind;	0.10
6	KIMS Hospitals Enterprises Private Limited.	Sale, Purchase or supply of any goods or material	5.08
7	Arunodaya Hospitals Pvt Ltd		0.17
8	Saveera Institute of Medical Sciences Private Limited		0.59
9	Iconkrishi Institute of Medical Sciences private Limited		0.91
10.	KIMS Hospital Kurnool Private Limited		0.69
11.	KIMS Hospitals Enterprises Private Limited.	Availing or Rendering of any services	11.25
12.	Saveera Institute of Medical Sciences Private Limited		1.30
13.	Iconkrishi Institute of Medical Sciences private Limited		0.66
14.	KIMS Hospital Kurnool Private Limited		1.74

ANNEXURE – IV
Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
[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, 2020 (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, 2020 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, 2020, 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 have relied on the representations made by the Company, its officers and reports of other professionals engaged by the company for compliances under other acts, laws and regulations applicable to the Company as mentioned above.

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.,

- General Atlantic Singapore KH Pte Ltd ("Investor") has acquired 14,89,791 equity shares constitutes 2% of the total paid up share capital of the Company from Mr. Seenaiiah Bollineni and Mrs Sujatha Bollineni ("Promoters") by executing Share Purchase Agreement between Company, General Atlantic Singapore KH Pte Ltd ("Investor"), Mr. Seenaiiah Bollineni and Mrs Sujatha Bollineni ("Promoters") on 06th May, 2019.



- Dr. Abhinay Bollineni has been appointed as Chief Executive Office of the Company vide Board of Directors Meeting dated 03rd July, 2019.
- Dr. Bhaskar Rao Managing Director & CEO has been re-designated as Managing Director vide Board of Directors Meeting held on 03rd July, 2019.

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

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

Place: Hyderabad
Date: 21.07.2020

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, COP No.10486

Place: Hyderabad
Date:21.07.2020

ANNEXURE – V

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 is as follows:**

Mr. G. Rajeswara Rao
Dr. B. Bhaskar Rao
Dr. Abhinay Bollineni

(3) **Average net profits of the Company for the last three financial years:** Rs. 73,61,30,083

(4) **Prescribed CSR Expenditure (two percent of the amount as in item 3 above) is**
Rs. 1,47,22,602

(5) **Details of CSR Spent during the year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR Project Or Activity Identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	Literacy and Quality Education	Promotion of Education	Telangana	-	An amount of Rs. 5,00,000 was given to Teach for Change Trust.	5,00,000	Spent through Implementing agency i. e. Teach for Change Trust. an Registered Trust.
2	Medical Research	Promoting Preventive Healthcare	Telangana	-	An amount of Rs. 1,46,40,000 was given to KIMS Foundation and Research Centre, registered trust for the purpose of medical research.	1,46,40,000	Spent through implementing agency i. e. KIMS Foundation and Research Center a registered Trust under the Indian Trust Act 1882.
Total						1,51,40,000	

Independent auditor's report

To the members of Krishna Institute of Medical Sciences Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Krishna Institute of Medical Sciences Limited** ("the Company"), which comprise the Standalone Balance sheet as at 31 March 2020, the Standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Standalone Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the 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 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

Responsibilities of management and those charged with governance for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other matter

The standalone Ind AS financial statements of the Company for the year ended 31 March 2019, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 03 July 2019.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the statement of other comprehensive income, the standalone statement of cash flows and statement of changes in equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion, the managerial remuneration for the year ended 31 March 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 2.25 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 20102328AAAACV7030
Place of Signature: Hyderabad
Date: 21 July 2020

Annexure 1, referred to in paragraph 1 of our report of even date

Re: Krishna Institute of Medical Sciences Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
There was no inventory lying with third parties.
- (iii) (a) The Company has granted loans to four subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans to four subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the medical and healthcare services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and

service tax, cess and other statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of value added tax and Luxury Tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs)	Amount paid under protest (Rs)	Period to which the amount relates	Forum where the dispute is pending
The Andhra Pradesh tax act, 1987	Luxury tax*	16,140,468	7,993,480	2004-07	Hon'ble High Court of Judicature at Hyderabad for the State of Andhra Pradesh
The Andhra Pradesh tax act, 1987	Luxury tax*	52,022,873	29,361,961	2007-11	Sales Tax Appellate Tribunal, Hyderabad
The Andhra Pradesh tax act, 1987	Penalty on Luxury tax*	14,101,865	2,115,280	2008-09	Sales Tax Appellate Tribunal, Hyderabad
AP VAT Act, 2005	Value Added Tax	1,758,116	1,098,823	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad

* Interest will be levied as applicable.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause (xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 20102328AAAACV7030
Place of Signature: Hyderabad
Date: 21 July 2020

Annexure 2 to the independent auditor's report of even date on the standalone Ind AS financial statements of Krishna Institute of Medical Sciences Limited

Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Krishna Institute of Medical Sciences Limited ("the Company") as of 31 March 2020, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these standalone Ind AS financial statements was 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting with reference to these standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS 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 control over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 20102328AAAACV7030

Place of Signature: Hyderabad

Date: 21 July 2020

Krishna Institute of Medical Sciences Limited
Standalone Balance Sheet as at 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1 (a)	5,385.79	5,640.01
Capital work-in-progress	2.1 (a)	22.33	2.32
Intangible assets	2.1 (b)	26.89	27.93
Right-of-use assets	2.1 (b)	179.45	-
Financial assets			
(i) Investments	2.2	1,779.59	796.21
(ii) Loans	2.3 (a)	203.30	21.45
(iii) Other financial assets	2.4 (a)	0.11	7.32
Non-current tax assets (net)	2.9	207.53	200.22
Other non-current assets	2.5	77.07	278.28
Total non-current assets		7,882.06	6,973.74
Current assets			
Inventories	2.6	217.07	189.67
Financial assets			
(i) Trade receivables	2.7	991.51	1,000.30
(ii) Cash and cash equivalents	2.8 (a)	344.67	62.59
(iii) Bank balances other than (ii) above	2.8 (b)	50.13	21.11
(iv) Loans	2.3 (b)	15.24	215.46
(v) Other financial assets	2.4 (b)	46.39	87.56
Other current assets	2.10	27.36	17.66
Total current assets		1,692.37	1,594.35
Total assets		9,574.43	8,568.09
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.11 (a)	744.90	744.90
Other equity	2.11 (b)	5,496.40	4,294.38
Total equity		6,241.30	5,039.28
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.12	1,471.23	1,523.72
(ii) Lease liabilities	2.26	25.62	-
(iii) Other financial liabilities	2.13 (a)	0.09	0.09
Provisions	2.14	122.02	91.63
Other liabilities	2.18 (a)	30.27	25.87
Deferred tax liabilities (net)	2.36	304.39	420.91
Total non-current liabilities		1,953.62	2,062.22
Current liabilities			
Financial liabilities			
(i) Borrowings	2.15	20.81	85.39
(ii) Current lease liabilities	2.26	8.52	-
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.16	3.86	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.16	775.91	736.71
(iv) Other financial liabilities	2.13 (b)	417.68	387.35
Provisions	2.17	54.19	51.03
Other current liabilities	2.18 (b)	98.54	110.84
Current tax liabilities (Net)		-	95.27
Total current liabilities		1,379.51	1,466.59
Total equity and liabilities		9,574.43	8,568.09
Significant accounting policies	1.3		

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 101049W/ E300004

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

Sd/-
per Navneet Rai Kabra
Partner
Membership no.: 102328

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

Sd/-
Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shankar Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad
Date: 21 July 2020

Place: Hyderabad
Date: 21 July 2020

Krishna Institute of Medical Sciences Limited
Standalone statement of Profit and Loss for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	2.19	7,899.70	7,069.13
Other income	2.20	70.90	64.73
Total Revenue		7,970.60	7,133.86
Expenses			
Medical consumables and pharmacy items consumed	2.21	1,798.50	1,666.36
Employee benefits expense	2.22	1,369.70	1,269.10
Finance cost	2.23	205.69	333.79
Depreciation and amortisation expense	2.1	426.62	409.70
Other expenses	2.24	2,705.04	3,589.14
Total expenses		6,505.55	7,268.09
Profit / (loss) before tax		1,465.05	(134.23)
Tax expense			
- Current tax	2.36	387.41	345.55
- Deferred tax credit/(expenses)	2.36	(113.49)	(43.23)
- Tax pertaining to earlier years	2.36	(19.93)	-
Total tax expense		253.99	302.32
Profit/(Loss) for the year (A)		1,211.06	(436.55)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement loss on defined benefit plans		(12.08)	(19.85)
- Income-tax relating to these items		3.04	6.94
Other comprehensive loss, net of tax (B)		(9.04)	(12.91)
Total comprehensive income/(loss) for the year (A+B)		1,202.02	(449.46)
Earnings per share (face value of share Rs. 10 each)	2.29		
- Basic		16.26	(6.31)
- Diluted		16.13	(6.31)

Significant accounting policies

1.3

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

 for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Sd/-
per Navneet Rai Kabra
 Partner
 Membership no.: 102328

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

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

Sd/-
Dr. B Abhinay
Managing Director
 DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shankar Mantha
Company Secretary
 Membership no: A21035

Place: Hyderabad
 Date: 21 July 2020

Place: Hyderabad
 Date: 21 July 2020

Krishna Institute of Medical Sciences Limited
Standalone statement of cash flows for the year ended 31 March 2020
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
I. Cash flows from operating activities:		
Profit / (loss) before tax	1,465.05	(134.23)
Adjustments for operating activities:		
Depreciation and amortisation expenses	426.62	409.70
Loss on sale of property, plant and equipment	4.06	1.52
Expected credit loss for trade receivables	27.63	155.84
Trade receivables written off	0.64	41.56
Guarantee commission income	(4.06)	(2.91)
Sub lease income	(1.46)	(1.95)
Interest income	(33.08)	(25.27)
Liabilities no longer required written back	(3.16)	(16.62)
Interest on income tax refund	(2.06)	-
Changes in fair value of financial instrument	-	871.27
Finance cost	205.69	333.79
Operating cash flows before working capital changes	2,085.87	1,632.70
Adjustments for:		
Increase in trade receivables	(19.49)	(237.60)
Increase in inventories	(27.40)	(26.84)
Decrease/ (Increase) in loans and other assets	31.30	(18.19)
Increase/ (decrease) in liabilities and provisions	5.65	(12.30)
Cash generated from operations	2,075.93	1,337.77
Income taxes paid, net	(470.05)	(250.29)
Net cash generated from operating activities (A)	1,605.88	1,087.48
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(212.15)	(460.99)
Proceeds from sale of property, plant and equipment	2.64	2.06
Investment in subsidiaries	(913.67)	(459.98)
Loans given to subsidiaries	(209.05)	(237.97)
Receipt of loans given to subsidiaries	229.74	166.50
Redemption of bank deposits (having original maturity of more than three months)	146.45	2.54
Investment in bank deposits (having original maturity of more than three months)	(169.21)	(17.84)
Sub lease income received	1.46	1.95
Interest received	43.50	15.46
Net cash used in investing activities (B)	(1,080.30)	(988.27)
III. Cash flows from financing activities		
Repayment of long-term borrowings	(286.80)	(1,250.32)
Proceeds from long-term borrowings	330.00	642.93
Repayment of short-term borrowings (net)	(64.58)	(180.32)
Payment of lease obligations	(28.05)	(10.52)
Proceeds from issue of shares	-	880.00
Proceeds from issue of share warrants	-	3.10
Interest paid	(194.07)	(206.51)
Net cash flows used in financing activities (C)	(243.50)	(121.64)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	282.08	(22.43)
Cash and cash equivalents at the beginning of the year	62.59	85.02
Cash and cash equivalents at the end of the year	344.67	62.59
Note:		
Components of cash and cash equivalents		
Cash on hand	22.43	8.83
Balances with banks		
- On current accounts	242.24	53.76
- In deposit accounts (with original maturity of 3 months or less)	80.00	-
Total	344.67	62.59

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 101049W/ E300004

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

Sd/-
per Navneet Rai Kabra
Partner
Membership no.: 102328

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

Sd/-
Dr. B Abhinay
Managing Director
DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shankar Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad
Date: 21 July 2020

Place: Hyderabad
Date: 21 July 2020

Krishna Institute of Medical Sciences Limited
Statement of changes in equity for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Particulars	Equity share capital	Other equity				Total of other equity
		Reserve and surplus			Share warrants	
		Securities premium account	Adjustment reserve	Retained earnings		
Balance as at 01 April 2019	744.90	7,525.80	57.64	(3,292.16)	3.10	4,294.38
Profit for the year	-	-	-	1,211.06	-	1,211.06
Re-measurement of net defined benefit liability (net of tax)	-	-	-	(9.04)	-	(9.04)
Balance as at 31 March 2020	744.90	7,525.80	57.64	(2,090.14)	3.10	5,496.40

Particulars	Equity share capital	Other equity				Total of other equity
		Reserve and surplus			Share Warrants	
		Securities premium	Adjustment reserve	Retained earnings		
Balance as at 01 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 (refer note 2.39)	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

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

for and on behalf of the Board of Directors of

Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Sd/-
per Navneet Rai Kabra
Partner
Membership no.: 102328

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

Sd/-
Dr. B Abhinay
Managing Director
DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shankar Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad
Date: 21 July 2020

Place: Hyderabad
Date: 21 July 2020

Krishna Institute of Medical Sciences Limited

Notes to the standalone financial statements for the year ended 31 March 2020

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

1.1 Company Overview

Krishna Institute of Medical Sciences Limited ('the Company') was originally incorporated on 26 July 1973 under the name "Jagjit Singh and Sons Private Limited" which was subsequently changed to "Krishna Institute of Medical Sciences Private Limited" on 2 January 2004. The Company was converted into a public limited company under the Companies Act, 1956 on 29 January 2004 and consequently, the name was changed to "Krishna Institute of Medical Sciences Limited".

The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at D. No. 1-8-31/1, Minister's Road, Secunderabad, Telangana, India - 500003.

The Company is primarily engaged in the business of rendering medical and healthcare services. The standalone financial statements were authorised for issue by the Company's Board of Directors on 21 July 2020.

1.2 Basis of preparation of standalone financial statements

a) Statement of Compliances:

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

b) Basis of measurement:

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value or Amortised cost
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

c) Functional and presentation currency:

These standalone financial statements are presented in Indian Rupees Rs. which is also the Company's functional currency. All amounts are in Indian Rupees millions, rounded off to two decimals, except share data and per share data, unless otherwise stated.

d) Change in accounting policies

New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in the current year, but do not have an impact on the Standalone Financial Statements of the Company. The Company has not early adopted any standards or amendments that have been issued but not yet effective.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Ind AS 116 – Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Effective 01 April 2019, the Company adopted Ind AS 116 "Leases" applied to all lease contracts existing on 01 April 2019 using the modified retrospective method and elected to measure the Right-of-Use assets at an amount equal to the lease liability as at the date of initial application, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition, the adoption of new standard resulted in recognition of Right - of - Use asset (ROU) of Rs. 164.91 and a lease liability of Rs. 24.38 (net off lease payments paid in advance). The effect of this adoption is insignificant on the profit for the year and earning per share.

The Company applied the Standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 9.75% p.a.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

e) Significant accounting judgement, estimates and assumptions :

The preparation of Company's standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 2.36 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 2.27 - Measurement of defined benefit obligations, key actuarial assumptions.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

Classification of financial instruments as equity

The Company has entered into Shareholders agreement ("SHA") with private equity ("PE" or the "Investors") investors for purchase of equity shares. As per the terms of the SHA, the Company needs to provide an exit to Investor either through an Initial Public Offering ("IPO") or Marketed sale process based on best afford basis, which is in the control of the Company. Accordingly, the Company has classified and measured the aforesaid instruments as equity, carried at cost.

f) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based current and non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

g) Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.35 – financial instruments.

1.3 Significant accounting policies**A. Revenue from contract with customer**

The Company's revenue from medical and healthcare services comprises of income from hospital services and sale of pharmacy items.

Effective April 1, 2018, the Company has applied Ind AS 115 - Revenue from Contract with customers which establishes a comprehensive framework for revenue recognition. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Income from hospital services comprises of fees charged for inpatient and outpatient hospital services. The performance obligations for this stream of revenue include accommodation, surgery, medical/clinical professional services, food and beverages, investigation and supply of pharmaceutical and related products.

Revenue is recognised when the related services are rendered at the transaction price. With respect to the patients who are undergoing treatment/ observation on the balance sheet date, revenue is recognised to the extent of services rendered. Revenue is measured based on the transaction price, which is the fixed consideration adjusted for discounts, amounts payable to customer in the nature of commissions, principal versus agent considerations, any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities.

Revenue from sale of pharmacy and food and beverages (other than hospital services), where the performance obligation is satisfied at a point in time, is recognised when the control of goods is transferred to the customer.

Revenue from admission fees, tuition fees and other fees for academic courses are recognised on the due date for the receipt of fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received. Application procession fees are recognised as revenue on receipt of the fees.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Contract balances

Contract assets represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Income

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

B. Income tax

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

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

C. Property, plant and equipment

Property, plant and equipment is stated at original cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, borrowing costs, if the recognition criteria are met, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company de-recognises the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost and related accumulated depreciation are de-recognised from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

De recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Depreciation

Depreciation/Amortisation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful lives to provide depreciation on its Property, plant and equipment which are in compliance with the Companies Act, 2013:

Category of Assets	Useful life (In years)
Buildings	60
Medical and surgical equipment	13-14
Plant and equipment	15
Office equipment	5
Electrical equipment	10
Computers	3-6
Furniture and fixtures	10
Vehicles	8

Based on the planned usage of certain specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 for the following:

- Individual asset not exceeding Rs. 5,000 have been fully depreciated in the year of purchase.
- Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Amortisation

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Category of Assets	Useful life (In years)
Software	6

E. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

F. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies of Impairment of non-financial assets.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

G. Inventories

The inventories comprising of medical consumables and pharmacy items are valued at lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The comparison of cost and net realisable is made on an item by item basis.

H. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

I. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

J. Retirement and other employee benefits**Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The gratuity scheme is administered by third party. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

The Company determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes to the defined benefit liability (asset) as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss. The Company recognises gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss.

Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g., under short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employee, and the amount of obligation can be estimated reliably.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Compensated Absences

As per the leave encashment policy of the Company, the employees have to utilise their eligible leave during the financial year and lapses at the end of the financial year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

K. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Subsequent measurement

On initial recognition, a financial asset is classified as measured at

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these standalone financial statements).

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Derecognition

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

L. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

M. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees, except share data or unless otherwise stated

N. Segment reporting

Based on “Management Approach” as defined in Ind AS 108 -Operating Segments, the Management evaluates the Company’s performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

O. Corporate social responsibility

The Company charges its Corporate Social Responsibility expenditure to the statement of profit and loss.

P. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Krishna Institute of Medical Sciences Limited

Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

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

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 2018	83.42	151.82	3,431.54	2,062.89	121.89	30.91	299.09	44.89	203.35	30.50	6,460.28	-
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
Balance as at 1 April 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
Additions	79.82	-	52.43	112.12	3.44	15.23	8.36	23.98	12.65	12.92	320.95	57.50
Transferred to Right of use asset	-	(151.82)	-	(38.75)	-	-	-	-	-	-	(190.56)	-
Disposals	-	-	-	(7.05)	-	-	(0.04)	-	-	(0.90)	(7.98)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	37.49
Balance as at 31 March 2020	163.24	-	3,522.77	2,359.98	127.90	47.04	313.20	80.27	224.56	41.47	6,880.42	22.33
Accumulated depreciation												
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	-
Balance as at 1 April 2019	-	-	167.04	643.48	30.88	23.00	129.02	35.65	78.08	10.86	1,118.01	-
Depreciation charge for the year	-	-	62.48	236.79	10.45	5.22	43.04	15.63	26.99	4.84	405.44	-
Transferred to Right of use asset	-	-	-	(25.65)	-	-	-	-	-	-	(25.65)	-
Disposals	-	-	-	(2.55)	-	-	(0.01)	-	-	(0.62)	(3.17)	-
Balance as at 31 March 2020	-	-	229.52	852.07	41.33	28.22	172.05	51.28	105.07	15.09	1,494.63	-
Net book value												
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
At 31 March 2020	163.24	-	3,293.25	1,507.91	86.56	18.82	141.15	28.99	119.49	26.38	5,385.79	22.33

Notes:

1. Leasehold land is in the nature of perpetual lease which is included in right of use assets and is not amortised.
2. Buildings amounting to gross block Rs. 75.06 (31 March 2019; Rs. 56.88 (31 March 2019; Rs. 57.99) 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 assets taken on finance lease.

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.1 (b) Intangible assets

Particulars	Software	Right of use Assets
Cost		
Balance as at 1 April 2018	20.56	-
Additions	20.84	-
Balance as at 31 March 2019	41.40	-
Balance as at 1 April 2019	41.40	-
Transferred from Property, Plant and Equipment	-	190.56
Additions	9.38	26.95
Disposals	(1.77)	-
Balance as at 31 March 2020	49.01	217.51
Accumulated amortisation		
Balance as at 1 April 2018	7.23	-
Amortisation charge for the year	6.24	-
Balance as at 31 March 2019	13.47	-
Balance as at 1 April 2019	13.47	-
Transferred from Property, Plant and Equipment	-	25.65
Amortisation charge for the year	8.77	12.41
Disposals	(0.12)	-
Balance as at 31 March 2020	22.12	38.06
Net book value		
At 31 March 2019	27.93	-
At 31 March 2020	26.89	179.45

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.2 Non current investments

(Unquoted, trade investment)

Investment in subsidiaries - valued at cost
a) Equity shares

1,172,281 (31 March 2019: 1,172,281) equity shares of Rs. 10 each fully paid up held in Arunodaya Hospitals Private Limited	63.34	63.34
16,184,480 (31 March 2019: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Hospitals Private Limited	161.84	0.10
10,000 (31 March 2019: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Swastha Private Limited	0.10	0.10
10,000 (31 March 2019: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Cuddles Private Limited	0.10	0.10
10,000 (31 March 2019: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Hospital (Bhubaneswar) Private Limited	0.10	0.10
18,472,589 (31 March 2019: 12,338,155) equity shares of Rs. 10 each fully paid up held in KIMS Hospital Enterprises Private Limited	957.58	251.06
5,100 (31 March 2019: 5,100) equity shares of Rs. 10 each fully paid up held in Iconkrishi Institute of Medical Sciences Limited	73.63	73.38
8,000 (31 March 2019: 8,000) equity shares of Rs. 10 each fully paid up held in Saveera Institute of Medical Sciences Private Limited	18.79	18.03
3,300,000 (31 March 2019: Nil) equity shares of Rs. 10 each fully paid up held in KIMS Hospital Kurnool Private Limited (formerly known as Kurnool Rainbow Hospital Private Limited)	94.22	-

b) Preference shares

30,990,000 (31 March 2019: 29,000,000) 0.001% optionally convertible redeemable preference shares of Rs. 10 each fully paid up held in Saveera Institute of Medical Sciences Private Limited	309.90	290.00
10,000,000 (31 March 2019: 10,000,000) 12% cumulative optionally convertible redeemable preference shares of Rs. 10 each fully paid up held in Iconkrishi Institute of Medical Sciences Private Limited	100.00	100.00

Total

1,779.59	796.21
-----------------	---------------

Aggregate amount of unquoted investments

1,779.59	796.21
----------	--------

Aggregate provision for impairment in value of investments

-	-
---	---

2.3 Loans (at amortised cost)

(Unsecured, considered good)

(a) Non-current
-To parties other than related parties

Security deposits	24.00	21.45
-------------------	-------	-------

-To related parties (refer note 2.28)

Loans to related parties	179.30	-
--------------------------	--------	---

Total

203.30	21.45
---------------	--------------

(b) Current
-To parties other than related parties

Security deposits	8.84	9.08
-------------------	------	------

-To related parties (refer note 2.28)

Loans to related parties	6.40	206.38
--------------------------	------	--------

15.24	215.46
--------------	---------------

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
2.4 Other financial assets (at amortised cost) (Unsecured, considered good)		
(a) Non-current		
Deposits with remaining maturity more than 12 months *	0.10	6.36
Interest accrued on bank deposits	0.01	0.96
Total	0.11	7.32
* 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)	32.80	56.54
Interest accrued on bank deposits	3.06	0.69
-To related parties (refer note 2.28)		
Advance to related parties	-	10.01
Interest accrued on loans	10.53	20.32
Total	46.39	87.56
2.5 Other non-current assets (Unsecured, considered good)		
Capital advances*	35.24	166.90
Advance for purchase of shares	-	60.00
Balance with government authorities	40.57	49.47
Prepaid expenses	1.26	1.91
Total	77.07	278.28
* Includes a transaction entered between the Company and Dr. B Bhaskara Rao towards purchase of land for a total consideration Rs. Nil (31 March 2019: Rs. 74.25). Out of the total consideration, an amount of Rs. Nil (31 March 2019: Rs. 70.00) was paid as an capital advance. Refer note 2.28.		
2.6 Inventories (Valued at lower of cost or net realisable value)		
Medical consumables and pharmacy items	217.07	189.67
Total	217.07	189.67
2.7 Trade receivables (amortised cost) Considered good - Unsecured		
Trade receivables*	991.51	1,000.30
Trade receivables-Credit impaired	325.67	298.04
Total receivables	1,317.18	1,298.34
Less: Expected credit loss for trade receivables	(325.67)	(298.04)
Net trade receivables	991.51	1,000.30

* Includes amount receivables from related party amounting to Rs. 2.13 (31 March 2019: Rs. 2.21). (Refer note 2.28).

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.8 Cash and bank balances
a) Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	22.43	8.83
Balances with banks		
- in current accounts	242.24	53.76
- In deposit accounts (with original maturity of 3 months or less)	80.00	-
	344.67	62.59

b) Other bank balances - Deposits with remaining maturity less than 12 months *

	50.13	21.11
	50.13	21.11

Total

	394.80	83.70
--	---------------	--------------

* Includes INR 29.05 (31 March 2019: 0.02) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing with in 12 months of the reporting date.

c) Changes in liabilities arising from financing activities

Particulars	1 April 2019	Cash flows	Others	31 March 2020
Current borrowings	85.39	(64.58)	-	20.81
Lease liabilities	24.38	(28.05)	37.82	34.15
Non- current borrowings (including current maturities)	1,762.09	43.20	1.05	1,806.34
Total liabilities from financing activities	1,871.85	(49.43)	38.87	1,861.29

Particulars	1 April 2018	Cash flows	Others	31 March 2019
Current borrowings	265.71	(180.32)	-	85.39
Lease liabilities (included in borrowings)	34.90	(10.52)	-	24.38
Non- current borrowings (including current maturities)*	2,360.87	(607.39)	8.61	1,762.09
Total liabilities from financing activities	2,661.48	(798.23)	8.61	1,871.85

*Excludes liability component of financial instrument amounting to Rs. 3,995.81, which was converted into equity in previous year (refer note 2.39).

Others in non-current borrowings includes effect of amortization cost. Others in lease liabilities is towards addition of lease liability and interest accrued thereon on adoption of Ind AS 116.

2.9 Non-current tax assets (net)

Advance tax (net of provision for taxation)	207.53	200.22
	207.53	200.22

2.10 Other current assets

(Unsecured, considered good)

Advance to suppliers	10.12	6.65
Prepaid expenses	4.50	4.12
Staff advances	7.74	6.64
Other advances	5.00	0.25
Total	27.36	17.66

2.11 (a) Equity share capital

	As at 31 March 2020	As at 31 March 2019
Authorised		
Equity shares		
95,000,000 (31 March 2019: 95,000,000) equity shares of Rs. 10 each	950.00	950.00
	950.00	950.00
Issued, subscribed and paid-up		
74,489,552 (31 March 2019: 74,489,552) equity shares of Rs. 10 each fully paid-up	744.90	744.90
	744.90	744.90

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year*	74,489,552	744.90	50,149,732	501.50
Add: Conversion of put options to equity shares (refer note 2.39)	-	-	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	74,489,552	744.90

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

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

The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity share holder is entitled to one vote per equity share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Dr. B Bhaskara Rao	18,304,164	24.57%	18,304,164	24.57%
General Atlantic Singapore KH Pte Ltd	31,739,906	42.61%	30,250,115	40.61%
Bollineni Ramanaiah Memorial Hospitals Private Limited	5,228,628	7.02%	4,800,632	6.44%
B. Seenaiah	4,582,517	6.15%	4,972,308	6.68%

(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

Particulars	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Equity shares of Rs. 10 each, fully paid up allotted as bonus shares by capitalisation of securities premium	-	-	-	-	61,603,374

2.11 (b) Other equity

	As at 31 March 2020	As at 31 March 2019
Securities premium (refer below note 1)		
Balance as per last financial statements	7,525.80	292.98
Add: Issue of shares	-	851.35
Add: Conversion of financial liability into equity (refer note 2.39)	-	6,381.47
Closing balance	7,525.80	7,525.80
Adjustment reserve (refer below note 2)		
Balance as per last financial statements	57.64	57.64
Movement during the year	-	-
Closing balance	57.64	57.64
Share warrants (refer below note 3)		
Balance as per last financial statements	3.10	-
Add: Issue of share warrants	-	3.10
Closing balance	3.10	3.10
Other comprehensive income		
Balance as per last financial statements	5.20	18.11
Add: Re-measurement gain / (loss) on employee defined benefit plans	(9.04)	(12.91)
Closing balance	(3.84)	5.20
Retained earnings (refer below note 4)		
Balance as per last financial statements	(3,297.36)	(2,860.81)
Add: Profit/(loss) for the year	1,211.06	(436.55)
Closing balance	(2,086.30)	(3,297.36)
	5,496.40	4,294.38

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 Rs. 10 each to the share holders of the transferor company against 4,455,000 equity shares of Rs. 10 each outstanding in the transferor company in the ratio of 9 equity shares of Rs. 10 each for every 131 equity shares of Rs. 10 each of the transferor company. The difference of Rs. 41.49 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 Rs. 10 each to the shareholders of the Demerged company against 2,100,000 equity shares of Rs. 10 each outstanding in the Demerged company in the ratio of 6 equity shares of Rs. 10 each for every 13 equity shares of Rs. 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 Rs. 16.15 has been added to the adjustment reserve of the Company as per the Scheme.

3. Issue of share warrants

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. In accordance with the aforesaid SSPA, 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 Rs. 10 each at a future date as per the terms of SSPA. As at 31 March 2020 and 31 March 2019, the Company has received Rs. 1 each against the share warrants issued aggregating to Rs. 3.10.

4. Retained earnings

Retained earnings are the profits/losses (net of appropriations) of the company earned till date, including items of other comprehensive income.

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.12 Long-term borrowings (at amortised cost)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current*	Non-current	Current*
Secured				
Term loans from banks				
- HDFC Bank equipment loan - 1 (refer note i)	63.21	15.85	79.06	10.94
- HDFC Bank equipment loan - 2 (refer note ii)	105.91	9.37	122.08	11.80
- Federal bank term loan (refer note iii)	625.16	167.74	494.07	66.24
Total loans from banks (A)	794.28	192.96	695.21	88.98
Term loans from other parties				
- Siemens Financial Services Private Limited (refer note iv)	-	-	-	16.75
- NIIF Infrastructure Finance Limited (refer note v)	676.95	142.15	819.10	142.04
Total loans from other parties (B)	676.95	142.15	819.10	158.79
Finance lease obligation (refer note vi)	-	-	9.41	14.97
Total unsecured loans (C)	-	-	9.41	14.97
Total (A) + (B) + (C)	1,471.23	335.11	1,523.72	262.74

Notes:

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

- i 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 of 9.5% p.a. fixed (31 March 2019: 9.5% p.a. fixed). This loan is repayable in 84 unequal monthly instalments starting from July 2017 to June 2024.
- ii Term loan - 2 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.
- iii Federal Bank term loan consists of 3 loans (31 March 2019: 2 loans). The first two loans is secured by exclusive charge on existing hospital at Rajahmundry and personal guarantee of Dr. B. Bhaskara Rao. The new loan is secured by Pari Passu first charge on fixed assets of the Company (excluding Rajahmundry hospital) and personal guarantee of Dr. B. Bhaskara Rao and Dr. B. Abhinay. Also the loans are secured by pledge of minimum 29% shareholding of the KIMS Hospital Private Limited, a subsidiary of the Company. 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 2019: 9.50% to 9.80% p.a.).
- iv Term loan - Siemens Financial Services Private Limited consists of 1 loans (31 March 2019: 1 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 2019 : interests rate ranging from 11 % to 13.50% p.a.).
- v Term loan from NIIF 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 2019: 9.10% p.a.).
- vi 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% p.a (31 March 2019: 17.18% to 44.44% p.a.).
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. From current year, these lease have been classified as per Ind AS 116 - "Leases".

Finance lease obligations are payable as follows:

	31 March 2019		
	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
Between one and five years	15.31	5.90	9.41
After more than five years	-	-	-
Total	38.86	14.48	24.38

- vii Aggregate amount of secured loans (including current maturities of long term borrowings) guaranteed by few Directors is Rs.1,727.28 (31 March 2019: Rs. 1,672.09)

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.13 Other financial liabilities (at amortised cost)
(a) Non-current

	As at 31 March 2020	As at 31 March 2019
Security deposits	0.09	0.09
Total	0.09	0.09

(b) Current

Current maturity of long term borrowings (refer note 2.12)	335.11	262.74
Capital creditors	13.45	6.93
Employee benefits payable*	61.61	108.90
Interest accrued but not due on borrowings	0.99	1.29
Security and caution deposit	6.52	7.49
Total	417.68	387.35

*Includes payables to related parties. For details refer note 2.28.

2.14 Long-term provisions
Provision for employee benefits

Gratuity (refer note 2.27)	122.02	91.63
Total	122.02	91.63

2.15 Short-term borrowings (at amortised cost)
Secured

Working capital loans from banks (refer note i)	20.81	85.39
Total	20.81	85.39

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 2019: 1Y MCLR+1.20%). Closing balance as at 31 March 2020 Rs. Nil (31 March 2019: Rs. 23.96).

b) Federal bank - Loan is secured by exclusive charge on the current assets of the Rajahmundry Hospital, both current and future. Further it is also secured by exclusive charge on existing hospital at Rajahmundry and pledge of minimum 29% shareholding of the 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 9.35% p.a. (31 March 2019: 9.40% p.a). Closing balance as at 31 March 2020 Rs. 20.81 (31 March 2019: Rs. 61.43).

c) HDFC Bank - Loan is secured by Exclusive charge on the Medical Equipment purchased out the earlier sanctioned Term Loans, First pari passu first charge on current assets of the Company and second pari passu charge on the properties owned by Company located at (i) D No.1-8-31/1, Sy no.80(old)and Sy No.52,53 (new), Minister Road, secunderabad-500003, (ii) Sy no.153/3A, North By-pass Road, NHS, Behind Agriculture Market yard, Ongole-523001 and (iii) CAS No.562/1-A, Plot No.2,3,4,5,6 GNT Road, Dargamitta, Nellore. Also secured by personal guarantee of Dr. B. Bhaskara Rao. Loan is repayable on demand and carries interest rate of 1Y MCLR+1.35%. Closing balance as at 31 March 2020 Rs. Nil (31 March 2019: Rs. Nil)

ii Amount of secured loans guaranteed by directors is Rs. 20.81 (31 March 2019: Rs. 85.39).
2.16 Trade payables (at amortised cost)

Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer note 2.31)	3.86	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	775.91	736.71
Total	779.77	736.71

The above includes payable to related party. For details refer note 2.28

Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.17 Short term provisions**Provision for employee benefits**

Gratuity (refer note 2.27)

Compensated absences

Total

	As at	As at
	31 March 2020	31 March 2019
	2.02	-
	52.17	51.03
	54.19	51.03

2.18 Other liabilities**(a) Non-current**

Financial guarantee liability

Total

	30.27	25.87
	30.27	25.87

(b) Current

Statutory dues payable

Contract liabilities

Financial guarantee liability

Other liabilities

Total

	43.73	44.47
	18.90	35.70
	5.23	3.98
	30.68	26.69
	98.54	110.84

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.19 Revenue from operations**A Income from medical and healthcare services (Refer note 2.37)**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from hospital services	5,049.75	4,465.50
Income from sale of pharmacy	2,666.59	2,440.87
Total	7,716.34	6,906.37

B Other operating income (Refer note 2.37)

Income from academic courses	61.57	58.26
Income from sale of food and beverages	112.98	101.70
Other hospital income	8.81	2.80
Total	183.36	162.76

Total revenue from operations (A+B)

7,899.70	7,069.13
-----------------	-----------------

2.20 Other income

Interest income on:		
- fixed deposits	4.72	3.33
- income tax refunds	2.06	-
- loans to related parties	28.36	21.94
Sub lease income	1.46	1.95
Liabilities no longer required written back	3.16	16.62
Guarantee commission income	4.06	2.91
Miscellaneous income	27.08	17.98
Total	70.90	64.73

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
2.21 Medical consumables and pharmacy items consumed		
Opening stock	189.67	162.83
Add: Purchases during the year	1,825.90	1,693.20
Less: Closing stock	217.07	189.67
Total	1,798.50	1,666.36
2.22 Employee benefit expense		
Salaries, wages and bonus	1,269.97	1,173.66
Contribution to provident and other funds (refer note no 2.27)	85.77	84.43
Staff welfare expenses	13.96	11.01
Total	1,369.70	1,269.10
2.23 Finance cost		
Interest from banks		
- term loans	177.27	181.32
- other loans	16.50	11.72
Interest expense on lease liabilities (refer note no 2.26)	10.87	12.13
liability component of financial instruments (refer note no 2.39)	-	120.01
Others	1.05	8.61
Total	205.69	333.79
2.24 Other expenses		
Consultancy charges	1,548.74	1,448.30
House keeping expenses	235.55	231.38
Power and fuel	146.28	144.22
Catering and patient welfare expenses	104.88	97.05
Rent (refer note 2.26)	24.78	25.49
Tests and investigations	10.48	10.66
Academic courses expenses	1.03	0.83
Repairs and maintenance:		
- Medical equipment	141.96	133.28
- Hospital building and others	97.91	81.21
Printing and stationery	28.25	24.76
Payment to auditors (refer note A below)	5.18	13.32
Legal and professional charges	53.07	100.73
Rates and taxes	56.75	49.51
Loss on fair value changes in financial instrument (refer note 2.39)	-	871.27
Travelling and conveyance	22.20	26.06
Advertisement and publicity	55.54	54.29
Communication expenses	9.78	8.93
Trade receivable written off	0.64	41.56
Expected credit loss for trade receivables	27.63	155.84
Insurance	5.93	4.40
Subscriptions and membership fees	5.26	3.66
Loss on sale of property, plant and equipment	4.06	1.52
Investment written off	-	0.10
Donations (refer note B below)	51.17	1.65
Contributions towards Corporate Social Responsibility (refer note 2.33)	15.14	10.14
Bank charges	31.89	26.10
Directors sitting fee	1.23	1.84
Miscellaneous expenses	19.71	21.04
Total	2,705.04	3,589.14

Note A: Payment to auditors (excluding applicable taxes)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019*
Statutory audit fee	3.00	3.30
Fees paid to erstwhile auditor in the capacity of Statutory auditor*	2.00	-
Other services **	-	9.82
Out of pocket expenses	0.18	0.20

* Paid to erstwhile statutory auditors

** Paid for services related to initial public offering.

Note B: Donations

Donations includes subscription to electoral bonds of Rs. 50 (31 March 2019: Rs. Nil).

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.25 Contingent liabilities and commitments**(a) Contingent liabilities**

Particulars	As at	As at
	31 March 2020	31 March 2019
i) Guarantee issued by the Company on behalf of related entities (Value of loan availed outstanding as at period end against aforesaid guarantee is Rs. 1,348.94 (31 March 2019: Rs. 1,004.36))	1,680.00	1,120.00
ii) Luxury tax matters in dispute	82.27	82.27
iii) Service tax matters in dispute	-	31.63
iv) VAT matters in dispute	1.76	1.76
v) Medical claims (gross, excluding interest/costs)	94.98	82.68
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 Ind AS 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 (31 March 2019: Rs. 235.01) along with a further interest @ 18% p.a towards medical negligence. Based on the legal opinion obtained by the company and the internal evaluation by the management, the Company believes that it has strong case in this regard and there shall not be any outflow of resources. No provision thereof has been made in the Standalone Ind AS financial statement.		
ix) On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employer contribution obligations, for Provident Fund contributions under Indian law. There are interpretative issues relating to the retrospective applicability of the judgement. However, from the current year, the Company has complied with the aforesaid Supreme court's judgement. The Company will evaluate the same and update its position for earlier years, if any on receiving further clarity on the subject.		

Notes:

i. 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.

ii. 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.

(b) Commitments

Particulars	As at	As at
	31 March 2020	31 March 2019
I) Capital commitment		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11.18	52.62
II) Other commitments		
i) During the previous year, the Company had 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.		

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.26 Lease**Operating and Finance leases in the capacity of lessee**

The Company has lease contracts for various items of land, building and medical equipment used in its operations. Leases of building, plant and machinery generally have lease terms between 3 and 15 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options.

The Company has a perpetual leasehold land and is not amortized.

Leases of buildings and machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Land	Building	Medical equipment	Total
As at 31 March 2019	-	-	-	-
Addition on adoption of Ind AS 116 (net)	151.82	-	13.10	164.91
Additions	-	26.95	-	26.95
Amortization expense	-	3.79	8.61	12.41
As at 31 March 2020	151.82	23.15	4.48	179.45

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2020	As at 31 March 2019
Opening balance	-	-
Addition on adoption of Ind AS 116	24.37	-
Additions	26.95	-
Accretion of interest	10.87	-
Payments	(28.05)	-
As at 31 March	34.14	-
Current	8.52	-
Non-current	25.62	-

The following are the amounts recognised in the statement of profit or loss:

	As at 31 March 2020	As at 31 March 2019
Amortization expense of right-of-use assets	12.41	-
Interest expense on lease liabilities	10.87	-
Expense relating to short-term leases and low-value assets (included in other expenses)	24.78	25.49
Total amount recognised in profit or loss	48.06	25.49

The Company had total cash outflows for leases of Rs. 52.83 in 31 March 2020 (31 March 2019: Rs. 25.49). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 26.95 in 31 March 2020.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	As at 31 March 2020	As at 31 March 2019
Within less than one year	14.27	-
Between one and five years	25.13	-
After more than five years	11.14	-
Total	50.54	-

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.27 Employee benefits
(i) Defined benefit plan

The Company operate 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.

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:

Particulars	As at	As at
	31 March 2020	31 March 2019
Defined benefit obligations	148.08	111.40
Fair value of plan assets	24.05	19.77
Net defined benefit obligations	124.03	91.63
Total employee benefit liability	124.03	91.63
Non-current	122.02	91.63
Current	2.02	-

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

Particulars	As at	As at
	31 March 2020	31 March 2019
Defined benefit obligation as at beginning of the year	111.40	75.06
Benefits paid	(0.50)	(2.92)
Current service cost	17.71	14.57
Interest cost	7.63	5.47
Actuarial losses/(gains) recognised in other comprehensive income		
- Changes in demographic assumptions	(0.41)	4.72
- Changes in financial assumptions	12.86	12.03
- experience adjustments	(0.62)	2.47
Defined benefit obligation at the end of the year	148.08	111.40

ii) Reconciliation of fair value of plan assets

Particulars	As at	As at
	31 March 2020	31 March 2019
Plan assets at beginning of the year	19.77	17.88
Contributions paid into the plan	4.07	4.10
Interest income	0.95	1.34
Benefits paid	(0.50)	(2.92)
Return on plan assets	(0.24)	(0.63)
Plan assets at end of the year	24.05	19.77
Net defined benefit liability	124.03	91.63

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

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
Current service cost	17.71	14.57
Interest on net defined benefit obligation	6.68	4.13
Net gratuity cost, included in 'employee benefits expense'	24.39	18.70

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

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
Actuarial (gain) / loss on net defined benefit obligation	(12.08)	(19.85)

D Plan assets

Plan assets comprises of the following:

Particulars	As at	As at
	31 March 2020	31 March 2019
Fund managed by Insurer	24.05	19.77

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020****E Defined benefit obligation****i) Actuarial assumptions**

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

Principal actuarial assumptions	As at	As at
	31 March 2020	31 March 2019
Discount rate	5.85%	7.50%
Salary escalation rate	8.00%	8.00%

Maturity profile of defined benefit obligation

Particulars	As at	As at
	31 March 2020	31 March 2019
1st following year	26.07	19.25
Year 2 to 5	72.24	56.36
Year 6 to 9	47.76	41.52
Year 10 and above	73.00	73.95

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

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 amount shown below:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(8.06)	8.96	(6.19)	6.90
Salary escalation rate (1% movement)	8.36	(7.73)	6.62	(6.11)

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.

(ii) Defined contribution plan

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
Amount recognised in the statement of profit and loss towards		
i) Provident fund	43.01	37.54
ii) Employee state insurance	18.36	28.19

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.28 Related party disclosures
(a) Nature of relationship and name of related parties

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 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) KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited) (w.e.f 01 April 2019)
Key Management personnel (KMP)	Dr. B Bhaskara Rao - Managing Director Dr. B Abhinay- Chief Executive Officer (w.e.f 03 July 2019) Mr. Uma Shankar Mantha - Company secretary Mr. Vikas Maheshwari - Chief Financial Officer Mrs. Dandamudi Anitha -Whole-time Director
Directors	Mr. B Krishnaiah - Chairman (resigned on 18 January 2019) Mr G Rajeswara Rao Mrs Jyothi Prasad Mr. Sandeep Achyut Naik (w.e.f 20 June 2018) Mr. Shantanu Rastogi (w.e.f 20 June 2018) 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 Swetha- Daughter in law of Managing Director
Enterprises under control or joint control of KMP and other relative (where transaction exists)	Sri Viswa Medicare Limited KIMS Foundation and Research Centre
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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
i. Loans and advances given		
KIMS Hospitals Private Limited	2.00	5.10
KIMS Swastha Private Limited	0.05	0.07
KIMS Foundation and Research Centre	-	3.58
Iconkrishi Institute of Medical Sciences Private Limited	42.50	195.80
Saveera Institute of Medical Sciences Private Limited	77.00	37.00
KIMS Hospitals Kurnool Private Limited	87.50	-
ii. Refund of loans and advances		
KIMS Foundation and Research Centre	10.01	5.00
KIMS Hospitals Private Limited	135.74	-
Iconkrishi Institute of Medical Sciences Private Limited	-	166.50
Saveera Institute of Medical Sciences Private Limited	54.00	-
KIMS Hospitals Kurnool Private Limited	40.00	-
iii. Interest income earned on loans given		
KIMS Hospitals Private Limited	8.39	10.55
KIMS Swastha Private Limited	0.51	0.51
Iconkrishi Institute of Medical Sciences Private Limited	5.56	8.91
Saveera Institute of Medical Sciences Private Limited	9.38	1.97
KIMS Hospitals Kurnool Private Limited	4.52	-
iv. Payment for purchase of land		
Dr. B Bhaskara Rao	4.25	70.00
v. Professional fee to KMP		
Dr. B Bhaskara Rao	18.00	18.00
vi. Professional fee to relative of KMP		
Dr. Raavi Swetha	2.16	1.80
vii. Rent to KMP		
Dr. B Bhaskara Rao	0.10	0.10
viii. Managerial remuneration *		
Dr. B Bhaskara Rao	24.00	24.00
Mrs. Dandamudi Anitha	3.60	3.00
Mr B Abhinay	7.75	5.35
Vikas Maheshwari	7.37	6.57
Uma Shankar Mantha	1.98	1.78
ix. Salary to relative of KMP		
Mr B Abhinay	-	3.00
x. Directors sitting fee		
Mr B Krishnaiah	-	0.29
Mr G Rajeswara Rao	0.64	0.47
Mrs Jyothi Prasad	0.58	0.38
Mr K Padmanabhaiah	-	0.23
Mr Amitabha Guha	-	0.47

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

(b) Transactions with related parties (continued)			
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	
xi. Expenditure towards CSR			
KIMS Foundation and Research Centre	14.52	10.14	
xii. Purchase of pharmacy items			
KIMS Hospital Enterprises Private Limited	0.18	0.95	
Iconkrishi Institute of Medical Sciences Private Limited	0.26	-	
Savera Institute of Medical Sciences Private Limited	0.03	-	
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	0.30	-	
xiii. Revenue from sale of pharmacy			
KIMS Hospital Enterprises Private Limited	4.90	9.95	
Arunodaya Hospitals private Limited	0.17	0.11	
Iconkrishi Institute of Medical Sciences Private Limited	0.65	-	
Savera Institute of Medical Sciences Private Limited	0.56	-	
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	0.39	-	
xiv. Investment in subsidiaries			
Iconkrishi Institute of Medical Sciences Private Limited (equity shares)	0.25	73.38	
Iconkrishi Institute of Medical Sciences Private Limited (preference shares)	-	100.00	
Saveera Institute of Medical Sciences Private Limited (equity shares)	0.75	18.03	
Saveera Institute of Medical Sciences Private Limited (preference shares)	19.90	290.00	
KIMS Hospital Enterprises Private Limited	706.52	-	
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	94.22	-	
KIMS Hospital Private Limited	161.74	-	
xv. Write off of investment			
KIMS Sahariah Healthcare Private Limited	-	0.10	
xvi. Revenue from Test and Investigations			
KIMS Hospital Enterprises Private Limited	11.25	-	
Iconkrishi Institute of Medical Sciences Private Limited	0.66	-	
Saveera Institute of Medical Sciences Private Limited	1.30	-	
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	1.74	-	
xvii. Guarantee given on behalf of			
Iconkrishi Institute of Medical Sciences Private Limited	-	170.00	
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	530.00	-	
Savera Institute of Medical Sciences Private Limited	30.00	550.00	
xviii. Commission income on guarantees given to			
KIMS Hospital Enterprises Private Limited	0.55	2.00	
Iconkrishi Institute of Medical Sciences Private Limited	0.52	0.18	
Saveera Institute of Medical Sciences Private Limited	1.52	0.71	
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	1.47	-	
xix. Interest expense			
India Advantage Fund	-	120.01	
xx. Fair value changes in financial instrument			
India Advantage Fund	-	871.27	
xxi. Derecognition of financial liability			
India Advantage Fund	-	6,596.22	
xxii. Issue of equity shares including share premium			
General Atlantic Singapore KH Pte. Ltd	-	880.00	
xxiii. Cash received for issue of share warrants			
Dr B Bhaskara Rao	-	3.10	

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

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

Particulars	As at 31 March 2020	As at 31 March 2019
i. Trade receivables		
Sri Viswa Medicare Limited	2.13	2.21
Iconkrishi Institute of Medical Sciences Private Limited	1.32	-
Saveera Institute of Medical Sciences Private Limited	1.16	-
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	1.52	-
ii. Loans		
KIMS Hospitals Private Limited	-	133.74
KIMS Swastha Private Limited	6.40	6.34
Iconkrishi Institute of Medical Sciences Private Limited	71.80	29.30
Saveera Institute of Medical Sciences Private Limited	60.00	37.00
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	47.50	-
iii. Other advances		
KIMS Foundation and Research Centre	-	10.01
iv. Interest accrued on loans		
KIMS Hospitals Private Limited	-	17.60
KIMS Swastha Private Limited	1.46	0.95
Iconkrishi Institute of Medical Sciences Private Limited	5.00	-
Saveera Institute of Medical Sciences Private Limited	-	1.77
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	4.07	-
v. Capital advance		
Dr. B Bhaskara Rao	-	70.00
vi. Trade payables		
Dr. B Bhaskara Rao	0.10	1.36
Dr. Raavi Sweata	0.16	0.14
Iconkrishi Institute of Medical Sciences Private Limited	0.26	-
Savera Institute of Medical Sciences Private Limited	0.03	-
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	0.30	-
vii. Employee benefits payable		
Dr. B Bhaskara Rao	-	1.16
Mr. B Abhinay	0.32	0.47
Mr. Vikas Maheshwari **	0.31	0.00
Mr. Uma Shankar Mantha	0.12	0.11
Mrs. Dandamudi Anitha	0.16	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	170.00
Saveera Institute of Medical Sciences Private Limited	580.00	550.00
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	530.00	-
ix. Financial guarantee liability		
KIMS Hospital Enterprises Private Limited	5.07	9.42
Iconkrishi Institute of Medical Sciences Private Limited	2.92	3.19
Saveera Institute of Medical Sciences Private Limited	16.46	17.24
KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)	11.06	-

(d) For certain loans availed by the Company, few Directors of the Company have given personal guarantee amounting to Rs. 1,748.09 (31 March 2019: Rs. 1,757.48).

* 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.

** The amount is below rounding off norms adopted by Company.

Terms and conditions:

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.29 Earnings per share (EPS)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Earnings		
Profit/ (loss) for the period attributable to equity shareholders	1,211.06	(436.55)
Shares		
Number shares at the beginning of the year	74,489,552	50,149,732
Add: Conversion of put options to equity shares	-	21,474,864
Add: Equity shares issued during the year	-	2,864,956
Total number of equity shares outstanding at the end of the year	74,489,552	74,489,552
Weighted average number of equity shares outstanding during the year	74,489,552	69,154,797
Weighted average number of equity shares arising out of issue of share warrant that have dilutive effect on EPS	594,936	548,813
Weighted average number of equity shares outstanding during the period - Diluted	75,084,488	69,703,610
Earnings per share of par value INR. 10 each-Basic (INR)	16.26	(6.31)
Earnings per share of par value INR 10 each-Diluted (INR)*	16.13	(6.31)

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

2.31 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 2020 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 2020	As at 31 March 2019
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	3.86	-
- 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.	-	-

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.32 Investments, loans, guarantees and security:
(a) The Company has made investment in the following Companies:

Entity	As at 01 April 2019	Allotted / purchased during the year	Sold during the year	Adjustment	As at 31 March 2020
Investment in securities					
KIMS Hospital Private Limited	0.10	161.74	-	-	161.84
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	710.34	-	(3.82)	957.58
KIMS Hospital (Bhubaneswar) Private Limited	0.10	-	-	-	0.10
Iconkrishi Institute of Medical Sciences Private Limited	173.38	-	-	0.25	173.63
Saveera Institute of Medical Sciences Private Limited	308.03	20.65	-	-	328.68
KIMS Hospitals Kurnool Private Limited	-	94.22	-	-	94.22

Entity	As at 01 April 2018	Allotted / purchased during the year	Sold during the year	Adjustment	As at 31 March 2019
Investment in securities					
KIMS 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:

Entity	Purpose of loans	As at 01 April 2019	Given during the year	Repaid during the year	As at 31 March 2020
KIMS Hospital Private Limited	Financial assistance	133.74	2.00	(135.74)	-
KIMS Swastha Private Limited	Financial assistance	6.34	0.05	-	6.40
Iconkrishi Institute of Medical Sciences Private Limited	Financial assistance	29.30	42.50	-	71.80
Saveera Institute of Medical Sciences Private Limited	Financial assistance	37.00	77.00	(54.00)	60.00
KIMS Hospitals Kurnool Private Limited	Financial assistance	-	87.50	(40.00)	47.50

Entity	Purpose of loans	As at 01 April 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 2020

Particulars	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited	Total for the year ended 31 March 2020
Guarantee provided outstanding as at the beginning of the year	400.00	170.00	550.00	-	1,120.00
Guarantee provided during the financial year	-	-	30.00	530.00	560.00
Guarantee provided outstanding as at the end of the year	400.00	170.00	580.00	530.00	1,680.00

For the year ended 31 March 2019

Particulars	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited	Total for the year ended 31 March 2019
Guarantee provided outstanding as at the beginning of the 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 year	400.00	170.00	550.00	-	1,120.00

2.33 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 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the Company during the year	15.14	10.14
b) Amount spent during the year		
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above:	-	-
Promoting preventive healthcare*	15.14	10.14
Total	15.14	10.14

* The above amounts include Rs. 14.52 (31 March 2019: Rs. 10.14) Spent by way of contribution to KIMS Foundation and Research Centre, a registered trust where KMP have significant influence.

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.34 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 'total equity' ratio.

For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents. Total equity comprises all components of equity excluding adjustment reserve.

The Company's adjusted net debt to equity ratio as of 31 March 2020 and 31 March 2019 was as follows:

Particulars	As at	As at
	31 March 2020	31 March 2019
Total borrowings	1,827.15	1,871.85
Less: Cash and cash equivalents	344.67	62.59
Adjusted net debt	1,482.48	1,809.26
Total equity	6,183.66	4,981.64
Adjusted net debt to equity ratio	0.24	0.36

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.35 Financial instruments : Fair value and risk management
A. Accounting classification and fair values

As at 31 March 2020					Fair value level
	Financial assets – amortised cost	Financial liabilities - FVTPL	Financial liabilities - amortised cost	Total carrying amount	
Financial assets not measured at fair value (Refer note below)					
Trade receivables	991.51	-	-	991.51	-
Investments	1,779.59	-	-	1,779.59	-
Cash and cash equivalents	344.67	-	-	344.67	-
Bank balances other than above	50.13	-	-	50.13	-
Loans	218.54	-	-	218.54	-
Other financial assets	46.50	-	-	46.50	-
Total	3,430.94	-	-	3,430.94	
Financial liabilities not measured at fair value (Refer note below)					
Long-term borrowings (excluding current maturities)	-	-	1,471.23	1,471.23	-
Lease liabilities	-	-	25.62	25.62	-
Short-term borrowings	-	-	20.81	20.81	-
Trade payables	-	-	779.77	779.77	-
Other financial liabilities	-	-	417.77	417.77	-
Total	-	-	2,715.20	2,715.20	

As at 31 March 2019					Fair value level
	Financial assets – amortised cost	Financial liabilities - FVTPL	Financial liabilities - amortised cost	Total carrying amount	
Financial assets not measured at fair value (Refer note below)					
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	-

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.

The management assessed that loans, trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amounts as fair value.

B. 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

(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.

Krishna Institute of Medical Sciences Limited
Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

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. 1,317.18 as on 31 March 2020 (31 March 2019 : INR. 1,298.34). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit losses	As at 31 March 2020	As at 31 March 2019
Opening balance	298.04	142.20
Credit loss added / (reversed)	27.63	155.84
Closing balance	325.67	298.04

(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 has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	1,471.23	-	1,471.23	-	1,471.23
Lease liabilities	25.62	25.62	-	-	25.62
Short-term borrowings	20.81	20.81	-	-	20.81
Trade payables	779.77	779.77	-	-	779.77
Other financial liabilities	417.77	417.68	0.09	-	417.77
Total	2,715.20	1,243.88	1,471.32	-	2,715.20

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

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	1,523.72	-	1,523.72	-	1,523.72
Short-term borrowings	85.39	85.39	-	-	85.39
Trade payables	736.71	736.71	-	-	736.71
Other financial liabilities	387.44	387.35	0.09	-	387.44
Total	2,733.26	1,209.45	1,523.81	-	2,733.26

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.

C. 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 2020	As at 31 March 2019
Variable rate long term borrowings (including current maturities) and short term borrowings	1,748.09	1,740.73
Total borrowings	1,748.09	1,740.73

(i) Sensitivity

Particulars	Impact on profit or loss		Impact on equity, net of tax	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sensitivity				
1% increase in MCLR	(17.48)	(17.41)	(11.37)	(11.32)
1% decrease in MCLR	17.48	17.41	11.37	11.32

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.

2.36 Income-tax**a. Amount recognised in statement of profit and loss**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	387.41	345.55
Taxes for earlier years	(19.93)	-
Deferred tax attributable to temporary differences	(113.49)	(43.23)
Tax expenses for the year	253.99	302.32

b. Amount recognised in other comprehensive income

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	(12.08)	3.04	(9.04)	(19.85)	6.94	(12.91)

c. Reconciliation of effective tax rate

	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss before tax	1,465.05	(134.23)
Enacted tax rates	25.168%	34.944%
Tax expense at enacted rates	368.72	(46.91)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Non-deductible expenses	23.50	349.44
Impact of change in rate of tax	(118.30)	-
Adjustment in respect of income-tax for earlier years	(19.93)	-
Others	-	(0.22)
Total	253.99	302.32

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

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset		
Expected credit loss for trade receivables	81.97	104.15
Provision for employee benefits	53.19	59.22
Others	3.36	6.34
Total deferred tax asset	138.52	169.71
Deferred tax liability		
Expenses of depreciation on the fixed assets under income-tax, 1961 over	441.66	588.93
Others	1.25	1.69
Total deferred tax liability	442.91	590.62
Deferred tax liability (net)	(304.39)	(420.91)

(ii) Movement in temporary differences

	Provision for doubtful receivables	Provision for employee benefits	Others items - assets	Expenses of depreciation on the fixed assets under income tax, 1961 over depreciation under Companies Act.	Others items - liability	Total
Balance as at 1 April 2018	49.69	42.37	6.73	(564.56)	(5.31)	(471.09)
Recognised in profit or loss during 2018-19	54.46	9.92	(0.38)	(24.37)	3.62	43.24
Recognised in OCI during 2018-19	-	6.94	-	-	-	6.94
Balance as at 31 March 2019	104.15	59.22	6.34	(588.93)	(1.69)	(420.91)
Recognised in profit or loss during 2019-20	(22.18)	(9.07)	(2.98)	147.27	0.44	113.48
Recognised in OCI during 2019-20	-	3.04	-	-	-	3.04
Balance as at 31 March 2020	81.97	53.19	3.36	(441.66)	(1.25)	(304.39)

Krishna Institute of Medical Sciences Limited**Notes to the standalone financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.37 Revenue from contracts with customers:**Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from hospital services	5,049.75	4,465.50
Income from pharmacy	2,666.59	2,440.87
Total revenue from contracts with customers	7,716.34	6,906.38
India	7,716.34	6,906.38
Outside India	-	-
Timing of revenue recognition		
Services transferred over time	5,049.75	4,465.50
Goods transferred at a point of time	2,666.59	2,440.87
Total revenue from contracts with customers	7,716.34	6,906.38
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	8,282.43	7,511.98
Less: Discounts and disallowances	(534.91)	(522.95)
Less: Others	(31.18)	(82.65)
Total revenue from contracts with customers	7,716.34	6,906.38
Contract balances		
Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	991.51	1,000.30
Contract assets	32.80	56.54
Contract liabilities	18.90	35.70

Contract liability: During the financial year ended 31 March 2020, the company has recognised revenue of Rs. 35.70 from advance received from patients outstanding as on 31 March 2019. During the financial year ended 31 March 2019, the company has recognised revenue of Rs. 42.24 from advance received from patients outstanding as on 31 March 2018.

Contract asset: During the financial year ended 31 March 2020, the company has transferred Rs. 56.54 of contract assets as at 31 March 2019 to trade receivables on completion of performance obligation. During the financial year ended 31 March 2019, the company has transferred Rs. 54.06 of contract assets as at 31 March 2018 to trade receivables on completion of performance obligation.

Krishna Institute of Medical Sciences Limited

Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.38 Investments during the year ended 31 March 2020

(i) The Company has increased its stake in KIMS Hospitals Enterprise Private Limited from 50.27 % to 75.26% through secondary purchase of 6,134,434 equity shares from existing shareholders in three tranches for a total amount of Rs. 710.34. In the first two tranche 4,357,021 shares were purchased at Rs.110 (premium of Rs. 100) per share and in the third tranche 1,777,413 shares were purchased at Rs.130 (premium of Rs.120) per share. The same has been shown as non current investments in the standalone Ind AS financial statements.

(ii) The Company has entered into a share purchase agreement dated 01 April 2019 with the existing shareholders of KIMS Hospitals Kurnool Private Limited to acquire 55% equity shares at a total consideration of Rs. 81.68. The same has been shown as non current investments in the standalone Ind AS financial statements.

2.39 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 Rs. 5,604.94 (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 Rs. 880 in the form of 2,864,956 equity shares of face value of Rs. 10 each, fully paid up at the premium of Rs. 297.16 per share in the Company.

Due to the said financial liability, the Company has recognised loss on fair value changes in financial instruments amounting to Rs. Nil (31 March 2019 Rs. 871.27) and interest expense on finance component of financial instruments amounting to Rs. Nil (31 March 2019: Rs. 120.01).

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 2020 and 31 March 2019.

2.41 Global Health Pandemic

The outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world and uncertainty to the global economy. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its employees, vendors and business partners. The Company based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact. Based on the current estimates, the Company expects to fully recover the carrying amount of assets, and does not foresee any material adverse impact on its operations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic condition.

2.42 There were no significant adjusting events that occurred subsequent to the reporting period.

2.43 Previous year figures have been audited by a firm of Chartered accountants other than S.R. Batliboi & Associates LLP.

As per our report attached of even date

for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Sd/-
per Naveet Rai Kabra
Partner
Membership no.: 102328

Place: Hyderabad
Date: 21 July 2020

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

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

Sd/-
Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shanker Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad
Date: 21 July 2020

Independent auditor's report

To the members of Krishna Institute of Medical Sciences Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS 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 2020, the Consolidated Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS 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 and on the other financial information of such subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the 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 2020, its consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

Responsibilities of management and those charged with governance for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of the Group; 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 the 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 consolidated Ind AS 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 Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance and respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Holding 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 Ind AS 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 ability of the Group 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. 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 (b) of the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS 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 matter

- a. The consolidated Ind AS financial statements of the Company for the year ended 31 March 2019, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 03 July 2019.
- b. We did not audit the financial statements and other financial information, whose financial statements include total assets of Rs. 129.25 million as at 31 March 2020, total revenues of Rs. 1.38 million and net cash inflows of Rs. 0.41 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on other 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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
 - (a) We/ the other auditors whose report we have relied upon 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 Ind AS financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss including the statement of other comprehensive income, the consolidated statement of cash flows and statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended 31 March 2020 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 2.24 to the consolidated Ind AS financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended 31 March 2020.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 20102328AAAACW3501
Place of Signature: Hyderabad
Date: 21 July 2020

Annexure 1 to the independent auditor's report of even date on the consolidated Ind AS financial statements of Krishna Institute of Medical Sciences Limited

Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Krishna Institute of Medical Sciences Limited ("the Company") and such companies incorporated in India under the Companies Act 2013, which are its subsidiary companies, as of 31 March 2020, in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these consolidated Ind AS financial statements was 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting with reference to these consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated AS 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 control over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Company has and such companies incorporated in India under the Companies Act 203, which are its subsidiary companies, have, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 20102328AAAACW3501

Place of Signature: Hyderabad

Date: 21 July 2020

Krishna Institute of Medical Sciences Limited
Consolidated Balance Sheet as at 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1 (a)	7,336.99	7,216.95
Capital work-in-progress	2.1 (a)	22.32	2.32
Other intangible assets	2.1 (b)	576.56	578.28
Right-of-use assets	2.1 (b)	712.63	-
Goodwill on consolidation		533.58	437.72
Financial assets			
(i) Loans	2.2 (a)	47.18	39.81
(ii) Other financial assets	2.3 (a)	1.13	24.37
Deferred tax assets (net)	2.39	14.16	37.97
Non-current tax assets (net)	2.8	386.58	328.01
Other non-current assets	2.4	129.48	374.14
Total non-current assets		9,760.61	9,039.57
Current assets			
Inventories	2.5	303.77	268.61
Financial assets			
(i) Trade receivables	2.6	1,322.68	1,232.69
(ii) Cash and cash equivalents	2.7 (a)	405.14	80.63
(iii) Bank balances other than (ii) above	2.7 (b)	52.13	21.36
(iv) Loans	2.2 (b)	17.53	15.19
(v) Other financial assets	2.3 (b)	54.26	87.59
Other current assets	2.9	42.78	32.43
Total current assets		2,198.29	1,738.50
Total assets		11,958.90	10,778.07
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.10 (a)	744.90	744.90
Other equity	2.10 (b)	5,236.35	4,675.26
Total equity attributable to owners of the Company		5,981.25	5,420.16
Non-controlling interests		133.05	273.79
Total Equity		6,114.30	5,693.95
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.11	2,687.17	2,437.81
(ii) Lease liabilities	2.25	455.53	-
(iii) Other financial liabilities	2.12 (a)	7.10	5.81
Provisions	2.13	137.08	101.89
Other non-current liabilities	2.17 (a)	12.86	13.48
Deferred tax liabilities (net)	2.39	356.73	528.09
Total non-current liabilities		3,656.47	3,087.08
Current liabilities			
Financial liabilities			
(i) Borrowings	2.14	101.11	175.53
(ii) Current lease liability	2.25	24.00	-
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.15	25.08	1.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.15	1,209.26	1,039.23
(iv) Other financial liabilities	2.12 (b)	628.13	493.25
Provisions	2.16	73.47	60.51
Other current liabilities	2.17 (b)	127.08	131.89
Current tax liability (net)		-	95.27
Total current liabilities		2,188.13	1,997.04
Total equity and liabilities		11,958.90	10,778.07
Significant accounting policies	1.3		

The accompanying notes are referred above form an integral part of the consolidated Ind AS financial statements.

As per our report attached of even date

 for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Sd/-
per Navneet Rai Kabra
 Partner
 Membership no.: 102328

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

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

Sd/-
B Abhinay
 Chief Executive Officer
 DIN: 01681273

Sd/-
Vikas Maheshwari
 Chief Financial Officer

Sd/-
Uma Shankar Mantha
 Company Secretary
 Membership no: A21035

Place: Hyderabad
 Date: 21 July 2020

Place: Hyderabad
 Date: 21 July 2020

Krishna Institute of Medical Sciences Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	2.18	11,226.45	9,180.05
Other income	2.19	60.83	57.32
Total revenue		11,287.28	9,237.37
Expenses			
Medical consumables and pharmacy items consumed	2.20	2,541.68	2,124.64
Employee benefits expense	2.21	1,980.46	1,630.28
Finance cost	2.22	399.42	407.96
Depreciation and amortisation expense	2.1	706.10	521.38
Other expenses	2.23	4,254.36	4,669.64
Total expenses		9,882.02	9,353.90
Profit/(loss) before tax expense		1,405.26	(116.53)
Tax expense			
- Current tax	2.39	432.98	386.09
- Deferred tax credit	2.39	(154.79)	(41.54)
- Tax pertaining to earlier years	2.39	(23.65)	2.15
Total tax expense		254.54	346.70
Profit/ (loss) for the year		1,150.72	(463.23)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement of defined benefit plans		(13.43)	(18.84)
- Income-tax effect		3.42	6.64
Other comprehensive loss, net of tax		(10.01)	(12.20)
Total comprehensive income/(loss) for the year		1,140.71	(475.43)
Profit/(loss) attributable to:			
Owners of the Company		1,191.83	(464.13)
Non-controlling interests		(41.11)	0.90
Profit/ (loss) for the year		1,150.72	(463.23)
Other comprehensive loss attributable to:			
Owners of the Company		(9.59)	(12.51)
Non-controlling interests		(0.42)	0.31
Other comprehensive loss for the year		(10.01)	(12.20)
Total comprehensive income/ (loss) attributable to:			
Owners of the Company		1,182.24	(476.64)
Non-controlling interests		(41.53)	1.21
Total comprehensive income/ (loss) for the year		1,140.71	(475.43)
Earnings per share (face value of share Rs. 10 each)			
- Basic	2.28	16.00	(6.71)
- Diluted	2.28	15.87	(6.71)

Significant accounting policies

1.3

The accompanying notes are referred above form an integral part of the consolidated Ind AS financial statements.

As per our report attached of even date

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 101049W/ E300004

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

Sd/-
per Navneet Rai Kabra
Partner
Membership no.: 102328

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

Sd/-
B Abhinay
Chief Executive Officer
DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shankar Mantha
Company Secretary
Membership no:A21035

Place: Hyderabad
Date: 21 July 2020

Place: Hyderabad
Date: 21 July 2020

Krishna Institute of Medical Sciences Limited
Consolidated statement of Cash Flows for the year ended 31 March 2020
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A Cash flows from operating activities		
Profit/ (loss) before tax	1,405.26	(116.53)
Adjustments for:		
Depreciation and amortisation expenses	706.10	521.38
Finance cost	399.42	407.96
Expected credit loss for trade receivables	46.07	179.67
Trade receivables written off	5.68	47.83
Interest income	(12.63)	(5.68)
Net loss on sale of property, plant and equipment	12.52	1.52
Loss on changes in fair value of financial instruments	-	871.27
Liabilities no longer required written back	(4.54)	(20.29)
Sub lease income	(7.86)	(7.70)
Operating profit before working capital changes	2,550.02	1,879.43
Change in assets and liabilities:		
Increase in inventories	(30.48)	(57.36)
Increase in trade receivables	(132.06)	(315.16)
Decrease in other financial assets and other assets	29.90	67.74
Increase in trade payables, other financial liabilities and provisions	134.34	23.56
Cash provided by operations	2,551.72	1,598.21
Income taxes paid, net	(536.72)	(314.58)
Net cash generated from operating activities (A)	2,015.00	1,283.63
B Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(519.80)	(773.49)
Proceeds from sale of property, plant and equipment	5.13	2.13
Purchase of investment (net)	(21.68)	(70.00)
Payment of purchase consideration for slump sale	-	(197.27)
Payment for purchase of NCI portion in subsidiary	(710.34)	-
Sub lease income received	7.86	7.70
Advance for purchase of shares	-	(60.00)
Interest received	11.05	5.54
Redemption of bank deposits (having original maturity of more than three months)	146.45	2.54
Investment in bank deposits (having original maturity of more than three months)	(170.36)	(18.07)
Net cash used in investing activities (B)	(1,251.69)	(1,100.92)
C Cash flows from financing activities		
Repayment of long-term borrowings	(715.38)	(1,874.23)
Receipts of long-term borrowings	808.76	1,302.70
Repayment of short-term borrowings (net)	(116.47)	(250.91)
Payment of lease obligations	(90.15)	(11.51)
Proceeds from issue of shares	-	880.00
Proceeds from issue of share warrants	-	3.10
Finance costs	(330.14)	(264.13)
Net cash used in financing activities (C)	(443.38)	(214.98)
Net increase in cash and cash equivalents (A+B+C)	319.93	(32.27)
Cash and cash equivalents acquired through business combination	4.58	3.28
Cash and cash equivalents at the beginning of the year	80.63	109.62
Cash and cash equivalents at the end of the year	405.14	80.63

Note:

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 2020	As at 31 March 2019
Cash on hand	24.04	12.56
Balances with banks		
- On current accounts	301.10	68.07
- In deposit accounts (with original maturity of 3 months or less)	80.00	-
Total	405.14	80.63

The accompanying notes are referred above form an integral part of the consolidated Ind AS financial statements.

As per our report attached of even date

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 101049W/ E300004

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

Sd/-
per Navneet Rai Kabra
Partner
Membership no.: 102328

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

Sd/-
B Abhinay
Chief Executive Officer
DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shankar Mantha
Company Secretary
Membership no.: A21035

Place: Hyderabad
Date: 21 July 2020

Place: Hyderabad
Date: 21 July 2020

Krishna Institute of Medical Sciences Limited
Consolidated statement of changes in equity for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

Particulars	Equity share capital	Other equity				Total	Non-controlling interest	Total other equity
		Reserve and surplus			Share warrants			
		Securities premium account	Adjustment reserve	Retained earnings				
Balance as at 01 April 2019	744.90	7,525.80	57.64	(2,911.28)	3.10	4,675.26	273.79	4,949.05
Profit for the year	-	-	-	1,191.83	-	1,191.83	(41.11)	1,150.72
Non controlling interest on new subsidiary- refer note no: 2.35	-	-	-	-	-	-	(11.60)	(11.60)
Acquisition of non-controlling interest in existing subsidiary- adjustment for non-controlling interest- refer note no: 2.35	-	-	-	(621.15)	-	(621.15)	(87.61)	(708.76)
Re-measurement of net defined benefit liability (net of tax)	-	-	-	(9.59)	-	(9.59)	(0.42)	(10.01)
Balance as at 31 March 2020	744.90	7,525.80	57.64	(2,350.19)	3.10	5,236.35	133.05	5,369.40

Particulars	Equity share capital	Other equity				Total	Non-controlling interest	Total other equity
		Reserve and surplus			Share warrants			
		Securities premium account	Adjustment reserve	Retained earnings				
Balance as at 01 April 2018	501.50	292.98	57.64	(2,434.64)	-	(2,084.02)	212.58	(1,871.44)
Loss for the year	-	-	-	(464.13)	-	(464.13)	0.90	(463.23)
Issue of shares	28.65	851.35	-	-	-	851.35	-	851.35
Issue of share warrants	-	-	-	-	3.10	3.10	-	3.10
Conversion of financial liability into equity- Refer note no: 2.38	214.75	6,381.47	-	-	-	6,381.47	-	6,381.47
Non-controlling interest on new subsidiary	-	-	-	-	-	-	60.00	60.00
Re-measurement of net defined benefit liability (net of tax)	-	-	-	(12.51)	-	(12.51)	0.31	(12.20)
Balance as at 31 March 2019	744.90	7,525.80	57.64	(2,911.28)	3.10	4,675.26	273.79	4,949.05

The accompanying notes are referred above form an integral part of the consolidated Ind AS financial statements.

As per our report attached of even date

 for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

for and on behalf of the Board of Directors of

Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Sd/-
per Navneet Rai Kabra
 Partner
 Membership no.: 102328

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

Sd/-
B Abhinay
Chief Executive Officer
 DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shankar Mantha
Company Secretary
 Membership no:A21035

Place: Hyderabad
 Date: 21 July 2020

Place: Hyderabad
 Date: 21 July 2020

Krishna Institute of Medical Sciences Limited**Notes to the consolidated financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

1.1 Group Overview

The consolidated financial statements comprise financial statements of Krishna Institute of Medical Sciences Limited (the company) and its subsidiaries (collectively, the Group) for the year ended 31 March 2020. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at D. No. 1-8-31/1, Minister's Road, Secunderabad, Telangana, India - 500003.

The Group is principally engaged in the business of rendering medical and healthcare services.

The Company was originally incorporated on 26 July 1973 under the name “Jagjit Singh and Sons Private Limited” which was subsequently changed to “Krishna Institute of Medical Sciences Private Limited” on 2 January 2004. The Company was converted into a public limited company under the Companies Act, 1956 on 29 January 2004 and consequently, the name was changed to “Krishna Institute of Medical Sciences Limited”.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on 21 July 2020.

1.2 Basis of preparation of consolidated financial statements**a) Statement of compliance:**

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of Companies Act 2013 (the ‘Act’) and other relevant provisions of the Act.

b) Basis of measurement:

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value or Amortised cost
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

c) Functional and presentation currency:

These consolidated financial statements are presented in Indian Rupees INR, which is also the Group’s functional currency. All amounts are in Indian Rupees millions, rounded off to two decimals, except share data and per share data, unless otherwise stated.

d) Change in accounting policies

New and amended standards

The Group applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in the current year, but do not have an impact on the Consolidated Financial Statements of the Group. The Group has not early adopted any standards or amendments that have been issued but not yet effective.

Ind AS 116 – Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Effective 01 April 2019, the Group adopted Ind AS 116 "Leases" applied to all lease contracts existing on 01 April 2019 using the modified retrospective method and elected to measure the Right of-Use assets at an amount equal to the lease liability as at the date of initial application, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition, the adoption of new standard resulted in recognition of Right - of - Use asset (ROU) of Rs. 744.69 and a lease liability of Rs. 482.05 (net off lease payments paid in advance). The effect of this adoption is insignificant on the profit for the year and earning per share.

The Group applied the Standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

e) Significant accounting judgement, estimates and assumptions:

The preparation of Group's consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Krishna Institute of Medical Sciences Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Consolidated financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 2.39 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 2.26 - Measurement of defined benefit obligations, key actuarial assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Classification of financial instruments as equity

The Company has entered into Shareholders agreement ("SHA") with private equity ("PE" or the "Investors") investors for purchase of equity shares. As per the terms of the SHA, the Company needs to provide an exit to Investor either through an Initial Public Offering ("IPO") or Marketed sale process based on best afford basis, which is in the control of the Company. Accordingly, the Company has classified and measured the aforesaid instruments as equity, carried at cost.

f) Current–non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Group's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

g) Fair value measurement:

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re measured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.33 – financial instruments.

1.3 Significant accounting policies

A. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Krishna Institute of Medical Sciences Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
- e) Non-Controlling interests in the net assets of consolidated subsidiaries consist of:
- The amount of equity attributed to non-controlling interests at the date on which investment in a subsidiary relationship came into existence;
 - The non-controlling interest share of equity since the date parent subsidiary relationship came into existence;
 - Non-controlling interest share of net profit/(loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group.
- f) The consolidated financial statements as at and for the year ended 31 March 2020 have been prepared on the basis of the financial statements of the following subsidiaries.

Name of the Company	Country of incorporation	Ownership interest (in %)	
		31 March 2020	31 March 2019
Arunodaya Hospitals Private Limited ('AHPL')	India	57.83	57.83
KIMS Hospital Enterprises Private Limited ('KHEPL')	India	75.26	50.27
Iconkrishi Institute of Medical Sciences Private Limited ('ICIMSPL')	India	51.00	-
Saveera Institute of Medical Sciences Private Limited ('SIMSPL')	India	80.00	-
KIMS Hospitals Private Limited ('KHPL')	India	100.00	100.00
KIMS Swastha Private Limited ('KSPL')	India	100.00	100.00
KIMS Cuddles Private Limited ('KCPL')	India	100.00	100.00
KIMS Hospital (Bhubaneswar) Private Limited ('KHBPL')	India	100.00	100.00
KIMS Hospital Kurnool Private Limited ('KHKPL') (Formerly known as "Kurnool Rainbow Hospitals Private Limited")	India	55.00	-
KIMS Sahariah Healthcare Private Limited (Closed on 31 March 2019)	India	-	-

B. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

C. Revenue from contract with customer

The Group's revenue from medical and healthcare services comprises of income from hospital services and sale of pharmacy items.

Effective April 1, 2018, the Group has applied Ind AS 115 - Revenue from Contract with customers which establishes a comprehensive framework for revenue recognition. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Income from hospital services comprises of fees charged for inpatient and outpatient hospital services. The performance obligations for this stream of revenue include accommodation, surgery, medical/clinical professional services, food and beverages, investigation and supply of pharmaceutical and related products.

Revenue is recognised when the related services are rendered at the transaction price. With respect to the patients who are undergoing treatment/ observation on the balance sheet date, revenue is recognised to the extent of services rendered. Revenue is measured based on the transaction price, which is the fixed consideration adjusted for discounts, amounts payable to customer in the nature of commissions, principal versus agent considerations, any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities.

Revenue from sale of pharmacy and food and beverages (other than hospital services), where the performance obligation is satisfied at a point in time, is recognised when the control of goods is transferred to the customer.

Revenue from admission fees, tuition fees and other fees for academic courses are recognised on the due date for the receipt of fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received. Application procession fees are recognised as revenue on receipt of the fees.

Contract Balances:

Contract assets represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Income

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

D. Income-tax

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

Current income-tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilized when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances comes to the Group’s notice. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognized in statement of profit or loss.

E. Property, plant and equipment

Plant and equipment is stated at original cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other cost directly attributable to bringing the item to working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group de-recognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the consolidated statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

De recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Depreciation

Depreciation/Amortisation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has estimated the following useful lives to provide depreciation on its Property, plant and equipment which are in compliance with the Companies Act, 2013:

Category of Assets	Useful life (In years)
Buildings	60
Medical and surgical equipment	13-14
Plant and equipment	15
Office equipment	5
Electrical equipment	10
Computers	3-6
Furniture and fixtures	10
Vehicles	8

Based on the planned usage of certain specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 for the following:

- Individual asset not exceeding Rs. 5,000 have been fully depreciated in the year of purchase.
- Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised.
- Leasehold improvements are amortised over the period of the lease or estimated useful life, whichever is shorter.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

F. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

Amortisation

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Category of Assets	Useful life (In years)
Software	6
Brand	5
Non-Compete fee	5
Customer Contract	5

G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

H. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

I. Inventories

The inventories comprising of medical consumables and pharmacy items are valued at lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The Group follows the weighted average method for determining the cost of such inventories. The Comparison of cost and net realisable value is made on item by item basis.

J. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

K. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

L. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The gratuity scheme is administered by third party. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

The gratuity scheme is administered by third party. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes to the defined benefit liability (asset) as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit and loss. The Group recognises gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss.

Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g, under short term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employee, and the amount of obligation can be estimated reliably.

Compensated absences

As per the leave encashment policy of the Group, the employees have to utilise their eligible leave during the calendar year and lapses at the end of the calendar year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

M. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Subsequent measurement

On initial recognition, a financial asset is classified as measured at

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these consolidated financial statements).

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

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

N. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

O. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

Krishna Institute of Medical Sciences Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

P. Segment reporting

Based on “Management Approach” as defined in Ind AS 108 -Operating Segments, the Management evaluates the Group’s performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

Q. Corporate social responsibility

The Group charges its Corporate Social Responsibility expenditure to the statement of profit and loss.

R. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Krishna Institute of Medical Sciences Limited

Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

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

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 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 2.34)	-	-	-	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
Acquisition through business combinations (refer note 2.34)	-	-	-	197.24	77.66	15.44	3.24	49.26	15.33	36.31	0.08	394.56	-
Additions on adoption of Ind AS 116	-	(274.37)	-	-	(42.43)	-	-	-	-	-	-	(316.80)	-
Additions	95.81	-	20.27	70.48	357.80	17.09	17.06	25.19	43.02	31.17	15.95	693.84	59.19
Disposals	-	-	-	-	(24.02)	-	-	(1.30)	-	(0.28)	(2.23)	(27.83)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(39.19)
Balance as at 31 March 2020	215.36	-	174.61	4,093.16	3,386.78	304.69	74.50	459.82	164.93	371.17	64.16	9,309.18	22.32
Accumulated depreciation													
Balance as at 1 April 2018	-	-	3.92	108.51	464.05	34.92	21.82	97.18	36.92	66.63	9.62	843.57	-
Depreciation charge for the year	-	-	2.78	64.49	290.16	20.55	9.64	51.40	24.77	36.37	6.86	507.02	-
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	-
Acquisition through business combinations (refer note 2.34)	-	-	-	3.34	14.17	3.08	1.08	10.64	9.05	7.58	0.03	48.96	-
Additions on adoption of Ind AS 116	-	-	-	-	(27.97)	-	-	-	-	-	-	(27.97)	-
Depreciation charge for the year	-	-	42.38	72.61	318.97	22.58	10.64	58.35	37.98	43.05	8.01	614.57	-
Disposals	-	-	-	-	(9.67)	-	-	(0.62)	-	-	(1.54)	(1.83)	-
Balance as at 31 March 2020	-	-	49.08	248.95	1,048.26	81.13	43.18	216.95	108.72	153.63	22.30	1,972.19	-
Carrying amounts (net)													
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
At 31 March 2020	215.36	-	125.53	3,844.21	2,338.52	223.56	31.32	242.87	56.21	217.54	41.86	7,336.99	22.32

Notes:

- Buildings amounting to gross block Rs. 75.06 (31 March 2019: Rs. 75.06) and net block Rs. 56.88 (31 March 2018: Rs. 57.99) 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.

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.1 (b) Other intangible assets

Particulars	Software	Brand	Non compete	Goodwill	Customer contract	Total Other intangible assets	Right-of-use Assets
Cost							
Balance as at 1 April 2018	20.94	-	-	-	-	20.94	-
Acquisition through business combinations (refer note 2.34)	1.36	13.10	28.30	314.17	188.02	544.95	-
Additions	34.20	-	-	-	-	34.20	-
Balance as at 31 March 2019	56.50	13.10	28.30	314.17	188.02	600.09	-
Balance as at 1 April 2019	56.50	13.10	28.30	314.17	188.02	600.09	-
Acquisition through business combinations (refer note 2.34)	-	12.14	-	-	-	12.14	-
Additions on adoption of Ind AS 116	-	-	-	-	-	-	772.66
Additions	20.32	-	-	-	-	20.32	26.95
Disposals	(1.77)	-	-	-	-	(1.77)	-
Balance as at 31 March 2020	75.05	25.24	28.30	314.17	188.02	630.78	799.61
Accumulated amortisation							
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	-
Balance as at 1 April 2019	14.83	1.30	2.81	-	2.87	21.81	-
Additions on adoption of Ind AS 116	-	-	-	-	-	-	27.97
Amortisation charge for the year	12.76	5.06	5.68	-	9.03	32.53	59.01
Disposals	(0.12)	-	-	-	-	(0.12)	-
Balance as at 31 March 2020	27.47	6.36	8.49	-	11.90	54.22	86.98
Carrying amounts (net)							
At 31 March 2019	41.67	11.80	25.49	314.17	185.15	578.28	-
At 31 March 2020	47.58	18.88	19.81	314.17	176.12	576.56	712.63

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
2.2 Loans (at amortised cost) (Unsecured, considered good)		
(a) Non-current		
Security deposits	47.18	39.81
Total	47.18	39.81
(b) Current		
-To parties other than related parties		
Security deposits	17.53	15.19
Total	17.53	15.19
2.3 Other financial assets (at amortised cost) (Unsecured, considered good)		
(a) Non-current		
Bank deposits (due to mature after 12 months of reporting date)*	1.04	7.90
Interest accrued on bank deposits	0.09	1.12
Other receivable	-	15.35
Total	1.13	24.37
* 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)	44.39	74.46
Other receivables	-	2.43
Other advances	6.57	-
Interest accrued on bank deposits	3.30	0.69
-To related parties (refer note 2.27)		
Advance to related parties	-	10.01
(Unsecured, considered doubtful)		
Other advances	0.32	0.32
Less : Provision for other advances	(0.32)	(0.32)
Total	54.26	87.59
2.4 Other non-current assets (Unsecured, considered good)		
Capital advances*	75.85	249.22
Advance for purchase of shares	-	60.00
Balance with government authorities	40.57	49.47
Prepaid expenses	13.06	15.45
Total	129.48	374.14
* Includes a transaction entered between the Company and Dr. B Bhaskara Rao, during the previous year, towards purchase of land for a total consideration Rs. 74.25. Out of the total consideration, an amount of Rs. 70.00 is paid as an capital advance in previous year. Refer note 2.27.		
2.5 Inventories (Valued at lower of cost or net realisable value)		
Medical consumables and pharmacy items	303.77	268.61
Total	303.77	268.61
2.6 Trade receivables (at amortised cost) * Considered good - Unsecured		
Trade receivables	1,322.68	1,232.69
Trade receivables - credit impaired	373.10	326.48
Total receivables	1,695.78	1,559.17
Less: Expected credit loss for trade receivables	(373.10)	(326.48)
Net trade receivables	1,322.68	1,232.69

* Includes amount receivables from related party amounting to Rs. 2.13 (31 March 2019: Rs. 2.21). (Refer note 2.27).

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

	As at 31 March 2020	As at 31 March 2019
2.7 Cash and bank balances		
a) Cash and cash equivalents		
Cash on hand	24.04	12.56
Balances with banks		
- in current accounts	301.10	68.07
- In deposit accounts (with original maturity of 3 months or less)	80.00	-
	405.14	80.63
b) Other bank balances - Deposits with remaining maturity less than 12 months *	52.13	21.36
	52.13	21.36
Total	457.27	101.99

*The above deposits are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing within 12 months of the reporting date.

c) Changes in liabilities arising from financing activities

Particulars	1 April 2019	Cash flows	Others	31 March 2020
Current borrowings	175.53	(116.47)	42.05	101.11
Lease liabilities	27.09	(90.15)	543.67	480.61
Non- current borrowings (including current maturities)	2,705.44	93.38	307.86	3,106.68
Total liabilities from financing activities	2,908.06	(113.24)	893.58	3,688.40

Particulars	1 April 2018	Cash flows	Others	31 March 2019
Current borrowings	305.14	(250.91)	121.30	175.53
Lease liabilities (included in borrowings)	38.60	(11.51)	-	27.09
Non- current borrowings (including current maturities)*	2,731.16	(571.53)	545.81	2,705.44
Total liabilities from financing activities	3,074.90	(833.95)	667.11	2,908.06

*Excludes liability component of financial instrument amounting to Rs. 3,995.81, which was converted into equity in previous year (refer note 2.38).

Others in non-current and current borrowings includes effect of amortization cost and borrowings acquired through business combination. Others in lease liabilities is towards addition of lease liability and interest accrued thereon on adoption of Ind AS 116.

2.8 Non-current tax assets (net)

(a) Current tax assets (net)
Advance tax [net of provision for taxation]

Advance tax (net of provision for taxation)	386.58	328.01
Total	386.58	328.01

2.9 Other current assets

(Unsecured, considered good)

Advance to suppliers	17.09	10.87
Prepaid expenses	10.28	9.43
Staff advances	15.39	9.19
Other advances	-	2.92
Other receivables	0.02	0.02
Total	42.78	32.43

2.10 (a) Equity share capital	As at 31 March 2020	As at 31 March 2019
Authorised		
Equity shares		
95,000,000 (31 March 2019: 95,000,000) equity shares of Rs. 10 each	950.00	950.00
	950.00	950.00
Issued, subscribed and paid-up		
74,489,552 (31 March 2019: 74,489,552) equity shares of Rs. 10 each fully paid-up	744.90	744.90
	744.90	744.90

(a) Reconciliation of number of equity shares of Rs. 10 each, fully paid up outstanding at the beginning and at the end of the year:	As at 31 March 2020		As at 31 March 2019	
Particulars	Number of shares	Amount	Number of shares	Amount
At the commencement of the year*	74,489,552	744.90	50,149,732	501.50
Add: Conversion of put options to equity shares (refer note 2.38)	-	-	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	74,489,552	744.90

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

- (b) **Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:**
The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity share holder is entitled to one vote per equity share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Particulars of shareholders holding more than 5% equity shares of Rs. 10 each, fully paid up	As at 31 March 2020		As at 31 March 2019	
Name of shareholder	Number of shares	% of holding	Number of shares	% of holding
Dr. B Bhaskar Rao	18,304,164	24.57%	18,304,164	24.57%
General Atlantic Singapore KH Pte Ltd	31,739,906	42.61%	30,250,115	40.61%
B. Seenaiiah	4,582,517	6.15%	4,972,308	6.68%
Bollineni Ramanaiah Memorial Hospitals Private Limited	5,228,628	7.02%	4,800,632	6.44%

(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	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Equity shares of Rs. 10 each, fully paid up allotted as bonus shares by capitalisation of securities premium	-	-	-	-	61,603,374

2.10 (b) Other equity	As at 31 March 2020	As at 31 March 2019
Securities premium (refer below note 1)		
Balance as per last financial statements	7,525.80	292.98
Add: Issue of shares	-	851.35
Add: Conversion of financial liability into equity (refer note 2.38)	-	6,381.47
Closing balance	7,525.80	7,525.80
Adjustment reserve (refer below note 2)		
Balance as per last financial statements	57.64	57.64
Movement during the year	-	-
Closing balance	57.64	57.64
Share warrants (refer below note 3)		
Balance as per last financial statements	3.10	-
Add: Issue of share warrants	-	3.10
Closing balance	3.10	3.10
Other comprehensive income		
Balance as per last financial statements	11.07	23.58
Add: Re-measurement gain / (loss) on employee defined benefit plans	(9.59)	(12.51)
Closing balance	1.48	11.07
Retained earnings (refer below note 4)		
Balance as per last financial statements	(2,922.35)	(2,458.22)
Acquisition of non-controlling interest in existing subsidiary (refer note no 2.35)	(621.15)	-
Add: Profit/(loss) for the year	1,191.83	(464.13)
Closing balance	(2,351.67)	(2,922.35)
	5,236.35	4,675.26

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 approved by Honourable High Court of Andhra Pradesh, the Company has allotted 306,069 Equity Shares of Rs. 10 each to the Share holders of the transferor Company against 4,455,000 equity shares of Rs. 10 each outstanding in the transferor Company in the ratio of 9 equity shares of Rs. 10 each for every 131 equity shares of Rs. 10 each of the Transferor Company. The difference of Rs. 41.49 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 Rs. 10 each to the shareholders of the Demerged Company against 2,100,000 equity shares of Rs. 10 each outstanding in the Demerged Company in the ratio of 6 equity shares of Rs. 10 each for every 13 equity shares of Rs. 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 Rs. 16.15 has been added to the Adjustment Reserve of the Company as per the Scheme.

3. Share warrants

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. In accordance with the aforesaid SSPA, 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 Rs. 10 each at a future date as per the terms of SSPA. As at 31 March 2020 and 31 March 2019, the Company has received Rs. 1 each against the share warrants issued aggregating to Rs. 3.10.

4. Retained earnings

Retained earnings are the profits/losses (net of appropriations) of the company earned till date, including items of other comprehensive income.

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.11 Long-term borrowings (at amortised cost)

	As at 31 March 2020		As at 31 March 2019	
	Non- current	Current	Non- current	Current
Secured				
Term loans from banks				
- HDFC Bank equipment loan - 1 (refer note i)	63.21	15.84	79.06	10.94
- HDFC Bank equipment loan - 2 (refer note ii)	105.91	9.37	122.08	11.80
- HDFC Bank vehicle loan - 2 (refer note iii)	3.04	0.67	3.70	0.62
- Federal bank term loan (refer note iv)	625.16	167.74	494.07	66.24
- Federal bank term loans (refer note v and vi)	114.66	18.61	122.80	7.67
- HDFC Bank term loan (refer note vii)	493.44	31.00	495.14	2.29
- HDFC Bank term loan (refer note viii)	378.03	34.13	-	-
- Yes bank term loan (refer note ix)	226.77	-	291.32	19.81
Total loans from banks (A)	2,010.22	277.36	1,608.17	119.37
Term loans from other parties				
- Siemens Financial Services Private Limited (refer note x)	-	-	-	16.75
- NIIF Infrastructure Finance Limited (refer note xi)	676.95	142.15	819.10	142.05
Total loans from other parties (B)	676.95	142.15	819.10	158.80
Unsecured				
Finance lease obligation (refer note xviii)	-	-	10.54	16.55
Total unsecured loans (C)	-	-	10.54	16.55
Total (A) + (B) + (C)	2,687.17	419.51	2,437.81	294.72

Notes:

Refer current maturities of long term borrowings under note 2.12 (b)

- i 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 of 9.5% p.a. fixed (31 March 2019: 9.5% p.a. fixed). This loan is repayable in 84 unequal monthly instalments starting from July 2017 to June 2024.
- ii Term loan - 2 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.
- iii Term loan from HDFC Bank of Rs. 5.03 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 (fixed). These loans are repayable in 84 equated monthly instalments starting from January 2018 to December 2024.
- iv Federal Bank term loan consists of 3 loans (31 March 2019: 2 loans). The first two loans are secured by exclusive charge on existing hospital at Rajahmundry and personal guarantee of Dr. B. Bhaskara Rao. The new loan is secured by Pari Passu first charge on fixed assets of the Company (excluding Rajahmundry hospital) and personal guarantee of Dr. B. Bhaskara Rao and Dr. B. Abhinay. Also the loans are secured by pledge of minimum 29% shareholding of the KIMS Hospital Private Limited, a subsidiary of the Company. 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 2019: 9.50% to 9.80% p.a).
- v 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).
- vi 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).
- vii 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).
- viii Term loan from HDFC Bank is secured by way of equitable mortgage on the property situated at Plot Nos.27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of kallur,Johrapuram Road,Kurnool and first and exclusive first charge on movable and immovable assets and current assets of the Company. Further, the loan is also secured by corporate guarantee given by Krishna Institute of Medical Sciences Limited. The loan is repayable in 108 months including 24 months principle moratorium and the last instalment is due in August 2028. The loan carries an interest rate of 1Y MCLR+ 1.10% (spread) per annum.
- ix Yes Bank term loan of Rs. 360 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.
- x Term loan - Siemens Financial Services Private Limited consists of 1 loans (31 March 2019: 1 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 2019 : interests rate ranging from 11 % to 13.50% p.a.).

Krishna Institute of Medical Sciences Limited**Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.11 Long-term borrowings (continued)

- xi** Term loan from NIIF 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 2019: 9.10% p.a.).
- xii** 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% p.a (31 March 2019: 17.18% to 44.44% p.a.).
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. From current year, these lease have been classified as per Ind AS 116 - "Leases".

Finance lease obligations

Finance lease obligations are payable as follows:

	31 March 2019		
	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
Between one and five years	17.19	6.65	10.54
After more than five years	-	-	-
Total	43.42	16.33	27.09

- xiii** Aggregate amount of secured loans (including current maturities of long term borrowings) guaranteed by few Directors of the Company is Rs.2,087.32 (31 March 2019: Rs. 2,113.69).

Krishna Institute of Medical Sciences Limited**Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
2.12 Other financial liabilities (at amortized cost)		
(a) Non-current		
Security deposits	2.83	2.55
Capital creditors	4.27	3.26
Total	7.10	5.81
(b) Current		
Current maturity of long term debts (refer note 2.11)	419.51	294.72
Capital creditors	86.25	33.49
Employee benefits payable*	104.74	147.28
Interest accrued but not due on borrowings	10.67	8.57
Security and caution deposit	6.64	7.59
Other deposits	0.32	1.60
Total	628.13	493.25

*Includes payables to related parties. For details refer note 2.27

2.13 Long-term provisions

Provision for employee benefits		
Gratuity [refer note 2.26]	137.08	101.89
Total	137.08	101.89

2.14 Short-term borrowings

Secured		
Working capital loans from banks [refer note i]	69.21	175.53
Unsecured		
Others [refer note iii]	31.90	-
Total	101.11	175.53

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. Seeniah and D. Anitha. Loan is repayable on demand and carries interest rate of 1Y MCLR+1.20% (31 March 2019: 1Y MCLR+1.20%). Closing balance as at 31 March 2020 Rs. Nil (31 March 2019: Rs. 23.96).

b) Federal bank - Loan is secured by exclusive charge on the current assets of the Rajahmundry Hospital, both current and future. Further it is also secured by exclusive charge on existing hospital at Rajahmundry and pledge of minimum 29% shareholding of the 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 9.35% p.a. (31 March 2019: 9.40% p.a). Closing balance as at 31 March 2020 Rs. 20.81 (31 March 2019: Rs. 61.43).

c) HDFC Bank - Loan is secured by Exclusive charge on the Medical Equipment purchased out the earlier sanctioned Term Loans, First pari passu first charge on current assets of the Company and second pari passu charge on the properties owned by Company located at (i) D No.1-8-31/1, Sy no.80(old)and Sy No.52,53 (new), Minister Road, secunderabad-500003, (ii) Sy no.153/3A, North By-pass Road, NHS, Behind Agriculture Market yard, Ongole-523001 and (iii) CAS No.562/1-A, Plot No.2,3,4,5,6 GNT Road, Dargamitta, Nellore. Also secured by personal guarantee of Dr. B. Bhaskara Rao. Loan is repayable on demand and carries interest rate of 1Y MCLR+1.35%. Closing balance as at 31 March 2020 Rs. Nil (31 March 2019: Rs. Nil).

c) Yes Bank - Working capital loan from Yes Bank of Rs. 40.00 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 Rs. 400. Further, the loan is secured by a charge on the escrow account. The loan carries an interest rate of quarterly MCLR + 2% (spread). Closing balance as at 31 March 2020 Rs. 9.09 (31 March 2019: Rs. 12.52).

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 2019: Base rate + 2.75%). Closing balance as at 31 March 2020 is Rs. Nil (31 March 2019: Rs. 10.01).

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). Closing balance as at 31 March 2020 Rs. 7.45 (31 March 2019: Rs. 20.29).

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). Closing balance as at 31 March 2020 Rs. 11.35 (31 March 2019: Rs. 47.32).

g) Loan from HDFC Bank is secured by way of equitable mortgage on the property situated at Plot Nos.27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of kallur,Johrapuram Road,Kurnool and first and exclusive first charge on movable and immovable assets and current assets of the Company. Further, the loan is also secured by corporate guarantee given by Krishna Institute of Medical Sciences Limited. The loan carries an interest rate of 1Y MCLR+ 1.30% (spread) per annum. Closing balance as at 31 March 2020 is Rs. 20.51 (31 March 2019: Rs. Nil).

ii Aggregate amount of secured loans guaranteed by few directors of the Company is Rs. 37.34 (31 March 2019: Rs. 118.20).**iii** Unsecured loan taken from other directors and does not carry any interest.

Krishna Institute of Medical Sciences Limited**Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020**

All amounts are in million of Indian Rupees except share data or unless otherwise stated

2.15 Trade payables (at amortized cost)

Trade payables

- total outstanding dues of micro enterprises and small enterprises (refer note 2.30)

- total outstanding dues of creditors other than micro enterprises and small enterprises

Total

The above includes payable to related party. For details refer note 2.27

Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

	As at 31 March 2020	As at 31 March 2019
	25.08	1.36
	1,209.26	1,039.23
Total	1,234.34	1,040.59

2.16 Short-term provisions**Provision for employee benefits**

Gratuity (refer note 2.26)

Compensated absences

Total

	2.29	-
	71.18	60.51
Total	73.47	60.51

2.17 Other liabilities**(a) Non-current**

Deferred income

Total

	12.86	13.48
Total	12.86	13.48

(b) Current

Statutory dues payable

Contract liabilities

Deferred income

Other liabilities

Total

	68.72	63.98
	27.02	40.66
	0.64	0.64
	30.70	26.61
Total	127.08	131.89

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.18 Revenue from operations
A Income from medical and healthcare services (Refer note 2.31)

Income from hospital services	7,339.77	6,036.98
Income from pharmacy and others	3,697.29	2,970.99
Total	11,037.06	9,007.97

B Other operating income (Refer note 2.31)

Income from academic courses	61.57	58.26
Income from sale of food and beverages	115.80	105.07
Other hospital income	12.02	8.75
Total	189.39	172.08

Total revenue from operations (A+B)

11,226.45	9,180.05
------------------	-----------------

2.19 Other income

Interest income on:		
- fixed deposits	4.98	3.55
- security deposits	1.88	1.13
- income tax refunds	5.77	1.00
- Others	-	0.16
Lease income	7.86	7.70
Liabilities no longer required written back	4.54	20.29
Sponsorship income	0.25	1.96
Miscellaneous income	35.55	21.53
Total	60.83	57.32

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
2.20 Medical consumables and pharmacy items consumed		
Opening stock	273.29	201.42
Add: Purchases during the year	2,572.16	2,191.83
Less: Closing stock	(303.77)	(268.61)
Total	2,541.68	2,124.64
2.21 Employee benefit expense		
Salaries, wages and bonus	1,828.00	1,504.27
Contribution to provident and other funds (refer note no 2.26)	127.82	109.31
Staff welfare expenses	24.64	16.70
Total	1,980.46	1,630.28
2.22 Finance cost		
Interest from banks		
- term loans	305.93	246.41
- other loans	26.03	17.38
Interest on security deposit	0.28	0.08
Interest expense on lease liabilities (refer not no 2.25)	59.29	13.63
Liability component of financial instruments (refer not no 2.38)	-	120.01
Others	7.89	10.45
Total	399.42	407.96
2.23 Other expenses		
Consultancy charges	2,462.53	2,009.92
House keeping expenses	373.97	321.13
Power and fuel	242.92	206.35
Catering and patient welfare expenses	156.48	131.46
Rent (refer note 2.25)	49.45	98.30
Tests and investigations	25.38	21.15
Academic courses expenses	1.03	0.83
Repairs and maintenance:		
- Medical equipment	194.73	175.27
- Hospital building and others	148.37	110.74
Printing and stationery	50.72	45.49
Audit fee (refer note A below)	8.23	15.42
Legal and professional charges	66.70	119.46
Rates and taxes	67.16	62.55
Loss on fair value changes in financial instrument	-	871.27
Travelling and conveyance	46.72	36.84
Advertisement and publicity	113.01	106.62
Communication expenses	18.10	13.98
Provision for doubtful advances	-	(1.18)
Trade receivable written off	5.68	47.83
Expected credit loss for trade receivables	46.07	180.85
Insurance	8.22	5.37
Subscriptions and membership fees	6.87	4.27
Donations (refer note B below)	51.17	1.65
Contributions towards Corporate Social Responsibility	16.34	10.14
Loss on sale of property, plant and equipment	12.52	1.52
Investment written off	-	0.10
Bank charges	44.92	36.55
Directors sitting fee	1.31	1.84
Miscellaneous expenses	35.76	33.92
Total	4,254.36	4,669.64

Note A: Payment to auditors (excluding applicable taxes)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019*
Statutory audit fee	6.05	5.40
Fees paid to erstwhile auditor in the capacity of Statutory auditor*	2.00	-
Other services **	-	9.82
Out of pocket expenses	0.18	0.20

* Paid to erstwhile statutory auditors

** Paid for services related to initial public offering.

Note B: Donations

Donations includes subscription to electoral bonds of Rs. 50 (31 March 2019: Rs. Nil)

2.24 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
i) Luxury tax matters in dispute	82.27	82.27
ii) Service tax matters in dispute	0.09	31.72
iii) VAT matters in dispute	1.76	1.76
iv) Medical claims (gross, excluding interest/costs)	100.68	88.38
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 Ind AS 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 (31 March 2019: Rs. 235.01) along with a further interest @ 18% p.a towards medical negligence. Based on the legal opinion obtained by the company and the internal evaluation by the management, the Company believes that it has strong case in this regard and there shall not be any outflow of resources. No provision thereof has been made in the Consolidated Ind AS financial statement.		
ix) On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employer contribution obligations, for Provident Fund contributions under Indian law. There are interpretative issues relating to the retrospective applicability of the judgement. However, from the current year, the Company has complied with the aforesaid Supreme court's judgement. The Company will evaluate the same and update its position for earlier years, if any on receiving further clarity on the subject.		

Notes:

i. 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.

ii. 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.

(b) Commitments

Particulars	As at 31 March 2020	As at 31 March 2019
I) Capital commitment		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	66.36	201.70
II) Other commitments		
i) During the previous year, the Company has acquired 80% shareholding in Saveera Institute of Medical Sciences Private Limited ('SIMSPL'). As per the shareholder's agreement, the Company agreed to transfer 3.5% of the equity shares of SIMSPL to the minority shareholders of SIMSPL subject to fulfillment of certain conditions.		

2.25 Lease

a) Operating leases in the capacity of lessee

The Group has lease contracts for various items of land, building and medical equipment used in its operations. Leases of building, plant and machinery generally have lease terms between 3 and 15 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options.

The Group has one perpetual leasehold land which is not amortized, all other lease hold land are amortized as per the lease term.

Leases of buildings and machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Land	Building	Medical equipment	Total
As at 31 March 2019	-	-	-	-
Addition on adoption of Ind AS 116 (net)	274.37	455.86	14.46	744.69
Additions	-	26.95	-	26.95
Amortization expense	2.92	46.68	9.41	59.01
As at 31 March 2020	271.45	436.13	5.05	712.63

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2020	As at 31 March 2019
Opening Balance	-	-
Addition on adoption of Ind AS 116	483.44	-
Additions	26.95	-
Accretion of interest	59.29	-
Payments	(90.15)	-
As at 31 March	479.53	-
Current	24.00	-
Non-current	455.53	-

The following are the amounts recognised in the statement of profit or loss:

	As at 31 March 2020	As at 31 March 2019
Amortization expense of right-of-use assets	59.01	-
Interest expense on lease liabilities	59.29	-
Expense relating to short-term leases and low-value assets (included in other expenses)	49.45	98.30
Total amount recognised in profit or loss	167.75	98.30

The Group had total cash outflows for leases of Rs. 139.60 in 31 March 2020 (31 March 2019: Rs. 98.30). The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs. 26.95 in 31 March 2020.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	As at 31 March 2020	As at 31 March 2019
Within less than one year	76.11	-
Between one and five years	372.79	-
After more than five years	363.17	-
Total	812.07	-

Operating lease in the capacity of lessor

- b) 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 Rs. 7.86 (31 March 2019: Rs. 7.70).

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.26 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.

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:

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	168.00	124.76
Fair value of plan assets	28.63	22.87
Net funded obligation	139.37	101.89
Total employee benefit liability	139.37	101.89
Non-current	137.08	101.89
Current	2.29	-

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

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation as at 1 April	124.76	84.58
Benefits paid	(1.43)	(2.95)
Current service cost	23.19	18.63
Interest cost	8.56	6.20
Actuarial losses/(gains) recognised in other comprehensive income due to:		
- Changes in financial assumptions	13.98	12.05
- Changes in demographic assumptions	(0.79)	6.43
- experience changes	(0.30)	(0.18)
- due to other reason	0.03	-
Defined benefit obligation as at 31 March	168.00	124.76

ii) Reconciliation to fair value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets at beginning of the year	22.87	20.29
Contributions paid into the plan	6.54	4.78
Interest income	1.17	1.55
Benefits paid	(1.44)	(3.20)
Return on plan assets	(0.51)	(0.55)
Plan assets at end of the year	28.63	22.87
Net defined benefit liability	139.37	101.89

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	23.19	18.63
Interest on defined benefit obligation / plan assets (net)	7.39	4.65
Net gratuity cost, included in 'employee benefits expense'	30.58	23.28

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gain) / loss on net defined benefit obligation	12.92	18.30
Actual return on plan assets less interest on plan assets	0.51	0.55

D Plan assets

Plan assets comprises of the following:

Particulars	As at 31 March 2020	As at 31 March 2019
Fund managed by Insurer	28.63	22.87

2.26 Employee benefits (continued)**(i) Defined benefit plan (continued)****E Defined benefit obligation****i) Actuarial assumptions**

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

Principal actuarial assumptions	As at 31 March 2020	As at 31 March 2019
Discount rate	5.85%	7.50%
Salary escalation rate	8.00%	8.00%

F Maturity profile of defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
1st following year	28.54	21.59
Year 2 to 5	81.11	62.86
Year 6 to 9	53.92	45.50
Year 10 and above	90.03	88.75

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

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 2020		For the year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.80)	14.28	(7.08)	7.90
Salary escalation rate (1% movement)	13.63	(5.46)	7.61	(7.00)

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 2020	For the year ended 31 March 2019
Amount recognised in the consolidated statement of profit and loss towards		
i) Provident fund	66.94	50.68
ii) Employee state insurance	30.30	36.57

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.27 Related party disclosures
(a) Nature of relationship and name of related parties

Nature of relationship	Name of related parties
Key Management personnel (KMP)	Dr. B Bhaskara Rao - Managing Director Dr. B Abhinay - Chief Executive Officer (w.e.f 03 July 2019) Mr. Uma Shankar Mantha - Company secretary Mr. Vikas Maheshwari - Chief Financial Officer Mrs. Dandamudi Anitha - Whole-time Director
Directors of the Company	Mr. B Krishnaiah - Chairman (resigned on 18 January 2019) Mr G Rajeswara Rao Mrs Jyothi Prasad Mr. Sandeep Achyut Naik (w.e.f 20 June 2018) Mr. Shantanu Rastogi (w.e.f 20 June 2018) 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 Swetha- Daughter in law of Managing Director
Enterprises under control or joint control of KMP and other relative (where transaction exists)	Sri Viswa Medicare Limited KIMS Foundation and Research Centre
Enterprise having significant influence over the Group	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

Particulars	For the year ended '31 March 2020	For the year ended 31 March 2019
i. Professional fee to KMP		
Dr. B Bhaskara Rao	18.00	18.00
Dr. Raavi Swetha	-	2.31
ii. Professional fee to relative of KMP		
Dr. Raavi Swetha	2.16	1.80
iii. Rent expenses		
Dr. B Bhaskara Rao	0.10	0.10
iv. Managerial remuneration to KMP *		
Dr. B Bhaskara Rao	24.00	24.00
Mr. B Abhinay	7.75	5.35
Mrs. Dandamudi Anitha	3.60	3.00
Mr. Vikas Maheshwari	7.37	6.57
Mr. Uma Shankar Mantha	1.98	1.78
v. Directors sitting fee		
Mr B Krishnaiah	-	0.29
Mr G Rajeswara Rao	0.64	0.47
Mrs Jyothi Prasad	0.58	0.38
Mr K Padmanaabhaiah	-	0.23
Mr Amitabha Guha	-	0.47
vi. Loans and advances given		
KIMS Foundation and Research Centre	-	3.58
vii. Refund of loans and advances		
KIMS Foundation and Research Centre	10.01	5.00
viii. Payment for purchase of land		
Dr. B Bhaskara Rao	4.25	70.00
ix. Expenditure towards CSR		
KIMS Foundation and Research Centre	15.72	10.14
x. Interest expense		
India Advantage Fund	-	120.01
xi. Fair value changes in financial instrument		
India Advantage Fund	-	871.27
xii. Derecognition of financial liability		
India Advantage Fund	-	6,596.22
xiii. Issue of equity shares including share premium		
General Atlantic Singapore KH Pte. Ltd	-	880.00
xiv. Cash received for issue of share warrants		
Dr B Bhaskara Rao	-	3.10

2.2 Related party disclosures (continued)

(c) The balances receivables from and payable to related parties		
Particulars	As at 31 March 2020	As at 31 March 2019
i. Trade receivables		
Sri Viswa Medicare Limited	2.13	2.21
ii. Other advances		
KIMS Foundation and Research Centre	-	10.01
iii. Capital advance		
Dr. B Bhaskara Rao	-	70.00
iv. Trade payables		
Dr. B Bhaskara Rao	0.10	1.36
Dr. Raavi Swetha	0.16	0.14
v. Employee benefits payable		
Dr. B Bhaskara Rao	-	1.16
Mr. B Abhinay	0.32	0.47
Mr. Vikas Maheshwari**	0.31	0.00
Uma Shankar Mantha	0.12	0.11
Mrs. Dandamudi Anitha	0.16	0.14

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

* The managerial personnel are covered by the Group'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.

** The amount is below rounding off norms adopted by Company.

Terms and conditions:

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.28 Earnings per share (EPS)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Earnings		
Profit/(loss) for the period attributable to equity shareholders	1,191.83	(464.13)
Shares		
Number of shares at the beginning of the year	74,489,552	50,149,732
Add: Conversion of put options to equity shares	-	21,474,864
Add: Equity shares issued during the period	-	2,864,956
Total number of equity shares outstanding at the end of the year	74,489,552	74,489,552
Weighted average number of equity shares outstanding during the period	74,489,552	69,154,797
Weighted average number of equity shares arising out of issue of share warrant that have dilutive effect on EPS	594,936	548,813.00
Weighted average number of equity shares outstanding during the period - Diluted	75,084,488	69,703,610
Earnings per share of par value Rs. 10 - Basic (Rs.)	16.00	(6.71)
Earnings per share of par value Rs. 10 - Diluted (Rs.)*	15.87	(6.71)

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

2.29 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.

2.30 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 2020 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.

Particulars	As at 31 March 2020	As at 31 March 2019
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	25.08	1.36
- 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.	-	-

Krishna Institute of Medical Sciences Limited**Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.31 Revenue from contracts with customers:**Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from hospital services	7,339.77	6,036.98
Income from pharmacy	3,697.29	2,970.99
Total revenue from contracts with customers	11,037.06	9,007.97
India	11,037.06	9,007.97
Outside India	-	-
Timing of revenue recognition		
Services transferred over time	7,339.77	6,036.98
Goods transferred at a point of time	3,697.29	2,970.99
Total revenue from contracts with customers	11,037.06	9,007.97
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	11,808.20	9,744.65
Less: Discounts and disallowances	(724.12)	(645.65)
Less: Others	(47.02)	(91.03)
Total revenue from contracts with customers	11,037.06	9,007.97
Contract balances		
Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	1,322.68	1,232.69
Contract assets	44.39	74.46
Contract liabilities	27.02	40.66

Contract liability: During the financial year ended 31 March 2020, the Group has recognised revenue of Rs. 74.46 from advance received from patients outstanding as on 31 March 2019. During the financial year ended 31 March 2019, the company has recognised revenue of Rs. 62.51 from advance received from patients outstanding as on 31 March 2018.

Contract asset: During the financial year ended 31 March 2020, the company has transferred Rs. 40.66 of contract assets as at 31 March 2019 to trade receivables on completion of performance obligation. During the financial year ended 31 March 2019, the company has transferred Rs. 45.65 of contract assets as at 31 March 2018 to trade receivables on completion of performance obligation.

Krishna Institute of Medical Sciences Limited**Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

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 'total equity' ratio.

For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents. Total equity comprises all components of equity excluding capital contribution.

The Company's adjusted net debt to equity ratio as of 31 March 2020 and 31 March 2019 was as follows:

Particulars	As at	As at
	31 March 2020	31 March 2019
Total borrowings	3,207.79	2,908.06
Less: Cash and cash equivalents	(405.14)	(80.63)
Adjusted net debt	2,802.65	2,827.43
Total equity	6,114.30	5,693.95
Adjusted net debt to equity ratio	0.46	0.50

2.33 Financial instruments : Fair value and risk management**A. Accounting classification and fair values**

As at 31 March 2020					Fair value level
	Financial assets – amortised cost	Financial liabilities –	Financial liabilities –	Total carrying amount	
Financial assets not measured at fair value (Refer note below)					
Trade receivables	1,322.68	-	-	1,322.68	-
Cash and cash equivalents	405.14	-	-	405.14	-
Bank balances other than above	52.13	-	-	52.13	-
Loans	64.71	-	-	64.71	-
Other financial assets	55.39	-	-	55.39	-
Total	1,900.05	-	-	1,900.05	-
Financial liabilities not measured at fair value (Refer note below)					
Long-term borrowings (excluding current maturities)	-	-	2,687.17	2,687.17	-
Lease liabilities	-	-	479.53	479.53	-
Short-term borrowings	-	-	101.11	101.11	-
Trade payables	-	-	1,234.34	1,234.34	-
Other financial liabilities	-	-	635.23	635.23	-
Total	-	-	5,137.38	5,137.38	-

As at 31 March 2019					Fair value level
	Financial assets – amortised cost	Financial liabilities -	Financial liabilities -	Total carrying amount	
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	-

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. 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.

2.33 Financial instruments : Fair value and risk management (continued)

(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 Rs. 1,695.78 as on 31 March 2020 (31 March 2019 : Rs. 1,559.17). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit losses	As at 31 March 2020	As at 31 March 2019
Opening balance	326.48	145.52
Credit loss added / (reversed)	46.07	180.96
Closing Balance	372.55	326.48

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 2020:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	2,687.17	419.51	2,372.92	330.51	3,122.94
Lease liabilities	479.53	24.00	455.53	-	479.53
Short-term borrowings	101.11	101.11	-	-	101.11
Trade payables	1,234.34	1,234.34	-	-	1,234.34
Other financial liabilities	635.23	628.13	4.27	2.83	635.23
Total	5,137.38	2,407.09	2,832.72	333.34	5,573.15

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

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (including current maturities)	2,732.53	294.72	1,661.20	781.51	2,737.43
Short-term borrowings	175.53	175.53	-	-	175.53
Trade payables	1,040.59	1,040.59	-	-	1,040.59
Other financial liabilities	204.34	198.53	4.65	1.16	204.34
Total	4,152.99	1,709.37	1,665.85	782.67	4,157.89

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.

C. 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 2020	As at 31 March 2019
Variable rate long term borrowings (including current maturities) and short term borrowings	3,175.89	2,722.59
Total borrowings	3,175.89	2,722.59

(i) Sensitivity

Particulars	Impact on profit or loss		Impact on equity, net of tax	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sensitivity				
1% increase in MCLR	(31.76)	(27.23)	(20.66)	(17.71)
1% decrease in MCLR	31.76	27.23	20.66	17.71

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.

Krishna Institute of Medical Sciences Limited**Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.34 Business combination**I. Acquisition by the Company.****(i) Acquisition of shares of KIMS Hospitals Enterprise Private Limited**

The Company has increased its stake in KIMS Hospitals Enterprise Private Limited from 50.27 % to 75.26% through secondary purchase of 6,134,434 equity shares from existing shareholders in three tranches for a total amount of Rs. 710.34. In the first two tranche 4,357,021 shares were purchased at Rs.110 (premium of Rs. 100) per share and in the third tranche 1,777,413 shares were purchased at Rs.130 (premium of Rs.120) per share. This has resulted in reduction of non controlling interest and other equity amounting to Rs. 87.6 and Rs. 621.15 respectively.

(ii) Acquisition of shares of KIMS Hospitals Kurnool Private Limited

On 01 April 2019, the Group acquired 55% of the voting shares of KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals private Limited)("KHKPL") giving it the control of KHKPL.

Since the date of acquisition, KHKPL has generated revenue of Rs. 408.18 and total comprehensive loss of Rs. 93.07.

A. Consideration transferred

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

Particulars	Amount
Cash	81.68

B. Assets acquired and liabilities recognised at the date of acquisition (to the extent of Group share)

Particulars	Amount
Property, plant and equipment	190.08
Intangible assets	6.68
Current and non current assets	13.81
Deferred tax liability	(1.83)
Current and non current liabilities	(36.30)
Total assets	172.43
Debt	186.62
Total liabilities	186.62
Total net identifiable assets acquired	(14.18)

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)	15.60%
Implied Internal Rate of Return (IRR)	20.43%
Weighted-Average Cost of Capital (WACC)	15.60%

C. Goodwill arising on acquisition

Consideration transferred	81.68
Fair value of net identifiable assets	14.18
Goodwill	95.86

Goodwill arose in the acquisition of KHKPL 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 KHKPL.

(iii) 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 ("SIMSPL") to acquire 80% equity shares at a total consideration of Rs. 0.08 million at face value per share giving it control over SIMSPL.

The Company has acquired the shares of SIMSPL at face value per share of Rs. 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 SIMSPL.

Krishna Institute of Medical Sciences Limited**Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.34 Business combination (continued)**(vi) 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.

A. Consideration transferred

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

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 pre-existing equity interest	-
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.

Krishna Institute of Medical Sciences Limited**Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020**

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.34 Business combination (continued)**II. Acquisition by the Subsidiaries****(i) Acquisition by Iconkrishi Institute of Medical Sciences Private Limited ('ICIMSPL')**

On 08 May 2018, ICIMSPL acquired assets and liabilities under slump sale from Iconkrishi Hospitals Private Limited ("ICHPL").

A. Consideration transferred

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

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.

(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 Rs. 197.27 on a going concern basis with effect from 01 October 2018. Accordingly, an amount of Rs. 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:

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%

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.35 Non-controlling interest

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

As at 31 March 2020	Arunodaya Hospitals Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	KIMS Hospital Enterprises Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited
NCI Percentage	42.17%	49.00%	24.74%	20.00%	45.00%
Non-current assets	193.42	247.80	1,151.43	886.98	488.60
Current assets	114.01	87.43	156.79	124.75	38.43
Non-current liabilities	(13.52)	(202.13)	(659.32)	(558.85)	(426.24)
Current liabilities	(65.16)	(181.86)	(172.17)	(188.21)	(228.39)
Net Assets	228.76	(48.76)	476.73	264.66	(127.60)
	96.47	(23.89)	117.93	52.93	(57.42)
Business combination and other adjustment on consolidation	-	12.56	(2.96)	(65.72)	3.15
Net Assets attributable to NCI	96.47	(11.33)	114.97	(12.79)	(54.27)
Revenue	393.47	559.43	1,422.43	585.10	409.83
Profit	39.42	(81.58)	114.56	(31.04)	(93.26)
Other comprehensive income ('OCI')	(1.29)	0.10	(0.35)	0.38	0.19
Total comprehensive income	38.13	(81.48)	114.21	(30.66)	(93.07)
Profit allocated to NCI	16.62	(39.97)	28.34	(6.21)	(41.97)
OCI allocated to NCI	(0.54)	0.05	(0.09)	0.08	0.08
Business combination and other adjustment on consolidation	(0.10)	2.97	-	-	(0.79)
Total comprehensive income allocated to NCI	15.98	(36.95)	28.25	(6.13)	(42.68)
Cash flows attributable to NCI					
Cash flow from operating activities	27.58	0.50	70.84	11.70	9.09
Cash flow from investing activities	(4.42)	(9.23)	(12.76)	(7.66)	(69.97)
Cash flow from financing activities	(5.84)	8.02	(56.66)	(4.79)	59.06
Net increase / (decrease) in cash and cash equivalents	17.31	(0.71)	1.42	(0.74)	(1.83)

As at 31 March 2019	Arunodaya Hospitals Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	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
	80.39	15.91	181.87	54.93
Business combination and other adjustment on consolidation		13.96	(7.70)	(65.57)
Net Assets attributable to NCI	80.39	29.87	174.17	(10.64)
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	-
Business combination and other adjustment on consolidation	0.55	-	-	-
Total comprehensive income allocated to NCI	15.18	(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

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.36 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:
31 March 2020

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	102.08%	6,241.30	105.24%	1,211.06	90.31%	(9.04)	105.37%	1,202.02
Subsidiary								
Arunodaya Hospitals Private Limited	3.74%	228.79	1.98%	22.80	7.39%	(0.74)	1.93%	22.06
KIMS Hospitals Private Limited	2.01%	122.64	-1.02%	(11.72)	0.00%	-	-1.03%	(11.72)
KIMS Swastha Private Limited	-0.03%	(1.92)	-0.05%	(0.52)	0.00%	-	-0.05%	(0.52)
KIMS Cuddles Private Limited	0.00%	0.26	-0.01%	(0.07)	0.00%	-	-0.01%	(0.07)
KIMS Sahariah Healthcare Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
KIMS Hospital (Bhubaneswar) Private Limited	0.00%	0.08	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
KIMS Hospital Enterprises Private Limited	7.80%	476.70	7.49%	86.22	2.60%	(0.26)	7.54%	85.96
Iconkrishi Institue Of Medical Sciences Private Limited	-0.80%	(48.77)	-3.62%	(41.60)	-0.50%	0.05	-3.64%	(41.55)
Saveera Institue Of Medical Sciences Private Limited	4.33%	264.67	-2.16%	(24.83)	-3.00%	0.30	-2.15%	(24.53)
KIMS Hospitals Kumool Private Limited	-1.88%	(115.07)	-4.46%	(51.29)	-1.00%	0.10	-4.49%	(51.19)
Non-controlling interests in all subsidiaries	2.18%	133.05	-3.57%	(41.11)	4.20%	(0.42)	-3.64%	(41.53)
Eliminations	-19.42%	(1,187.43)	0.16%	1.79	0.00%	-	0.16%	1.79
Total	100.00%	6,114.30	100.00%	1,150.72	100.00%	(10.01)	100.00%	1,140.71

31 March 2019

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%	5,039.28	94.24%	(436.55)	105.82%	(12.91)	94.51%	(449.46)
Subsidiary								
Arunodaya Hospitals Private Limited	3.35%	190.66	-4.26%	19.73	-2.79%	0.34	-4.22%	20.07
KIMS Hospitals Private Limited	-0.48%	(27.39)	2.28%	(10.57)	0.00%	-	2.22%	(10.57)
KIMS Swastha Private Limited	-0.02%	(1.40)	0.11%	(0.52)	0.00%	-	0.11%	(0.52)
KIMS Cuddles Private Limited	0.01%	0.33	0.00%	0.01	0.00%	-	0.00%	0.01
KIMS Sahariah Healthcare Private Limited	0.00%	-	0.02%	(0.08)	0.00%	-	0.02%	(0.08)
KIMS Hospital (Bhubaneswar) Private Limited	0.00%	0.09	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
KIMS Hospital Enterprises Private Limited	6.43%	366.30	-5.99%	27.73	-0.49%	0.06	-5.85%	27.79
Saveera Institue Of Medical Sciences Private Limited	4.82%	274.68	5.76%	(26.70)	0.00%	-	5.62%	(26.70)
Iconkrishi Institue Of Medical Sciences Private Limited	0.57%	32.48	7.82%	(36.21)	0.00%	-	7.62%	(36.21)
Non-controlling interests in all subsidiaries	4.81%	273.79	-0.19%	0.90	-2.54%	0.31	-0.26%	1.21
Eliminations	-7.99%	(454.87)	0.21%	(0.96)	0.00%	-	0.23%	(0.96)
Total	100.00%	5,693.95	100.00%	(463.23)	100.00%	(12.20)	100.00%	(475.43)

Krishna Institute of Medical Sciences Limited
Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

2.37 Income tax
a. Amount recognised in the statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	432.98	386.09
Deferred tax attributable to temporary differences	(154.79)	(41.54)
Taxes for earlier years	(23.65)	2.15
Tax expenses for the year	254.54	346.70

b. Amount recognised in other comprehensive income

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	(13.43)	3.42	(10.01)	(18.84)	6.64	(12.20)

c. Reconciliation of effective tax rate

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	1,405.26	(116.53)
Enacted tax rates	25.168%	34.944%
Tax expense at enacted rates	416.61	(40.72)
Adjustment in respect of income-tax for earlier years	(23.65)	2.15
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Non-deductible expenses	8.57	349.64
Impact of change in rate of tax	(124.27)	(2.94)
(Reversal)/ recognition of tax losses	(22.28)	26.71
Others	(0.44)	11.86
Total	254.54	346.70

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

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset		
Expected credit loss for trade receivables	88.53	114.93
Provision for employee benefits	61.47	67.67
Tax losses carried forward	-	52.48
Excess of depreciation on the fixed assets under Companies Act over depreciation under income-tax act, 1961	4.17	5.46
Others	36.80	39.73
Total deferred tax asset	190.97	280.27
Deferred tax liability		
Expenses of depreciation on the fixed assets under income-tax, 1961 over depreciation under Companies Act.	531.47	767.92
Others	2.07	2.47
Total deferred tax liability	533.54	770.39
Deferred tax asset	(342.57)	(490.12)
Net deferred tax liabilities	(356.73)	(528.09)
Net deferred tax asset	14.16	37.97

(ii) Movement in temporary differences

Particulars	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	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Balance as at 31 March 2020
Provision for impairment on receivables	50.97	63.96	-	114.93	(26.41)	-	88.53
Provision for employee benefits	47.38	13.65	6.64	67.67	(9.62)	3.42	61.47
Others items - assets	15.47	24.26	-	39.73	(2.92)	-	36.80
Tax losses carried forward	66.93	(14.45)	-	52.48	(52.48)	-	-
Excess of depreciation on the fixed assets under Companies Act over depreciation under income-tax act, 1961	4.90	0.56	-	5.46	(1.29)	-	4.17
Expenses of depreciation on the fixed assets under income-tax, 1961 over depreciation under Companies Act.	(611.16)	(156.76)	-	(767.92)	236.45	-	(531.47)
Others items - liability	(6.44)	3.97	-	(2.47)	0.39	-	(2.07)
	(431.95)	(64.81)	6.64	(490.12)	144.13	3.42	(342.57)

Krishna Institute of Medical Sciences Limited

Notes to the Consolidated Ind AS financial statements for the year ended 31 March 2020

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

- 2.38** 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 Rs. 5,604.94 (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 Rs. 880 in the form of 2,864,956 equity shares of face value of Rs. 10 each, fully paid up at the premium of Rs. 297.16 per share in the Company.

Due to the said financial liability, the Company has recognised loss on fair value changes in financial instruments amounting to Rs. Nil (31 March 2019 Rs. 871.27) and interest expense on finance component of financial instruments amounting to Rs. Nil (31 March 2019: Rs. 120.01).

- 2.39** 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 2020 and 31 March 2019.

2.40 Global Health Pandemic

The outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world and uncertainty to the global economy. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its employees, vendors and business partners. The Company based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact. Based on the current estimates, the Company expects to fully recover the carrying amount of assets, and does not foresee any material adverse impact on its operations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic condition.

- 2.41** There were no significant adjusting events that occurred subsequent to the reporting period.

- 2.42** Previous year figures have been audited by a firm of Chartered accountants other than S.R. Batliboi & Associates LLP.

As per our report attached of even date

for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

for and on behalf of the Board of Directors of

Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Sd/-
per Navneet Rai Kabra
Partner
Membership no.: 102328

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

Sd/-
Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Sd/-
Vikas Maheshwari
Chief Financial Officer

Sd/-
Uma Shanker Mantha
Company Secretary
Membership no:A21035

Place: Hyderabad
Date: 21 July 2020

Place: Hyderabad
Date: 21 July 2020

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:	

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the company, to be held on Monday, the 24th day of August, 2020 at 3.00 PM, at **“KIMS Hospitals”** # 1-8-31/1, Minister’s Road, Secunderabad - 500003 and at any adjournment thereof in respect of such resolutions as are indicated below:

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 31 st March 2020 and the reports of the Board of Directors (“the Board”) and Auditors thereon.		
2.	Appointment of Ms. D. Anitha as a director liable to retire by rotation:		
3.	Payment of remuneration to Cost Auditor M/s. Sagar & Associates, for the financial year 2020-21.		



Signed this ____ day of ____ 2020

Affix
Revenue
Stamps

Signature of Shareholder

Signature of Proxy holder

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at “**KIMS Hospitals**” # 1-8-31/1, Minister’s Road, Secunderabad - 500003, not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the company.
3. 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.
4. 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.
5. In case of joint holders, the signature of any one holder will be sufficient but names of all the joint holders should be stated.



KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED

CIN: U55101TG1973PLC040558

Regd. office: # 1-8-31/1, Minister's Road, Secunderabad, Telangana – 500003

ATTENDANCE SLIP

I/We hereby record my/our presence at the 18th Annual General Meeting of the company, held on Monday, the 24th day of August, 2020 at 3.00 PM, 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, KFin Technologies Private Limited Selenium, Tower- B, Plot No 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana 500032.

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 & Lung
- 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)

- 300 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