

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Balance Sheet as at March 31, 2021

		(Rs. in Lakhs)
	As at	As at
	March 31, 2021	March 31, 2020
ASSETS	Note No.	
Non-current assets		
(a) Property, plant and equipment	3	953
(b) Other intangible assets	4	2
(c) Financial assets		
(i) Loans	5	16,386
(ii) Other financial assets	5	-
(d) Income tax assets	6	88
(e) Other non current assets	7	6,639
Total non-current assets		24,068
Current assets		
(a) Financial assets		
(i) Trade receivables	8	517
(ii) Cash and cash equivalents	8	1
(iii) Bank balances other than (ii) above	8	1
(iv) Loans	8	421
(v) Other financial assets	8	-
(b) Income tax assets	9	661
(c) Other current assets	10	167
Total current assets		1,768
TOTAL ASSETS		25,836
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	11	2,943
(b) Other equity	11	(5,276)
TOTAL EQUITY		(2,333)
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	12	26,722
(b) Provisions	13	52
Total non-current liabilities		26,774
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	14	84
(ii) Trade payables	14	
-Total outstanding dues of micro enterprises and small enterprises		-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		814
(iii) Other financial liabilities	14	429
(b) Other current liabilities	15	29
(c) Provisions	13	39
Total current liabilities		1,395
TOTAL LIABILITIES		28,169
TOTAL EQUITY AND LIABILITIES		25,836

The accompanying notes are integral part of the financial statements

1-24

In terms of our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

For and on behalf of the Board of Directors of
SAKET CITY HOSPITALS LIMITED

RASHIM TANDON
(Partner)
Membership No: 95540

ANAS WAJID ABDUL
(Director)
DIN:08050406

YOGESH KUMAR SAREEN
(Director)
DIN:00884252

SOUBIR GHOSH
(Head of Finance)

POONAM MAKKAR
(Company Secretary)
Membership No.FCS-7919

Place : New Delhi
Date : May 28, 2021

Place : New Delhi
Date : May 28, 2021

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Statement of profit and loss for the year ended March 31, 2021

			(Rs. in Lakhs)
	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	16	1,972	2,562
II Other income	17	1,867	2,052
III Total income (I+II)		3,839	4,614
IV Expenses			
(a) Employee benefits expense	18	557	516
(b) Professional and consultancy fee		627	789
(c) Finance costs	19	3,035	3,324
(d) Depreciation and amortization expense	20	130	155
(e) Other expenses	21	46	38
Total expenses (IV)		4,395	4,822
V Loss before tax (III-IV)		(556)	(208)
VI Tax expenses	24.8	-	-
VII Net loss after tax (V-VI)		(556)	(208)
VIII Other comprehensive loss			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
(a) Re-measurement losses on defined benefit plans	24.1	(6)	(8)
(b) Income tax effect		-	-
Other comprehensive loss for the year		(6)	(8)
IX Total comprehensive loss for the year (VII+VIII)		(562)	(216)
X Earnings per equity share (nominal value of share Rs.10/- each)	24.6		
Basic & Diluted (Rs.)		(1.89)	(0.71)

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Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Statement of changes in equity for the year ended March 31, 2021

a) Equity share capital

Particulars	Numbers	(Rs. in Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2019	2,91,46,700	2,915
Add: Conversion of compulsory convertible preference shares (refer note 11(i)(b))	2,85,714	28
As at March 31, 2020	2,94,32,414	2,943
As at March 31, 2021	2,94,32,414	2,943

b) Compulsory convertible preference shares

Particulars	Numbers	(Rs. in Lakhs)
Preference shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2019	5,00,000	50
Less : Conversion of compulsory convertible preference shares	(5,00,000)	(50)
As at March 31, 2020	-	-
As at March 31, 2021	-	-

c) Other equity

Particulars	Reserve and surplus		Total other equity
	Securities premium (note 11 (ii))	Retained earnings (note 11 (ii))	
As at April 1, 2019	950	(5,554)	(4,604)
Loss for the year	-	(208)	(208)
Other comprehensive loss for the year	-	(8)	(8)
Premium on issue of equity shares on conversion of compulsory convertible preference shares	22	-	22
As at March 31, 2020	972	(5,770)	(4,798)
Loss for the year	-	(556)	(556)
Other comprehensive loss for the year	-	(6)	(6)
Parent contribution for employee stock option scheme (refer note 24.14)	84	-	84
As at March 31, 2021	1,056	(6,332)	(5,276)

The accompanying notes are integral part of the financial statements 1-24

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Place : New Delhi
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Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Statement of cash flows for the year ended March 31, 2021

The cash flow statement has been prepared under the ' Indirect Method' set out in Indian Accounting Standard-7, " Statement of cash flows"

	(Rs. in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities		
Loss before tax	(556)	(208)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	129	154
Amortization of intangible assets	1	1
Parent contribution for employee stock option scheme	84	-
Unclaimed balances and excess provisions written back	(1)	(42)
Finance income	(1,824)	(2,010)
Interest on borrowings	3,035	3,324
Operating cash flow before working capital changes	868	1,219
Working capital changes:		
Increase in provisions	17	23
Decrease in other current / non current assets	380	5,001
Increase in other current financial liabilities	11	2
Increase in other current liabilities	16	4
Decrease in trade receivables	445	224
Increase in trade payables	102	460
Cash generated from operations	1,839	6,933
Taxes (paid)/ refund - (net)	304	(372)
Net cash generated from operating activities (A)	2,143	6,561
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets, capital work in progress and capital advance	(63)	(37)
Loan given to other healthcare service providers	(265)	(2,100)
Interest income	1,824	2,240
Net cash flows from investing activities (B)	1,496	103
Cash flow from financing activities		
Interest on borrowings paid	(3,035)	(3,324)
Proceeds from non-current borrowings	4,551	10,800
Repayment of non-current borrowings	(5,006)	(13,501)
Repayment of current borrowings (net)	(151)	(637)
Net cash flows used in financing activities (C)	(3,641)	(6,662)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(2)	2
Cash and cash equivalents at the beginning of the year	3	1
Cash and cash equivalents at year end	1	3

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Statement of cash flows for the year ended March 31, 2021

Components of Cash and cash equivalents:-	(Rs. in Lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
Balances with banks		
On current accounts	1	3
Total Cash and cash equivalents (refer note 8(ii))	1	3

The accompanying notes are integral part of the financial statement 1-24

In terms of our report of even date attached

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Place : New Delhi
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Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

1 Corporate information and background

Saket City Hospitals Limited ("the Company" or "SCHL") was incorporated on January 08, 1991 as Private Limited Company under the Companies Act, 1956 by the name of G.M. Modi Hospitals Corporation Private Limited and subsequently changed its name to Saket City Hospitals Private Limited. During the current year, the Company has changed its name from 'Saket City Hospitals Private Limited' to 'Saket City Hospitals Limited' as per revised certificate of incorporate issued by Registrar of Companies with effect from January 15, 2021. The Company is subsidiary of Max Healthcare Institute Limited since November 27, 2015. As at March 31, 2021 Max Healthcare Institute Limited holds 100% equity shares of SCHL (also, refer note 11). The present registered office of the company is located at 401, 4th Floor, Man Excellenza S.V. Road, Vile Parle (West) Mumbai-400056, India.

The financial statements were authorised by the Board of Directors for issue in accordance with resolutions passed on May 28, 2021.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standard) Rule, 2015, as amended from time to time and other relevant provision of the Act.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value :

- (i) Certain financial assets and financial liabilities
- (ii) Defined benefit plans - plan assets

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

b. Property, plant and equipment (PPE)

Property, plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties (including import duties paid through EPCG license), freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of Goods and Service Tax (GST) credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant component initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advance.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets prescribed in schedule II of companies act 2013, except for certain classes of property, plant and equipment which are depreciated based on the technical assessment made by the external expert engaged by management. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful life of the assets are is as follows:

Assets	Useful lives (years)
Medical Equipment	7 - 13 Years*
Electrical Installations and Equipments	7 - 10 Years
Plant and Equipment	15 Years
Office Equipment	5 Years
Computers & data processing units	3 - 6 Years
Furniture and Fixtures	5 - 10 Years
Motor Vehicles other than ambulances	8 Years
Ambulances	6 Years

*The Company has determined the remaining useful life of the PPE as on June 01, 2020, based on the assessment made by external expert engaged by the Company.

The useful life of following PPE estimated by external expert are as below:

Assets	Useful lives (in years)
Medical equipment	7-20 Years

Any tangible asset purchased during the year costing up to Rs. 5,000/- are depreciated within one year.

On the basis of technical assessment made by the management supported by external expert's report on these estimates, the Company has, with effect from June 01, 2020, revised the estimated useful life of some property, plant and equipment. The management of the Company believes that useful lives given above are realistic and reflect fair approximation of the period over which the assets are likely to be used. Also refer note 3.03.

c. Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. The amount initially recognised for internally-generated intangible assets is the sum of the amount incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is 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 is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates.

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.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 5 years.

d. Impairment of non financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

e. 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.

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iii) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. Only the passage of time is required before payment of the consideration is due).

Unbilled revenue

Unbilled revenue represents value of services rendered to patients undergoing treatment and pending for billing and is reported under other current financial assets.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Cash flow characteristics test : The asset's contractual cash flows represent sole payment of principal and interest (SPPI).

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments and derivatives at FVTPL

FVTPL is a residual category for debt instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Income from these Debt instruments is included in other income.

Equity instruments measured at FVTPL and fair value through other comprehensive income (FVTOCI)

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all 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 Profit and loss.

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

Impairment of financial assets

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

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at the time of initial revenue recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on the historically observed default rates over the expected life of various categories of trade receivables and these are updated and changed based on forward looking estimates at every reporting date.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines 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 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 Company reverts to recognizing impairment loss allowance based on 12-months ECL.

(ii) 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, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values .

Derecognition

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

Reclassification of financial assets/liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

f. Revenue

I) Revenue from contract with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services net of returns and allowances, trade discounts and volume rebates. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retained neither ownership nor effective control over the goods sold or services rendered.

Contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those services and is net of tax collected from customers and remitted to government authorities and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

(a) Revenue from healthcare services

Revenue from rendering of healthcare services (including drugs, consumables and implants used in delivery of such services) is recognized over the time based on the performance of related services to the customers as per the terms of contract.

(b) Rendering of construction services

Revenue from rendering construction services is recognised over the time based on the performance of related services to the customers as per the terms of contract.

II) Rental income

Rental income arising from operating leases and licences is accounted as per their respective terms of contract and is included in operating revenue in the statement of profit or loss due to its operating nature.

III) Other income

Interest income included in Finance Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

g. Taxes

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 in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is included either in other comprehensive income or in equity. Current tax items are recognized 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, if any.

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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 assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, 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.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h. Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and charged to statement of profit and loss on the basis of effective interest rate (EIR) method. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other finance costs are expensed in the period in which they occur.

i. Leases

As per Ind AS 116 applicable from April 01, 2019

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

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 for payment to lessor 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 lease term.

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.

Assets

Leasehold improvements

Useful lives estimated by the management (years)

Over the leasehold period

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (Impairment of non-financial assets).

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 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 weighted average cost of debt as incremental borrowing rate as on initial recognition date if 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 and corresponding adjustment to right to use assets.

Short term leases and lease of low value assets

The Company applies the short term lease recognition exemptions to its short term leases of property like nursing hostels i.e. those leases that have a lease term of twelve months or less from commencement date and do not contain a purchase option. Lease payment on short term leases are recognized as expenses on a straight line basis over the term of the lease.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised as per the term of lease agreement.

j. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of 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. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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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 financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

k. Employee benefits

Provident fund

Retirement/ post-employment benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the regional PF Commissioner. The Company recognise contribution payable to provident fund scheme as an expenditure, when an employee renders related service.

Gratuity

The Company operates a defined benefit plans for its employees for gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss. Presently the gratuity is unfunded.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss.

(i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.

(ii) Net interest expenses or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Leave encashment

Accumulated leave, which is expected to be utilized within the next 12 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 period end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

l. Share-based payments

Employees of the Company receive remuneration under the scheme of the holding company, Max Healthcare Institute Limited, in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

That cost is recognized, together with a corresponding increase in Parent Contribution on account of ESOP scheme in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

m. Cash and cash equivalents and other bank balances

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, which are subject to an insignificant risk of changes in value. Restricted bank balances and deposits having maturity more than 3 months are classified and disclosed as other bank balances.

n. Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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 from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

o. Foreign currencies

Transaction and balances

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee ('Rs.') which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

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Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured at historical cost in foreign currency and are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of :-

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

p. 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:

- (i) In the principal market for the asset or liability, or
 - (ii) 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 are 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 financial statements are categorized 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:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q. Segment reporting

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Company's chief operating decision maker ("CODM").

The Company has identified only one reportable business segment as it deals mainly in provision of healthcare services.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the 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 the asset or liability affected in future periods.

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 Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements.

(a) Impairment

(i) Impairment testing of non-Financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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(ii) Impairment testing of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on Company's past history, existing market conditions as well as forward looking estimates at the end or each reporting period.

(iii) Impairment testing of trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. In determining of impairment losses, the Company makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows and a risk of default and expected loss rates exists. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or conditions which is based on historic loss rates, present developments such as liquidity issues and information about future economic conditions, with respect to reduction in the recoverability of cash flows.

(b) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

(c) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions and measurement of deferred tax, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(d) Gratuity and leave encashment

The cost of defined benefit plans (i.e. Gratuity and Leave Encashment) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates.

(e) Assessment of claims and litigations disclosed as contingent liabilities

Assessment of claims and litigations disclosed as contingent liabilities. There are certain claims and litigations which have been assessed as contingent liabilities by the Management which may have an effect on the operations of the Company should the same be decided against the Company. The Management has assessed that no further provision/adjustment is required to be made in these financial statements for the above matters, other than what has been already recorded, as they expect a favourable decision based on their assessment and the advice given by the external legal counsels/professional advisors.

2.4 (a) New Accounting standards issued but not yet effective

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

(b) New Amendments not yet adopted by the Company

On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013.

Key amendments relating to Division II which relates to the Company whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for any change in the ratio by more than 25% as compared to the preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.

These amendments are applicable from April 01, 2021. The Company is currently evaluating the impact of these amendment on the company's financial statements.

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3. Property, plant and equipment (PPE)

(Rs. in Lakhs)

Particulars	Freehold land	Medical equipment	Office equipment	Motor vehicles	Computers and data processing units	Total
Gross carrying amount (at deemed cost)						
As at April 1, 2019	6	1,598	3	18	2	1,627
Additions	-	36	-	-	-	36
Disposals	-	-	-	5	-	5
As at March 31, 2020	6	1,634	3	13	2	1,658
Additions	-	-	-	63	-	63
Disposals	-	-	-	-	-	-
As at March 31, 2021	6	1,634	3	76	2	1,721
Accumulated depreciation						
As at April 1, 2019	-	478	3	4	2	487
Additions	-	152	-	2	-	154
Disposals	-	-	-	2	-	2
As at March 31, 2020	-	630	3	4	2	639
Additions	-	127	-	2	-	129
Disposals	-	-	-	-	-	-
As at March 31, 2021	-	757	3	6	2	768
Net carrying amount						
As at March 31, 2021	6	877	-	70	-	953
As at March 31, 2020	6	1,004	-	9	-	1,019

3.01 Land measuring 145.62 square meter situated at Sangli, Maharashtra carried at cost is freehold and mortgaged to bank as disclosed in note 12 and note 14 (i).

3.02 Property, plant and equipment given as security
A charge has been created on Company's PPE against borrowings as disclosed in note 12 and note 14(i).

3.03 On the basis of technical assessment made by the management supported by external expert's report on these estimates, the Company has, with effect from June 01, 2020, revised the estimated useful life of some property, plant and equipment.

Property, plant and equipment (PPE)	Original useful life	Revised useful life
Medical Equipment	(7 - 13 Years)	(7 - 20 Years)

This had resulted in depreciation expense for the financial year 2020-21 being lower by Rs. 26 Lakhs.

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4. Other intangible assets

	(Rs. in Lakhs)
Particulars	Computer Software
Gross carrying amount (at cost)	
As at April 1, 2019	-
Additions	4
Disposals	-
As at March 31, 2020	4
Additions	-
Disposals	-
As at March 31, 2021	4
Accumulated amortization	
As at April 1, 2019	-
Additions	1
Disposals	-
As at March 31, 2020	1
Additions	1
Disposals	-
As at March 31, 2021	2
Net carrying amount	
As at March 31, 2021	2
As at March 31, 2020	3

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	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
5. Non-current financial assets		
(i) Loans (valued at amortized cost) (unsecured considered good)		
Loans to other healthcare service providers [refer note (a) below]	2,100	2,100
Security deposits [refer note (b) below]	14,286	14,286
	16,386	16,386
<p>(a) Rs.2,100 Lakhs (March 31, 2020: Rs. 2,100 Lakhs), unsecured interest bearing loan to 'Gujarmal Modi Hospital & Research Centre For Medical Sciences' for business operations and general purpose, repayable after fifteen years of first disbursement i.e. November 2019.</p> <p>(b) Rs. 14,286 lakhs (March 31, 2020: Rs. 14,286 lakhs), unsecured interest bearing security deposit to Gujarmal Modi Hospital & Research Centre For Medical Sciences are as per terms of the medical service agreement, which is repayable at the end of Medical Service agreement (MSA) period.</p>		
(ii) Other financial asset		
Other receivables	-	313
	-	313
<p>Other receivables represent the amount receivable against slump sale of leasing division in financial year 2016-17.</p>		
6. Income tax assets		
Tax deducted at source (net of provision for tax)	88	863
	88	863
7. Other non current assets (unsecured, considered good)		
Prepaid expenses	6,639	6,719
	6,639	6,719

The Company has also provided interest free security deposits to healthcare service provider (that are refundable on completion of the contract term). Under Ind AS, the Company has fair valued these security deposits, difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses of Rs 80 lakhs (March 31, 2020: Rs 80 lakhs) for the year ended March 31, 2021 has been netted off against revenue from operations (refer note 16) .

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	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
8. Current financial assets		
(i) Trade receivables (Unsecured, considered good)		
Trade receivables	466	781
Trade receivables from related parties (refer note 24.10)	51	1
	<u>517</u>	<u>782</u>
Trade receivables are not interest bearing.		
(ii) Cash and cash equivalents		
Balances with banks:		
On current accounts	1	3
	<u>1</u>	<u>3</u>
(iii) Bank balances other than (ii) above		
Margin money deposit	1	-
	<u>1</u>	<u>-</u>
(Margin money deposit includes Rs. 1 lakhs given to bank for conversion of current account to overdraft account)		
(iv) Loans (valued at amortized cost) (unsecured, considered good)		
Loans to other healthcare service providers [refer note 5(i)]	421	156
	<u>421</u>	<u>156</u>
(v) Other financial asset (unsecured, considered good)		
Other receivables [refer note 5(ii)]	-	180
	<u>-</u>	<u>180</u>
9. Income tax assets		
Tax deducted at source	661	191
	<u>661</u>	<u>191</u>
10. Other current assets (unsecured, considered good, unless otherwise stated)		
Balance with statutory authorities	10	-
Prepaid expenses	85	84
Others :-		
Unsecured, considered good	72	71
Unsecured, credit impaired	11	11
Less: Impairment allowances of advances credit impaired	(11)	(11)
	<u>167</u>	<u>155</u>

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11. Equity share capital and other equity

(i) Equity share capital

	(Rs. in Lakhs)
	As at
	March 31, 2021
	As at
	March 31, 2020
a) Authorized	
5,00,00,000 (March 31, 2020 : 5,00,00,000) Equity Shares of Rs. 10/- each	5,000
2,00,00,000 (March 31, 2020: 2,00,00,000) Preference Shares of Rs. 10/- each	2,000
	7,000
Issued, subscribed and fully paid-up	
2,94,32,414 (March 31, 2020 : 2,94,32,414) equity shares of Rs.10/- each	2,943
	2,943

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	March 31, 2021	March 31, 2020
Equity shares	No. of shares (Rs. in Lakhs)	No. of shares (Rs. in Lakhs)
At the beginning of the year	2,94,32,414	2,91,46,700
Issued during the year	-	-
Conversion of compulsory convertible preference shares [refer note (f) below]	-	2,85,714
Outstanding at the end of the year	2,94,32,414	2,94,32,414

c) Reconciliation of compulsory convertible preference shares outstanding at the beginning and at the end of the reporting year

	March 31, 2021	March 31, 2020
Compulsory convertible preference shares	No. of shares (Rs. in Lakhs)	No. of shares (Rs. in Lakhs)
At the beginning of the year	-	5,00,000
Conversion of compulsory convertible preference shares [refer note (f) below]	-	(5,00,000)
Outstanding at the end of the year	-	-

d) Details of shareholders holding more than 5% equity shares in the Company

	March 31, 2021	March 31, 2020
Name of the Shareholder	No. of shares % held	No. of shares % held
Equity shares of Rs. 10 each fully paid		
Max Healthcare Institute Limited, the holding company*	2,94,32,414 100%	1,68,32,414 57.19%
Kayak Investments Holding Pte. Ltd.	- -	1,26,00,000 42.81%

*Out of the above equity shares held by MHIL, one share each is held by six nominees of MHIL

e) Terms/ rights attached to equity shares :-

(i) Smart Health City Pte Limited ("Seller"), Max Healthcare Institute Limited ("MHIL") and the Company are parties to a Shareholders' Agreement dated November 27, 2015 ("SHA"). In accordance with Clause 5 of the SHA, the Seller has exercised the put option right as per SHA vide put option notice dated March 28, 2019 ("Put Option Notice") issued to MHIL requiring MHIL to purchase all the Option Shares (i.e. 1,42,81,883 equity shares) at the option price as defined under the SHA.

On March 26, 2020, the Seller, MHIL, Dr. Bhupendra Kumar Modi, Kayak Investments Holding Pte. Ltd. ("Kayak") and the Company entered into a share purchase agreement, to buy the option shares from the seller jointly by Kayak and MHIL. Accordingly, the seller transferred 16,81,883 shares and 1,26,00,000 equity shares to MHIL and Kayak respectively on March 27, 2020 at a purchase consideration of Rs.386.50 per equity share which is based on the fair market valuation of the Company as on February 29, 2020 by an independent valuer duly appointed by the Company.

(ii) Simultaneously, on March 26, 2020, the Company, MHIL and Kayak, have entered into a share purchase agreement for purchasing the Kayak's stake (i.e. 1,26,00,000 shares) subsequently, such that MHIL holds 100% of the paid-up share capital of the Company ultimately. In terms of this SPA, MHIL has to pay the purchase price for an aggregate amount in cash equal to the Rs. equivalent of USD 6,42,46,702, which the parties agree shall not exceed the fair market value of these shares i.e. Rs. 386.50 per equity share.

Accordingly, MHIL paid the sale consideration of INR equivalent to USD 6,42,46,702 and the fair market value of the share of the Company basis the valuation report from an independent valuer for determining the fair market value of the equity shares of the Company as on December 31, 2020 (valuation date) was INR 386.60 per share and the total consideration did not exceed the fair market value as on the valuation date. Kayak transferred 1,26,00,000 shares of the Company to MHIL on March 15, 2021. As on March 31, 2021, MHIL is holding 100% of paid up share capital of the Company.

(iii) Out of above equity shares held by Max Healthcare Institute Limited, 74,32,408 numbers of the equity shares are pledged with Yes Bank Limited and another 74,32,408 numbers of the equity shares are pledged with Axis Bank Limited as a security for term loan granted to the Company.

f) During the previous year, 5,00,000 Compulsory Convertible Preference Shares (CCPS) held by MHIL were converted into equity shares in accordance with the terms of issuance of CCPS at a conversion price of Rs.350 per share. Accordingly, 2,85,714 fully paid-up equity shares of Rs.10/- each, at a premium of Rs.340 per equity share were allotted upon conversion of 5,00,000 CCPS of face value of Rs.10 each. These equity shares allotted rank pari passu in all respects, with the existing equity shares of the Company.

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11 (ii) Other equity

	(Rs. in Lakhs)
	As at
	March 31, 2021
	March 31, 2020
Securities premium (refer note a below)	1,056
Retained earnings (refer note b below)	(5,770)
	<u><u>(5,276)</u></u>
	<u><u>(4,798)</u></u>

Notes:

a) Securities premium (refer Note I below)

At the beginning of the year	972	950
Add: Securities premium on conversion of compulsory convertible preference shares	-	22
Add: Parent contribution for employee stock option scheme (refer note 24.14)	84	-
At the end of the year	<u><u>1,056</u></u>	<u><u>972</u></u>

b) Retained earnings

At the beginning of the year	(5,770)	(5,554)
Loss for the year	(556)	(208)
Items of other comprehensive income:-		
Re-measurement losses on defined benefit plans (net of tax)	(6)	(8)
At the end of the year	<u><u>(6,332)</u></u>	<u><u>(5,770)</u></u>

Nature of reserve

(I) Securities premium reserve is recognize to record the premium on issue of shares. The reserve can be utilized only for limited purpose as per the provision of the Companies Act, 2013.

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	(Rs. in Lakhs)	
	As at	As at
	March 31, 2021	March 31, 2020
12. Borrowings		
Non-current borrowings :-		
Term loans from banks (secured)	13,022	13,765
Inter corporate deposits (unsecured)	13,700	13,700
Current maturity of non-current borrowings :-		
Term loans from bank (secured)*	60	122
Vehicle loans (secured)	-	2
Inter corporate deposits (unsecured)*	351	-
	27,133	27,589
Less: Amount disclosed under "other current financial liabilities" [refer note 14(iii)]	411	124
	26,722	27,465
Aggregate Secured loans (Non-current and current)	13,082	13,889
Aggregate Unsecured loans (Non-current and current)	14,051	13,700

* Includes interest accrued and not due on borrowings measured at amortized cost

Term loans from banks include :-

(i) Rs. 5,390 Lakhs (March 31, 2020: Rs. 6,259 Lakhs) from Axis Bank Limited repayable in 52 structured quarterly installment from January, 2019. The loan is secured by way of:

a) A first pari passu charge on borrower's all movables and immovable (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixture, and all other movable assets, intangible, goodwill, uncalled capital, both present and future.

b) A first pari passu charge by way of assignment/hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in all documents executed by the borrower with SHRC "Gujarmal Modi Hospital & Research Centre for Medical Sciences" including but not limited to the hospital service agreement, both present and future.

c) First pari passu charge on all receivables, current assets, present and future, of the Borrower.

d) Pledge (in compliance with BR Act) of 25.5% share capital (on a fully diluted basis) of the borrower held by Max Healthcare Institute Limited and option to increase it to 51% subject to inclusion of new lenders; and

e) Corporate guarantee by Max Healthcare Institute Limited.

(ii) Rs. 7,692 Lakhs (March 31, 2020: Rs.7,628 Lakhs) from Yes Bank Limited repayable in 48 structured quarterly instalment from March, 2019. The loan is secured by way of:

a) First pari passu charge over all movable fixed assets (both present and future) and immovable (if any acquired in future) of the borrower.

b) First pari passu charge over all current assets (both present and future) of the borrower.

c) First pari passu charge on book debts, operating cash flows, receivables, commissions, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.

d) assignment of all borrowers rights under the service agreement and any other such agreement for providing any other services to Saket City Hospitals Limited, letter of credit, guarantee, or performance bond provided by any party for any contract related to the Hospital project in favor of the borrower on first pari passu basis.

e) Assignment of all the contracts, documents, insurance policies, rights, titles, permits/approvals, clearances and interest of the Borrower pertaining to the hospital project on first pari passu basis.

f) Pledge of 25.5% equity shares of the Borrower held by Max Healthcare Institute Limited.

g) Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Limited to remain valid during entire tenor of facilities.

Vehicle loan :-

Vehicle loans of Rs. Nil (March 31, 2020: 2 Lakhs) are secured by way of hypothecation of respective vehicles.

Inter corporate deposit (unsecured) :-

Rs.9,410 Lakhs (March 31, 2020: Rs. 13,300 Lakhs) from Max Healthcare Institute Limited repayable after fifteen years from the date of first disbursement. The Company has the right to prepay the facility amount at any time during the loan tenure, without any additional cost or charges.

Rs.2,926 Lakhs (March 31, 2020: Rs. 400 Lakhs) from Hometrail Buildtech Private Limited repayable after fifteen years from the date of first disbursement. The Company has the right to prepay the facility amount at any time during the loan tenure, without any additional cost or charges.

Rs.1,715 Lakhs (March 31, 2020: Rs. Nil) from Crosslay Remedies Limited repayable after ten years from the date of first disbursement. The Company has the right to prepay the facility amount at any time during the loan tenure, without any additional cost or charges.

Term loans and inter corporate deposits are chargeable to interest from 8.60% per annum to 11% per annum on the basis of actual rate charged depending upon the purpose, tenure and lending institution.

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	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
13. Provision		
A. Non current		
Provision for employee benefits		
Provision for gratuity (refer note 24.1)	52	35
	52	35
B. Current		
Provision for employee benefits		
Provision for leave encashment	34	28
Provision for gratuity (refer note 24.1)	5	5
	39	33
14. Current financial liabilities		
(i) Borrowings		
Cash credit from banks (refer foot note below)	84	235
	84	235

(I) Cash credit facility of Rs. 40 Lakhs (March 31, 2020: Rs. 122 Lakhs) against sanctioned limit of Rs.750 Lakhs from Axis Bank Limited is secured by way of :

a) First pari passu charge on all borrower's movables and immovables (if any acquired in future), including but not limited to movable plant and machinery, machinery, spares, tools and accessories, furniture, fixtures, and all other movable assets intangible, goodwill, uncalled capital, both present and future.

b) A First pari passu charge by way of assignment/hypothecation/creation of security interest, including but not limited to, of all the rights, title, interest, benefits, claims and demands, whatsoever of the borrower in all documents executed by the borrower with SHRC "Gujarmal Modi Hospital & Research Centre for Medical Sciences" including but not limited to the hospital service agreement both present and future.

c) First pari passu charge on all receivables, current assets, present and future, of the borrower.

d) Pledge (in compliance with BR Act) of 25.50% share capital (on a fully diluted basis) of the borrower held by Max Healthcare Institute Limited and option to increase it to 51% subject to inclusion of new lenders; and

e) Corporate guarantee by Max Healthcare Institute Limited (MHIL).

(II) Cash Credit facility of Rs. 44 Lakhs (March 31, 2020: Rs. 113 Lakhs) against sanctioned limit of Rs.750 Lakhs from Yes Bank Limited is secured by way of :

a) First Pari Passu charge over all movable fixed assets (both present & future) and immoveable (if any acquired in future) of the borrower.

b) First pari passu charge over all current assets (both present & future) of the borrower.

c) First pari passu charge on book debts, operating cash flows, receivables, commissions, revenues, intangibles, goodwill (of whatsoever nature and wherever arising) of the borrower.

d) Assignment of all borrower's rights under the service agreement and any other such agreement for providing any other services to Saket City Hospital, letter of credit, guarantee, or performance bond provided by any party for any contract related to the hospital project in favor of the borrower on first pari passu basis.

e) Assignments of all the contracts, documents, insurance policies, rights, titles, permits/approvals, clearances and interest of the borrower pertaining to the hospital project on first pari passu basis.

f) Pledge of 25.5% equity shares of the borrower held by Max Healthcare Institute Limited.

g) Unconditional and irrevocable corporate guarantee of Max Healthcare Institute Limited (MHIL) to remain valid during entire tenor of facilities.

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	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	126	110
Trade payables to related parties (refer note 24.10)	688	603
	814	713

Trade payables are usually non-interest bearing, unsecured and settled as per contract terms.

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below.

i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :

Principal	-	-
Interest	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each account year.	-	-
iii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each account year.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The Company has made an assessment of interest payable under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and has concluded that it is in compliance with the MSMED Act and rules thereto and accordingly, concluded that there is no interest liability dues as at the year end.

(iii) Other current financial liabilities

Current maturity of long term borrowings (refer note 12)*	411	124
Interest accrued on cash credit from banks	-	2
Security deposits	18	5
	429	131

* Includes interest accrued and not due on borrowings measured at amortized cost

15. Other current liabilities

Statutory dues	29	13
	29	13

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

	(Rs. in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
16. Revenue from operations		
Revenue from contracts with customers (Net)	1,972	2,562
	1,972	2,562
16.01 Disaggregated revenue information		
The table below presents disaggregated revenues from contracts with customers by type of goods or service provided, geography, and the timing of transfer of goods and services.		
Revenues by type of goods or service		
Revenue from healthcare services (Medical service fee from other healthcare service providers)	1,972	2,562
	1,972	2,562
Revenues by geography		
India	1,972	2,562
Outside India	-	-
Total	1,972	2,562
Revenues by timing of revenue recognition		
Goods transferred at a point in time	-	-
Services rendered over the time	1,972	2,562
	1,972	2,562
16.02 Contract balances		
Trade receivables	517	782
	517	782
16.03 Reconciling of revenue recognized in the statement of profit and loss with contracted price		
Revenue as per contracted price	2,052	2,642
Less: Amortisation of prepaid expense (Refer note 7)	80	80
Revenue from contract with customers	1,972	2,562
17. Other income		
Finance Income		
Interest income on:		
Loans to other healthcare service providers (at amortized cost)	253	439
Security deposits to other healthcare service providers (at amortized cost)	1,571	1,571
Income tax refund	42	-
Unclaimed balances and excess provisions written back	1	42
	1,867	2,052

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	(Rs. in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
18. Employee benefits expense		
Salaries, wages and bonus	441	486
Contribution to provident and other funds	21	22
Share based payments to employees (refer note 24.14)	84	-
Gratuity expense (refer note 24.1)	11	8
	<u>557</u>	<u>516</u>
19. Finance costs		
Interest on borrowings	2,952	3,177
Finance arrangement fee	83	147
	<u>3,035</u>	<u>3,324</u>
20. Depreciation and amortization expense		
Depreciation of property, plant and equipment(refer note 3)	129	154
Amortization of intangible assets (refer note 4)	1	1
	<u>130</u>	<u>155</u>
21. Other expense		
Insurance	6	5
Rates and taxes	1	1
Rent	3	3
Travelling and conveyance	-	2
Communication	1	1
Legal and professional	33	24
Directors' sitting fee	2	2
	<u>46</u>	<u>38</u>
Payment to auditor (included in legal and professional fee) (excluding taxes)		
As auditor:		
Audit fee (including limited reviews)	9	9
Reimbursement of expenses	0	1
	<u>9</u>	<u>10</u>

Amounts disclosed for year ended March 31, 2020 relate to payment made to previous auditor of the Company.

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

22. Contingent liabilities, commitments and litigations

A Contingent liabilities (to the extent not provided for)

S.No.	Particulars	(Rs. in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
i)	Claims against the Company not acknowledged as debts	-	-

B Provident fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on provident fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company was evaluating and seeking legal inputs regarding various interpretative issues, however, in absence of clarity on effective date, the Company has implemented the Supreme court (SC) Judgement in respect to PF calculation from April 1, 2019 and included all allowances for the purpose of PF contribution calculation.

C Other commitment

(i) The Company has no commitments other than those arising in the nature of its routine business operation for purchase/sales commitments as per the normal operating cycle of the Company.

(ii) The Company does not have any long term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.

23. Going concern

The Company has incurred a loss of Rs. 556 lakhs (Previous year loss of Rs.208 lakhs) in the current year due to higher finance cost on borrowings, due to which it has accumulated loss of Rs. 6,332 lakhs as at March 31, 2021 (Rs. 5,770 lakhs as at March 31, 2020) against share capital of Rs. 2,943 lakhs as of March 31, 2021 (Previous year Rs.2,943 lakhs) which has fully eroded the net worth of the Company. The current assets exceed the current liabilities by Rs 373 lakhs and has generated positive cash flows from operations.

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements. The Company's Board review the capital structure of the Company on need basis. The funding requirements are met through a mixture of internal fund generation, borrowings from related parties and borrowing from banks. The Company has received support letter from its holding company, i.e. Max Healthcare Institute Limited for continuous unconditional financial support enabling it to meet its operating, capital and financing requirements for at least 12 months from the date of the financial statements.

In view of the matters stated above, the management believes that it is appropriate to prepare the financial statements on a going concern basis. Accordingly, these accounts do not include any adjustment relating to recoverability and classification of asset and liabilities that may have been otherwise necessary.

24. Other notes to accounts

24.1 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services is eligible for gratuity on separation calculated as 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	40	18
Interest expense	2	1
Current service cost	9	7
Benefits paid	-	-
Acquisition adjustment (Employees transferred from holding company)	-	6
Remeasurement of (gain)/loss in other comprehensive income	-	-
Actuarial changes arising from changes in demographic assumptions	1	-
Actuarial changes arising from changes in financial assumptions	2	2
Actuarial changes arising from changes in experience adjustments	3	6
Defined benefit obligation at year end	57	40
b) Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets	-	-
Present value of defined benefit obligation	(57)	(40)
Amount recognized in balance sheet- asset / (liability)	(57)	(40)
	For the year ended March 31, 2021	For the year ended March 31, 2020
c) Net defined benefit expense (Recognized in the statement of profit and loss for the year)		
Current service cost	9	7
Past service cost	-	-
Interest cost on benefit obligation	2	1
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	-	-
Net defined benefit expense debited to statement of profit and loss	11	8
d) Other comprehensive loss		
Change in demographic assumptions	(1)	-
Change in financial assumptions	(2)	(2)
Experience variance	(3)	(6)
Re-measurement loss on defined benefit plans	(6)	(8)

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e) Principal assumption used in determining defined benefit obligation

Assumption Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Discount rate	5.50%	6.00%
Salary escalation rate	8%	8%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

f) Quantitative sensitivity analysis for significant assumptions is as below:

Increase / (decrease) on present value of defined benefits obligations at the end of the year

Discount rate

Increase by 1.00%

Decrease by 1.00%

Salary growth rate

Increase by 1.00%

Decrease by 1.00%

Attrition rate

Increase by 0.50%

Decrease by 0.50%

	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
	(4)	(3)
	4	3
	4	3
	(4)	(3)
	(3)	(2)
	4	3

g) Maturity profile of defined benefit obligation

Within the next 12 months (next annual reporting period)

Between 2 and 5 years

Between 6 and 10 years

More than 10 years

Total expected payments

	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
	5	5
	22	16
	27	14
	36	31
	90	66

h) The average duration of the defined benefit plan obligation at the end of the reporting period is 7 Years (March 31, 2020 : 7 years)

i) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

j) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

k) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

24.2 Other long term benefit plans

Leave encashment

The Company pays leave encashment benefits to employees as and when claimed subject to the policies of the Company.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.

Assumption Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Discount rate	5.50%	6.00%
Salary escalation rate	8%	8%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

24.3 Defined contribution plans

Provident Fund

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 regional PF Commissioner. The Company recognizes contribution payable to provident fund scheme as an expenditure, when an employee renders related service.

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Notes forming part of the financial statements for the year ended March 31, 2021

24.4 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial instruments by category	Carrying Value		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets at amortized cost				
Loans	16,807	16,542	16,807	16,542
Other financial assets	-	493	-	493
Trade receivables	517	782	517	782
Cash and cash equivalents	1	3	1	3
Other bank balances	1	-	1	-
Financial Liabilities at amortized cost				
Borrowings	26,806	27,700	26,806	27,700
Trade payable	814	713	814	713
Other financial liabilities	429	131	429	131

The Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, creditworthiness of the party and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other noncurrent financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

24.5 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2021

Particulars	Carrying value March 31, 2021	Fair value		
		Level 1	Level 2	Level 3
Loans	16,807	-	-	16,807
Trade receivables	517	-	-	517
Cash and cash equivalents	1	-	-	1
Other bank balances	1	-	-	1

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2020

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Loans	16,542	-	-	16,542
Other financial assets	493	-	-	493
Trade receivables	782	-	-	782
Cash and cash equivalents	3	-	-	3

(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2021

Particulars	Carrying value March 31, 2021	Fair value		
		Level 1	Level 2	Level 3
Borrowings	26,806	-	-	26,806
Trade payable	814	-	-	814
Other financial liabilities	429	-	-	429

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(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2020

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Borrowings	27,700	-	-	27,700
Trade payable	713	-	-	713
Other financial liabilities	131	-	-	131

24.6 Earnings per share (EPS)

(Rs. in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A) Basic earnings per share		
Numerator for earnings per share :-		
Loss after taxation	(556)	(208)
Denominator for earnings per share :-		
Weighted number of equity shares outstanding during the year	2,94,32,414	2,94,32,414
Earnings per share considered before OCI - Basic (one equity share of Rs. 10/- each)	(1.89)	(0.71)
B) Diluted earnings per share		
Numerator for earnings per share :-		
Loss after taxation	(556)	(208)
Denominator for earnings per share :-		
Weighted number of equity shares outstanding during the year	2,94,32,414	2,94,32,414
Earnings per share considered before OCI- Diluted (one equity share of Rs. 10/- each)	(1.89)	(0.71)

The conversion effect of potential preference shares into equity shares is anti-dilutive in nature in year ended March 31, 2020, hence the effect of potential equity shares are ignored in calculating dilutive earning per share.

24.7 Capital Management

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Max Healthcare Institute Limited by itself influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the required capital structure at group level. So, capital gearing ratio at Group level should be from 20% to 50% and is maintained at 4.9% on March 31, 2021 and 36.82% on March 31, 2020. Capital gearing ratio at Company level do not reflect true capital structure position from perspective of outside stakeholders.

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (refer note 12 and 14(i))	27,217	27,824
Less: cash and cash equivalents (refer note 8(ii))	(1)	(3)
Net debt	27,216	27,821
Equity (refer note 11)	(2,333)	(1,855)
Total capital	(2,333)	(1,855)
Total capital and net debt	24,883	25,966
Gearing Ratio	109%	107%

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

24.8 Income tax

	(Rs. in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Income tax expense in the statement of profit and loss comprises :		
Current income tax charge	-	-
MAT credit entitlement	-	-
Deferred Tax		
Relating to origination /reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	<u>-</u>	<u>-</u>
(b) Other comprehensive income		
	For the year ended March 31, 2021	For the year ended March 31, 2020
Re-measurement (gains)/ losses on defined benefit plans	-	-
Income tax related to items recognized in OCI during the year	<u>-</u>	<u>-</u>
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :		
	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting loss before tax	(556)	(208)
Applicable tax rate	25.17%	25.17%
At the effective income tax rate	(140)	(52)
(Income)/expense not allowed/deductible on account of permanent difference		
Expense not allowed for tax purpose	21	-
Difference in tax rate	-	(13)
Tax benefit due to unabsorbed depreciation and b/f loss	119	
Losses carried forward on which no deferred tax asset recognised	-	65
Income tax charged to statement of profit and loss	<u>-</u>	<u>-</u>
(d) Deferred tax (assets)/liabilities comprises :		
	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Difference in the book base and tax base of property, plant and equipment	(74)	(79)
On account of processing fee	(33)	(59)
Recognised deferred tax liability	<u>(107)</u>	<u>(138)</u>
Deferred tax asset		
Expenses allowed on payment basis	23	17
Amortisation of security deposit	107	87
Carried forward losses and unabsorbed depreciation	1,083	1,018
Recognised deferred tax asset	<u>1,213</u>	<u>1,122</u>
Less: Deferred tax assets recognised to the extent of deferred tax liability*	<u>107</u>	<u>138</u>
Unrecognised deferred tax asset*	<u>1,106</u>	<u>984</u>
(e) Reconciliation of deferred tax assets/(liabilities) (net)		
	As at March 31, 2021	As at March 31, 2020
Opening balance as per last balance sheet	-	-
(Charged)/credited during the year		
- to profit and loss account	-	-
- to other comprehensive income	-	-
Closing balance	<u>-</u>	<u>-</u>

* As at March 31, 2021, the Company has carry forward tax losses of Rs. 1,972 lakhs (with expiry of Rs.1,399 lakhs in financial year 2023-24, Rs.319 lakhs in financial year 2024-25, Rs.112 lakhs in financial year 2026-27, Rs. 142 lakhs in 2028-29) and unabsorbed depreciation of Rs.2,333 lakhs (March 31, 2020 Rs. 2,222 lakhs) with no expiry. No deferred tax asset has been created on these amounts as it is not considered probable by the management that there will be future taxable profits available against which such deferred tax assets can be realized. Had the Company been able to recognize all unrecognized deferred tax assets, the net profit after tax would have been higher by Rs.1,083 lakhs (March 31, 2020 : Rs.984 lakhs).

The Taxation Laws (Amendment) Ordinance 2019, has introduced a new Taxation regime for domestic companies and has inserted Section 115BAA in the Income Tax Act 1961, providing benefit of reduced Corporate Tax rate subject to certain applicable conditions. The newly inserted provisions is effective from April 1 , 2019 onwards and can be opted for, on or before the due date of filing of return of income by the Company. The management basis its estimate of future current tax obligation has chosen to opt for the reduced corporate tax rate for current year.

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Notes forming part of the financial statements for the year ended March 31, 2021

24.9 Financial risk management objectives and policies

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by a Corporate finance department under policies approved by the audit committee from time to time. The Corporate finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The audit committee approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various functionaries and Committees.

a) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 12 and 14(iii) after netting-off cash and cash equivalents disclosed in note 8(ii) and equity as disclosed in the statement of financial position. The Company uses the Debt : Equity as well as Net Debt to EBITDA ratio to measure the funding versus raising of additional share capital requirement. Debt:Equity ratio is calculated as debt divided by the Shareholder's Fund and for calculating Net Debt to EBITDA, Net Debt is divided by the Normalized EBITDA. Net debt is calculated as long term borrowings (including current maturities) as shown in the note 12 and 14(iii) less net cash and cash equivalents. Normalized EBITDA is defined as earnings before interest, tax, depreciation and amortization. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt or raise debt and review decision on distributions to the shareholders. The Debt : Equity ratio of the Company as at March 31, 2021 and March 31, 2020 stood at (11.50) and (14.87) respectively. Similarly, the Net Debt to EBITDA ratio of the Company stood at 10.40 as at March 31, 2021 and 8.43 as at March 31, 2020.

The Audit Committee and the Senior management review the status at group level vis a vis approved maximum ratio of Debt : Equity of 2 : 1 and Net Debt to EBITDA ratio of 6:1.

Max Healthcare Institute Limited (the holding Company) by itself influxes capital to maintain or adjust the capital structure of the Company and review the fund management at regular intervals and take necessary action to maintain the required capital structure at group level. Debt : equity ratio at Group level is 0.05 as on 31 March 2021 and 0.79 as on March 31, 2020 and net debt : EBITDA ratio at Group level is 1.03 as at March 31, 2021 and 2.16 as at March 31, 2020. Debt equity ratio and Net Debt to EBITDA ratio at Company level do not reflect true capital structure position from perspective of outside stakeholders.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a regular basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2021 and March 31, 2020 based on contractual undiscounted payments :-

(Rs. in Lakhs)				
March 31, 2021	0-1 years	1-5 years	More than 5 years	Total
Interest bearing borrowings (Including	3,166	13,630	37,083	53,879
Trade payable (refer note 14(ii))	814	-	-	814
Other financial liabilities (refer note I below)	18	-	-	18
% to Total	7%	25%	68%	100%
March 31, 2020				
Interest bearing borrowings (Including	3,305	14,394	41,089	58,789
Trade payable (refer note 14(ii))	713	-	-	713
Other financial liabilities (refer note I below)	7	-	-	7
% to Total	7%	24%	69%	100%

Notes:

I) Other financial liabilities :-

(Rs. in Lakhs)				
March 31, 2021	0-1 years	1-5 years	More than 5 years	Total
Other financial liabilities (refer note 14(iii))	429			429
Less: Current maturity of borrowings	(411)			(411)
Total	18	-	-	18
March 31, 2020				
Other financial liabilities (refer note 14(iii))	131			131
Less: Current maturity of borrowings	(124)			(124)
Total	7	-	-	7

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c) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Management as per the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Trade receivables are from Gujarmal Modi Hospital & Research centre for Medical Sciences, Devki Devi foundation and Alps Hospital Limited.

Trade receivables		(Rs. in Lakhs)
Particulars	As at March 31, 2021	As at March 31, 2020
Neither past due or impaired	-	-
0 to 180 days due past due date	517	782
More than 180 days due past due date	-	-
Total trade receivables	517	782

(ii) Financial instruments and cash deposit

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned by international and domestic credit rating agencies.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as illustrated in note 24.4 and the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2021. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

There is no derivative financial instrument such as foreign currency forward contracts and unhedged foreign currency exposure as at March 31, 2021 and as at March 31, 2020.

(ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

		(Rs. in Lakhs)
Year	Increase/decrease in interest rate	Effect on profit before tax
March 31,2021	0.50%	134
March 31,2020	0.50%	138

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24.10 Related party transactions

The related parties as per the terms of Ind AS-24, "Related party disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

(A) Names of related parties and description of relationship :

(i) Holding company

1) Max Healthcare Institute Limited

(ii) Chairman & Managing Director of Holding company

1) Mr. Abhay Soi (With effect from June 19, 2020)*

*Non-Executive Chairman of MHIL from June 21, 2019 till June 18, 2020

(iii) Fellow subsidiaries (with whom transaction have taken place during the year)

1) Alps Hospital Limited

2) Crosslay Remedies Limited

3) Hometrail Buildtech Private Limited

(iv) Key Management Personnel

1) Mr. Soubir Ghosh (Head of finance)

2) Ms. Poonam Makkar (Company Secretary)

3) Mr. Suresh Kumar Narayana Rao Deshpande (Manager)

4) Mr. Navneet Maini (Director)

5) Mr. Narasimha Murthy Kummamuri (Director till July 2, 2020 and then appointed from October 1, 2020 till 26 March 2021)

(v) Other related parties (with whom transaction have taken place during the year)

Entities where Promoter / Chairman & Managing Director of Holding company and their relatives exercise significant influence

1) Radiant Life Care Private Limited

(Rs. in Lakhs)

(B) Transaction during the year	For the year ended March 31, 2021	For the year ended March 31, 2020
Proceeds from borrowings		
Max Healthcare Institute Limited	-	10,400
Crosslay Remedies Limited	1,700	-
Hometrail Buildtech Private Limited	2,500	400
Conversion of preference shares into equity shares		
Max Healthcare Institute Limited	-	1,000
Unsecured borrowings repaid		
Max Healthcare Institute Limited	4,200	-
Employee's benefits -Gratuity for transferred employees from		
Max Healthcare Institute Limited	-	6
Employee's benefits -Leave encashment for transferred employees from		
Max Healthcare Institute Limited	-	3
Healthcare service rendered		
Alps Hospital Limited	417	252
Interest on borrowings		
Max Healthcare Institute Limited	1,419	558
Crosslay Remedies Limited	18	-
Hometrail Buildtech Private Limited	70	32
Lease rent expense		
Max Healthcare Institute Limited	2	2
Radiant Life Care Private Limited	0	-
Finance arrangement fee expense		
Max Healthcare Institute Limited	70	124
Key management personnel ('KMP') remuneration (Refer Note 1 and 2)		
Short term benefits		
Mr. Soubir Ghosh	22	21
Ms. Poonam Makkar	26	25
Director's sitting fee		
Mr. Navneet Maini	1	1
Mr. Narasimha Murthy Kummamuri	1	0

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		(Rs. in Lakhs)	
(C) Balance outstanding at the year end		As at	As at
		March 31, 2021	March 31, 2020
Security deposit received :-			
Ms. Poonam Makkar (KMP)	5	5	
Trade receivable :-			
Alps Hospital Limited	51	1	
Unsecured borrowings :-			
Max Healthcare Institute Limited	9,410	13,300	
Crosslay Remedies Limited	1,715	-	
Hometrail Buildtech Private Limited	2,926	400	
Trade payable :-			
Max Healthcare Institute Limited	688	603	
Radiant Life Care Private Limited	0	-	

- The remuneration to key management personnel does not includes the provision made for gratuity and leave benefits, as they are determined on actuarial basis for the Company as a whole.
- The employee stock option expense of Rs. 8 Lakhs pertaining to KMP's are not included in the above disclosed KMP remuneration.

Note:-

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- The holding Company Max Healthcare Institute Limited has given corporate guarantee of Rs. 14,652 lakhs (March 31, 2020 : Rs.15,554 lakhs) on behalf of the Company.
- The income/expense from sales to and purchases from related parties are made on arm's length basis. Outstanding balances at the year end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables except as above mentioned.
- The above transaction with related parties are excluding of taxes, if any applicable.

24.11 Note on COVID -19

The Company provides medical services to Gujarmal Modi Hospital and Research Centre ("Society"), through a long term, non-cancellable and exclusive arrangement ('Contract').

Post the outbreak of COVID-19 pandemic, the Company has made an assessment of likely adverse impact of the said pandemic on the economic environment in general and potential impact of the pandemic on its operations including the evaluation of the carrying values of its current and non-current assets including property, plant and equipment, trade receivables, and other financial exposures and obligations. It has also evaluated its ability to meet the financial commitments to its lender etc. The Company as of the reporting date does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations.

During the earlier part of the current year, the COVID-19 impacted the revenues and profitability with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. The Society has thereafter taken various initiatives to sustain its operations and optimize cost. During the later part of the year ended 31 March 2021, on an overall basis, the occupancy rate and revenues have improved while OPD footfalls and elective procedures also showed some increase. On a consolidated basis, the Society has delivered steady results of operations, in view of overall occupancies.

Based on the internal and external information available up to the date of approval of these financial statements and the assessment made by the management, the Company expects to recover the carrying values of its current and non-current assets, as stated above and expects normalization of its operations in the next financial year. The Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook and eventual outcome of impact of the pandemic may be different from those estimated as on the date of approval of these financial statements.

24.12 Segment reporting

The Company has only one reportable business segment as it deals mainly in provision of healthcare services through primary care clinics, multi speciality hospitals / medical centres and super-speciality hospitals facilities in terms of Ind AS 108 "Operating Segment". Further, the Company operates mainly in one geographical segment i.e. India. All the assets and liabilities are located in India. The Chief operating decision maker monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment.

There are two external customers from which revenue is 10% or more of Company's revenue.

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24.13 Impairment assessment of recoverable amounts from healthcare service providers

The Company has amount receivable amounting to Rs.23,991 lakhs (March 31, 2020 : Rs.24,615 lakhs) from other healthcare service providers, i.e., Gujarmal Modi Hospital & Research Centre for Medical Sciences and Devki Devi Foundation. This include an amount of Rs.14,286 lakhs (March 31, 2020 : Rs.14,286 lakhs), discounted value, placed as security and performance deposit as per the terms of medical services agreement with such healthcare providers. In addition, an amount of Rs.2,521 lakhs (March 31, 2020 : Rs.2,256 lakhs) has been advanced as loan, Rs.6,718 lakhs (March 31, 2020 : Rs.6,798 lakhs) as prepaid expenses, difference between present value and security and performance deposit given and balance of Rs.466 lakhs (March 31, 2020 : Rs.1,275 lakhs) against trade and other receivable.

The recovery of these balances depends on the future cash flows and earning capacity of these healthcare service providers. Management has carried out an impairment assessment and have concluded that the amounts are fully recoverable and hence no impairment in the value of the amount is necessitated.

24.14 The Nomination and Remuneration Committee of Board of Directors of the Holding Company ("NRC") on September 29, 2020 considered and approved the grant of 6,165,265 Employee Stock Options ('ESOPs') to the eligible employees of the Holding Company and its subsidiaries, under the Max Healthcare Institute Limited ESOP 2020 scheme "MHIL ESOP 2020 Scheme", at an exercise price of Rs. 10 per share. These options will vest subject to requirements of the SEBI SBEB Regulations and the MHIL ESOP 2020 scheme.

During the year ended March 31, 2021, the Company has recognised an expense of Rs 84 lakhs in the statement of profit and loss based on the allocation by the holding company.

The following table summarizes the stock option for the year:-

Particulars	Numbers	Grant Date	Vesting Date	Exercise price	Fair value at grant date
Max Healthcare Institute Ltd. 2 year vesting plan	56,654	September 29, 2020	September 29, 2022	10	105
Max Healthcare Institute Ltd. 1 year vesting plan	1,32,191	September 29, 2020	September 29, 2021	10	104

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

Particulars	Inputs used for different grant dates for Black Scholes Valuation of Option Granted	
	1 Year Vesting plan	2 Year Vesting plan
A. Stock Price (in Rs.)	113.40	113.40
B. Exercise Price (in Rs.)	10.00	10.00
C. Expected Volatility (Standard Dev - Annual)	39.20%	36.00%
D. Expected Life of the options granted (Vesting and exercise period) in years	2.50	3.50
E. Expected Dividend	-	-
F. Average Risk- Free Interest Rate	4.70%	5.20%
G. Expected Dividend Rate	-	-

24.15 Disclosure required under Section 186 (4) of the Companies Act 2013

Particulars of loans given to other healthcare service providers [Refer note 5 (i)]

Name of the loanee	Opening Balance	Loan given	Loan repaid	Outstanding Balance	Maximum balance outstanding during the year	Purpose
Gujarmal Modi Hospital & Research Centre for Medical Sciences	2,100	-	-	2,100	2,100	For business operations and general

24.16 The Board of Directors at their meeting held on March 26, 2021, approved the Scheme of Amalgamation (Merger By Absorption) of ALPS Hospital Limited (a fellow subsidiary of the Company) with Saket City Hospitals Limited and their respective Shareholders under Sections 230 to 232 and other applicable provisions and Rules under the Companies Act, 2013 ("the Act"). In this regard, on April 9, 2021 the Company has filed an application with Hon'ble National Company Law Tribunal, Mumbai branch for necessary approvals.

24.17 The Code of wages, 2019 and Code on Social Security, 2020 ('the codes') relating to employee compensation and post-employment benefits that received Presidential Assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

Saket City Hospitals Limited (formerly known as Saket City Hospitals Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2021

24.18 The figures have been rounded off to the nearest lakhs of rupees up to two decimal places. The figure "0" wherever stated represents value less than Rs. 50,000/-.

24.19 There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund.

24.20 Note no.1 to 24 form integral part of the financial statements.

**For and on behalf of the Board of Directors of
SAKET CITY HOSPITALS LIMITED**

ANAS WAJID ABDUL
(Director)
DIN:08050406

YOGESH KUMAR SAREEN
(Director)
DIN:00884252

SOUBIR GHOSH
(Head of Finance)

POONAM MAKKAR
(Company Secretary)

Place : New Delhi
Date : May 28, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Saket City Hospitals Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Saket City Hospitals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 24.11 of the financial statements, which describes the circumstances arising due to COVID-19, the uncertainties associated with its nature and duration and management's evaluation of the potential impact of the COVID-19 pandemic on the financial statements of the Company, its operations and evaluation of the carrying values of its current and non-current assets including property, plant and equipment, trade receivables and other financial exposures and obligations.

The Company continues to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook and eventual outcome of impact of the pandemic may be different from those estimated as on the date of approval of these financial statements.

Our conclusion on the financial statements is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2020 prepared in accordance of Ind AS included in these financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated June 26, 2020 expressed an unmodified opinion.

Our opinion on the financial statements is not modified in respect of the above matter on the comparative financial information.

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 Board's Report including Annexures to Board's Report, but does not include financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 the fact. We have nothing to report in this regard.

Management's Responsibility for the 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 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 system 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 the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- i. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - 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 does not have any pending litigations which would impact its financial position- Refer to note 22 to financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer to Note 22(C) to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer to Note 24.19 to the financial statements.

- ii. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 01525N)

Place: New Delhi
Date: May 28, 2021

RASHIM TANDON
(Partner)
(Membership No. 095540)
(UDIN: 21095540AAAABD5596)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 Saket City Hospitals Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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" (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note.

DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No.01525N)

RASHIM TANDON

(Partner)
(Membership No. 095540)
(UDIN: 21095540AAAABD5596)

Place: New Delhi
Date: May 28, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ("Property plant and equipment").
 - b. The Property plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given by the Management to us, the title deed of the immovable property comprising of land which have been pledged as security towards loans availed by the Company are held in the name of the Company, based on the confirmation directly received by us from lender.
- (ii) The Company does not have any inventories and hence, reporting under clause (ii) of the CARO 2016 Order is not applicable
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax and other material statutory dues applicable to it to the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - c) There are no dues of Income-tax and Goods and Service tax on March 31, 2021 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 01525N)

Place: New Delhi
Date: May 28, 2021

RASHIM TANDON
(Partner)
(Membership No. 095540)
(UDIN: 21095540AAAABD5596)