18th July, 2022

The Secretary, **Bombay Stock Exchange Ltd (BSE)** Phiroze Jheejheebhoy Towers, Dalal Street, Mumbai - 400 001. **Scrip Code** - 543308 **ISIN: INE967H01017**	**The Secretary,** **National Stock Exchange,** Exchange Plaza, 5th Floor Plot No.C/1, 'G' Block Bandra - Kurla Complex Mumbai - 400 051. **Symbol** - KIMS **ISIN: INE967H01017**

Dear Sirs,

Subject: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- Submission of Annual Report for the FY 2021-22.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting herewith the soft copy of the Annual Report of the Company for the financial year 2021-22 along with Notice of the 20th Annual General Meeting of the Company scheduled on August 11, 2022 at 4.00 p.m. (IST) to be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

The 20th Annual Report is available on the website of the Company at www.Kimshospitals.Com >Investors > Disclosures under Regulation 46 of SEBI (LODR) Regulations, 2015 > Financial Information > Annual Report and is being sent to all members of the Company whose email IDs are registered with the Company/Depositories.

Request you to take the above information on record.

Thanking you,
Yours truly,
For Krishna Institute of Medical Sciences Limited

Umashankar Mantha
General Manager –Legal,
Company Secretary & Compliance Officer

Krishna Institute of Medical Sciences Sec'bad Ltd.

Krishna Institute of Medical Sciences Limited
Minister Road, Secunderabad - 500 003, Telangana, India
Phone: +91 40 4488 5000/4488 5184 | Fax: +91-40-27840980 | kimshospitals.com
CIN: L55101TG1973PLC040558

Enc: As Above

Krishna Institute of Medical Sciences Limited

Minister Road, Secunderabad - 500 003, Telangana, India
Phone: +91 40 4488 5000 / 4488 5184 | Fax: +91-40-27840980
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CIN: L55101TG1973PLC040558

Notice of the 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting (AGM) of the members of Krishna Institute of Medical Sciences Limited will be held on Thursday, 11th August, 2022 at 4.00 pm through video conference/other audio visual means ("VC/OAVM") to transact the following business:

A. ORDINARY BUSINESS:

1. To consider and adopt:

(a) the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon and in this regard pass the following resolutions as Ordinary Resolutions:

(i) **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

(ii) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Dr. Abhinay Bollineni (DIN: 01681273) who retires by rotation and, being eligible, offers himself for reappointment

Explanation: Based on the terms of appointment, executive directors of the company are subject to retirement by rotation. Dr. Abhinay Bollineni, who was initially appointed on 18 January 2019, last appointed on 18 January 2022, and whose office is liable to retire by rotation in this 20th Annual General Meeting being eligible, seeks reappointment.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013, the approval of the members be and is hereby accorded to reappoint Dr. Abhinay Bollineni (DIN: 01681273) as a director, who is liable to retire by rotation."

B. SPECIAL BUSINESS:

3. To ratify the remuneration payable to the Cost Auditor, M/s. Sagar & Associates, for the financial year 2022-23:

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

"RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 5.50 Lakhs excluding applicable taxes, payable to M/s. Sagar & Associates, Cost Accountants who were appointed as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year 2022-23, as approved by the Board of Directors, be and is hereby ratified.

4. Appointment of Smt. Prameela Rani Yalamanchili (DIN: 03270909) as an Independent Director.

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

"RESOLVED THAT Smt. Prameela Rani Yalamanchili (DIN: 03270909) who was appointed as an Additional and Independent Director of the Company pursuant to the provisions of Section 149, 152, 161, 197 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Articles of Association, approvals, and recommendations of the nomination and remuneration committee and that of the Board, be and is hereby appointed as Independent Director, not liable to retire by rotation, for a period of three years up to 18.05.2025 on a fixed remuneration in terms of commission of Rs. 7.00 lakhs per annum, payable on quarterly basis.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to the aforesaid resolution".

5. **Reinstatement of pre-existing IPO rights, in favor of M/s. General Atlantic Singapore KH Pte. Ltd by ratifying "Article 74" of the Articles of Association (AOA) of the Company.**

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

RESOLVED THAT approval of members be and is hereby accorded for reinstatement of pre-existing IPO rights in favor of M/s. General Atlantic Singapore KH Pte. Ltd (Shareholder) in connection with entitlement of appointing Nominee Directors by the Shareholder (the "Shareholder Directors"), provided that, in the event the Shareholder (along with its Affiliates) holds;

a. less than 25% (twenty-five percent) of the Equity Shares, however, more than 10% (ten percent) of the Equity Shares on a fully diluted basis, Shareholder shall be entitled to nominate only 1 (one) Director on the Board; and

b. equal to or more than 25% (twenty-five percent) of the Equity Shares, on a fully diluted basis, Shareholder shall be entitled to nominate only 2 (two) Directors on the Board.

RESOLVED FURTHER THAT, the above right be and are hereby reinstated by ratifying the "Article-74" of the Articles of Association of the Company in connection with the nomination of Shareholder Directors.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to the aforesaid resolution".

Date: 19.05.2022
Place: Secunderabad

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

Uma Shankar Mantha
Company Secretary
M.No: A21035

Notes

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19", General Circular no. 2/ 2022, dated 05 May 2022 read with other circulars dated 13 January 2021, 5 May 2020, 8 April 2020 and 13 April 2020 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 2 & 4 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment/appointment at this AGM is annexed as Annexure-I to this notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
4. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or Depositary Participants.
6. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with the respective Depository Participants, in case the shares are held by them in electronic form and with the Registrar and Share Transfer Agent, in case the shares are held by them in physical form. The registered e-mail addresses will be used for sending future communications, electronically.
7. As per Regulation 40 of the SEBI Listing Regulations as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019 except in case of requests received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings into dematerialized form
8. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to krishna@ikrassociates.com Institutional shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
9. Members desiring any information as regards the financials are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information available.
10. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents can send an email to **cs@kimshospitals.com**
11. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in the requisite Form as the case may be.
12. The Notice of the AGM along with Annual Report for the financial year 2021-2022, is available on the website of the Company at https://www.kimshospitals.com/investors/, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

13. Voting Through Electronic Means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2), the Company is providing its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote e-voting") using an electronic voting system provided by Link Intime India Private Ltd ('LIIPL'), for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting. The instructions to e-voting, as given below, explain the process and manner for casting of vote(s) in a secure manner.

I. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as on 4th August 2022, may refer to this Notice of the Annual General Meeting, posted on Company's website https://www.kimshospitals.com/investors/ for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.

II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

III. The voting period begins on 8th August 2022 at 9.00 AM (IST) and ends on 10th August 2022 at 5.00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th August 2022 may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter.

14. The instructions for members for voting electronically are as under: -

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL

I. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

II. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

III. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

I. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

II. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

III. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

IV. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

15. **Login method for Individual shareholders holding securities in physical form is given below:**

Individual Shareholders of the company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

   A. User ID: Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   Shareholders/ members holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

   ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

   ▶ Click "confirm" (Your password is now generated).
3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 - 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: https://instameet.linkintime.co.in

► Select the **"Company"** and **'Event Date'** and register with your following details: -

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT
(Pursuant to Section 102(1) of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No 3

The Board of Directors, on the recommendation of the Audit Committee, approved the re-appointment of M/s. Sagar & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2022-23 at a fee of Rs. 5.50 Lakhs, exclusive of applicable taxes.

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

Accordingly, consent of the members is being sought by passing an ordinary resolution as set out under Item No.3 of the Notice, for ratification of the remuneration payable to the cost auditors for the financial year ending 2022-23.

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

Item No 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board vide resolution dated 19th May 2022 appointed Smt. Prameela Rani Yalamanchili as an Additional Director to hold office upto the conclusion of 20th Annual General Meeting as Independent Director of the Company.

Brief profile of Smt. Prameela Rani Yalamanchili (DIN: 03270909)

- Smt. Prameela Rani Yalamanchili is an MBA and CAIIB by qualification. She joined Andhra Bank in 1976 as a Probationary Officer and served the bank for 36 years before retiring as General Manager of the Bank. Smt. Prameela is a multi-talented successful banker possessing rich and varied experience in all facets of banking. She had exceptionally handled all her assignments such as Branch Head of critical branches, Zonal Manager of the largest zone, and General Manager (Large and Mid-Corporate Credit & MSME Credit) at the corporate office. She attended several Senior Executive training programs in India and Abroad.
- She served as a member of the Indian Banks Association subcommittee on Joint lending Arrangement.
- She has the unique experience of overseeing the governance of diversified industrial companies as a member of their Boards, both while in service in the bank as Nominee Director and subsequently thereafter.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the "Act"). Smt. Prameela Rani Yalamanchili will hold office up to the date of this 20th Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Smt. Prameela Rani Yalamanchili for the office of Independent Director.

The Company has received from Smt. Prameela Rani Yalamanchili:

(i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014.

(ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under subsection (2) of Section 164 of the Act and

(iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

In the opinion of the Board, Smt. Prameela Rani Yalamanchili fulfills the conditions for her appointment as an Independent Director of the Company as specified in the Act and rules made thereunder and the SEBI Listing Regulations.

The resolution as mentioned in Item No. 4, seeks the approval of members for the appointment of Smt. Prameela Rani Yalamanchili as an independent director of the Company effective from May 19, 2022, up to May 18, 2025, on a fixed remuneration in terms of commission of Rs. 7.00 Lakhs per annum, payable on quarterly basis, pursuant to Sections 149, 152, 197 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

No director, key managerial personnel or their relatives except Smt. Prameela Rani Yalamanchili, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 4.

The Board recommends the resolution set forth in Item No. 4 for the approval of members.

Item No 5: Ratification of Clause-74 of Articles of Association

M/s. General Atlantic Singapore KH Pte. Ltd. (Shareholder) has a pre-existing right which is being continued through Shareholders Agreement dated 14th June, 2018 to nominate directors on the Board of your company.

Accordingly post IPO, pursuant to the pre-existing rights, Article 74 of the Articles of Association of the Company prescribes that the Shareholder can nominate the directors on the Board of your company as follows:

a. two (2) directors in case it is holding more than 25% of the equity shares and

b. one (1) director in case of less than 25% but more than 10% of the equity shares on a fully diluted basis.

In view of the above, the Board recommends for your approval of above mentioned pre-eminent rights in favor of the Shareholder by reinstating Article 74 of the Articles of Association of the Company by passing a Special Resolution.

Except for Mr. Shantanu Rastogi, Nominee Director on behalf of General Atlantic Singapore KH. PTE, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out under Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of members.

Date: 19.05.2022
Place: Secunderabad

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

Uma Shankar Mantha
Company Secretary
M.No: A21035

ANNEXURE-I

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Details of Directors seeking re-appointment/appointment at the Annual General Meeting:

Particulars	Dr. Abhinay Bollineni	Smt. Prameela Rani Yalamanchili
Director Identification Number (DIN)	01681273	03270909
Age	34	68
Date of first appointment on the Board	18.01.2019	19.05.2022
Nationality	Indian	Indian
Qualifications	He holds a bachelor's degree in Medicine and a bachelor's degree in Surgery (MBBS) from Dr. NTR University of Health Sciences, Andhra Pradesh (Faculty of Modern Medicine) through Deccan College of Medical Sciences	MBA & CAIIB
Experience and expertise in specific functional areas	He has over 10 years of experience in the hospital industry	She has over 36 years of experience in the banking sector
Terms and Conditions of Reappointment	As per the details provided under the resolution	As per the details provided under the resolution and explanatory statement
Remuneration last drawn (including sitting fees, if any)	All inclusive remuneration of Rs. 1.17 crores was paid for financial year 2021-22.	Not Applicable
Remuneration proposed to be paid	The details of remuneration is not mentioned since the resolution of Dr. Abhinay Bollineni is specific to his reappointment due to retirement by rotation.	Rs. 7,00,000/- per annum, payable in each quarter.
Directorship held in other public companies	(a) Saveera Institute of Medical Sciences Private Limited (b) KIMS Hospital Kurnool Private Limited (c) Iconkrishi Institute Of Medical Sciences private Limited (d) KIMS Swastha Private Limited (e) KIMS Hospital Enterprises Private Limited (f) KIMS Hospital Bengaluru Private Limited	(a) Maximus Arc Limited (b) Vimta Labs Limited (c) Avanti Frozen Foods Private Limited
Memberships/Chairmanships of committees of other public companies	(a) Saveera Institute of Medical Sciences Private Limited. (b) Iconkrishi Institute Of Medical Sciences private Limited. (c) KIMS Hospital Enterprises Private Limited	(a) Maximus Arc Limited (b) Vimta Labs Limited (c) Avanti Frozen Foods Private Limited
Directorships held in companies (Other than Public Companies)	(a) Shangrila Infracon India Private Limited	NIL
Number of Equity Shares held in the Company	47,299	NIL
Number of meetings of the Board attended during the financial year.	Attended all 8 (Eight) Board Meetings held during the Financial Year 2021-22.	Not Applicable since she has been appointed in the financial year 2022-23.
Relationship with other Directors/Key Managerial Personnel	Dr. Abhinay Bollineni is the Son of Dr. Bhaskar Rao Bollineni, Chairman & Managing Director	NIL

www.kimshospitals.com

KIMS HOSPITALS™

MAKING QUALITY HEALTHCARE ACCESSIBLE & AFFORDABLE

20TH ANNUAL REPORT 2021-2022

OUR VALUES

Our values drive everything that we do.

- Patient is paramount
- Take pride in what we do
- Act with transparency and integrity
- Compassion - We are sincere, caring, courteous and understanding
- The best single word - 'We' not 'I'
- The best two words - Serve others
- The best three words - Be the best
- The best four words - Let us all grow
- The best five words - Fruits of efforts to society

OUR VISION

To be the most preferred healthcare services brand by providing affordable care and the best clinical outcomes to patients.

And to be the best place to work for doctors and employees.

OUR MISSION

Provide affordable quality care to our patients with patient-centric systems and processes.

Enable clinical outcome-driven excellence by engaging modern medical technology.

Provide a strong impetus for doctors to pursue academics and medical research.

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CORPORATE INFORMATION

Composition of the Board of Directors

Name of Director	Designation
Dr. Bhaskar Rao Bollineni	Chairman & Managing Director
Dr. Abhinay Bollineni	Director & CEO
Ms. Anitha Dandamudi	Whole-time Director
Mr. Shantanu Rastogi	Investor Director
Mr. Rajeswara Rao Gandu	Independent Director
Mr. Saumen Chakraborty	Independent Director
Mr. Pankaj Vaish	Independent Director
Mr. Venkata Ramudu Jasthi	Independent Director
Mr. Kaza Ratna Kishore	Independent Director
Smt. Prameela Rani Yalamanchili* * Appointed as Additional Director - Independent on 19th May, 2022.	Independent Director

Senior Management

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

Board Committees

Audit Committee	Nomination and Remuneration Committee
1) Mr Saumen Chakraborty	1) Mr. Pankaj Vaish
2) Mr. Rajeswara Rao Gandu	2) Mr. Rajeswara Rao Gandu
3) Mr. Pankaj Vaish	3) Mr. Venkata Ramudu Jasthi
4) Mr. Shantanu Rastogi	4) Mr. Shantanu Rastogi

Corporate Social Responsibility Committee	Stakeholders Relationship Committee
1) Dr. Bhaskar Rao Bollineni	1) Mr. Rajeswara Rao Gandu
2) Dr. Abhinay Bollineni	2) Mr. Kaza Ratna Kishore
3) Mr. Venkata Ramudu Jasthi	3) Dr. Bhaskar Rao Bollineni

Risk Management Committee	Finance and Investment Committee
1) Mr. Rajeswara Rao Gandu	1) Mr. Saumen Chakraborty
2) Mr. Saumen Chakraborty	2) Dr. Bhaskar Rao Bollineni
3) Dr. Abhinay Bollineni	3) Mr. Shantanu Rastogi
4) Ms. Anitha Dandamudi	

IT Steering Committee	
1) Mr. Pankaj Vaish	3) Dr. Abhinay Bollineni
2) Mr. Saumen Chakraborty	4) Mr. Shantanu Rastogi

Registered Office:
D.No. 1-8-31/1, Minister Road, Secunderbad-500003

Registrars & Transfer Agents:
Link Intime India Private Limited

Statutory Auditors:
M/s. S. R. Batliboi & Associates LLP

Internal Auditors:
M/s. PricewaterhouseCoopers Services LLP

CHAIRMAN & MANAGING DIRECTOR'S STATEMENT

Dr. Bhaskar Rao Bollineni
Chairman & Managing Director

Dear esteemed Shareholders,

As the nation is in a festive mood celebrating the Azadi Ka Amrit Mahotsav marking the 75 years of independence, we are happy to have our first AGM, post our entry into the public domain following our listing on the Bombay Stock Exchange (BSE) as well as on National Stock Exchange (NSE).

As you are aware our IPO in June 2021 was successful reflecting the confidence of investors in KIMS, based on its reputation over the last two decades in delivery of affordable quality healthcare.

On this occasion, I remember the founding members of this institute with utmost gratitude and respect.

My elder brother Sri. Bollineni Krishnaiah, an engineer by profession and an entrepreneur of great repute in the infrastructure sector laid strong foundation for KIMS with his invaluable contribution in myriad ways. He is a silent philanthropist with humanity and humility. A man of outstanding moral fibre and calibre, he continues to guide us in our voyage.

I also owe my gratitude to the doctors who made immense contributions in the formative years and were inducted into the board in taking KIMS forward. All these stalwarts are flourishing in their respective spheres now.

The last two years have brought the world to almost a standstill with the ravaging pandemic. One of the sectors that stood like a rock amidst the mayhem was the healthcare sector with doctors and nurses serving the patients day and night risking their own lives in the process. Ultimately, the situation is brought under control, thanks to the doctors, medicines, and vaccines. Kudos to the medical fraternity and scientific community for their stellar services during one of the worst ever crises faced by mankind in living memory. Our salutes to the scientists who could bring out the vaccine in a record time. Equally praiseworthy is the role of our government in getting the massive population vaccinated. The government and the private sector walked hand in hand in this mammoth task and demonstrated how effectively the government and private sector can work together. Though the pandemic appears to be behind us, I urge all of you to continue to take the precautions of wearing masks, washing hands, and social distancing in your day-to-day lives as COVID will continue to exist.

The devastating spell of the pandemic had created increased awareness about insurance and its acute necessity for meeting healthcare demands, thereby making healthcare more affordable and accessible.

Our Prime Minster's flagship Scheme of Ayushman Bharat has widened the scope of healthcare across the country to include poor and vulnerable sections of society. The estimated beneficiaries are in the range of 50 Crores.

The new scenario casts an increased responsibility on the healthcare sector to provide more number of beds and strengthen the infrastructure to meet the growing needs.

Affordable quality healthcare has been the motto of KIMS since its inception and we have been steadfastly marching in that direction. I can proudly state that no patient was ever turned down from the doors of KIMS for want of money. There is a need to democratize and decentralize healthcare by bringing it within reach to the needy, both physically and financially. The services are to be physically accessible by being nearer to the patients and also financially affordable. The distance is proving to be a big deterrent in terms of time and money to many.

The patient is paramount. Our existence is dependent upon the well-being of the patients. **A hospital must exude hospitality, kindness, courtesy, love and affection, and care and concern.** Any medicine or treatment without the above cannot be wholly meaningful. For us at KIMS who so ever enters the hospital will be treated as one's own family member with empathy by medical and non–medical staff as a part of its inherent culture. It is about treating everyone as we would like to be treated. We provide a safe, clean, comfortable, and congenial climate to patients to make their stay more pleasant and less stressful.

In the eyes of law, a Company is an artificial person. In my opinion, a Company, more so a Healthcare Company is as much a human person encompassing a spectrum of Patients, Doctors, Investors, Employees, Management, and other Stakeholders-dealing with their ambitions and aspirations. KIMS keeps making continuous strides to transform its expectations into reality with every action laced with human touch and emotion.

The patient is at the Heart of all our activities, while investors provide us the necessary oxygen. The management and staff are its brain and body that make things happen.

Financial and Operational highlights

a. During the FY 22, our consolidated revenue stood at Rs. 16,711 Mn when compared to Rs. 13,401 Mn in FY 21, which is a growth of 25%.

b. EBIDTA grew by 41% and stood at Rs. 5,360 Mn when compared to Rs. 3,810 Mn in FY 21.

c. PAT grew by 67% which stood at Rs. 3,438 Mn when compared to Rs. 2,055 Mn in FY 21.

d. IP & OP volumes have considerably increased at 17% & 22% respectively.

e. ARPOB for FY 22 clocked at Rs. 25,323 Mn when compared to Rs. 20,609 Mn, in FY 21, a growth of 23%.

Your company always considered Human Relations (HR) as its most invaluable asset though it is not seen in the Balance sheet. Our staff works in an environment of operational freedom, creativity, and commitment built upon mutual trust and respect. **"We don't belong to KIMS, KIMS belongs to us" is the spirit that binds them together to work with a sense of ownership.**

We believe in nurturing the growth of employees within the organization through the process of skilling, re-skilling, motivating, and rewarding. As a result, the attrition is very low and morale high.

Like any other hospital, Doctors are our backbone. Doctors' partnership is a unique feature of KIMS.

"Coming together is beginning
Staying together is progress
And working together is a success."
– Henry Ford.

The doctors who pioneered the growth of KIMS remained with us throughout and continue to be our stakeholders. Thus, most of our doctors are investors as well as serving professionals having professional satisfaction and also enjoying the fruits of ownership.

We are pioneers in embracing technology. It is our continuous quest to keep abreast of the latest developments and acquire the technology and equipment to enhance patient care and treatment. From artificial intelligence and personalized medicine to digital infrastructure and Robotic Surgeries, we are accelerating the transformation of health services for patients.

Our business strategy will be one of innovation, excellence, and growth. Growth will come from collaborations with health partners and commercial enterprises.

As a part of our strategic expansion, we have acquired SUNSHINE HOSPITALS which is a landmark hospital in Orthopedic care, being the second-largest joint replacement center in South East Asia. KIMS is an established leader in Cardio, Neuro, Renal care, and Heart and Lung transplants. Now with SUNSHINE in our fold, we will have world-class expertise in Orthopedics as well. The synergy will enable us a wider reach and cost efficiency in operations.

Corporate Social Responsibility (CSR) is an area close to my heart. It is our bounden duty to pay back to the society that gives us so many things. As a part of CSR activity, we are in the process of establishing street clinics in densely populated areas to take medical facilities to the door of the needy.

ESG Initiatives: We have taken the necessary steps to implement various Energy Conservation Measures (ECMs) across the hospital. For FY 2021-22, the total energy consumption saved works out to 23.1%, amounting to Rs. 280.52 lakhs.

We have launched a massive cancer awareness drive wherein our doctors will go to the villages and conduct screenings to detect cancer at early stages and give follow-up treatment.

We have facilities to impart skill training in various trades to unemployed youth and provide employment. Many schemes are in the offing as we consider CSR fundamental to our existence.

I would conclude now by recalling what famous jurist and former Chairman of ACC for many decades late Shri. Nani Palkhivala said in one of his addresses to the corporate world.

"IT IS GOOD TO BIG
BETTER TO BE GOOD
AND BEST TO BE BOTH"

We intend to be both in our journey ahead.

With hearty regards to all of you.

Sincerely,

Dr. Bhaskar Rao Bollineni
Chairman & Managing Director

MESSAGE FROM CEO

Dr. Abhinay Bollineni
Chief Executive Officer

Dear esteemed Shareholders,

KIMS was launched into the public domain last year in flying colors. In this maiden AGM as a listed company, my first duty is to thank our investors for the confidence reposed in us and their continued support that makes our wings stronger to fly higher and higher.

I consider it my great fortune to have grown under the wings of our Chairman and Managing Director and my father Dr. Bhaskar Rao - a silent legend who conceived, created, and built KIMS brick by brick to its present stage. It is because of his assiduous efforts over the last two decades, that KIMS had grown into a giant organization excelling in 25 super specialties and extending services from 12 centers across Telangana and AP states with a total capacity of over 3600 beds and a dedicated workforce of 10,000 people. As a doctor, he had performed more than 30000 cardiac surgeries, a record matched by few in the world. He gave momentum to Healthcare in the undivided state of AP (presently Telangana and AP) being one of the pioneers of the famous AROGYA SRI scheme that provides free health care by the government to millions of patients. It became a precursor to many such schemes in other states and also to governments at the center in the formulation of health care schemes for the common public.

Despite his hectic schedule, his day is not complete without personally meeting with all his patients, patting them, and laughing with them in a spirit of warmth and camaraderie. I see in him various shades of excellence - a loving father, an expert doctor, a visionary entrepreneur, an innovative thinker, a shrewd management expert, a benevolent employer, an ace businessman, and above all a very compassionate human being whose heart bleeds at the suffering of others. Consciously, I have rather delved at length about our Chairman and Managing Director as this is my first address to our shareholders and I felt it necessary to bring out some unknown facets about the man who steers the destinies of our organization. Today KIMS resonates with values and ethics cherished and being nourished by him.

I would like to commend our doctors, nursing staff and technicians at KIMS for their exemplary work during the pandemic in the face of grave risk to their own lives. Not only medical treatment, but they also succeeded in providing much-needed confidence and comfort to the patients and their family members.

We are committed to harnessing the technology for maximizing benefit to patients in terms of cure, comfort, and economy. Our services will continue to be at the cutting edge, developing the latest research and innovation, further developing personalized treatments, and reaching out to more and more people. With the use of technology, there is so much we can accomplish. But it is important not to forget that people are at the epicenter of it all

ONE MACHINE CAN DO THE WORK OF FIFTY ORDINARY MEN. NO MACHINE CAN DO THE WORK OF ONE EXTRAORDINARY MAN.

Our mission is to have both extraordinary Men and extraordinary machines- all in the cause of serving the patients better and better, day after day.

For Doctors, there is only one cardinal rule.

ONE MUST ALWAYS LISTEN TO THE PATIENTS.

At KIMS, our doctors listen with not just ears but hearts also.

This kind of inbred empathy, care, and concern helps in reviving the patients very well.

We at KIMS are suffused with a sense of humble pride arising out of a passionate commitment to standards of excellence in whatever we do – be it treating the patients and their families with sensitivity and empathy or extending utmost courtesy to everyone we come across, or upholding moral values.

Our Collars at KIMS have no colors as DIGNITY OF LABOUR pervades the whole organization. Gold, white and blue collars merge together to deliver the best care and service to our patients.

Our clinical excellence in the vast number of super specialties, affordable pricing, doctor equity model, and personalized care as narrated above resulted in high patient volumes, thereby maximizing asset utilization rate and strong occupancies.

We want to be at the vanguard position in Telangana and AP in providing affordable quality Healthcare while we keenly watch the scenario for suitable opportunities in other parts.

The needs of the patients are Supreme as they constitute the basis of our existence. Simultaneously, we seek to have a solid financial performance and deliver long-term value to our shareholders through the execution of our business strategy.

THINGS DO NOT HAPPEN. THINGS ARE MADE TO HAPPEN - John F Kennedy.

Here at KIMS, we work to make things happen through our dedicated efforts in clinical excellence and patient care and by adhering to values and acting with prudence and diligence as custodians of investor's interests.

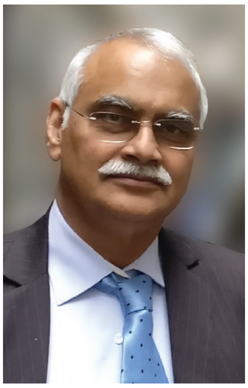
Having taken off, I visualize concerted and long strides into the future to take KIMS to the apex position in the industry by coupling excellent clinical and ethical standards.

Best regards to all of you.

Sincerely,

Dr. Abhinay Bollineni
Chief Executive Officer

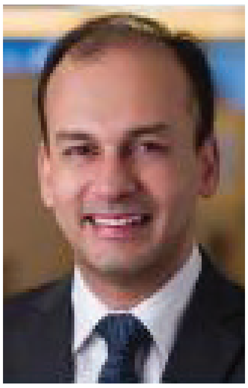
BRIEF PROFILES OF DIRECTORS



Dr. Bhaskar Rao Bollineni - the founder and Chairman and MD is a veteran Cardio-theorisis surgeon with more than 3 decades of experience and above 30,000 surgeries to his credit. He is an entrepreneur par excellence who conceptualised, conceived and concretized KIMS over the past twenty years. He is fiercely committed to the cause of providing affordable and quality health care on a large scale. He is a team player who puts others' interest ahead of his own and demonstrating all along that ethics and entrepreneurship can go hand in hand. He is a visionary embedded with pragmatism and dynamism. KIMS is poised for exponential growth under his visionary stewardship.

Dr. Abhinay Bollineni is the Executive director and youngest of the team with a matured temperament and steely determination. He looks after administration, financial management and strategic expansion. He played a key role in setting up new branches and exploring collaborations with new health partners to maximise our reach - starting from establishing second branch of KIMs in twin cities at Kondapur in 2014, and branches in Ongole (2017), Vizag (2017), Anantapur (2018} and Kurnool (2019). He was the key player in acquisition of Sunshine hospitals and opening of first KIMs establishment outside the Telugu states in Maharastra at Nasik in collaboration known as KIMS-manavata hospital. He has a penchant for modernisation and innovation. He played a dynamic part in motivating the doctors and staff during the pandemic. He is a shrewd administrator with eyes and ears to the developments around the world in the Medical sphere.

Anitha Dandamudi is a Whole-time Director of our Company. She holds a diploma in business management from the ICFAI University. She also holds certifications for the auditing of quality systems as per ISO 9001-2000 and ISO 9004-2000, and has completed a training programme on internal quality audit for the NABH. She served as Vice President-Administration at e-Talent Software Limited and has over 16 years of experience in the hospital industry, having held various position with our Company. She oversees the administration and patient-care services with dedication and dexterity.



Shantanu Rastogi is a Non-executive Director of our Company. He holds a Bachelor's degree and Master's in technology from IIT, Bombay.He also did his Master's in Business Administration from Wharton School of Business at University of Pennsylvania. He is currently the Managing Director at General Atlantic, where he is responsible for investments in the financial services, healthcare, and retail and consumer sectors in India and Asia-Pacific. He has previously worked as a business consultant with McKinsey & Company. He is highly analytical and pragmatic in his approach to the issues on hand with his bright academic background and rich corporate experience.

Rajeswara Rao Gandu IRS (Retd), is an independent director of the Company. He has over 37 years of experience as a civil servant. He retired as Chief Commissioner of Income Tax and held various prime positions including that of the Under Secretary and Deputy Secretary, Central Board of Direct Taxes (New Delhi), Joint/Additional Director of Income Tax (Investigation) Commissioner of Income Tax in his distinguished career. He also held positions of Ombudsman for the states of Andhra Pradesh and Karnataka and the union Territory of Yanam. He has also won the Finance Minister's Gold Medal for academic excellence. He has extensive knowledge of various facets of Government functioning and Corporate Affairs.

Saumen Chakraborty is an independent director of the Company with brilliant academic background and rich corporate experience of over 37 years. He is an alumnus of IIM Ahmedabad and has also been conferred with the title of "Executive fellow in Management" by Indian School of Business (ISB), Hyderabad.

He was previously associated with Dr. Reddyy's Laboratories, Tecumseh, Eicher, C-DOT and CMC and held many vital positions in the fields of Finance, HR, IT, Legal and Business process. He had played a significant role in evolution of Dr. Reddy´s as a Global Pharmaceutical Company, while handling various CXOs role over 20 years. As a Global CFO at Dr. Reddy's, he built robust financial systems and strong corporate governance thereby enhancing shareholders value. He won a series of Management Excellence awards in his distinguished career from various bodies including CNBC, IMA and BW-Yes Bank. He is the founder and Managing Director of Samarjita Management Consultancy Private Limited. He has been an acclaimed speaker at various global and national conferences. He has deep insights into various issues of Corporate Management with a glowing track record.

Pankaj Vaish is an independent director of our Company. He graduated in Mechanical Engineering from IIT, Banaras and did his Master's in Business Administration from the University of Minnesota. He has over 35 years of corporate experience at the top level, including 28 years with Accenture Services Private Limited (Accenture), where he was a founding member of the Company's consulting practice in India. He held various positions at the apex level in Accenture in a wide array of fields. He has wide-ranging experience in Technology Led Transformation, Consulting, BPO, Offshoring and Outsourcing. He is actively engaged in the financial services and technology industries and is associated with companies across segments of these industries. He is a Professor of Practice of Management at the Amrut Mody School of Management (AMSOM), Ahmedabad University (AU). He is involved with Executive Education, industry collaboration and the development and delivery of a new course to help MBA students prepare for a career via hands on experiential learning. Thus, he distinguished himself in many areas with aplomb. He is an accomplished corporate executive, a management expert, an academician and an educationalist.

Venkata Ramudu Jasthi IPS (Retd), is an independent director who retired as the Director General of Police (DGP) of erstwhile Andhra Pradesh State. Post-retirement he enrolled with the Bar Council of India. He is post-graduate in Economics and Law. Besides, he holds a post-graduate certificate in Criminal Justice and Police Management from the University of Leicester. He is endowed with a robust understanding on the issues of public importance and has a practical view of various matters concerning administration.

Ratna Kishore Kaza is an Independent Director of our Company. He holds master's degree in Science in nuclear physics from Andhra University. He was the Principal Secretary (Health Medical and Family Welfare) to the Government of Andhra Pradesh and also served as an Administrative Member on the Andhra Pradesh Administrative Tribunal. He also served as Managing Director of Godavari Fertilizers and Chemicals Limited. His Administrative experience and knowledge on various matters is of great value to the Company.

Smt. Prameela Rani, is women Independent Director of our Company. She is a veteran banker with 36 years of varied experience with Andhra Bank where she retired as General Manager. She served as a member of the Indian Banks Association sub-committee on Joint lending arrangements. She has the unique experience of overseeing the governance of diversified industrial companies as a member of their Boards, both while in service in the bank as Nominee Director and subsequently thereafter. Her experience and expertise in credit management and administration during her distinguished career in the bank will be of great help to the Company.

KNOW MORE ABOUT US

MODERN MEDICAL TECHNOLOGY

4-Arm HD da Vinci Robotic Surgical System

Facilitates complex surgeries that are virtually scar less

O-Arm Scanner

Multi-dimensional surgical imaging platform optimized for use in spine, orthopaedic, and trauma-related surgeries

Novalis Tx Linear Accelerator

Machine used in radiosurgery and radiotherapy for treating cancer patients

3 Tesla MRI

Non-invasive diagnostic imaging technique performing faster scans and gives improved diagnostic sensitivity and specificity

EBUS

Used to diagnose lung cancer, infections, and other diseases causing enlarged lymph nodes in the chest

STEALTH STATION S8

Provides the Neuro surgeon to use data intraoperatively for advanced visualization.

Spy Glass

State of the art add on to ERCP that allows doctors to observe patients' biliary duct system and other tiny ducts in the pancreas

Mako Robotic for Knee Replacement

Produces minimal blood loss and a smaller scar. Helps preserve healthy bone and soft tissue. Results in less post-operative pain than manual techniques.

IMPELLA

Impella, the world's smallest heart pump, is a percutaneous catheter-based technology that provides hemodynamic support to the heart

AWARDS AND ACCOLADES

2016
Neurology Department at KIMS Secunderabad ranked 3rd in India
Neurology India General

2017
KIMS Secunderabad Best Hospital of the Year
Times Healthcare Achievers Awards

2019
KIMS Sec. Best Super-Specialty Hospital in Telangana
National Quality Excellence Awards

2020
Only Hospital in Telangana to get NABH Accredition for Emergency Department

2021
Ranked No.1 in Hyderabad for Cardiology, Neurosciences, Nephrology & Emergency
Times Health Survey
Times of India

PROGRESS OF KIMS

2000
NELLORE
250 BEDS

2002
RAJAHMUNDRY
180 BEDS

2004
SECUNDERABAD
1000 BEDS

2011
SRIKAKULAM
200 BEDS

2014
KONDAPUR
200 BEDS

2017
ONGOLE
350 BEDS

2018
VIZAG
434 BEDS

2018
ANANTAPUR
250 BEDS

2019
KURNOOL
200 BEDS

2022
SUNSHINE HOSPITALS
600+ BEDS

- BEDS (3,600+)
- DOCTORS (1,400+)
- NURSES (3,700+)
- PARAMEDICS (1,900+)
- ADMIN (5,000+)

KIMS Foundation and Research Center (KFRC)

KFRC is founded by Dr. Bhaskar Rao Bollineni, Chairman & MD, KIMS Hospitals in 2010 for undertaking advanced scientific research in healthcare and clinical studies. Since then KFRC has achieved several milestones in terms of obtaining DSIR certificate for doing scientific and academic activities and NAC-SCRT for stem cell research. KFRC has published many articles with suitable clinical applications in international journals and developed scientific collaborations with Govt. and private institutions as part of recognition for collaborative research.

A. Mission & Vision

- To promote Science and Technology in all areas of healthcare and undertake scientific work of national and international importance addressing diverse medical needs of the society.
- To provide outreach and support to the community and disseminate knowledge gained through research for the betterment of society.
- To be recognized as a leader in developing innovative medical therapies and reducing the cost of healthcare.

B. R&D Activities

1. COVID-19: Why different people have different symptoms

KFRC research findings indicated that COVID-19 virus infected wider population with almost same viral load, but they responded differently, some being asymptomatic, mild, moderate, severe and critical with fatality. KFRC scientific team has found molecular markers which are involved in deregulating and evading the immune system with the samples of patient who visited to KIMS hospitals in the year of 2019 onwards. This finding will be published in peer reviewed journal for wide readership and will be considered as prognostic markers after due validation and evaluation.

2. Glioma (Brain tumor) Research: Towards finding the personalized therapy

Gliomas are the most common malignant brain tumors and have the third highest cancer-related mortality and morbidity rates among individuals worldwide with an annual incidence of 1 million cases in India. Despite aggressive treatment with surgery, radiation, and chemotherapy, majority of the gliomas are nearly universally fatal within 5 – 7 years. Exo-based genomic analysis done at KFRC provides potential novel additional options along with MRI and has potential for successful integration into clinical practice which would be tremendously benefit to both clinicians and patients in the management of recurrent glioma.

3. Culture Based diagnosis of brain tumor:

Patient-derived glioma cultures are gradually gaining impetus in brain tumor research and exemplify a way to get insight into prognostic and therapeutic attributes. KFRC successfully established short-term glioma culture to understand the proliferative status of tumor tissue that can provide cure about imminent tumor relapse.

4. Harnessing the paracrine feature of stem cell: Therapeutic effect of stem cell secretome in cancer

In recent years, stem cell therapy has become a very promising and advanced scientific research domain. The need of development of advanced treatment methods has evoked great expectations. KFRC have shown its therapeutic benefits on the cultured breast cancer cells without any collateral damage of normal healthy cells in vitro. Whereas the chemotherapeutic drugs devised to kill cancer cells and every other fast growing healthy cells that makes patient more vulnerable and hampers their quality of life. In future, stem cell secretome will prove its potential in the management of cancer without any damage to healthy cells with better quality of life

5. Impact of Bio-scaffold derived from Bio-Medical Waste;

Scaffolds are materials that have significant role in providing the mechanical and biological functions, in vitro or in vivo. Bio-Scaffolds are obtained from biological sources such as tissue or organ. Bio-scaffold is superior in terms of biocompatibility, biodegradability, providing homing to cell of interest with negligible amount of toxicity as compared with synthetic scaffold. At KFRC we have used umbilical cord tissue (discarded) and derived the Exctracellular matrix after de-cellularization and lyophilization that are soluble at 37 0C and can acquire any dimension as per the need. This bio-scaffold would be used to re-populate the new cells of interest for instance chondrocytes for the purpose of treatment of damaged knee after due animal trial

6. Cord blood derived platelets and collagen for chronic wound healing

The increase in diabetes, obesity, and vascular disease has exponentially increased the prevalence of chronic skin wounds. KFRC research and findings revealed that by applying a LCBP & collagen product complete wound healing and formation of skin structure like epidermis and dermis layer. we could possibly develop a new therapy for chronic wound healing. Further studies using large number of animals, molecular level, toxicity study is needed before implementation in human patients.

C. Clinical trials being conducted at KIMS Hospitals: (2021- 2022): Multiple departments of KIMS hospitals are engaged in carrying out the clinical trial using medicines of various distributors

S.No.	Conducted by the Department	No.
1	Cardiology	14
2	Rheumatology	6
3	Infertility	2
4	Gastroenterology	3
5	Neurology	1
6	Pulomonology	1
7	Critical care	2

C. JMSR: KIMS-KFRC invites and accepts articles for publications on clinical research (quarterly)

Journal of Medical and Scientific Research (JMSR) is an international, peer-reviewed, open access, journal published quarterly by the KIMS Foundation and Research Centre since 2013. The Journal got International Standard Serial Number (ISSN 2321-1326). The journal has been indexed in Directory of Open Access Journals (MCI recognized indexing agency), Scientific Indexing Services; Geneva Foundation for Medical Education and Research, ResearchBib, TDNet, J-Gate and Scientific Journal Impact Factor.

D. Research partners: KIMS-KFRC has signed MoU with following research partners for collaborative research.

1. National Innovation Foundation, DST, Govt of India for research on cataract
2. Indian Institute of Chemical Technology (IICT)
3. Centre for DNA Finger printing & Diagnostics(CDFD)
4. Centre for Cellular and Molecular Biology (CCMB)
5. Department of Genetics & Biotechnology - OU
6. Vellore Institute of Technological University (VIT) ,Vellore
7. Great Eastern Medical School and Hospital, srikakulam

E. Future Plans:

1. Proposed Projects:
2. Human Donor Cornea Convalescence Programme for improving corneal endothelial cell quality and density
3. Prognostic Significance of Serine/Threonine Protein Pim-1 kinases in Malignant Glioma
4. Prevalence and pattern of Aspirin and Clopidogrel gene polymorphisms in recurrent stroke patients from a tertiary care hospital.
5. A Comprehensive Approach to Identify Potential Biomarkers in Focal Cortical Dysplasia
6. Design and Preliminary Feasibility Study of a Soft Exo Glove (SEG) for Hand Function Assistance in People with Hand Disabilities
7. Design & development of cerebral stent in collaboration with Indian Institute Sciences (IISc) Bangalore.

KIMS IN THE NEWS

Doctors at KIMS Hospitals perform highest number of successful COVID Double Lung Transplant procedures

Hyderabad, April 22 : Doctors at the Krishna Institute of Medical Sciences (KIMS), Hyderabad, one of the leading healthcare providers in the country, performed 12 COVID Double Lung transplants & overall 50 Lung & Heart transplant procedures between September 2020 and April 2021. This is by far the highest number of procedures performed at a single healthcare institute in Asia in the past eight months as far as COVID Double Lung Transplants are concerned.

The Heart &Lung Transplant Institute received critical patients from across the country, and some among these required advanced respiratory support _ ECMO _ for respiratory failure caused due to Covid-19 virus. These patients were brought in from States likes Jammu & Kashmir, Punjab, Delhi in the North; Kerala, Karnataka in the South; Maharashtra, Gujarat, Rajasthan in the West; and West Bengal, Odisha in East; along with Madhya Pradesh, Chhattisgarh in Central India.

Commenting on the record performance, Dr. Sandeep Attawar, Program Director and Chair, Thoracic Organ Transplant program, KIMS Hospitals said, "The team has performed 12 double lung transplants for patients with respiratory failures caused due to Covid-19 and 38 heart, double lung & combined heart lung transplants for patients suffering from advanced cardio respiratory failure since September 2020. While in the past, the focus was on chronic respiratory ailments, in the past eight months, the focus had to be shifted to management of advanced respiratory failure caused due to Covid-19 pandemic."

"With 50 thoracic transplant procedures involving both lungs and heart, KIMS once again established its authority as one of the best healthcare institutions, not just in the country, but across Asia.

This achievement speaks volumes about the technical superiority and knowledge excellence available at KIMS hospitals.

We are confident, this is just the beginning and KIMS will achieve many more firsts for the country in the times ahead," added Dr. B Bhaskar Rao, Managing Director, KIMS Hospitals.

The team at the KIMS Heart & Lung Transplant Institute believes that the course of Covid-19 infection in an individual is unpredictable; but patients who have lung involvement and develop respiratory failure early in the course of illness tend to have more severe disease. Advanced respiratory support like ECMO should be considered early in the management of these patients and should not be tried as salvage therapy. Patients who fail to show signs of improvement on ECMO even after 2-4 weeks should be considered for lung transplant.

The team at KIMS has done 12 transplants for Covid-19 patients which is one of the largest series in Asia. Each case was challenging and posed a unique set of challenges. In one case, a young man was bridged with ECMO support for 56 days and subsequently performed successful double lung transplant, a huge achievement for the team at KIMS.This ECMO bridge case is the longest ECMO bridge to a successful transplant in India. Similarly, there are other cases in which patients were revived from an high-risk condition, which at times is equated to a medical miracle.

KIMS doctors give new lease of life to 10-year-old

HANS NEWS SERVICE
KURNOOL

THE Krishna Institute of Medical Sciences (KIMS) doctors gave a new lease of life to a 10-year-old-boy (KIMS) in Kurnool by performing endoscopy.

In a press release on Thursday, gastroenterologist Dr L Rajendra Prasad said that a week ago, one Goutham, a 10-year-old boy was admitted in the hospital with symptoms of sore throat, shortness of breath, fever and chest pain.

At the initial stage, he was given antibiotics and later performed a CT scan wherein pus was detected in the boy's throat, around the heart and between the lungs. According to the patient's parents, a long piece of stick had accidentally been inserted into the boy's mouth the day before he fell ill. With this we suspected that a hole was formed behind the throat and consulted a gastroenterologist. After endoscopy, the results revealed a hole of 6 mm in his throat. Due to high risk and complications of surgery, the pus was removed through endoscopy and continued antibiotics, stated Dr Rajendra Prasad. He said Dr Srikanth has removed the bad water that had gathered around the lungs on the left side of the chest tube. A week later, another endoscopy was done and found the hole in the throat was closed but the CT scan has revealed that some more pus was gathered to the heart between the lungs. But Dr Ashok, a Radiologist intervened and removed the pus completely through the needle.

Advanced plasma transplantation is now available in KIMS Kurnool

Kurnool, April 25 : Advanced Plasma transplantation for Severe Kidney problems is now available in KIMS Kurnool. Recently doctors at KIMS Kurnool have saved the life of a six-year-old boy who had a rare genetic disease that led to the failure of two kidneys. The boy from Kurnool town was suffering from high fever and swelling in the neck when his parents showed him to a local doctor. The doctor who performed the tests said the boy had low levels of haemoglobin and platelet cells in his blood and was on the verge of kidney failure with blood pressure. The local doctor started temporary medication. After that, the boy had swelling of the legs along with neck and vomiting. In this critical condition, the boy's parents have contacted the KIMS Kurnool hospital doctors for help.Renowned nephrologist Dr K. Anantha Rao take a look at reports, as soon as the post-dialysis were peritoneal. Creatine levels in the blood were found to be as high as 12 milligrams as this is the final stage of kidney failure. The boy had a kidney biopsy done immediately to determine the cause of the kidney failure. The report states that he suffers from "Hemolytic uremic syndrome" a rare disease that causes kidney failure.

On this occasion, Dr Anantha rao said symptoms of kidney blood vessels, particularly blood clots and erythrocyte break. "The disease is caused by over-activation of a protein called complement. It may be due to a genetic predisposition or a protein called the anti-factor "H" antibody. However, it was decided to transplant the plasma to save the boy's life. We started treatment immediately and completed the plasma transplant in 6 sessions. Immediately after the boy recovered from kidney failure and tests were performed, the creatine level in the blood was decreased from 12 to 0.8 normal level. Besides, the number of haemoglobin and platelets in the boy's blood also increased" dr explained.Plasma transplantation is the life saviourPlasma transplantation eliminates disease caused by proteins (antibodies) from the blood and replaces the new plasma, said Dr Anantha rao. "In particular it contains complement protein that prevents clotting in the blood vessels of the kidneys. However, any delay in the diagnosis and treatment can lead to a condition in which the kidneys become completely damaged and undergo dialysis for the rest of their lives. There is a danger to the lives of the survivors. Therefore, plasma transplantation is very important to detect kidney function at an early stage` he explained. To date, however, advanced life-saving plasma transplants have been available at corporate hospitals in the metropolis. But now, the treatment is also available at the Kurnool KIMS Hospital. Besides, advanced services such as hemodiafiltration, peritoneal dialysis, hemoperfusion for detoxification, and kidney transplantation are also available at KIMS Hospital, Kurnool.

consult a nephrologist immediately... If the kidney function slows down

When kidney problems, consult a doctor immediately, Dr Anantha Rao said. Similarly, a kidney biopsy should be done immediately if necessary to find out the causes of kidney failure.

Youngest Corona patient discharged from hospital

PNS ■ HYDERABAD

A baby, who had tested positive for Covid a week after birth last month, has returned home after recovering at a private hospital here.

Described as one of the youngest Covid survivors, the baby was discharged last week, doctors at KIMS Cuddles said on Sunday.

The baby was born preterm on April 17, due to severe Covid in the mother needing mechanical ventilatory support. Born with a birth weight of just 1,000 grams and treated initially for prematurity-related respira-

"The newborn was nursed by our team of doctors and nurses in personal protective equipment in a specialised isolation neonatal ICU and provided ventilator support, intravenous antibiotics, and nutrition. The neonate was monitored with multi para

Youth defeats both Cancer and Covid-19 KIMS doctors give new lease of life

Bone marrow transplantation done under critical conditions

INDIAN CHRONICLE BUREAU
HYDERABAD, JULY 23

The timely intervention of expert doctors from KIMS hospital, Secunderabad, led to the successful treatment

of a 24-year-old with both Cancer and Covid-19 at the same time. "Medical oncologist, haematologist, and stem cell/bone marrow transplant specialist Dr Narendar Kumar Thota" successfully performed a BMT (bone marrow transplant) on a patient with Acute Myeloid Leukaemia. He explains the hurdles the team has faced in the treatment, and the procedure followed. "Rajkumar Kocharla, aged 24 years from Manchiryal district, came to KIMS hospital in June 2020 with Cancer symptoms. He was diagnosed with Acute Myeloid Leukaemia. While having chemotherapy, he contracted Covid-19. Usually, Cancer patients' immunity levels are very low. Many thought that this patient may not survive from Covid severity. But, he was treated on a ventilator for a long time and survived. He also surprised doctors and medical staff to survive such harsh conditions.""Fortunately, he got out of covid's clutches and gradually took several precautions and returned to normal. Then he underwent chemotherapy for cancer and gradually got ready for the BMT Procedure for leukaemia. BMT is the proper treatment for leukaemia. His maternal uncle's bone marrow matched by 50 per cent. So, BMT went on successfully in February this year. After four months of observation, Rajkumar is fully recovered and is in sound health now. Even though many advanced treatments are available for these complex problems, BMT is the right treatment, if the right donor is found. It is not difficult to save lives if the disease is detected and treated at right time", he explained.

The family members of Rajkumar thanked the doctors, medical staff and the management of KIMS hospitals for saving him from rare Cancer and Covid-19 simultaneously. They said they have almost lost hope for their son.

Kidney Transplanation first time in Anantapur

(Standard Post, Bureau)

Anantapur, Sept 18 : Kidneys play a vital role in the human body. For various reasons, kidneys might fail to function and only transplanting them would help in such cases. But, this used to happen only in cities. So, people from towns were hesitant to go to cities for Kidney transplantations. There are many reasons for this. The patient had to stay in the same place for a long time post-surgery; there was less knowledge about this; the cost was too high, and kidneys were not readily available. But now, KIMS SAVEERA hospital in ANANTAPUR of Rayalaseema has started renal transplantation, said nephrologist and Renal Transplant physician Dr V. BADARINATH and urologist and transplant surgeon Dr. DURGA PRASAD. They spoke about the first kidney transplantation that was successful in their hospital.

Mr. BOYA VEERABHADRA, was a photographer from rayadurgam area of anantapur district. He presented to KIMS SAVEERA hospital 6 months ago with pedal edema, nausea and vomitimg. On evaluation he was found to have severe renal dysfunction and was initiated on dialysis under arogyasree

go ahead with renal transplantation after approvals from police department, revenue department, legal department and authorisation committee.

Transplant team lead

There were no complications post surgery. Donor was discharged after 5 days and recipient was discharged after 5 days with stable renal functions. Recipient is freed from coming to dialysis

for a donor from the patient's own family, or going for the cadaver donation, testing for matching of donor's kidney to the recipient, every step is important. The nephrologist needs to check

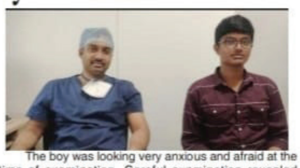
watch closely how new kidney is functioning in his body and titrating doses of immunosuppressive medications according to kidney function and levels of immunosuppressive agents. They are more prone to infections in initial days of transplant and needs to follow isolation, social distancing, consumption of hygienic home made food, regular hand washing and wearing mask to prevent infections.

DR. G. DURGA PRASAD MS; MCH; (NIMS) UROLOGIST, LAPAROSCOPIC AND TRANSPLANT SURGEON, spoke regarding renal transplantation surgery. Kidney Transplantation surgery is a challenging procedure where we not only transfer the kidney from person to person but also needs precision with utmost surgical expertise. Ischemia time - the time frame between removal of kidney from donor and restoring of blood flow after transplanting in recipient plays a pivotal role in the immediate and long term out come of the patient. Patients on long term dialysis will be immediately free after a successful transplant. Donor should be the prime focus here because with out whom this is not possible. This surgery being the first in entire district will raise hopes for

Rigid Scoliosis corrected with difficult surgery Dr Srikrishna Chaitanya leads the team

INDIAN CHRONICLE BUREAU
HYDERABAD, SEPT 13

The child has great aspirations. But, as a result of deformity, he was depressed both emotionally, and physically. He came to "Dr Srikirishna Chaitanya, Consultant Orthopaedic & Spine Surgeon." Hemanth, who is in his plus two studies belongs to Kodavatikallu village of Chandarlapadu mandal, Krishna district, Andhra Pradesh. His father is a farmer. Hemanth is good at studies. But, his spine has a curve, which is developing for the last six years. Despite having so many aspirations, he couldn't concentrate even on his studies because of this deformity. He was not offered surgery as the curve is very big with rib fusion and extremely rigid. He also had a problem at the base of his brain which is the cause of this deformity. After watching some TV interviews, he visited Dr Srikirshna Chaitanya at KIMS hospitals, Kondapur



The boy was looking very anxious and afraid at the time of examination. Careful examination revealed scoliosis with an 85-degree curve, which is very rigid. He was advised surgery by vertebral column resection (excision of the apical vertebrae)/ Osteotomy and deformity correction. There are some risks involved in the surgery. Uncontrolled bleeding and complete paraplegia might be there. But the parents are very happy to find a permanent solution for the problem. Hemanth was admitted and planned for the surgery.

The doctors performed the surgery for around 7 hours, under Intraoperative neural monitoring with total intravenous anaesthesia. Surgery was done by doing asymmetrical Vertebral column resection, and deformity correction by pedicle screws and direct vertebral rotation. The deformity was corrected by 80 per cent, further correction resulted in a loss of neural signals, and the boy recovered well. He is walking comfortably

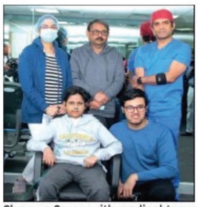
12-yr-old boy recovers after 65 days of ECMO support

Nirupa.Vatyam & Vivek Chauhan | TNN

yderabad/Lucknow: A -year-old boy, Shaurya Saan, suffering from multi-rgan infection due to Co-id-19 and on ECMO support for 65 days, has fully re-overed.

The boy from Lucknow as airlifted to KIMS Hospi-ls for ECMO therapy for evere Covid-19 infection nd was on life support ut-izing the efficiencies of a eno-venous ECMO for over wo months.

This is said to be the ngest time any patient,


Shaurya Saran with medical team

his body. With ECMO support his lung was rested and gradually healed itself and regained enough function to be able to support him,"

dicated doctors and suppor staff without which such remarkable recovery woul not have been possible.

The care given to the 1 year-old involved close mo nitoring of other orga functions, enhanced nutr tion, physical rehabilita tion, and advanced lung r covery manoeuvres whil on the ECMO.

"Our continuous pray ers were finally heard b God who returned our chil from the clutches of death, said Shaurya's father Raj ev Saran, an advocate i Lucknow high court.

"Despite giving all th

KIMS conducts breathing lung transplant surgery

CITY BUREAU
Hyderabad

Transplant surgeons at Krishna Institute of Medical Sciences (KIMS), Secunderabad, have conducted a 'breathing lung transplant' on a middle-aged patient, who was suffering from end-stage lung disease and was waiting for a donor lung since August.

while they are being transported. Essentially it involves the donor lungs to be transported in a high-end container to keep them healthy by keeping them warm and nourished by blood and oxygen.

"Only a select few transplant institutions in the United States, Canada, and Austria take this approach to enhance the outcomes of

manufactured by Swedish medical technology company XVIVO.

Dr Vijil Rahulan, chief, Transplant Pulmonology said, "Such state of the art systems improve organ function by perfusing donor organ with nutrient solutions and antibiotics to reduce injury to lung from cold ischemic transport in an icebox. It is also used to

Doctors perform world's first 'Autoguide' implantatio

(Standard Post, Bureau)

Hyderabad, March 22 : Doctors at the Krishna Institute of Medical Sciences (KIMS) Hospitals here on Tuesday claimed that they have performed World's first 'autoguide' implantation for Deep Brain Stimulation (DBS) using Artificial Intelligence (AI). This completed procedure is likely to revolutionise the treatment of brain ailments linked to Parkinson's disease and movement disorders, KIMS Hospitals said in a release here on Tuesday.

A team of neurosurgeons led by Dr Manas Panigrahi, Head of Department, Neuro Surgery at the KIMS Hospitals have developed a program to provide the latest versions of treatment with tomorrow's technology, today. The 32-year-old patient Abhinay Kumar from Hyderabad, diagnosed with a rare disorder with symptoms of tightness of hands and legs and having difficulty in walking, like in Parkinson's disease, was successfully treated using advanced treatment protocols on March 3, 2022. Commenting on the patient and the procedure, Dr Manas Panigrahi, Head of Department and Sr. Consultant Neurosurgeon, KIMS Hospitals said, "More than six years back Abhinay felt tremors in right hand, which increased with age and had great difficulty even in holding even a teacup and with its progression, was not even able to walk forcing him to give up his job. This condition required a surgical intervention to rectify the anomaly in the brain and had to be done with absolute precision. Accuracy is key while performing deep brain stimulation, and the highly skilled team of neurosurgeons and neurologists who specialize in Parkinson's disease and movement disorders, aided by an extremely accurate robotic tool, were able to reach the exact location inside the brain and treat the problem."

The Parkinson's Centre at the KIMS Hospitals is one of the very few places in Asia where such complex procedures could have been possible.

The Artificial Intelligence-integrated robotic system available at the KIMS Hospitals helps in various brain surgeries including epilepsy surgery, brain tumour biopsy, deep brain stimulation for Parkinson's disease, movement disorders and some psychiatric disorders. The Stealth Auto guide robot helps calculate the exact position and trajectory needed to reach the targeted area of the brain. A standard accuracy registration for deep brain stimulation usually falls between 0.8 and 1.2 millimetres.

By using the Stealth Auto guide robot, on recent surgery the Parkinson's group at KIMS Hospitals has registered an accuracy within 0.2, which is the first best in the nation according to Auto guide data. That's about the fractio thickness of a hair, th release said. If the surge is done manually, th neurosurgeon himse needs to calculate th coordinates, he has to f the leads with his ow hands into the brain. Wi AI Auto Guide the rob picks the coordinat based on the feed from th surgeons. It perform procedure according to th given instructions, wi utmost precision a accuracy. Post completi of the procedure, Abhin Kumar, who is no completely fine and no able to do everything, sa it is Parkinson's disease a after the DBS, tremors ha stopped complete Doctors treated me with gr care and I'm looking forwa to joining my job soon.

Second smallest premature infant underwent closure of PDA using medical device without surgery

(Standard Post, Bureau)

Hyderabad, Dec 3 : A couple from Hyderabad had premature twins after 3 years of marriage, that too in the IVF method. Both the babies were born at the gestational age of 26 weeks, and with a birth weight of 900 grams and 800 grams respectively. Both twins needed resuscitation measures at birth and were immediately admitted to the Neonatal Intensive Care Unit for breathing difficulty, prematurity and extremely low birth weight. One of the twins died after 12 hours of life. The surviving twin also developed multiple issues while undergoing treatment in NICU in the form of breathing difficulty with the need for ventilator support, feeding problems, infection and kidney issues. The baby also had a cardiac problem called PDA (patent ductus arteriosus) which is a persistent connection between the vessels supplying the body and the lung. Its persistence causes increased flow to the lungs and heart leading to heart failure and dependency on the ventilator. Also, it may cause kidney failure and bleed into the brain. In this neonate, heart failure was present with poor kidney function and inability to come out of ventilator support due to the presence of PDA. Previously such cases needed surgical correction by incision from the chest. In some cases, kidney failure and internal bleeding in the brain also can happen. Doctors decided to solve the issue with the latest technology without surgical intervention as the birth weight of the baby is just 800 grams. A medical device called Piccolo Occluder is the best option as per the doctors. It is a small self-expanding mesh device (smaller than a pea) that is inserted through one of the vein usually from groin without incision. It goes through one of the vein through minimally invasive catheter as small as 1.1 mm, enters the hole and released across it causing its closure.

The paediatric cardiology team of Dr SudeepVerma, Consultant Paediatric Cardiologist, Dr Gouthami, Consultant Paediatric Cardiologist and Dr Nagarajan, Consultant Paediatric Anaesthesiologist at KIMS Hospitals, Secunderabad went into the action. They closed the PDA using Piccolo Occluder, which is only 1/10 the size of a coin on the 14th day of the life of the baby. Usually this is done by making incision through side of the chest by pediatric cardiac surgeon. But, the state-of-the-art technology available at KIMS hospitals made this possible without any surgery.

This procedure is very rare in the country as this is performed on a premature baby with very low weight, that too on the 14th day of life.

Vizag hospital performs rare open heart surgery

EXPRESS NEWS SERVICE
@ Visakhapatnam

A private hospital in the city treated a 40-year-old patient who had an 'ascending aortic aneurysm' and 'aortic and mitral valve disease'. The hospital , through an open heart surgery dealt with a major health complication when a balloon-like bulge developed in a major artery.

"Sometimes the major artery from the heart may rupture leading to bleeding and immediate death. The operation was successfully performed," Consultant Cardiothoracic and Cardiovascular surgeon Dr. N. Sai Manikandan said while explaining the complexity of the case and the treatment that was given to the patient, S Gana, hailing from Rajam in Sri-

'aortic regurgitation'. In general, Aorta measures 2 to 4 cm. But, in this case, it was dilated to more than 6 cm. The team of doctors at the hospital performed Bentall surgery and mitral valve replacement for mitral stenosis in the open-heart method successfully. In the absence of surgery, the major artery would have ruptured. In such a case, the patient may die due to bleeding."

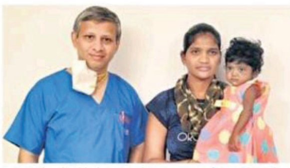
The patient has had 'ascending aortic aneurysm' due to rheumatic heart disease. It has progressed with time. Only five out of every one lakh people may be affected by such a problem

Dr N Sai Manikandan

"The patient has had this problem due to rheumatic heart disease. It has progressed with time. Only five out of every one lakh people may be affected by such a problem. The patient has fully recovered from surgery and has been discharged on Wednesday," the doctor said.

Acute Rheumatic fever is more prevalent in India with

9-month-old girl undergoes liver surgery


Dr Ravichand Siddachari, Head, Department of Liver Transplant, KIMS, along with the baby and her mother.

CITY BUREAU
Hyderabad

The transplant surgeons at KIMS Hospital, Secunderabad have successfully performed a liver transplant surgery on a 9-month-old baby, hailing from Mahabubnagar.

The young girl was admitted to KIMS Hospital when she was 7 months old with jaundice. A few months ago, she underwent portoenterostomy surgery at a different healthcare facility.

The surgery is taken-up among infants with a congenital liver disorder known as biliary atresia, doctors said.

However, with jaundice persisting, the young girl developed symptoms of liver failure.

At KIMS Hospital, the girl's mother came forward to donate a part of her liver and surgeons conducted the

42-yr-old gives birth to preterm twins at KIMS

EXPRESS NEWS SERVICE
@ Anantapur

A 42-year-old woman from Anantapur's Tadipatri has given birth to premature twins at a local hospital.

Doctors at KIMS Savera Hospital said the couple had been trying for their first pregnancy for the last 25 years and visited several doctors over the period.

Their decades-long efforts yielded results as the woman conceived twins last year. However, when she was 28 weeks pregnant, she developed premature labour pains and approached two hospitals in Tadipatri, where the doctors said she was not due yet. The woman's father admitted her to KIMS Saveera hospital where senior gynaecologist Dr Udayini strongly advised for immediate delivery or else there was risk to the mother's life.

As both the babies were massively underweight at birth, and their lungs were not completely formed, they had to kept on ventilators, the doctors said. At the time of discharge, the babies' weight increased to 1.8 kg and 2 kg.

The hospital authorities said treating such cases is almost impossible at regular hospitals.

MANY FIRSTS...

First in Asia in to do Trans catheter Tricuspid Valve replacement procedure done in 2018

Largest Joint replacement program in South Asia.

One of the largest neuroscience programs for epilepsy among private hospitals in the country

Largest ECMO program (18 machines) in the country.

First hospital in Hyderabad to use an ECMO machine in 2013.

First hospital in Hyderabad to do a Neonatal ECMO

First in India to do TOF repair using CorMatrix patch for pulmonary valve reconstruction in 2017

First in the country to do Robotic spleen preserving distal pancreatectomy

India's first COVID Double Lung transplant done in 2020

India's first Breathing Lung transplant done in 2021

The first hospital in Andhra Pradesh and Telangana to have been Green OT certified in 2016

First hospital in South India to introduce Da Vinci Robotic System

First hospital in India to perform Arch Repair in Neonates and infants without TCA

Number 1 player in Organ transplantation speciality (Heart, Lung, Liver and Kidney)*

First Hospital in South India to do Total Skin Electron Beam Radiation therapy in 2018

Number 1 in Nephrology treatments in Andhra Pradesh*

Number 1 in Cardio related surgeries and treatments programs in Andhra Pradesh *

Number 1 in Neurosurgery & Poly trauma treatments in Andhra Pradesh*

Number 1 in Urology (Genito-Urinary) surgeries performed in Andhra Pradesh*

*As per CRISIL Report 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian healthcare sector on a robust growth trajectory:

The Indian healthcare delivery market is estimated to reach ~Rs 5tn in value terms by FY22-end, with growth being contributed by a low base and pent-up demand from deferred treatments in FY21. The in-patient department (IPD) is likely to account for nearly 70% (in value terms) and out- patient department (OPD) the balance. Moreover, with renewed impetus from schemes like Pradhan Mantri Jan Aarogya Yojana (PMJAY) and the government's sharpened focus on healthcare, the sector is expected to grow at 15-17% CAGR to Rs 7.67trn in FY25.

Immense scope for growth:

The Indian hospital industry has grown over the years driven by an increase in per capita income, rising awareness on diseases and their impact, and changing lifestyles. However, the rate of growth is much lower compared to global standards primarily because of limited government participation and inadequate number of qualified healthcare professionals. To meet the needs of its 1.3 billion people, India needs to develop its healthcare infrastructure quickly and efficiently.

Opportunity for private sector players:

Opportunity for private sector players: The government has limited resources to drive growth in the hospital sector and hence, it is encouraging the participation of private players through PPPs. It is also creating a favourable environment by boosting medical tourism and implementing schemes such as Ayushman Bharat and National Digital Health Mission. Private participation in the healthcare sector is estimated at 58% in FY21 and projected to jump to 66% by FY22 and to 73% by FY25.

Pandemic hurts hospital sector:

Hospitals saw a drop in patient footfalls during the COVID- led lockdown as elective surgeries were deferred and revenue flow from medical tourism – both domestic and international – stopped. Though there was an opportunity in the form of coronavirus treatment, the upside was limited because of small margins. This impacted hospital cash flows. However, this was just a temporary blip with the sector likely to see robust growth in the medium term.

Emerging technologies to change industry landscape:

India will go through a 'digital health' revolution with introduction of technologies such as wearable tech, virtual reality, telemedicine, robotics and artificial intelligence. Many healthcare companies have started adopting these technologies, which in turn will improve patient engagement, field force effectiveness and supply chain management.

HOSPITAL INDUSTRY - AN OVERVIEW

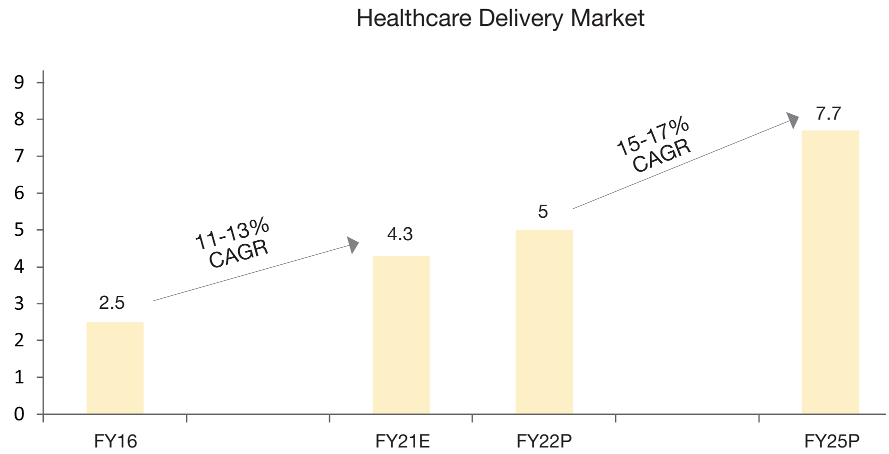
India's healthcare delivery market projected to grow at a 15-17% CAGR from FY22-FY25

Significant need for expansion of hospitals

Healthcare sector to bounce back after a temporary slowdown due to COVID-19.

The healthcare sector reeled under the impact of COVID-19 in FY21, growing from Rs 2.5trn to Rs 4.3trn - only at an 11-13% CAGR over FY16-FY21. However, growth is likely to bounce back in FY22 to Rs 5trn due to pent-up demand as patients were delaying elective surgeries and movement was restricted during the lockdown. Also, the government is coming up with policies such Ayushman Bharat; hence, the overall healthcare industry is projected to grow from Rs 5trn to Rs 7.7trn - a CAGR of 15-17% between FY22 and FY25.

Exhibit 1: Growth of India's healthcare delivery market (Rs trn)

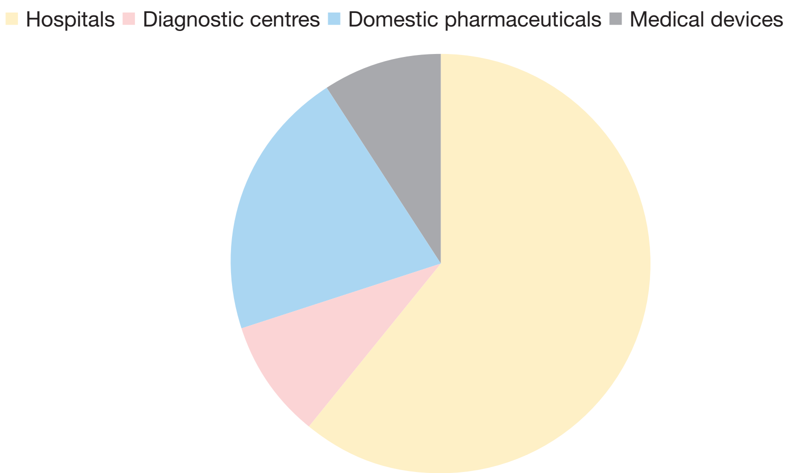


Source: Equirus

Hospital industry generates highest revenues in healthcare sector

The healthcare sector comprises various industries such as hospitals, diagnostics, pharmaceuticals and medical devices. As per CRISL Research, in FY20, the hospital industry had the highest revenue contribution towards the healthcare sector at 61%, followed by domestic pharmaceuticals at 20%, diagnostics at 10%, and medical devices at 9%.

Exhibit 2: Healthcare sector: Revenue split (FY20)



Hospital industry formed 61% of healthcare sector revenues in FY20

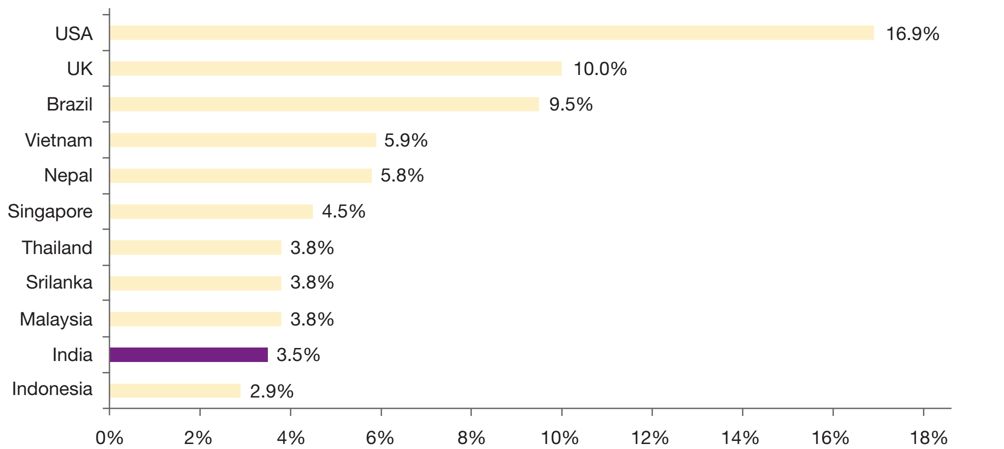
Source: Equirus

India had abysmally low healthcare expenditure compared to other nations at just 3.5% of GDP in 2018

Healthcare expenditure – India languishes

According to the Global Health Expenditure Database compiled by the World Health Organisation (WHO), India's expenditure on healthcare was 3.5% of GDP in 2018. In terms of healthcare spending (percentage of GDP) as of 2018, India trails not just developed countries such as the US and UK, but also developing countries like Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand.

Exhibit 3: India's total health expenditure as % of GDP (2018) was very low



Source: Global Health Expenditure Database-WHO, Equirus

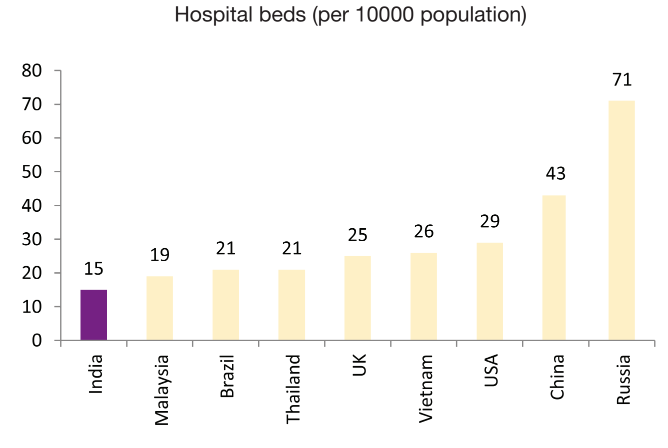
India's healthcare infrastructure in dire need of improvement

India lacks adequate beds, healthcare professionals

The adequacy of a country's healthcare infrastructure and personnel is a barometer of its quality of healthcare. India accounts for nearly a fifth of the world's population, but has an overall bed density of merely 15, with the situation far worse in rural than urban areas. India's bed density not only falls far behind the global median of 29 beds per 10,000 people, but also lags that of other developing countries such as Brazil (21 beds), Malaysia (19), and Vietnam (26), as of 2018.

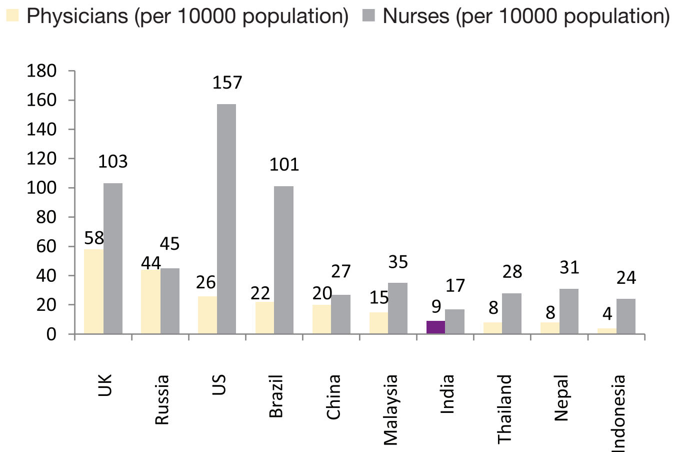
Moreover, there is a paucity of qualified healthcare professionals. At 9 physicians and 17 nursing personnel per 10,000 people, India trails the global median of 17 physicians and 39 nursing personnel. Even on this parameter, India lags other developing countries like Brazil and Malaysia.

Exhibit 4: India's hospital bed density lower than developing nations



Source: WHO Database, Equirus

Exhibit 5: India needs a lot more qualified healthcare professionals



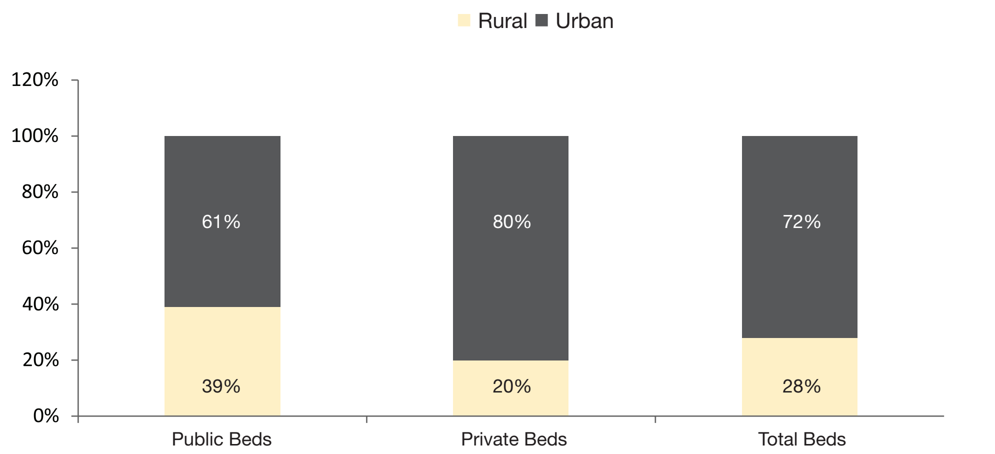
Source: WHO Database, Equirus

Rural areas house 72% of India's population but only 28% of total beds

Healthcare services highly concentrated in urban areas

Existing hospital beds and hospitalization services have a high level of concentration in urban areas, which in turn impacts the accessibility and affordability of these services in rural areas. While in the public sector, 61% of beds are present in urban areas, the proportion jumps to 80% in case of the private sector. On an aggregate level, 72% of total beds are in urban areas while only 28% in rural.

Exhibit 6: Most beds present in urban areas with low penetration in rural areas



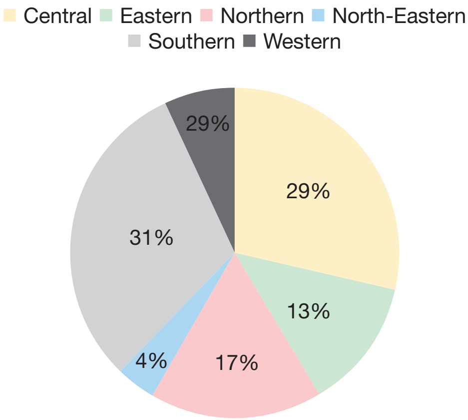
Source: Equirus

Quality of healthcare services and infrastructure in the South far superior to India's other regions

Dominant presence in southern region

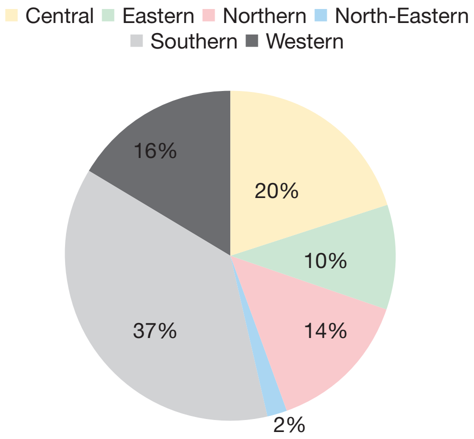
The availability of healthcare services is unevenly distributed across India. Most hospitals are present in the southern and central part of India while most hospital beds in southern India. Also, the quality of healthcare services and infrastructure in southern India is considered to be far superior to other regions of India. This has significantly boosted medical tourism to states such as Kerala, Karnataka and Tamil Nadu. Hence, there lies ample scope for hospital players to develop and expand to India's other regions.

Exhibit 7: Distribution of Indian hospitals, region-wise



Source: Equirus

Exhibit 8: Distribution of hospital beds in India, region-wise



Source: Equirus

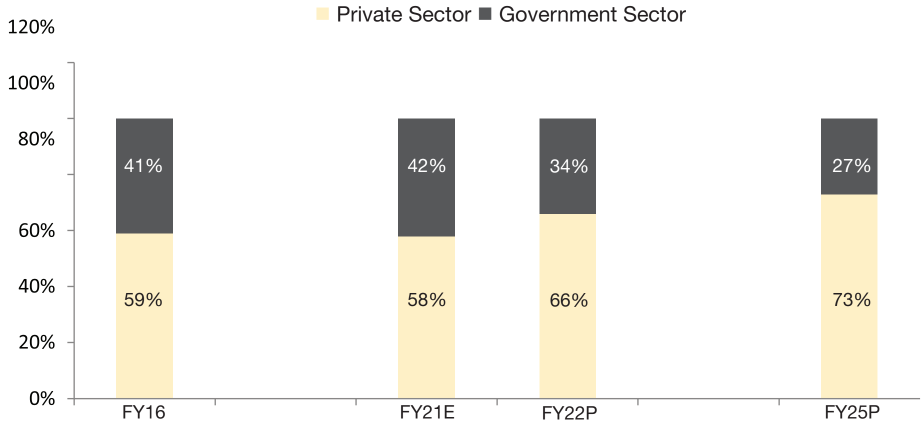
Private sector participation critical to ease pressure on public sector

Public hospitals, that offer healthcare at negligible cost, are overstretched. Thus, they need support of the private sector to share the burden. These private hospitals generally offer healthcare at higher costs to sustain themselves and maintain healthcare quality.

Private sector players have a strong backing from the government to drive growth in the healthcare sector; this can be seen by (a) a favourable investment environment with 100% FDI allowed in the hospital sector, and (b) adoption of the public-private partnership (PPP) model to increase reach in rural areas. Thus, in the coming years, the private sector's share in overall healthcare market would increase significantly.

Private sector share in healthcare market to increase from just 58% in FY21 to 73% in FY25

Exhibit 9: Share of private sector in overall healthcare market projected to increase



Source: Equirus

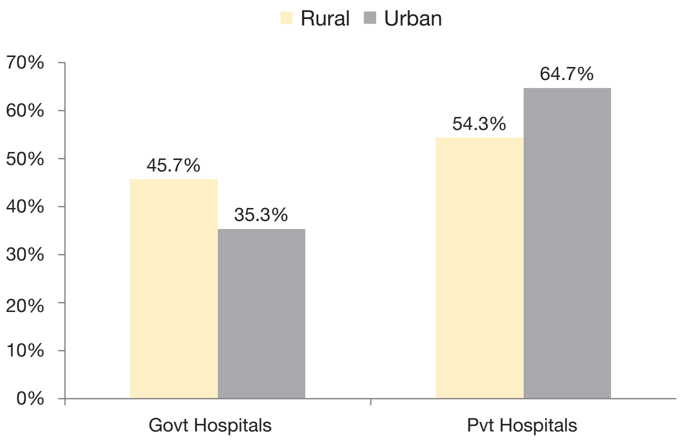
High dependence on private players for IPD & OPD treatments

In most hospitals, OPD contributes 75% of total volumes but IPD 70% of total revenues

As per the NSS 75th round survey, in rural areas, 45.7% of IPD treatments were carried out in government hospitals while the rest 54.3% in private hospitals. In case of urban areas, 35.3% and 64.7% of IPD cases were treated at government and private hospitals respectively.

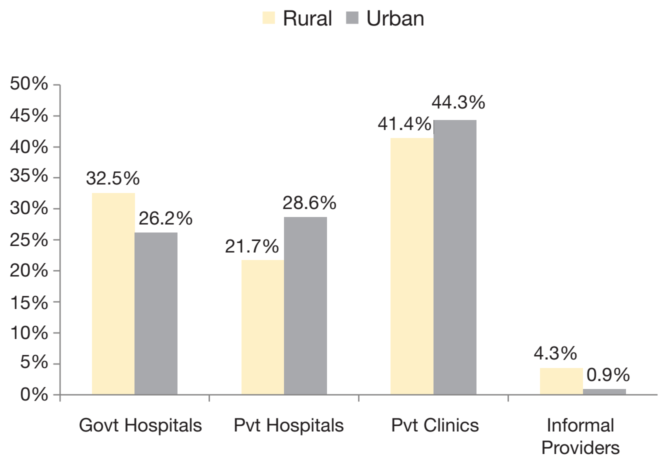
For OPD treatments, dependence on the private sector is higher as there are various private clinics in India which operate independently, and generally offer most treatments. In rural areas, there are some informal providers as well, which are able to treat some minor ailments. Exhibits 10-11 show the percentage breakup in both rural and urban areas for OPD and IPD cases.

Exhibit 10: Breakup of IPD cases by type of treatment provider



Source: Equirus

Exhibit 11: Breakup of OPD cases by type of treatment provider



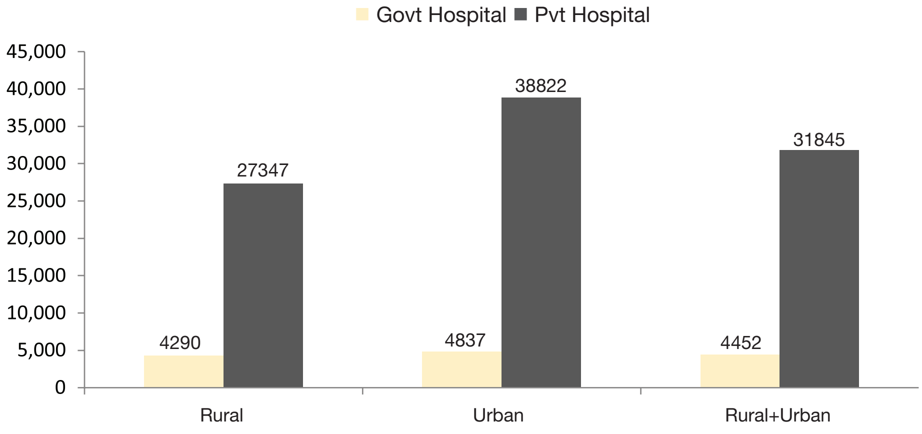
Source: Equirus

Rural areas house 72% of India's population but only 28% of total beds

Average medical expenditure in private hospitals very high vis-à-vis public hospitals

While the all-India average medical expenditure per hospitalisation case in public hospitals is low at Rs 4,452, the same for private hospitals is as high as Rs 31,845. Despite higher costs, most people depend on private hospitals for treatment as these largely meet service quality needs and demands. Lower expenditure by government or public sector on healthcare facilities is a key demand enabler for private sector healthcare services. Overall, government contribution has been ~30% of total healthcare expenditure in India, with the remaining 70% coming from private players.

Exhibit 12: Avg. medical expenditure in private hospitals 7x of government hospitals

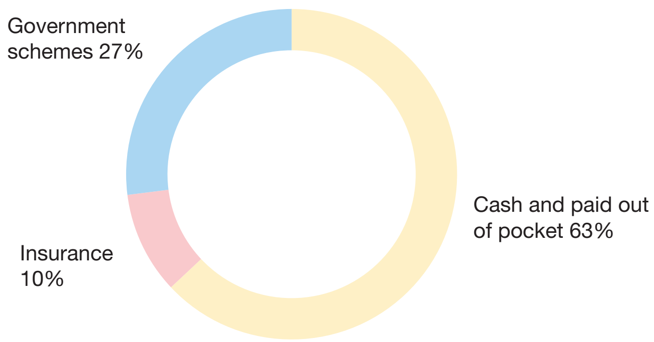


Source: Equirus

Payment modes in Indian healthcare

Government schemes accounted for 27% health expenditure in India in 2018. The contribution of PMJAY, the national public health insurance fund of the Government of India, was low and accounted for less than 5% of the total healthcare expenditure. 73% was privately funded. Out of this 73%, approximately 62.7% was out-of-pocket expense and the remaining 10% was funded by insurance.

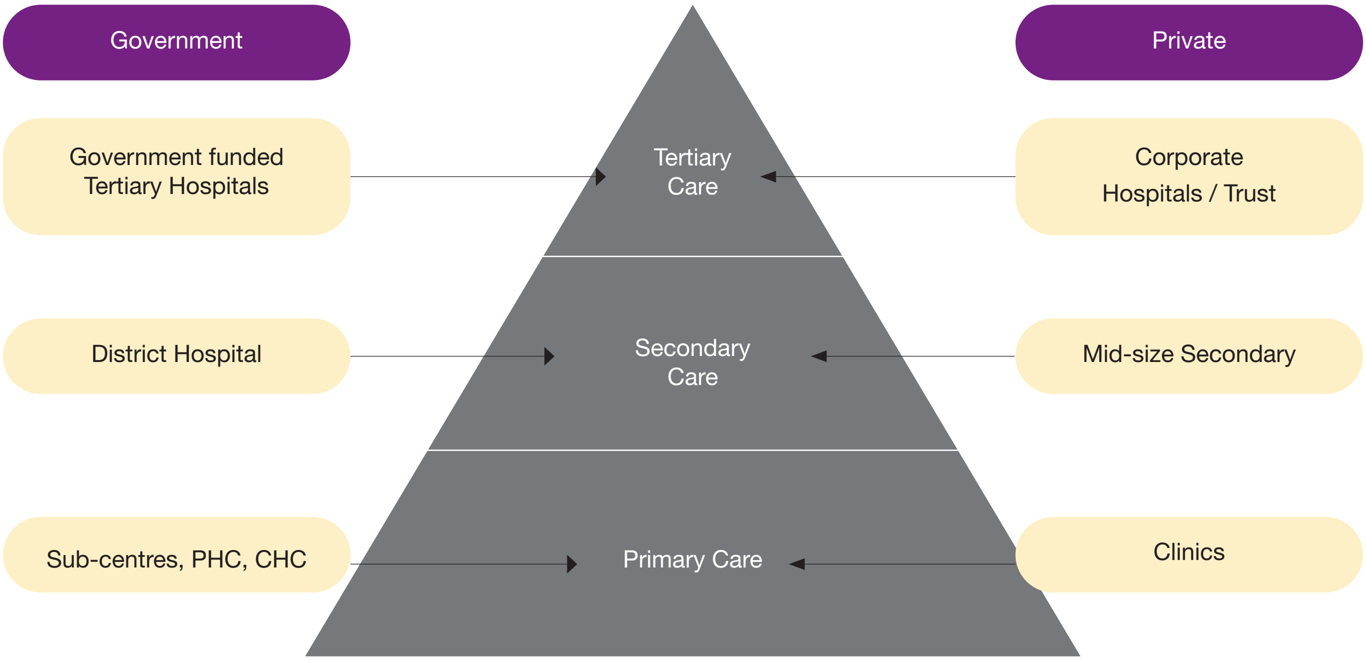
Payor mix (India) 2018



Source: Global Health Expenditure Database - WHO, IRDAI, CRISIL Research

Hospital Industry – Broad Structure

Exhibit 13: The hospital industry can be classified into 3 levels based on services offered and ailments catered to



Primary care

Primary care facilities are outpatient units that offer basic, point-of-contact medical and preventive healthcare services, wherein patients come for routine health screenings and vaccinations. These primary care centres also act as feeders for secondary care/ tertiary hospitals, where patients are referred to for treatment of chronic/serious ailments.

Secondary care

There are two types of secondary care hospitals – general and specialty care. General hospitals treat common ailments and have 50-100 in-patient beds, a tenth of which are allocated to ICUs. Specialty care hospitals typically have a strength of 100-200 beds, of which 15% are reserved for critical care units.

Tertiary care

Tertiary care hospitals provide advanced healthcare services, usually on referral from primary or secondary medical care providers. They can be further classified into single-specialty and multi- specialty. The single-specialty hospitals specialize in a particular type of treatment like cancer or cardiology while multi-specialty hospitals offer various medical services under one roof and treat complex cases like multi-organ failure and other high-risk cases.

Exhibit 14: Key differences between the three levels of care

Basis of differentiation	Primary Care	Secondary Care	Tertiary Care
Type of services	Only medical services	Medical & surgical services	Complex surgical services
Type of patients	Only outpatients	Outpatients & inpatients	Primarily inpatients
No. of beds	0 beds	50-200 beds	200+ beds
Investment required	Low	Medium	High
Complexity of ailment	Low	Medium	High

Source: Equirus

Indian Hospital Industry – Key growth drivers

Exhibit 15: Key drivers

Rising per capita GDP	Improvement in life expectancy and changing demographic profilez	Rise in non-communicable diseases
Increase in health insurance penetration	Favourable government policies	Boost in medical tourism

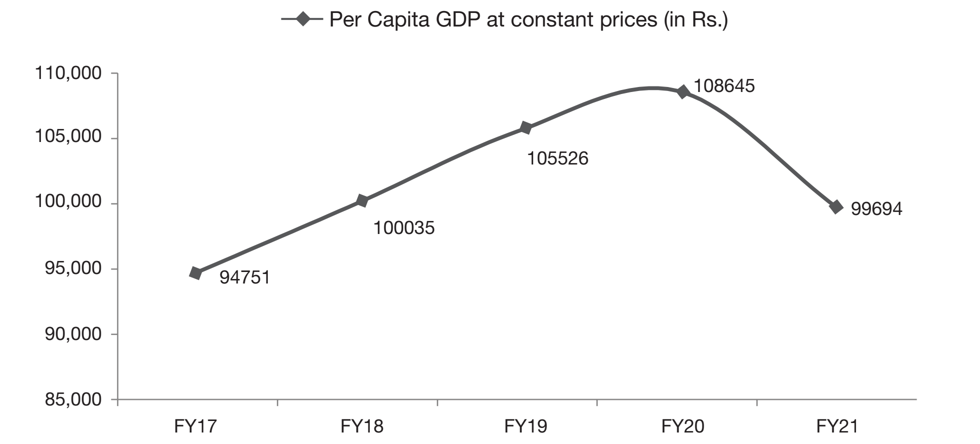
Source: Equirus

a. Rising per capita GDP = higher disposable income to access healthcare services

India's per capita GDP is rising, which eventually leads to more demand for healthcare services. From FY17-FY20, per capita GDP grew at a 4.7% CAGR; however, it saw an 8.2% yoy decline because of the COVID-19 induced lockdown. This indicator is expected to normalize in FY22 with a rebound likely, in turn increasing the population's spending capability.

Per capita GDP to normalize in FY22, in turn increasing spending capability

Exhibit 16: India's per capita GDP grew at a 4.7% CAGR from FY17-FY20



Source: CMIE, Equirus

b. Improving life expectancy, changing demographic profile

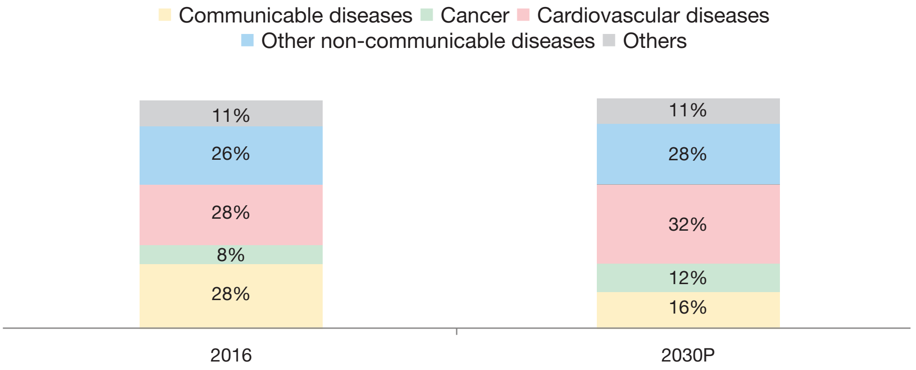
With improving life expectancy, India's demographic profile is also witnessing a change. As of 2011, nearly 8% of India's population was of 60 years or more, and this is expected to surge to 12.5% by 2026. Higher vulnerability of this age group to health-related issues will boost demand for healthcare-related services.

c. Non-communicable diseases on an uprise

While communicable diseases have been declining, non-communicable or lifestyle-related diseases have been rising in India. This provides ample scope for healthcare services in the country as NCDs tend to be of longer duration, increasing the need for such services.

Share of death in India from non-communicable diseases set to increase from 62% in 2016 to 72% in 2030

Exhibit 17: Non-communicable diseases to account for most deaths in India



Source: Equirus

d. Higher health insurance penetration to allow greater access to quality healthcare

Health insurance propels the demand for healthcare services as insurance policies partly cover health expenses, eventually reducing the healthcare cost burden and encouraging an individual to undergo treatment. As per IRDAI, health insurance coverage has risen from 17% in FY12 to 36% in FY20. Also, with the PMJAY scheme and other growth drivers, insurance coverage in India is expected to increase to 46% by FY25. Therefore, a likely increase in the health insurance market will drive demand for healthcare services.

e. Government policies to improve healthcare coverage

Budget allocation to health and well- being touched Rs 2.23trn in FY22

The government has raised its healthcare budget for FY22 to Rs 2,238.5bn, keeping in line with its goal to raise its healthcare spending to 2.5% of GDP by 2025 under the National Health Policy, 2017. This policy was formed with an aim to deliver quality healthcare services to all at affordable costs and it is the world's largest Government-funded healthcare programme. It has also undertaken various initiatives like Ayushman Bharat and National Digital Mission to increase the coverage of healthcare services.

The Ayushman Bharat scheme seeks to comprehensively strengthen the healthcare system, right from primary to tertiary care. This scheme provides healthcare assurance of Rs 0.5mn per family (on floater basis) to nearly 107.4mn families. As of Nov'20, nearly 14mn treatments had taken place under Ayushman Bharat since its inception in Sep'18. More recently, nearly 32,000 patients have received treatment for coronavirus under the scheme.

The National Digital Health Mission (NDHM) aims to create a management mechanism to process digital health data and facilitate its seamless exchange; develop registries of public and private facilities, health service providers, laboratories and pharmacies; and support clinical decision making as well as offer services like telemedicine. NDHM has the potential to make the health system more evidence based, transparent and efficient. Digitisation push by the government will not only enable patients to share their health profiles with providers for treatment and monitoring purposes, but also access accurate information about the credentials and pricing of services offered by various health facilities, providers, and diagnostic laboratories. It is anticipated that over the next 10 years, an incremental economic value of over US$ 200bn can be unlocked for the health sector through rigorous implementation of the NDHM.

f. Medical tourism has gained momentum in India

India is emerging as a major medical tourist destination, given the relatively low cost of surgery and critical care in the country. Most key medical procedures are performed at cheaper rates in India vis-à-vis developed and some developing countries. India is also an attractive destination due to its presence of technologically advanced hospitals with specialised doctors and facilities. As per the Ministry of Tourism, of the total foreign tourist arrivals in India, the proportion of medical tourists grew from 2.2% (0.11mn tourists) in 2009 to 6.4% (0.6mn) in 2019.

The government has also constituted a National Medical and Wellness Tourism Board which will provide financial assistance of Rs 6,00,000 to medical tourism service providers under market development assistance (MDA) to develop medical tourism in India.

Exhibit 18: Country-wise cost of key treatment procedures (in $)

Ailments	US	Korea	Singapore	Thailand	India
Hip replacement	50,000	14,120	12,000	7,879	7,000
Knee replacement	50,000	19,800	13,000	12,297	6,200
Heart bypass	144,000	27,900	18,500	15,121	5,200
Angioplasty	57,000	15,200	13,000	3,788	3,300
Heart valve replacement	170,000	43,500	12,500	21,212	5,500
Dental implant	2,800	4,200	1,500	3,636	1,000

Source: Equirus

REGULATORY FRAMEWORK FOR HOSPITALS AND HEALTHCARE IN INDIA

Accreditation of Hospitals

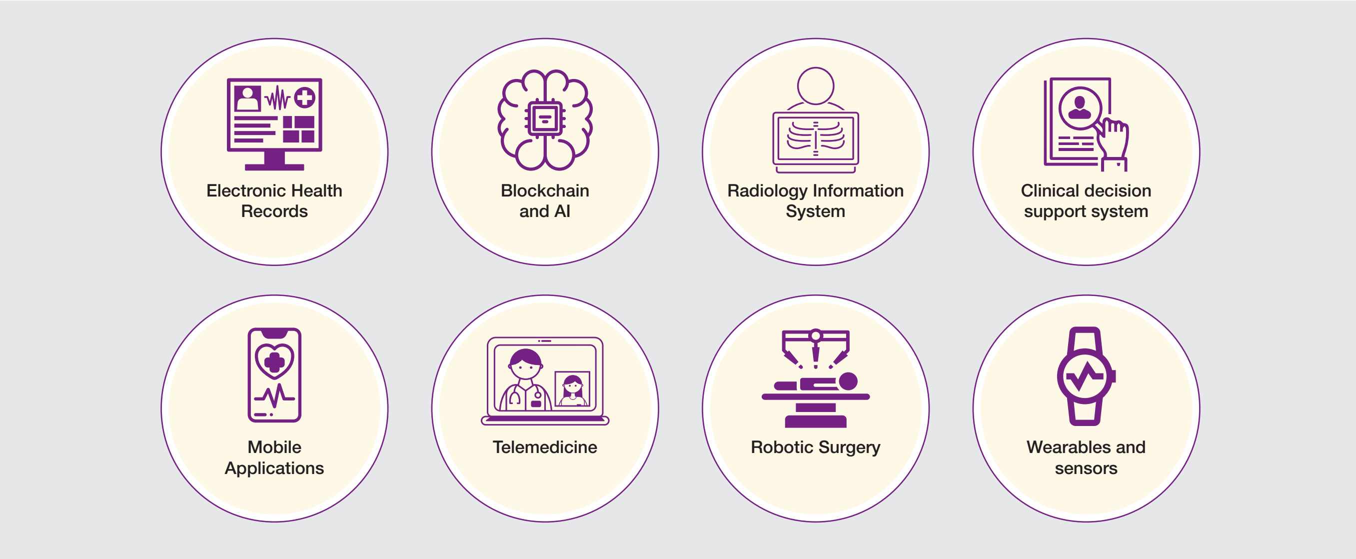
Accreditation of Hospitals is carried out by the National Accreditation Board for Hospitals and Healthcare Providers (“NABH”). It is a constituent board of Quality Control of India and is also a member of International Society for Quality in Health Care.

While accreditation is a voluntary process, it becomes mandatory for hospitals to get it done for empanelment purposes under the Central Government Health Scheme.

Other accreditations which are international in nature include the International Organization for Standardization (“ISO”), Joint Commission International (“JCI”), and Trent Accreditation Scheme (“TAS”).

National Accreditation Board for Testing and Calibration Laboratories (“NABL”) in India does the accreditation for Diagnostic centers. International accreditation is provided by agencies such as the Asia Pacific Laboratory Accreditation Cooperation and the International Laboratory Accreditation Cooperation.

EMERGING TECHNOLOGIES IN HEALTHCARE DELIVERY



Advancements in IT healthcare are undergoing a rapid transformation. With the advent of 5G, AI, and blockchain technologies, Hospitals will be able to deliver quality care even in remote locations. More importantly, it will help Hospitals improve the delivery process, improve efficiencies, and help in faster and more advanced clinical care.

Electronic Health Records:

Designed to access patient records, Electronic Health Records maintain individual patient history right from lab tests, OP records, medications, and radiology reports, among others. These help the doctor access data at a click of a button. It can help set reminders, generate customizable records, etc.

Blockchain and AI:

By optimizing workflows, blockchain and AI has the potential of providing significant savings to Hospitals. And by ensuring data remains secured, only authorized parties will be able to access the data. AI is helping analyze tons of patient data to come up with better diagnose of critical illnesses like cancer, thereby offering hope to millions.

Radiology Information System:

All digital records of medical images like MRI, X Ray, Ultrasounds, etc can be accessed by doctors from multiple locations. Radiology Information System helps the doctor to access the reports in real time without the need to go a fixed system.

Clinical decision support system:

A database designed to store and access complete patient info, CDSS helps the doctor in taking informed decision for the treatment of his patient. These have detailed notes on all types of ailments right from their symptoms to treatment options. Since they are open-ended in nature, new emerging information can be added on a real-time basis.

Mobile Applications:

A lot of new-age Apps for patients have seen the light of the day in recent times, these Apps helps in locating doctors, take online/offline appointment, booking diagnostic tests, order medicine among many other things. Many Apps today are helping patients with reminders for their dosages and prompting patients for timely checkups.

Telemedicine:

With an intent to provide healthcare in remote locations, Telemedicine plays a very vital role. Usually done with the help of video conferencing, the patient is examined by the doctor with the help of a healthcare worker who is physically present at the remote location for assistance. For patients requiring regular care, this is a boon. Plus, it also aids in catching a potential disease at a symptom stage and can be called to the hospital for detailed examination.

Robotic Surgery:

Robotic surgeries have gained prominence in recent times. They help in better precision in surgery for doctors and also help the patient by reducing his hospital stay. They help in reducing blood loss, operating time in few cases and better outcomes. Many surgeries today are performed with the help of Robotics such as bypass surgery, colorectal surgery, gastrointestinal surgery, neurosurgery and orthopedic surgery, among others.

Wearables and sensors:

Smartwatches today are helping people keep track fo their vitals, steps taken, pulse rate, etc, thereby helping the user live a healthy life. They help in nudging the user to take action by providing reports on a daily basis.

REVENUE AND COST STRUCTURE REVIEW OF HOSPITALS

In-Patient department revenue forms a major part of Hospital's revenue:

Out of the two revenue streams - OPD and IPD, the bulk of revenue is provided by IPD. Typically it ranges from 70 - 75% of total revenue. OPD on the other hand contributes to 75% of the total volumes of patients in a hospital. The contributions may vary depending on ailment mix, patient mix, and services offered.

IPD revenue contributors are Surgeries and Diagnostics:

Depending on the pricing and offerings, to a very large extent, surgeries and diagnostics contribute towards a major part of the overall revenues. As opposed to patients who require non-surgical treatment (referred to as medical), surgical patients generate more revenue. The high margins on consumables have come down post the capping by Government on items such as stents and knee implants. These have in turn rationalized the costs incurred by the patient. Most of the top hospitals have in-house diagnostic services which help them achieve economies of scale and deliver good margins.

Other important items for monitoring:

Occupancy levels: For hospitals to break even, occupancy levels play a major role. Higher fixed costs like beds, medical infra, buildings, etc. are a huge burden for any hospital. A 60% to 70% occupancy is the average seen in most top hospitals. Among the factors affecting the occupancy levels few of them are most critical like accomplished doctors, strong word of mouth, good care, and brand image.

Average length of Stay (ALOS):

The shorter the ALOS, more the utilization and hence more patients can be treatment at the same time. Top hospitals have managed to keep shorter ALOS to ensure they can keep up with the demand of more patients.

Average Revenue per Operating Bed (ARPOB):

Daily revenue being generated by an occupied bed can be generated. This is the average in-patient revenue per occupied bed.

SWOT ANALYSIS

S STRENGTHS

Affordable pricing:

We strive to offer our quality healthcare services at affordable prices, regardless of the markets, specialty or service type. We have successfully implemented our affordable pricing model in our hospitals in both Tier 1 and Tier 2-3 markets.

Ability to attract, train and retain high quality doctors, consultants and medical support staff.

We maintain our standard of high quality healthcare by consistently employing a diverse pool of talented doctors, nurses and paramedical professionals. Our multi-disciplinary approach, combined with our affordable cost for treatment, a high-volume tertiary care model, and our focus on teaching and research, has helped us attract and retain high quality doctors and other healthcare professionals.

We have taken significant efforts to create a culture that nurtures our medical talents and encouraged our doctors to become stakeholders in the KIMS hospitals where they work. Since inception in 2000, we have retained over 80% of our doctors. Our doctors have been involved in the growth of our hospitals by actively participating in the equity ownership in our Company and Subsidiaries.

Track record of strong operational and financial performance

We have consistently delivered strong operational and financial performance through strong patient volumes, cost efficiency and diversified revenue streams across medical specialties. We have achieved healthy profitability in both Tier 1 and Tier 2-3 markets by identifying markets with significant underserved healthcare demand and delivering quality healthcare services at affordable prices, which in turn drives patient volumes.

Disciplined approach to acquisitions resulting in successful inorganic growth

We have a successful history of identifying, executing and integrating acquisitions. We have a disciplined, low-leverage approach to acquisitions that has enabled us to maintain our affordable pricing model as we have grown in both Tier 1 and Tier 2-3 markets. From Fiscal year 2017 to Current Fiscal 2023, we have acquired 7 hospitals (including 3 units of Sunshine Hospitals). We have encouraged doctors at the hospital we acquire to stay with us, participate in the equity ownership of the hospital and contribute to the hospital's future growth.

Experienced senior management team with strong institutional shareholder support

We benefit from an experienced senior management team which has made significant contributions to our growth and has a long and proven track record in the healthcare services industry. We believe that a professionally managed team with a commitment to patient care and ethical standards enables us to operate our facilities efficiently while at the same time providing quality affordable healthcare to our patients.

W WEAKNESS

Government regulations:

Intense regulatory approvals, which involves numerous licenses, for starting a hospital is a huge barrier for private players. The Government has recently started capping the prices of drugs and consumables (stents, implants, etc.), while being good for the patients, can at the same time have impact on returns over a longer period of time.

Diverse market condition:

Disease profiles, payor mix, changing demographics among others are different from market to market. Price sensitivity is another important factor. Getting the right mix of doctors and achieving operational efficiencies require tremendous effort from the management on an ongoing basis and can get very challenging.

Availability of good medical and technical talent:

Skilled medical manpower is a humongous challenge for India. Talented doctors, nurses, and technicians are forever in demand and can be poached by the competition. Paying a disproportionate amount of salary can dent the profitability of the hospital in the long run.

OPPORTUNITIES

Digital revolution:

Access to technology with unprecedented adoption of online services like telemedicine, online lab tests, and ordering medicines among others have opened up new vistas of revenue for hospitals. The opportunity to provide quality remote care and the ability to access patient records at their fingertips will go a long way in making healthcare more accessible.

Focus on preventive wellness:

Post-COVID era, the focus on preventive health and wellness has seen a significant awareness among the masses on the importance of staying fit and eating healthy. As a result, people are investing in regular diagnostic check-ups which is helping them in identifying symptoms at an early stage and thereby helping them get timely care.

Underserved markets:

Huge potential exists in Tier 2 and Tier 3 cities across India for providing quality and affordable healthcare. KIMS Hospitals have demonstrated their capabilities in successfully running profitable hospitals in such cities. Going forward, we would be further expanding our footprints replicating our affordable care playbook in the underserved markets.

THREATS

Intense Competition:

The Healthcare space has seen new interest from many large corporates as well as private equity players. The majority of the new hospitals by new entrants are in already overcrowded markets and this has led to undercutting of prices and will lead to potential unfair trade practices. These can affect the profitability of established players in the short run. In the long run, however trusted players with strong brand equity will continue to prosper.

Government regulations:

GST implementation had an adverse impact on operating margins as hospitals could not utilize the input GST credit. Added to this, the pricing caps on key drugs and consumables have dented margins. The danger of further regulations will continue to be a threat to the healthcare sector.

HUMAN RESOURCES

HR Mission:

To win the Market Place, win the Work Place first

HR Vision:

We aim to create empowered Family Members

How do we do that?

By providing:

- Digitalized Human Resource Department
- Proactive Processes
- Influential Hygiene
- Properly defined Responsibility / Authority Metrics
- Defining Accountability for each of them
- Proper learning and development for each of them
- Influential Hygiene
- Well-versed Departmental QI's
- Communicating Business Plan and Goals
- Engaging and Handholding our Associates
- Incident Reporting a key tool to empower our Associates
- Women Empowerment through Seminars, Knowledge Share, SHE Team demos, etc
- High-Performance Culture through the KRA / KPI program and helping them understand what is expected and agreement of the same
- IDPs for improvement
- Career path Defined and Succession Planning

Focused Areas:

KIMS has earned the status of the preferred employer in Hospital Industry today in market owing to the aggressive expansion plans, the IPO, and being part of many surveys where there was a proper identity created.

Additionally KIMS claims to be a "BEST HOSPITAL TO WORK FOR" award winner from the Association of Healthcare Providers.

Having a clear HR vision aligned to the Company's requirements, making our communication reach everyone on a timely basis, having digitalized the department, fostering a habit to change with the need for change, understanding our HR numbers and controls partnering with employees in their needs and grievance, well connected with staff and continuing to support employees we have now set a very healthy equation of employee to connect and transparent information to KIMS associates.

Going forward Capability Building, gearing up to manpower readiness as per the expansion plans, and capitalizing on the existing strengths would remain as high focus points.

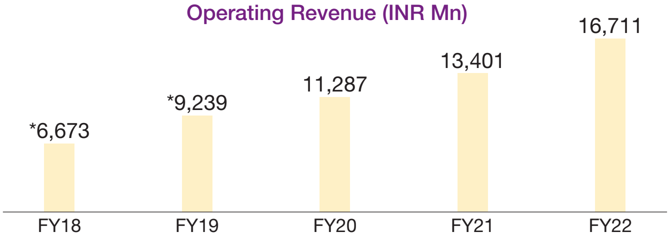
FINANCIAL PERFORMANCE

The financial statements of Krishna Institute of Medical Sciences and its subsidiaries joint venture and associate (collectively referred to as "KIMS" or the Company) are prepared in compliance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013 and Indian Accounting Standards (Ind AS).

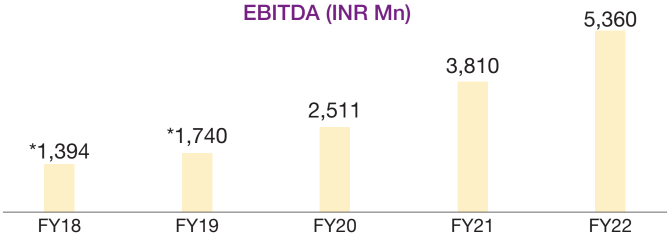
The discussions herein below relate to consolidated statement of profit and loss for the year ended March 31, 2022, consolidated balance sheet as at March 31, 2022 and the consolidated cash flow statement for the year ended March 31, 2022. The consolidated results are more relevant for understanding the performance of KIMS.

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, KIMS started following the Indian Accounting Standards (Ind AS) for preparation of its financial statements from April 1, 2016.

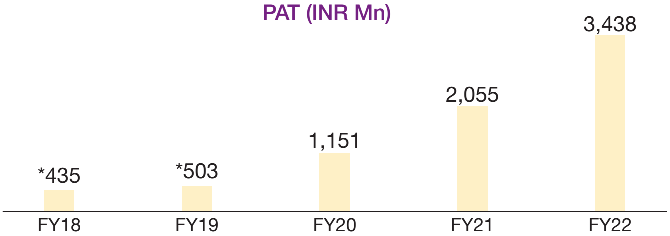
Operating Revenue (INR Mn)



EBITDA (INR Mn)



PAT (INR Mn)



*Revenue, EBITDA and PAT for FY18 & FY19 are excluding IND AS 109 accounting entry

Significant accounting policies used for the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

Revenue

Our total revenue from operations increased by 3,208.9 million (24.1%) as compared to Fiscal Year 2021 to 16,508.3 million in Fiscal Year 2022. This increase is primarily attributable to increase in inpatient volumes by 17.3% and outpatient volumes by 22.1% in Fiscal Year 2022 compared to Fiscal Year 2021. Increase in revenue is also driven by case mix improvement

Income from operations

For the Fiscal year 2022, income from hospital services increased by 1,939.1 million (21.9%) as compared to Fiscal Year 2021 while income from Pharmacy increased by 1,248.5 million (29.3%) as compared to Fiscal Year 2021

All our facilities including the new facilities at Ongole, Vizag, Ananthapur and Kurnool have shown year on year increase in revenue. During the Fiscal Year 2022, our Telangana cluster contributed to a total revenue of 11,214 million (30% increase over Fiscal year 2021) while our AP cluster contributed 5,645 million to total Revenue (17% increase over Fiscal year 2021)

Other Operating Income

Other operating income primarily consists of income from sale of food and beverages amounting to 129.7 million during fiscal year 2022 as compared to 105.7 million in Fiscal Year 2021. Our other operating revenues including income from academic courses and other hospital income amounting to 68.8 million during fiscal year 2022 as compared to 71.5 million in Fiscal Year 2021.

Other income

Our other income increased by 101.0 million from 101.7 million in Fiscal year 2021 to 202.6 million in Fiscal Year 2022 Increase in other income is primarily on account of interest income on bank deposits and write back of liabilities no longer required during the fiscal year 2022.

Expenses

Our total expenses increased by 1626.6 million or by 15.3% from 10,610.9 million in Fiscal Year 2021 to 12,237.4 million in

Fiscal Year 2022. Increase in total expenses is majorly due to increase in cost of consumption by 662.2 million and increase in employee benefits by 417.0 million which is in line with revenue increase

Cost of consumption

Cost of consumption comprises of our expenses related to Purchase of medical consumables, drugs and surgical instruments and changes in inventories of medical consumables, drugs and surgical instruments. Cost of consumption related to usage of drugs, medical consumable and instruments increased by 848.6 million from 2826.4 million in Fiscal Year 2021 to 3675.0 million in Fiscal Year 2022. Cost of consumption as a percentage of our total revenue remained constant at 21.3% in Fiscal Year 2022 and 21.6% in Fiscal 2021.

Employee benefits expense

Our employee benefits expense increased by 417.0 million, or by 18.9%, from 2,202.1 million in Fiscal Year 2021 to 2619.1 million in Fiscal Year 2022. Employee benefits expense as a percentage of our total revenue declined from 16.4% in Fiscal Year 2021 to 15.7% in Fiscal 2022.

Finance costs

Our finance costs decreased by 164.6 million, or by 50.7%, from 325.0 million in Fiscal Year 2021 to 160.3 million in Fiscal Year 2022. This decrease is primarily due to reduction of interest expenses on account of closure of major outstanding loans during the current Fiscal Year

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 31.4 million, or by 4.5% from 695.4 million in Fiscal Year 2021 to 726.7 million in Fiscal Year 2022. This increase is primarily attributable to additional depreciation arising from fixed assets capitalization during the current Fiscal Year.

Other expenses

Our other expenses increased by 680.6 million, or by 15.1%, from 4,499.1 million in Fiscal Year 2021 to 5,179.7 million in Fiscal Year 2022. Other expenses, as a % to revenue has declined from 33.6% in Fiscal Year 2021 to 31.0 % in Fiscal Year 2022.

Increase in other expenses is mainly on account of increase in medical consultancy changes which in line with increase in revenue. Medical consultancy charges as % to total revenue has declined from 19.7% for Fiscal Year 2021 to 18.0% for Fiscal Year 2022.

Other key expense include:

Description (INR Mn)	Fiscal Year 2022	%to Total Revenue	Fiscal Year 2021	% to Total Revenue
Consultancy charges	3,007.1	18.0%	2,634.6	19.7%
House keeping expenses	472.9	2.8%	400.9	3.0%
Power and fuel	258.3	1.5%	243.1	1.8%
Catering and patient welfare expenses	194.3	1.2%	159.7	1.2%
Repairs and maintenance	505.2	3.0%	443.6	3.3%
Travelling and conveyance	72.9	0.4%	29.6	0.2%
Advertisement and publicity	111.5	0.7%	91.8	0.7%

Our house-keeping expenses increased by 72.0 million or by 18.0 % from 400.9 million in fiscal year 2021 to ` 472.9 million in fiscal year 2022. As a % of revenue the same was at 3% in 2022 as compared to 2.8% in 2021.

Our power and fuel expenses increased by 15.2 million from 243.1 million in fiscal year 2021 to 258.3 million is fiscal year 2022. The effective year on year increase in 6.2% from previous Fiscal Year.

Our catering and patient welfare expenses increased by 34.6 million from 159.7 million in fiscal year 2021 to 194.3 million is fiscal year 2022. The increase is in line with the revenue growth. Catering and patient welfare expenses as % to revenue has remained constant at 1.2% in Fiscal year 2022 compared to Fiscal Year 2021.

Our repairs and maintenance expenses increased by 61.6 million from 443.6 million in fiscal year 2021 to 505.2 million in fiscal year 2022. Repairs and maintenance expenses as a % to revenue decreased from 3.3% in Fiscal Year 2021 to 3.0% in Fiscal Year 2022.

Travelling and conveyance expenses increased by 43.4 million from 29.6 million in Fiscal Year 2021 to 72.9 million in Fiscal Year 2022. Expenses as % of revenue has also increased from 0.2% in Fiscal Year 2021 to 0.4% in Fiscal year 2022 due to easing of COVID related travel restrictions in the current Fiscal Year compared to previous Fiscal Year where travel was restricted due to COVID regulations.

Our advertisement and publicity expenses increased by 19.7 million from 91.8 million in fiscal year 2021 to 111.5 million is fiscal year 2022. Advertisement and publicity expenses as % to revenue has remained constant at 0.7% in Fiscal year 2022 compared to Fiscal Year 2021.

Profit before share of profit of Joint Venture and tax

Profit before share of profit of Joint Venture and tax was 4,473.4 million in Fiscal Year 2022 as compared to a profit before tax amounting to 2,790.2 million in Fiscal Year 2021.

Share of profit of a Joint Venture, net of tax

Our investments during the Fiscal Year 2022 in Sarvejana Healthcare Private Limited (Sunshine Hospitals) is accounted under equity method as per Ind AS 28 'Investment in Associates and Joint Ventures' have resulted in profit of 95.1 million. Sunshine Hospitals has become our subsidiary from April 2022.

Tax expense

We recorded current tax of 1,141.6 million, deferred tax of 1.7 million and adjustment of tax related to earlier year of (12.6) million in Fiscal Year 2022 as a result of which total tax expense for Fiscal Year 2022 was 1,130.6 million. We recorded current tax of 778.4 million and deferred tax of (33.0) million and adjustment of tax related to earlier year of (10.0) million in Fiscal Year 2021 as a result of which total tax expense for Fiscal Year 22 was 735.4 milllion.

Profit for the year

As a result of the foregoing, our profit for the year is 3,438.0 million in Fiscal year 2022 as compared to a profit of 2,054.8 million in fiscal year 2021.

Assets

(INR Mn)

Particulars	As at March 31,	
	2022	2021
Non-current assets		
Property, plant and equipment	7,705.2	7,706.3
Capital work-in-progress	207.6	92.4
Goodwill	847.8	847.8
Other intangible assets	317.6	247.4
Right-of-use assets	1,181.5	509.3
Investments in a Joint Venture	3,324.8	-
Financial assets		
(i) Loans	-	-
(i) Other financial assets	395.6	192.2
Deferred tax assets (net)	32.15	29.3
Non-current tax assets (net)	174.7	103.7
Other non-current assets	952.6	121.1
Total non-current assets	**15,139.5**	**9,849.6**
Current assets		
Inventories	364.3	240.9
Financial assets		
(i) Trade receivables	1,286.4	1,098.2
(ii) Cash and cash equivalents	256.3	521.3
(iii) Bank balances other than (ii) above	1,644.3	2,323.1
(iv) Loans	-	-
(iv) Other financial assets	281.0	257.6
Other current assets	101.7	70.9
Total current assets	3,934.0	4,511.9
Total assets	**19,073.5**	**14,361.5**

We had property, plant and equipment amounting to 7,705.2 million as at March 31, 2022 and 7,706.3 million as at March 31, 2021. Our property, plant and equipment assets primarily consist of medical equipment, buildings, land, leasehold improvements, furniture and fixtures, electrical equipment, computers and vehicles.

Slight decrease in our property, plant and equipment assets is primarily on account of depreciation of 610.2 million during the fiscal year 2022. We also had an addition of 609.2 million in new assets during the year.

Our Capital Work-in-progress of 207.6 million as of March 31, 2022 was primarily on account of construction of second block at Nellore, construction of nursing hostel at Ongole, advance for leasehold premises at Kondapur and construction of guest house at Hyderabad.

We had goodwill amounting to 847.8 million as of March 31, 2022. It includes internally generated goodwill amounting to 314.2 million and goodwill arising during acquisition amounting to 533.6 million.

We had other intangible assets amounting to 317.6 million as at March 31, 2022 and 247.4 million as at March 31, 2021. Our other intangible assets consist of Software, brand, non-compete and customer contracts. Increase in other intangible assets was primarily on account of capitalization of Hospital Information System (HIS) software.

The Company had adopted the new accounting standard IND As 116 pertaining to Leases which become effective from 1st April 2019. As a result, of this adoption, all long term rental agreements where re- worked based on committed tenure and a new Asset Right-to-Use was created. The ROU value was 1181.5 million as on March 31, 2022. The corresponding liability was created as "Lease liabilities" under "Non-current liability" and "current liability".

Our Investments in joint ventures comprise of investments made in Sarvejana Healthcare Private Limited (Sunshine Hospitals) amounting to 3,324.8 million

We had other non-current financial assets of 395.6 million as of March 31, 2022 and 192.2 million as of March 31, 2021. This primarily comprises of security deposits amounting to 382.2 million and deposits with remaining maturity more than 12 months amounting to 12.7 million as on March 31, 2022.

Our Deferred Tax Assets increased to 32.2 million as of March 31, 2022 from 29.4 million as of March 31, 2021. Our income tax assets increased to 174.7 million as of March 31, 2022 from 103.7 million as of March 31, 2021 which is primarily on account of TDS from our customers pending assessments and refunds in our holding company and our subsidiaries.

We had other non-current assets amounting to 952.6 million and 121.1 million as at March 31, 2022 and 2021 respectively. The increase is majorly on account of increase in our capital advances by 849.4 million

We had inventory amounting to 364.3 million and 240.9 million as at March 31, 2022 and 2021 respectively. Inventory majorly comprises of medical consumables, drugs and surgical instruments

We had outstanding net trade receivables amounting to 1,286.4 million and 1,098.2 million as at March 31, 2022 and 2021 respectively. We made provisions for doubtful trade receivables amounting to 403.9 million an 411.9 million as at the end of March 31, 2022 and 2021 respectively. Our trade receivables comprise of receivables from government payors, corporate bodies, insurers and patients who pay directly to us.

We had other financial assets amounting to 281.0 million as of March 31, 2022 as against 257.6 million as of March 31, 2021. Other financial assets majorly comprises of unbilled revenue amounting to 152.3 million and security deposits amounting to 98.6 million as on March 31, 2022

Liabilities and Indebtedness

Liabilities

The following table sets forth the principal components of our liabilities as at March 31, 2022 and 2021

(INR Mn)

Particulars	As at March 31,	
	2022	2021
Non-current liabilities		
Financial liabilities		
(i) Borrowings	1,376.6	1,846.0
(ii) Lease liabilities	886.6	433.4
(iii) Other financial liabilities	3.9	5.6
Provisions	170.5	160.6
Other non-current liabilities	-	12.4
Deferred tax liabilities (net)	379.4	358.3
Total non-current liabilities	**2,817.0**	**2,816.3**
Current liabilities		
Financial liabilities		
(i) Borrowings	233.7	858.6
(ii) Lease liabilities	68.4	25.6
(iii) Trade payables	1,295.3	1,318.7
(iv) Other financial liabilities	168.9	161.3
Provisions	103.4	104.9
Other current liabilities	278.7	227.1
Current tax liability (net)	1.7	87.0
Total current liabilities	**2,150.1**	**2,783.3**
Total liabilities	**4,967.1**	**5,599.6**

We had non-current borrowings amounting to 1,376.6 million and 1,846.0 million as at March 31, 2022 and 2021 respectively.

Our non-current Lease Liability stood at 886.6 million as on March 31, 2022 as against 433.4 million as on March 31, 2021

Deferred tax liability stood at 379.4 million as on March 31, 2022 compared to 358.3 million as on March 31, 2021

We had outstanding trade payables amounting to 1,295.3 million and 1318.7 million as at March 31, 2022 and 2021 respectively. These primarily comprised of payables towards purchase of drugs, consumables, various services including medical consultancy charges, legal and professional fees, housekeeping charges and security charges.

Current borrowings amount of 233.7 million and 858.6 million as at March 31, 2022 and March 31, 2021 respectively. Current borrowings mainly comprise of current maturities of long term borrowings amounting to 216.0 million and working capital loan amounting to 15.1 million as on March 31, 2022

Our current Lease Liability stood at 68.4 million as on March 31, 2022 as against 25.6 million as on March 31, 2021

We had other current financial liabilities amounting to 168.9 million and 161.3 million as at March 31, 2022 and 2021 respectively. These primarily comprised of employee related payables amounting to 140.6 million and short term capital creditors amounting to 14.8 million

Provisions amounted to 103.4 million and 104.9 million as at March 31, 2022 and 2021 respectively. Provisions comprised of provision for employee benefits pertaining to gratuity and compensated absences

We had other current liabilities amounting to 278.7 million and 227.1 million as at March 31, 2022 and 2021 respectively. These primarily comprised statutory dues payable amounting to 111.6 million and contract liability amounting to 135.1 million

Summary of cash flow statement

(Amt in mn)

Particulars	For the Fisal Year ended March 31, 2022	For the Fisal Year ended March 31, 2021
Net cash flow generated from/ (used in) operating activities	3,240.3	3,559.7
Net cash flow generated from/ (used in) investing activities	-4,115.2	-3,541.8
Net cash flow generated from/ (used in) financing activities	610.0	98.2
Net cash flows generated for the year	-265.0	116.1

Cash flow generated from operating activities

For the fiscal year ended March 31 2022, we had profit before tax of 4,568.5 million and our operating profit before working capital changes was 5253.9 million. Our cash generated from operations after adjusting for changes in working capital was 4,509.2 million. This reflected cash outflow on account of an increase in trade receivables and inventory by 232.7 million and 123.4 million respectively and also an increase in other financial assets by 489.7 million.

After adjusting for changes in working capital and a net income tax refund receipt amounting to 1,269.0 million, our net cash flow generated from operating activities was 3240.2 million for the fiscal year ended in March 2022.

Cash flow used in investing activities

For the fiscal year ended March 31, 2022, our net cash flow used in investing activities was 4,115.2 million. This majorly includes net capex outflow towards property plant and equipment of 1,700.0 million and investment in joint venture amounting to 3,229.7 million during the Fiscal Year 2022. This also includes inflow from bank deposits (net) of 691.9 million for the Fiscal Year 2022.

Cash flow used in financing activities

For the fiscal year ended March 31, 2022, our net cash inflow from financing activities was 610.0 million. This majorly includes proceeds from equity shares amounted to 1,916.6 million a part of which was used towards repayment of long terms borrowings amounting to 469.4 million and short term borrowings amounting to 625.0 million during the year ended March 31, 2022. We also had a cash outflow of 116.7 million towards interest payment and interest on lease liability amounted to 95.5 million for the fiscal year under review.

Key Ratios	2021-22	2020-21	Movement	Remarks
Ratio - Leverage				
Debt/Equity	0.18	0.36	-49.6%	Reduced in borrowing coupled with improved performance
Debt/EBITDA	0.48	0.83	-42.4%	
EBITDA/Interest	33.43	11.73	185.1%	
Interest Coverage Ratio	0.03	0.09	-64.9%	
Ratio Profitability				
Operating Profit Margin %	32.1%	28.4%	12.8%	Improved performance coupled with better margins
Net Profit Margin %	20.6%	15.3%	34.2%	
Return on Equity %	30.1%	27.6%	8.8%	
ROCE %	27.7%	25.9%	7.0%	
Ratios Operations				
Inventory Turnover Ratio	11.74	10.61	10.6%	
Debtors Turnover Ratio	14.02	11.07	26.6%	Improvement in operations
Current Ratio	1.83	1.62	12.9%	
Ratio - Per Share				
EPS	41.88	26.42	58.5%	

Notes to key ratios:

- Debt /Equity: Total Debt including lease obligations/ shareholders' equity
- Interest coverage ratio: Interest includes interests on lease liability due to adoption of IND AS 116/EBITDA
- EBITDA/Interest includes interests on lease liability due to adoption of IND AS 116
- Return on Equity: PAT/Average Shareholder's Equity
- ROCE: EBIT/ Net Worth
- Inventory Turnover Ratio: COGS/ Average Inventory
- Debtors Turnover Ratio: Total Revenue / Average Receivables
- Current Ratio: Current Assets/ Current Liabilities

Credit Rating:

The long-term credit rating of KIMS for Fiscal Year 22 has been maintained at AA (-) by CRISIL. (Associate of S&P Global Company). 'AA' Rating for Instruments signifies adequate degree of safety regarding timely servicing of financial obligations. The outlook on the long term rating is Stable.

RISKS & CONCERNS

Risks are an integral part of any business. Effective management of business risks is a key factor determining an organization's growth, profitability, and certainty of going concern. Government intervention with respect to stricter regulations, price capping of key implants & drugs, and introduction of state-sponsored health schemes have an impact on industry margins. The risks that might impact our business prospects, financial condition, and results of operations, inter-alia include:

1. Our results of operations in any given period may be influenced by a number of factors, many of which are not under our control and may also be difficult to predict, such as; political and economic conditions, changes in the competitive landscape in which we operate, government policies and reforms with respect to the health care industry, uncertainty associated with pharmaceutical pricing, higher inflation percentage, delays in executing our growth strategies due to several factors, time and cost overrun in setting up of newer facilities, and unavailability of a quality workforce.
2. Our patients are classified under various payer categories, such as self-paying patients, patients with third-party payer agreements, and Government scheme patients. In case of delays in payments from any of the credit payer categories, our financial condition, cash flows, and results of operations may be materially and adversely affected. Provisions for disallowances reduce our revenue from operations, and provisions for doubtful trade receivables increase our expenses, thus reducing our profitability.
3. We face intense competition from other healthcare organizations, which requires us to periodically update our facilities to cater to our patients with the latest technology. If we are unable to compete effectively, our business and the results of operations may be materially and adversely affected.
4. A majority of our doctors are not our employees. Our arrangement with such doctors is on a consultancy basis. Such doctors may discontinue their association with us or be unable to provide their services at our hospitals for any reason. Further, we are dependent on a number of key personnel, including our Promoters and senior management, and any loss of talent or our inability to attract or retain such persons could adversely affect our business, financial condition, results of operations, and cash flows.
5. We may not realize the value of our goodwill or other intangible assets. We expect to engage in additional transactions that may result in our recognition of additional goodwill or other intangible assets. We have a periodic evaluation process whereby we assess if there is an occurrence of any events and circumstances which may result in all or a portion of the carrying amount of goodwill or other intangible assets being unrecoverable and may therefore require to be impaired.
6. Currently, our Company conducts a portion of its operations through its subsidiaries. Further, a portion of our Company's assets is held by, and a part of its earnings and cash flows is attributable to, our subsidiaries. If earnings from our subsidiaries were to decline, our Company's earnings and cash flows would be materially and adversely affected.
7. The conditions and restrictions imposed by our financing arrangements with respect to our indebtedness may limit our ability to grow our business. We may require additional funding to finance our operations, which may not be available on acceptable terms. If we are unable to raise funds, the value of your investment in us may be negatively impacted.
8. With high dependence on technology/software for managing a high volume of financial and operational information, we are at risk of compromising data confidentiality in the absence of robust IT controls being put in place. Further, the absence of suitable information backup infrastructure may also lead to the organization losing critical data, as a disaster recovery mechanism may be ineffective.

The Board of Directors of KIMS has prime responsibility for monitoring the comprehensive list of risks faced by the company. The Risk Management Committee (RMC), as a sub-committee to the Board, supports the Board by supervising the implementation of the risk management policy. RMC guides the organization on the development of policies, procedures, and systems for managing risk. Please refer to the section on Risk Management for further information on the Risk Management framework.

Internal Control Systems & their Adequacy:

KIMS has a well-defined framework of internal controls commensurate to its operations' size and complexity. A dedicated Internal Audit team reports directly to the Audit Committee, comprising three independent directors overseeing the Internal Audit function. The scope, authority, and responsibility of the Internal Audit function are governed by the Internal Audit Charter, which is approved by the Audit Committee. For every financial year, the Internal Audit function develops a risk-based internal audit plan to assess control design and its operating effectiveness, which is reviewed and approved by the Audit Committee.

The audit team reviews the scope defined and reports on the status of internal controls, quarterly to the Audit Committee. Before being placed to the committee, the functional heads review the internal audit reports, and corresponding action plans for each of the observations are provided with clearly defined timelines and a responsibility matrix. In its quarterly meetings, the audit committee reviews the report in detail and approves it.

Further, a separate team of Internal Auditors is deployed across all the group hospitals for concurrent review of daily transactions. A monthly review of the outcome of concurrent audit is conducted at the unit level, and a summary of the outcome is updated to management regularly.

Additionally, the audit team also does annual testing of the Entity Level Controls (ELCs), and Internal Controls over Financial Reporting (ICoFR) controls laid down by the management, to provide assurance to the committee on the status of internal controls.

All the pending observations are tracked through a comprehensive Action Taken Report (ATR) format, which is presented to the audit committee along with the audit reports every quarter.

Risk Management:

KIMS has a comprehensive risk management system covering various aspects of the business, such as strategy, operations, financial reporting, and compliance. This is based on Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework.

The Risk Management Committee (RMC) of the board comprises four directors (including two independent directors) who oversee and monitor the Risk Management exercise. Risk Management exercise is governed by a Risk Management Charter, which is approved by the RMC. Further, we have also developed a detailed Risk management process, which is reviewed and approved by RMC.

The risk management and monitoring mechanisms that we have in place include process walkthroughs, concurrent auditing, and risk-based internal audit reviews, with a focus on identifying, rectifying, and monitoring the effectiveness of our internal process and any possible process gaps. Our assessment of risk is based on risk perception surveys, business environment scanning, and inputs from various internal and external stakeholders.

As a part of the Risk Management exercise, the function heads prepare their comprehensive Risk Registers, which form the base documents for this exercise. Risks are given a scoring basis on the following three factors:

1. Probability of occurrence of risks
2. The severity of impact, on the occurrence of such risks
3. Detectability of such risks

COOs are responsible for highlighting new risks they come across, which are then updated in the risk register. Against each risk noted in the register, a detailed root cause, risk indicator list, and MIS monitoring mechanism are defined. A mitigation plan for the same is prepared and monitored through periodic reporting to the RMC.

A monthly MIS on the risks identified in the register is prepared and presented to the management. The RMC members in the scheduled meetings take note of the status of risks and give necessary suggestions, which are actioned upon. Updates to the RMC are provided on a half-yearly basis.

Krishna Institute of Medical Sciences Limited

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CIN: L55101TG1973PLC040558

Notice of the 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting (AGM) of the members of Krishna Institute of Medical Sciences Limited will be held on Thursday, 11th August, 2022 at 4.00 pm through video conference/other audio visual means ("VC/OAVM") to transact the following business:

A. ORDINARY BUSINESS:

1. To consider and adopt:

(a) the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon and in this regard pass the following resolutions as Ordinary Resolutions:

(i) **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

(ii) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Dr. Abhinay Bollineni (DIN: 01681273) who retires by rotation and, being eligible, offers himself for reappointment

Explanation: Based on the terms of appointment, executive directors of the company are subject to retirement by rotation. Dr. Abhinay Bollineni, who was initially appointed on 18 January 2019, last appointed on 18 January 2022, and whose office is liable to retire by rotation in this 20th Annual General Meeting being eligible, seeks reappointment.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013, the approval of the members be and is hereby accorded to reappoint Dr. Abhinay Bollineni (DIN: 01681273) as a director, who is liable to retire by rotation."

B. SPECIAL BUSINESS:

3. To ratify the remuneration payable to the Cost Auditor, M/s. Sagar & Associates, for the financial year 2022-23:

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

"RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 5.50 Lakhs excluding applicable taxes, payable to M/s. Sagar & Associates, Cost Accountants who were appointed as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year 2022-23, as approved by the Board of Directors, be and is hereby ratified.

4. Appointment of Smt. Prameela Rani Yalamanchili (DIN: 03270909) as an Independent Director.

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

"RESOLVED THAT Smt. Prameela Rani Yalamanchili (DIN: 03270909) who was appointed as an Additional and Independent Director of the Company pursuant to the provisions of Section 149, 152, 161, 197 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Articles of Association, approvals, and recommendations of the nomination and remuneration committee and that of the Board, be and is hereby appointed as Independent Director, not liable to retire by rotation, for a period of three years up to 18.05.2025 on a fixed remuneration in terms of commission of Rs. 7.00 lakhs per annum, payable on quarterly basis.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to the aforesaid resolution".

5. **Reinstatement of pre-existing IPO rights, in favor of M/s. General Atlantic Singapore KH Pte. Ltd by ratifying "Article 74" of the Articles of Association (AOA) of the Company.**

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

RESOLVED THAT approval of members be and is hereby accorded for reinstatement of pre-existing IPO rights in favor of M/s. General Atlantic Singapore KH Pte. Ltd (Shareholder) in connection with entitlement of appointing Nominee Directors by the Shareholder (the "Shareholder Directors"), provided that, in the event the Shareholder (along with its Affiliates) holds;

a. less than 25% (twenty-five percent) of the Equity Shares, however, more than 10% (ten percent) of the Equity Shares on a fully diluted basis, Shareholder shall be entitled to nominate only 1 (one) Director on the Board; and

b. equal to or more than 25% (twenty-five percent) of the Equity Shares, on a fully diluted basis, Shareholder shall be entitled to nominate only 2 (two) Directors on the Board.

RESOLVED FURTHER THAT, the above right be and are hereby reinstated by ratifying the "Article-74" of the Articles of Association of the Company in connection with the nomination of Shareholder Directors.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to the aforesaid resolution".

Date: 19.05.2022
Place: Secunderabad

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

Uma Shankar Mantha
Company Secretary
M.No: A21035

Notes

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19", General Circular no. 2/ 2022, dated 05 May 2022 read with other circulars dated 13 January 2021, 5 May 2020, 8 April 2020 and 13 April 2020 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 2 & 4 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment/appointment at this AGM is annexed as Annexure-I to this notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
4. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or Depositary Participants.
6. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with the respective Depository Participants, in case the shares are held by them in electronic form and with the Registrar and Share Transfer Agent, in case the shares are held by them in physical form. The registered e-mail addresses will be used for sending future communications, electronically.
7. As per Regulation 40 of the SEBI Listing Regulations as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019 except in case of requests received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings into dematerialized form
8. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to krishna@ikrassociates.com Institutional shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
9. Members desiring any information as regards the financials are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information available.
10. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents can send an email to **cs@kimshospitals.com**
11. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in the requisite Form as the case may be.
12. The Notice of the AGM along with Annual Report for the financial year 2021-2022, is available on the website of the Company at https://www.kimshospitals.com/investors/, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

13. Voting Through Electronic Means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2), the Company is providing its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote e-voting") using an electronic voting system provided by Link Intime India Private Ltd ('LIIPL'), for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting. The instructions to e-voting, as given below, explain the process and manner for casting of vote(s) in a secure manner.

I. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as on 4th August 2022, may refer to this Notice of the Annual General Meeting, posted on Company's website https://www.kimshospitals.com/investors/ for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.

II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

III. The voting period begins on 8th August 2022 at 9.00 AM (IST) and ends on 10th August 2022 at 5.00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th August 2022 may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter.

14. The instructions for members for voting electronically are as under: -

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL

I. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

II. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

III. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

I. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

II. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

III. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

IV. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

15. Login method for Individual shareholders holding securities in physical form is given below:

Individual Shareholders of the company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

   A. User ID: Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   Shareholders/ members holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

   ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

   ▶ Click "confirm" (Your password is now generated).
3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 - 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: https://instameet.linkintime.co.in

► Select the **"Company"** and **'Event Date'** and register with your following details: -

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT
(Pursuant to Section 102(1) of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No 3

The Board of Directors, on the recommendation of the Audit Committee, approved the re-appointment of M/s. Sagar & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2022-23 at a fee of Rs. 5.50 Lakhs, exclusive of applicable taxes.

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

Accordingly, consent of the members is being sought by passing an ordinary resolution as set out under Item No.3 of the Notice, for ratification of the remuneration payable to the cost auditors for the financial year ending 2022-23.

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

Item No 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board vide resolution dated 19th May 2022 appointed Smt. Prameela Rani Yalamanchili as an Additional Director to hold office upto the conclusion of 20th Annual General Meeting as Independent Director of the Company.

Brief profile of Smt. Prameela Rani Yalamanchili (DIN: 03270909)

- Smt. Prameela Rani Yalamanchili is an MBA and CAIIB by qualification. She joined Andhra Bank in 1976 as a Probationary Officer and served the bank for 36 years before retiring as General Manager of the Bank. Smt. Prameela is a multi-talented successful banker possessing rich and varied experience in all facets of banking. She had exceptionally handled all her assignments such as Branch Head of critical branches, Zonal Manager of the largest zone, and General Manager (Large and Mid-Corporate Credit & MSME Credit) at the corporate office. She attended several Senior Executive training programs in India and Abroad.
- She served as a member of the Indian Banks Association subcommittee on Joint lending Arrangement.
- She has the unique experience of overseeing the governance of diversified industrial companies as a member of their Boards, both while in service in the bank as Nominee Director and subsequently thereafter.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the "Act"). Smt. Prameela Rani Yalamanchili will hold office up to the date of this 20th Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Smt. Prameela Rani Yalamanchili for the office of Independent Director.

The Company has received from Smt. Prameela Rani Yalamanchili:

(i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014.

(ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under subsection (2) of Section 164 of the Act and

(iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

In the opinion of the Board, Smt. Prameela Rani Yalamanchili fulfills the conditions for her appointment as an Independent Director of the Company as specified in the Act and rules made thereunder and the SEBI Listing Regulations.

The resolution as mentioned in Item No. 4, seeks the approval of members for the appointment of Smt. Prameela Rani Yalamanchili as an independent director of the Company effective from May 19, 2022, up to May 18, 2025, on a fixed remuneration in terms of commission of Rs. 7.00 Lakhs per annum, payable on quarterly basis, pursuant to Sections 149, 152, 197 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

No director, key managerial personnel or their relatives except Smt. Prameela Rani Yalamanchili, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 4.

The Board recommends the resolution set forth in Item No. 4 for the approval of members.

Item No 5: Ratification of Clause-74 of Articles of Association

M/s. General Atlantic Singapore KH Pte. Ltd. (Shareholder) has a pre-existing right which is being continued through Shareholders Agreement dated 14th June, 2018 to nominate directors on the Board of your company.

Accordingly post IPO, pursuant to the pre-existing rights, Article 74 of the Articles of Association of the Company prescribes that the Shareholder can nominate the directors on the Board of your company as follows:

a. two (2) directors in case it is holding more than 25% of the equity shares and

b. one (1) director in case of less than 25% but more than 10% of the equity shares on a fully diluted basis.

In view of the above, the Board recommends for your approval of above mentioned pre-eminent rights in favor of the Shareholder by reinstating Article 74 of the Articles of Association of the Company by passing a Special Resolution.

Except for Mr. Shantanu Rastogi, Nominee Director on behalf of General Atlantic Singapore KH. PTE, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out under Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of members.

Date: 19.05.2022
Place: Secunderabad

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

Uma Shankar Mantha
Company Secretary
M.No: A21035

ANNEXURE-I

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Details of Directors seeking re-appointment/appointment at the Annual General Meeting:

Particulars	Dr. Abhinay Bollineni	Smt. Prameela Rani Yalamanchili
Director Identification Number (DIN)	01681273	03270909
Age	34	68
Date of first appointment on the Board	18.01.2019	19.05.2022
Nationality	Indian	Indian
Qualifications	He holds a bachelor's degree in Medicine and a bachelor's degree in Surgery (MBBS) from Dr. NTR University of Health Sciences, Andhra Pradesh (Faculty of Modern Medicine) through Deccan College of Medical Sciences	MBA & CAIIB
Experience and expertise in specific functional areas	He has over 10 years of experience in the hospital industry	She has over 36 years of experience in the banking sector
Terms and Conditions of Reappointment	As per the details provided under the resolution	As per the details provided under the resolution and explanatory statement
Remuneration last drawn (including sitting fees, if any)	All inclusive remuneration of Rs. 1.17 crores was paid for financial year 2021-22.	Not Applicable
Remuneration proposed to be paid	The details of remuneration is not mentioned since the resolution of Dr. Abhinay Bollineni is specific to his reappointment due to retirement by rotation.	Rs. 7,00,000/- per annum, payable in each quarter.
Directorship held in other public companies	(a) Saveera Institute of Medical Sciences Private Limited (b) KIMS Hospital Kurnool Private Limited (c) Iconkrishi Institute Of Medical Sciences private Limited (d) KIMS Swastha Private Limited (e) KIMS Hospital Enterprises Private Limited (f) KIMS Hospital Bengaluru Private Limited	(a) Maximus Arc Limited (b) Vimta Labs Limited (c) Avanti Frozen Foods Private Limited
Memberships/Chairmanships of committees of other public companies	(a) Saveera Institute of Medical Sciences Private Limited. (b) Iconkrishi Institute Of Medical Sciences private Limited. (c) KIMS Hospital Enterprises Private Limited	(a) Maximus Arc Limited (b) Vimta Labs Limited (c) Avanti Frozen Foods Private Limited
Directorships held in companies (Other than Public Companies)	(a) Shangrila Infracon India Private Limited	NIL
Number of Equity Shares held in the Company	47,299	NIL
Number of meetings of the Board attended during the financial year.	Attended all 8 (Eight) Board Meetings held during the Financial Year 2021-22.	Not Applicable since she has been appointed in the financial year 2022-23.
Relationship with other Directors/Key Managerial Personnel	Dr. Abhinay Bollineni is the Son of Dr. Bhaskar Rao Bollineni, Chairman & Managing Director	NIL

BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 20th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2022.

1. Financial Summary of the Company

Particulars	Standalone Rs. In Million		Consolidated Rs. In Million	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Total Revenue	**11675.50**	**9423.04**	**16710.85**	**13401.02**
Profit/(Loss) Before Interest and Depreciation	**4203.94**	**3136.44**	**5360.33**	**3810.48**
Less: Finance Cost	44.68	147.83	160.33	324.97
Less: Depreciation and amortization expenses	449.22	445.98	726.73	695.36
Profit before share of profit of Joint Venture and Tax	**3710.04**	**2542.63**	**4473.43**	**2790.15**
Add: Share of Profit / (Loss) in Joint Venture	0.00	0.00	95.10	0.00
Profit before Tax	**3710.04**	**2542.63**	**4568.53**	**2790.15**
Less: Income Tax				
- Current Tax	909.27	668.12	1141.55	778.39
- Deferred Tax Charge	29.73	(1.64)	1.66	(33.03)
- Tax Pertaining to earlier years	(12.63)	(10.34)	(12.63)	(10.00)
Profit/(Loss) After Tax	**2783.67**	**1886.49**	**3437.95**	**2054.79**
Profit/ (Loss) for the year	**2783.67**	**1886.49**	**3437.95**	**2054.79**
Add: Other Comprehensive Income	1.97	(4.79)	1.20	(4.64)
Total Comprehensive Income	**2785.64**	**1881.70**	**3439.15**	**2050.15**

2. Results of Operations/state of company's affair

During the year under review, the total revenue on standalone basis increased by 24% to 11675.50 million in Financial Year 2021-22 compared to 9423.04 million in the previous year. The profit after tax for the year increased by 48% to 2783.67 million compared to 1886.49 million in the previous year.

During the year under review, the Consolidated total revenue of the Company increased by 25% to 16710.85 million compared to 13401.02 million. Net profit after minority interest for the group increased by 63.00% to 3437.95 million compared to 2054.79 million in the previous year.

3. Listing by your Company on Bombay Stock Exchange Limited and National Stock Exchange Limited

Your company got listed on 28th June, 2021 on Bombay Stock Exchange Limited and National Stock Exchange Limited, accordingly 2,59,95,042 Equity Shares (includes 2,35,60,538 Equity Shares of OFS and 24,34,504 Equity Shares as fresh issue) at an Offer price of Rs. 825 per Equity Share, were issued, transferred and allotted to the respective applicants in various categories, such as 25,78,337 Equity Shares to retail individual investors, 38,67,506 Equity Shares to non-institutional investors, 1,93,37,537 Equity Shares to qualified institutional buyers (including 11,584,060 Equity Shares to Anchor Investor), and 2,11,662 Equity Shares to Employees in terms of the basis of allotment.

4. Consolidated Financial Statements

In accordance with Companies Act, 2013 ("the Act") and Ind AS 110 - Consolidated Financial Statements read with Ind AS 28 - Investment in Joint Venture, the audited consolidated financial statements form part of the Annual Report.

In terms of provision to sub section (3) of Section 129 of the Act, the salient features of the financial statements of the Subsidiaries and Joint Venture are set out in the prescribed Form AOC-1 enclosed as **Annexure-I**.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements of the Company and audited accounts of the subsidiaries are available at the Company's website: https://www.kimshospitals.com/investors/. The documents will also be available for inspection during business hours at the registered office of the Company.

5. Change in the nature of the business, if any:

There was no change in the nature of business during the year

6. Dividend

As the Company, is identifying projects to invest the capital for better value creation for shareholders, it was unanimously resolved by the Board not to declare any dividend for the Financial Year 2021-22.

7. **Transfer of Reserves**

The Company has recorded a profit of Rs. 2785.64 million (Standalone) for the Financial Year 2021-22 and the same was transferred to the head of other Equity. No amount was transferred to General Reserves.

8. **Share Capital**

There was no change in Authorized Share Capital of the Company during the Financial Year 2021-22.

During the year 24,34,504 Equity Shares of Rs. 10/- each at a premium of Rs. 815/- were issued to various applicants as part of Initial Public offer (IPO) Process.

The paid up share capital as on 31st March 2022 is Rs. 80,02,77,870.

9. **Directors and Key Managerial Personnel**

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

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

As on date of this report, the Board comprises of 10 (Ten) Directors, of whom, 3 (Three) are Executive Director and 7 (Seven) are Non-Executive Directors. Amongst the Non-Executive Directors, 6 (Six) are Independent Directors and 1 (One) is a Investor Director. The Non-Executive Directors bring an external and wider perspective in Board's deliberations and decisions. The size and composition of the Board conform to the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations 2015 as amended from time to time.

Independent Directors

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

Key Managerial Personnel and Change in Directors

a. During the year Mr. Sandeep Achyut Naik, Investor Director resigned from the Board on August 5, 2021 and the Board placed on record its sincere appreciation for the valuable services rendered by Mr. Sandeep Achyut Naik during his tenure as Director.

b. Smt. Prameela Rani Yalamanchili was appointed as Additional Director - (Non-Executive, Independent Director) on May19, 2022.

Retirement by Rotation

Pursuant to Section 152 of the Companies Act 2013, Dr. Abhinay Bollineni, Executive Director & CEO retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

10. **Board Functioning & Meetings**

The Board and Committee meetings are pre-scheduled and a tentative calendar of the meetings will be finalized in consultation with the Directors to facilitate them to plan their schedule. However, in case of urgent business needs, approval is taken by passing resolutions through circulation. During the year under review, 8 (eight) board meetings were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of the meetings including the composition of various committees are provided in the Corporate Governance Report.

11. **Nomination and Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee, approved a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

12. **Annual Return**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, Annual Return is uploaded on the website of the Company at https://www.kimshospitals.com/investors/

13. **Details of Subsidiary/Joint Ventures/Associate Companies**

a. **Arunodaya Hospitals Private Limited (Subsidiary Company):** The subsidiary company has recorded a total revenue of Rs.306.28 million during the Financial Year 2021-22.

b. **KIMS Hospital Enterprises Private Limited (Subsidiary Company):** The subsidiary company has recorded a total revenue of Rs.2308.49 million during the Financial Year 2021-22.

c. **Iconkrishi Institute of Medical Sciences Private Limited (Subsidiary Company):.** The subsidiary company has recorded a total revenue of Rs.1059.94 million during the Financial Year 2021-22.

d. **Saveera Institute of Medical Sciences Private Limited (Subsidiary Company):** The subsidiary company has recorded a total revenue of Rs.855.76 million during the Financial Year 2021-22.

e. **KIMS Hospital Kurnool Private Limited (Subsidiary Company):** The subsidiary company has recorded a total revenue of Rs.652.95 million during the Financial Year 2021-22.

f. **KIMS Hospitals Private Limited., KIMS Swastha Private Limited. and KIMS Hospital Bengaluru Private Limited (formerly known as KIMS Hospital (Bhubaneswar) Private Limited .** are the subsidiaries of your Company, which are still under the process of setting up its infrastructure to run the hospital.

g. **KIMS Cuddles Private Limited:** pursuant to sub-section (5) of Section 248 of the Companies Act, 2013 the name of M/s KIMS Cuddles Private Limited has been struck off in the register of companies on 30th November, 2021 and the said Company is dissolved.

h. **Sarvejana Healthcare Private Limited:** The Joint Venture company has recorded a total revenue of Rs.1867.17 million during the period from 27 October 2021 to 31 March 2022.

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

14. Particulars of contracts or arrangements with related parties.

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on the materiality of related party transactions. The disclosure pursuant to Clause (h) of Sub Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014) as required is enclosed as **ANNEXURE-II.**

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website https://www.kimshospitals.com/investors/. Your Directors draw the attention of the members to the Notes to the financial statements which sets out related party disclosures.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company except Dr. Bhaskar Rao Bollineni, Chairman & Managing Director who has drawn a professional fee of Rs. 18.00 million for the Financial year 2021-22.

15. Auditors

In the 17th Annual General Meeting, S. R. Batliboi & Associates LLP (having Registration Number: 101049W/ E300004) Chartered Accountants were appointed as Auditors of the Company for the term of 5 years i. e. from the conclusion of 17th AGM to the conclusion of 22nd AGM .

16. Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee, appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad (FRN 000118) to audit the cost accounts of the Company for the Financial Year 2022-2023 on a remuneration of Rs. 5.50 Lakhs.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. Sagar & Associates, Cost Accountants, Hyderabad (FRN 000118) will be part of 20th Annual General Meeting Notice.

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

17. Adequacy of Internal Financial Controls:

The internal financial controls with reference to the Financial Statements are adequate to the size and operations of the Company.

18. Statutory Auditors Report and Secretarial Auditors Report

The Directors hereby confirm that the Statutory Auditors and Secretarial Auditors have reported that there are no qualification, reservation, adverse remark or any frauds made by the company in their respective audit reports for the year ended 31st March, 2022.

19. Secretarial Audit Report

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

20. Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns, the details of which are given in the Corporate Governance Report. The policy on Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company https://www.kimshospitals.com/investors/.

21. Dividend Distribution Policy:

The Dividend Distribution Policy is placed on the website of the Company https://www.kimshospitals.com/investors/.

22. Performance Evaluation of the Board and the Directors

Pursuant to the provisions of the Companies Act, 2013 and in terms of Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

23. Risk Assessment and Minimization

The Board of Directors had constituted a Risk Management Committee to identify elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks. The Committee on a timely basis informed the members of the Board of Directors about risk assessment and minimization procedures and in the opinion of the Committee there was no risk that may threaten the existence of the Company. The details of the Risk Management Committee are included in the Corporate Governance Report.

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

There are no material changes and commitments affecting the financial position of the Company that has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report i.e. between 31st March, 2022 to the date of this report.

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

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

26. Deposits

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

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

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

28. Particulars of employees

The information under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

Name	Ratio to median remuneration	% increase in remuneration in the financial year
Non- Executive Directors		
Mr. Saumen Chakraborthy	16.00	0.00%
Mr. Pankaj Vaish	8.00	0.00%
Mr. Rajeshwar Rao	4.00	0.00%
Mr. Ramudu	4.00	0.00%
Mr. Ratna Kishore	4.00	0.00%
Executive Director		
Dr. Bhaskar Rao Bollineni	127.00	0.00%
Dr. Abhinay Bollineni	79.00	67.00%
Ms. Anitha Dandamudi	25.00	33.00%
Others		
Mr. Vikas Maheshwari - Chief Financial Officer	-	19.00%
Mr. Uma Shankar Mantha - Company Secretary	-	25.00%

b. The percentage increase in the median remuneration of employees in the financial year is 8.20 percent.

c. The number of permanent employees on the rolls of Company are 7815.

d. The average annual increase was in the range of 4.00 to 8.50 percent in India. However, during the course of the year, the total increase is approximately 8.50 percent, after accounting for promotions and other event based compensation revisions.

The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects the Company's performance, the performance pay is also linked to organization performance and individual utilization in addition to individual performance.

e. The Company affirms that the remuneration is as per the remuneration policy of the Company.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

29. Corporate Governance

The Company is committed to maintaining the highest standards of corporate governance and adhering to the corporate governance requirements set out by SEBI. The report on corporate governance as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter Listing Regulations), forms an integral part of this report. The requisite certificate from M/s IKR & Associates, Practicing Company Secretaries confirming the compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

30. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of the Annual Report.

31. Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as part of the Annual Report.

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

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

a) Conservation of energy

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

b) Technology Absorption

Over the years, your Company has brought into the country the best that the world has to offer in terms of technology.

In its continuous endeavor to serve the patients better and to bring healthcare of international standards, your Company has introduced the latest technology in its hospitals.

c) Foreign exchange earnings and Outgo

Your Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. Your Company does not have any unhedged foreign currency exposure as at 31 March 2022.

Foreign Exchange Earnings :Nil

Foreign Exchange Outgo : Nil

33. Corporate Social Responsibility (CSR)

As per the Provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility (CSR) committee has been formed by the company. The areas for CSR activities are promoting health care including preventive health care, promoting education and enhancing vocation skills to enhance employment opportunities. The Company is required to spend a minimum of Rs. 3.39 crores for the purpose of CSR for the Financial Year 2021-22. Your Company has spent an amount of Rs. 3.40 crores towards CSR activity the details of which are mentioned in the notes to accounts in the Financial Statements. A report on CSR activity is enclosed as **ANNEXURE – IV** to this report.

34. Compliance with Secretarial Standards

During the year under review, the Company has duly complied with the applicable provisions of the Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

35. Human Resources

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

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

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

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

37. Directors' Responsibility Statement

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

a) That in preparation of the annual financial statement for the year ended 31st March 2022, applicable accounting standards had been followed along with proper explanation relating to material departures if any;

b) That such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as of March 31, 2022, and of the profit of the Company for the year ended on that date;

c) That proper and sufficient care has been taken in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) That the annual accounts have been prepared on a going concern basis;

e) Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant Board Committees, including the Audit, Risk Management Committee, the Board is of the opinion that proper internal financial controls are in place and such internal financial controls are adequate and are operating effectively.

f) That proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively;

38. Transfer of Amounts to Investor Education and Protection Fund

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

39. Acknowledgment

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

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

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

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

Place: Hyderabad
Date: 19.05.2022

Dr. Bhaskar Rao Bollineni
Managing Director
(DIN No.00008985)

Dr. Abhinay Bollineni
Director& CEO
(DIN No.01681273)

ANNEXURE INDEX

Annexure	Content
I	AOC-1 Details of Subsidiary/Joint Ventures/Associate Companies
II	AOC-2 Particulars of contracts or arrangements with related parties
III	MR-3 Secretarial Audit Report
IV	Report on Corporate Social Responsibility Activity

ANNEXURE – I

Form No. AOC - 1

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

Part "A": Subsidiaries

Amount in Rs million.

1.	Name of Subsidiary	Arunodaya Hospitals Private Limited	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospital Kurnool Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
4.	Share Capital	20.27	245.45	100.10	310.00	60.00
5.	Other Equity	207.38	847.38	101.20	(46.75)	(237.92)
6.	Total Assets	309.52	2294.41	415.71	1063.33	594.32
7.	Total Liabilities	81.87	1201.58	214.40	800.08	772.26
8.	Investments	-	-	-	-	-
9.	Turnover	306.28	2308.49	1059.94	855.76	652.95
10.	Profit/(Loss) Before Taxation	(34.47)	615.12	201.91	31.51	(33.02)
11.	Provision for Tax Expenses	(6.36)	155.94	48.10	8.72	0.09
12.	Profit after Taxation	(28.11)	459.18	153.81	22.79	(33.11)
13.	Proposed Dividend	-	-	-	-	-
14.	% of Shareholding	-	-	-	-	-

Additional Information:

1.	**Names of subsidiaries which are yet to commence operations**	1. KIMS Hospitals Private Limited. 2. KIMS Swastha Private Limited. 3. KIMS Hospital Bengaluru Private Limited. (formerly known as KIMS Hospital (Bhubaneswar) Private Limited)
2.	**Names of subsidiaries which have been liquidated or sold during the year.**	NIL

Part "B": Associates/Joint Ventures -

1.	**Name of Joint venture**	Sarvejana Healthcare Private Limited
2.	**Latest audited Balance Sheet Date**	31st March, 2022
3.	**Shares of Associate/Joint Ventures held by the company on the year end**	a) 6,416,666 shares fully paid up. b) 12,232,890 shares partly paid up
4.	**Amount of Investment in Associate/Joint Venture**	3,229.65
5.	**Extend of Holding %**	49.38%
6.	**Description of how there is significant influence**	The Company has representation of two directors on the Board of Sarvejana Healthcare Private Limited. Further, the relevant activities of the company required unanimous decision making.
7.	**Reason why the Associate/joint venture is not consolidated**	Considered in line with accounting treatment suggested by Indian accounting standard.
8.	**Net worth attributable to Shareholding as per latest audited balance sheet**	2,738.84
9.	**Profit for the period from 27 October to 31 March 2022**	234.72
	i. Considered in Consolidation	95.10

Additional Information:

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

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

Place: Hyderabad
Date: 19.05.2022

Dr. Bhaskar Rao Bollineni
Managing Director
(DIN No.00008985)

Dr. Abhinay Bollineni
Director& CEO
(DIN No.01681273)

Annexure – II

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014.

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.- **NIL**
2. Details of **material** contracts or arrangement or transactions at arm's length basis: - **NIL**

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

Place: Hyderabad
Date: 19.05.2022

Dr. Bhaskar Rao Bollineni
Managing Director
(DIN No.00008985)

Dr. Abhinay Bollineni
Director& CEO
(DIN No.01681273)

ANNEXURE – III

Secretarial Audit Report
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Krishna Institute of Medical Sciences Limited** (hereinafter called the 'Company') for the financial year from 1st April, 2021 to 31st March, 2022 (the 'Audit Period').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

1.1 We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2022, according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India;
- (iii) The Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time;
  - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vii) The following laws are specifically applicable to the Company;
  - (a) The Indian Medical Council Act, 1956
  - (b) Clinical Establishments (Registration and Regulation) Act, 2010
  - (c) Drugs and Cosmetics Act, 1940
  - (d) Biomedical Waste Management Handling Rules, 2016
  - (e) The Medical Termination of Pregnancy Act, 1971
  - (f) Pre-natal Diagnostic Techniques Act, 1994
  - (g) Transplantation of Human Organ Act, 1994
  - (h) The Pharmacy Act, 1961
  - (i) Atomic Energy Act, 1962
  - (j) Food Safety and Standards Act, 2006
  - (k) Indian Boilers Act, 1923.

1.2 In relation to the period under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, complied with the laws mentioned in clause (i) to (vi) of paragraph 1.1. Further the Company in general has reasonably complied with the laws specifically applicable to the Company mentioned in subparagraph (vii) of paragraph 1.1 and we have relied on the representations made by the Company, its officers and reports of other professionals engaged by the company for compliances under other acts, laws and regulations applicable to the Company as mentioned in subparagraph (vii) of paragraph 1.1.

1.3 We are informed that, during/ in respect of the year no events have occurred which required the Company to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minutes books or other records or file any forms/ returns under:

a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009.

b. The Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018.

c. The Securities and Exchange Board of India (Share Based Employee Benefits), 2014;

2. Board Processes

We further report that:

2.1 The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

2.2 There were changes in the composition of the Board of Directors and it has been carried out in compliance with the provisions of the Act during the period under review.

2.3 Adequate notice is given to all directors to schedule the Board Meetings atleast seven days in advance and few meeting at short notice complying the Secretarial Standard (SS-1), agenda and detailed notes on agenda were also circulated to the Board members prior to the meetings.

2.4 A system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings; and

2.5 All decisions at the Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

3. Compliance mechanism

We further report that:

3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

3.2 The compliance by the Company of applicable finance laws like Direct and Indirect tax laws has not been reviewed in this audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals engaged by the Company.

4. Specific Events/ actions

We further report that during the audit period the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc took place:

4.1 The Company had filed a Red Herring Prospectus ("RHP") with the Registrar of Companies ("RoC"), Bombay Stock Exchange Limited ("BSE") and National Stock Exchange Limited ("NSE") on 09th June, 2021 in connection with the Offer, comprising of both fresh issue by the Company and an offer for sale by existing shareholders.

4.2 The Company had filed a Prospectus with the Registrar of Companies ("RoC"), Bombay Stock Exchange Limited ("BSE") and National Stock Exchange Limited ("NSE") on 22nd June, 2021 in connection with the Offer, comprising of both fresh issue by the Company and an offer for sale by existing shareholders.

4.3 The Company vide Circular Resolution dated 24th June, 2021 has issued, transferred and allotted 2,59,95,042 Equity Shares (includes 2,35,60,538 Equity Shares of OFS and 24,34,504 Equity Shares as fresh issue) at an Offer price of Rs. 825 per Equity Share to the respective applicants in various categories, such as 25,78,337 Equity Shares to retail individual investors, 38,67,506 Equity Shares to non-institutional investors, 1,93,37,537 Equity Shares to qualified institutional buyers (including 11,584,060 Equity Shares to Anchor Investor), and 2,11,662 Equity Shares to Employees in terms of the basis of allotment.

4.4 The Company got listed with Bombay Stock Exchange Limited ("BSE") and National Stock Exchange Limited ("NSE") on 28th June, 2021.

"We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report."

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

Place: Hyderabad
Date: 19.05.2022

Krishna Rao Inturi
Proprietor
ACS No.23071, COP No.10486
Peer Review Certificate no. 1255/2021
UDIN: A023071D000349617

ANNEXURE – IV

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company : KIMS CSR policy intends to embrace responsibility for the company's action and encourage a positive impact through its activities on education, clean environmental living, Genetic Research and new drug discovery initiatives, in primary and secondary health-care.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Bhaskar Rao Bollineni	Chairman	1	1
2	Dr. Abhinay Bollineni	Director	1	1
3	Mr. Venkata Ramudu Jasthi	Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.kimshospitals.com/investors/.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - NIL

6. Average net profit of the company as per section 135(5) - Rs. 169,85,16,350

7. (a) Two percent of average net profit of the company as per section 135(5) - Rs. 3,39,71,000

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL

   (c) Amount required to be set off for the financial year, if any - NIL

   (d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year: NIL

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3,40,04,000	NIL		NIL		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Setting up of health clinics to serve the needy	promoting health care	No	State (Andhra Pradesh and Telangana)		Ongoing	1,00,00,000	1,00,00,000	Nil	No	KIMS Foundation & Research Center	CSR00001177
2.	Purchase of mobile mammogram with complete set up to serve the needy by conducting free awareness camps.	promoting health care	No	PAN India		Ongoing	2,00,00,000	2,00,00,000	Nil	No	KIMS Foundation & Research Center	CSR00001177
3.	Operational expenses and Consumables for mobile mammogram equipment and other expenses	promoting health care	No	PAN India		Ongoing	40,04,000	40,04,000	Nil	No	KIMS Foundation & Research Center	CSR00001177
	Total						**3,40,04,000**	**3,40,04,000**	**Nil**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NIL

Sl. No.	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
Nil									

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) = Rs. 3,40,04,000

(g) Excess amount for set off, if any : Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	3,39,71,000
(ii)	Total amount spent for the Financial Year	3,40,04,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	33,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	33,000

9. (a) Details of Unspent CSR amount for the preceding three financial years: : Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): : Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

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

Place: Hyderabad
Date: 19.05.2022

Dr. Bhaskar Rao Bollineni
Chairman of the CSR Committee
(DIN No.00008985)

Dr. Abhinay Bollineni
Director& CEO
(DIN No.01681273)

CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34(3) read with Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the report is set out below which contains the details of Corporate Governance systems and processes at KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED (the Company).

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company follows the principles of fair representation and full disclosure in all its dealings and communications. The Company's annual report, results, presentations and other forms of corporate and financial communications provide extensive details and convey important information on a timely basis. Your company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders, employees, government and lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a sustained period of time. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

2. BOARD OF DIRECTORS

The Company has an Executive Chairman. As per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), in case of an Executive Chairman, at least half of the Board should comprise of Independent Directors. To this requirement, Independent Directors constitute more than 50 percent of the overall Board of your Company.

Your Board has a blend of executive and non-executive directors, and consequently ensures the desired level of independence in functioning and decision making process. All the non-executive directors are professionals of repute and bring the wealth of their professional expertise and experience to the management of the Company.

a) Composition and category of the Board of Directors, relationship between Directors' inter-se, shareholding of Directors in the Company and Memberships in other Boards.

Name of Director	DIN	Category	Designation	Relationship with other Director	Shareholding in the Company
Dr. Bhaskar Rao Bollineni	00008985	Promoter	Chairman & Managing Director	Father of Dr. Abhinay Bollineni	2,10,19,929
Dr. Abhinay Bollineni	01681273	Promoter	Director & CEO	Son of Dr. Bhaskar Rao Bollineni	47,299
Ms. Anitha Dandamudi	00025480	Executive	Whole-time Director	-	-
Mr. Shantanu Rastogi	06732021	Non-Executive	Director	-	-
Mr. Rajeswara Rao Gandu	05339318	Independent	Director	-	-
Mr. Saumen Chakraborty	06471520	Independent	Director	-	-
Mr. Pankaj Vaish	00367424	Independent	Director	-	-
Mr. Venkata Ramudu Jasthi	03055480	Independent	Director	-	-
Mr. Kaza Ratna Kishore	01152107	Independent	Director	-	-

Name of Director	No of Directorship in listed entities including this listed entity (Refer Regulation 17A of Listing Regulations)	Number of memberships / chairmanship in Audit / Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)		Name of other listed companies where he/she is a Director excluding this listed Company	
		Chairman	Member	Name of Company	Category
Dr. Bhaskar Rao Bollineni	1	-	1	Nil	NA
Dr. Abhinay Bollineni	1	-	3	Nil	NA
Ms. Anitha Dandamudi	1	-	-	Nil	NA
Mr. Shantanu Rastogi	2	-	2	IIFL Wealth Management Limited	Nominee Director
Mr. Rajeswara Rao Gandu	1	4	5	Nil	NA
Mr. Saumen Chakraborty	2	2	2	Granules India Limited	Independent Director
Mr. Pankaj Vaish	2	-	4	IIFL Wealth Management Limited	Independent Director
Mr. Venkata Ramudu Jasthi	3	1	3	(a) Avanti Feeds Limited (b) Suven Pharmaceuticals Limited	Independent Director
Mr. Kaza Ratna Kishore	1	-	3	Nil	Nil

As on 31st March, 2022, none of the Directors on the Board hold the office of Director in more than 10 Public Limited Companies, or Membership of Committees of the Board in more than 10 Committees and Chairmanship of more than 5 Committees, across all companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole- time director in any listed company, such director does not serve as an Independent Director in more than three listed companies.

b) Skills/expertise/competence of the Board of Directors

The Company has identified the core skills/expertise/competence of the Board of Directors in the context of its business for it to function effectively.

Name of the Director	Nature of Skills/Expertise					
	Strategy	Healthcare Industry	Financial Acumen	Governance	Human Resources	Information Technology
Dr. Bhaskar Rao Bollineni	✓	✓	✓	✓	✓	
Dr. Abhinay Bollineni	✓	✓	✓	✓	✓	✓
Ms. Anitha Dandamudi		✓	✓	✓	✓	
Mr. Shantanu Rastogi	✓	✓	✓	✓	✓	✓
Mr.Rajeswara Rao Gandu	✓		✓	✓	✓	
Mr. Saumen Chakraborty	✓	✓	✓	✓	✓	✓
Mr. Pankaj Vaish	✓		✓	✓	✓	✓
Mr. Venkata Ramudu Jasthi	✓		✓	✓	✓	
Mr. Kaza Ratna Kishore		✓	✓	✓	✓	

c) **Declaration of Independence**

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations and are independent of the Management.

d) **Board Meetings and attendance of Directors**

Eight Board meetings were held during the financial year from 1st April 2021 to 31st March 2022. The dates on which the meetings were held are as follows:

(i) 25th May 2021, (ii) 9th June, 2021, (iii) 10th August, 2021, (iv) 26th October, 2021, (v) 10th November, 2021, (vi) 10th January, 2022, (vii) 24th January, 2022, (viii) 10th February, 2022.

Attendance details of each Director at the Board Meetings, at the last AGM

Name of the Director	Number of Board Meetings held	Number of Board Meetings attended	Last AGM Attendance (Yes/No)
Dr. Bhaskar Rao Bollineni	8	8	Yes
Dr. Abhinay Bollineni	8	8	No
Ms. Anitha Dandamudi	8	6	Yes
Mr. Shantanu Rastogi	8	8	No
Mr. Rajeswara Rao Gandu	8	8	Yes
Mr. Saumen Chakraborty	8	8	Yes
Mr. Pankaj Vaish	8	8	Yes
Mr. Venkata Ramudu Jasthi	8	7	Yes
Mr. Kaza Ratna Kishore	8	8	Yes

e) **Availability of Information to Board Members**

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, progress of major projects and reviews such other items which require the Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items as prescribed under Part A of Schedule-II of Sub- Regulation-7 of Regulation-17 of the Listing Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to make informed decisions.

f) **The Board reviews periodically the compliance reports of all laws applicable to the Company.**

g) **Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct.**

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website.

A declaration regarding the compliance by Board members and senior management with the Company's Code of Conduct has been enclosed as **Annexure-I** at the end of the Corporate Governance Report.

h) **Company's Policy on prevention of insider trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Company Secretary is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

i) The details of familiarization programs imparted to independent directors:

Your Company follows a structured orientation and familiarization program through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The framework on familiarization programme has been posted in the website of the Company. The details of familiarization program is available on the website: https://www.kimshospitals.com/investors/

j) Independent Directors' Meeting:

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations, 2015, one meeting of the Independent Directors of the Company was held in the financial year on 5th March, 2022, without the attendance of Non-Independent Directors and members of the management.

3. COMMITTEES OF THE BOARD

The committee of Directors has been constituted by the Board of Directors of the Company. The composition and terms of reference of these committees are approved by the Board and are in line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The following committees were established by the Board:

(i) Audit Committee
(ii) Nomination and Remuneration Committee
(iii) Stakeholders Relationship Committee
(iv) Corporate Social Responsibility Committee
(v) Risk Management Committee
(vi) Finance & Investment Committee
(vii) IT Steering Committee

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

I. Audit Committee

a) Composition of Audit Committee

i. Mr. Saumen Chakraborty
ii. Mr. Pankaj Vaish
iii. Mr. Rajeswara Rao Gandu
iv. Mr. Shantanu Rastogi

b) Meetings of the Audit Committee

The Audit Committee met five times during the financial year from 1st April 2021 to 31st March 2022. The dates on which the meetings were held are as follows:

(i) 25th May, 2021 (ii) 10th August, 2021, (iii) 10th November, 2021, (iv) 10th February, 2022, and (v) 22nd March, 2022.

Sl. No.	Name of member	Designation	Number of meetings held	Number of meetings attended
1	Mr. Saumen Chakraborty	Chairman	5	5
2	Mr. Pankaj Vaish	Member	5	5
3	Mr. Rajeswara Rao Gandu	Member	5	4
4	Mr. Shantanu Rastogi	Member	5	4

c) Terms of reference of the Committee inter alia include the following::

i. Recommend appointment, remuneration and terms of appointment of auditors.
ii. Approval of payment to statutory auditors, including cost auditors, for any other services rendered by them.
iii. Review with the management, the quarterly financial statements before submission to the Board for approval.
iv. Review with the management, the statement of uses / application of funds.
v. Review and monitor the auditor's independence, performance and effectiveness of the audit process.
vi. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
vii. Review the functioning of the Whistle-blower mechanism / oversee the vigil mechanism.
viii. Review financial statements, in particular the investments made by the Company's unlisted subsidiaries.

II. **Nomination & Remuneration Committee**

a) **Composition of Nomination & Remuneration Committee**

i. Mr. Pankaj Vaish

ii. Mr. Rajeswara Rao Gandu

iii. Mr. Venkata Ramudu Jasthi

iv. Mr. Shantanu Rastogi*

v. Mr. Sandeep AchyutNaik**

*Appointed as the member of the Committee in the Board meeting held on 10th January, 2022

** Resigned as a member with effect from 5th August, 2021

b) **Meetings of the Nomination & Remuneration Committee**

The Nomination & Remuneration Committee met only once during the financial year from 1st April 2021 to 31st March 2022. The meeting was held on 10th January, 2022.

Sl. No.	Name of member	Designation	Number of meetings held	Number of meetings attended
1	Mr. Pankaj Vaish	Chairman	1	1
2	Mr. Rajeswara Rao Gandu	Member	1	1
3	Mr. Venkata Ramudu Jasthi	Member	1	1
4	Mr. Shantanu Rastogi	Member	0	0

c) **Terms of reference for the Nomination & Remuneration Committee:**

i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

ii. Formulate the criteria for evaluation of performance of the Independent Directors and the Board of Directors.

iii. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.

iv. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The detailed terms of reference of the Committee is available on the website of the Company.

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 29th May, 2021.

d) **Remuneration of the Directors**

The details of the remuneration paid to the Directors for the year ended 31st March 2022 is given below:

Name of Director	Remuneration		Commission	Total
	Fixed	Variable		
Dr. Bhaskar Rao Bollineni	24.00	0.00	0.00	24.00
Dr. Abhinay Bollineni	11.75	0.00	0.00	11.75
Ms. Anitha Dandamudi	4.74	0.00	0.00	4.74
Mr. Shantanu Rastogi	0.00	0.00	0.00	0.00
Mr. Rajeswara Rao Gandu	0.00	0.00	0.70*	0.70*
Mr. Saumen Chakraborty	0.00	0.00	3.00*	3.00*
Mr. Pankaj Vaish	0.00	0.00	1.50*	1.50*
Mr. Venkata Ramudu Jasthi	0.00	0.00	0.70*	0.70*
Mr. Kaza Ratna Kishore	0.00	0.00	0.70*	0.70*

* The commission paid is excluding all applicable taxes

e) **Pecuniary relationships or transactions of Non-Executive directors vis-à-vis the Company**

The Company does not have any pecuniary relationship/transaction with any of its Non-Executive Directors.

f) Performance Evaluation of the Board and the Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, Annual Performance Evaluation was conducted for all Board Members. The performance evaluation of the Executive Directors was carried out by the Independent Directors. The performance evaluation of the Independent Directors was carried out by the Board.

Evaluation of the Board and the Directors was based on the criteria such as:

1. composition and role of the Board,
2. Board communication and relationships,
3. functioning of Board Committees,
4. review of performance and compensation to Executive Directors,
5. succession planning,
6. strategic planning,
7. participation and contribution in Board and Committee meetings,
8. representation of shareholder interests and enhancing shareholder value,
9. experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk,
10. understanding of the organization's strategy, risk and environment, etc.

III. Stakeholders Relationship Committee

a) Composition of Stakeholders Relationship Committee

i. Mr. Rajeswara Rao Gandu

ii. Mr. Kaja Ratna Kishore

iii. Dr. Bhaskar Rao Bollineni

b) Meetings of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee met only once during the financial year from 1st April 2021 to 31st March 2022. The meeting was held on 30th March, 2022.

Sl. No.	Name of member	Designation	Number of meetings held	Number of meetings attended
1	Mr. Rajeswara Rao Gandu	Chairman	1	1
2	Mr. Kaja Ratna Kishore	Member	1	1
3	Dr. Bhaskar Rao Bollineni	Member	1	0

c) Terms of Reference for the Stakeholders Relationship Committee:

i) Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

ii) Review of measures taken for effective exercise of voting rights by shareholders;

iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

v) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

vi) To approve, register, refuse to register transfer or transmission of shares and other securities;

vii) To subdivide, consolidate and or replace any share or other securities certificate(s) of the Company;

viii) Allotment and listing of shares;

ix) Approval of transfer or transmission of shares, debentures or any other securities;

x) To authorize affixation of common seal of the Company;

xi) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

xii) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

xiii) To dematerialize or rematerialize the issued shares;

xiv) Ensure proper and timely attendance and redressal of investor queries and grievances;

xv) Carrying out any other functions contained in the Companies Act, 2013 and the rules notified thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended and/or equity listing agreements (if applicable), as and when amended from time to time; and

xvi) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s)

d) The Company has received 124 complaints during the year 2021-22; resolved all the complaints and no complaints were pending as on 31st March 2022.

e) Mr. Uma Shankar Mantha is the Company Secretary and Compliance officer of the company.

IV. Corporate Social Responsibility Committee

a) Composition of Corporate Social Responsibility committee

i. Dr. Bhaskar Rao Bollineni

ii. Dr. Abhinay Bollineni

iii. Mr. Venkata Ramudu Jasthi*

iv. Mr. Rajeswara Rao Gandu**

*appointed as a member of the Committee in the Board meeting held on 10th August, 2021.

** ceases to be a member from 10th August, 2021.

b) Meetings of the Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee met only once during the financial year from 1st April 2021 to 31st March 2022. The meeting was held on 24th February, 2022.

Sl. No.	Name of member	Designation	Number of meetings held	Number of meetings attended
1	Dr. Bhaskar Rao Bollineni	Chairman	1	1
2	Dr. Abhinay Bollineni	Member	1	1
3	Mr. Venkata Ramudu Jasthi	Member	1	1

c) The CSR committee's primary functions are to:

- Formulate, review and recommend to the board, a CSR policy indicating the activities to be undertaken by the company as specified in schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the initiatives as per the CSR policy;
- Provide guidance on various CSR initiatives undertaken by the company and monitor implementation and adherence to the CSR programs and policy of the company from time to time;
- Recommend to the board an annual CSR action plan delineating the CSR projects or programmes to be undertaken during the financial year; and
- Appoint an independent agency/firm to carry out impact assessment study, if any.

V. Risk Management Committee

To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities, it has constituted a Risk Management Committee to review the internal financial controls amongst other matters. The said Committee has also within its scope, the evaluation of significant risk exposures of the Company and to assess Management's actions to mitigate the exposures in a timely manner. The Committee considers activities at all levels of the organization, i.e. Enterprise level, Division level, Business Unit level and Subsidiary level in the risk management framework. The components are interrelated and ensure complete coverage of the entire enterprise from the Risk management angle with focus on three key elements i.e. Risk Assessment, Risk Management and Risk Monitoring.

As on 31st March, 2022, the Company has constituted a Risk Management Committee, under the SEBI (LODR) Regulations, 2015.

Composition of the Risk Management committee

1. Mr. Rajeswara Rao Gandu
2. Mr. Saumen Chakraborty
3. Dr. Abhinay Bollineni
4. Ms. Anitha Dandamudi

During the year the Committee met twice on (i) 01st December 2021 and (ii) 21st February 2022.

Sl. No.	Name of member	Designation	Number of meetings held	Number of meetings attended
1	Mr. Rajeswara Rao Gandu	Chairman	2	2
2	Mr. Saumen Chakraborty	Member	2	2
3	Dr. Abhinay Bollineni	Member	2	2
4	Ms. Anitha Dandamudi	Member	2	2

VI. Finance and Investment Committee

The Finance and Investment Committee is the sub-committee of the Board and the composition of the committee is as follows:

1. Mr. Saumen Chakraborty
2. Dr. Bhaskar Rao Bollineni
3. Mr. Shantanu Rastogi

During the year the one meeting was held on 21st March 2022.

Sl. No.	Name of member	Designation	Number of meetings held	Number of meetings attended
1	Mr. Saumen Chakraborty	Chairman	1	1
2	Dr. Bhaskar Rao Bollineni	Member	1	1
3	Mr. Shantanu Rastogi	Member	1	1

VII. IT Steering Committee

The IT steering committee has been constituted to oversee the requirement of Information Technology for the entire organization. The composition of the committee is a mix of Executive, Non-Executive Directors who have hands-on experience in implementing the technology. The committee focuses on automation of processes in the organization.

The members of the committee are:

1. Mr. Pankaj Vaish
2. Mr. Saumen Chakraborty
3. Dr. Abhinay Bollineni
4. Mr. Shantanu Rastogi

4. GENERAL BODY MEETINGS

Details of the location, date and time of the Annual General Meetings held during the preceding three years are given below:

Year	Date	Venue	Time	Special Resolutions passed
2018-19	8th August, 2019	KIMS Hospitals" # 1-8-31/1, Minister's Road, Secunderabad - 500003	4.00 PM	i. To approve the loan, guarantee or security under section 185 of Companies Act, 2013. ii. Approval of inter-corporate loans & investments in excess of limits. iii. To approve the amendment of the existing articles of association of the Company
2019-20	24th August, 2020	KIMS Hospitals" # 1-8-31/1, Minister's Road, Secunderabad - 500003	3.00 PM	No special Resolutions were passed in the meeting
2020-21	29th May, 2021	KIMS Hospitals" # 1-8-31/1, Minister's Road, Secunderabad - 500003	11.00 AM	No special Resolutions were passed in the meeting

5. Means of Communication:

The quarterly reports, along with additional information and official news releases, are posted on our website https://www.kimshospitals.com/investors/. Moreover, the quarterly / annual results and official news releases are generally published in Financial Express (English) and Nava Telangana (Telugu) newspapers.

Earnings calls with analysts and investors and their transcripts are also posted on the website. Further, all material information which has any impact on the operations of the Company is sent to the Stock Exchanges and also the same shall be placed on the Company's website.

NSE Electronic Application Processing System (NEAPS), https://digitalexchange.nseindia.com/ :BSE Corporate Compliance & Listing Centre : The NEAPS, https://digitalexchange.nseindia.com/ / BSE's listing center is a web-based application, designed for corporates. All periodic compliance related filings and other material information is filed electronically on the designated portals.

SEBI Complaints Redress System (SCORES): Investor Complaints are processed in a centralised web based complaints redress system. The salient feature of this system are a centralised database of all complaints, online upload of Action Taken Reports (ATRS) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

6. Other Disclosures related party

a) Related Party Transactions :

All transactions with related parties are placed before the audit committee and the board for review and approval, as appropriate. All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions, nor do they vote on such matters. Transactions entered into with related parties during the financial year were at arm's length pricing and generally in the ordinary course of business.

The details of transactions are disclosed in the notes forming part of the Accounts as required under Indian Accounting Standard (IND AS) 24 notified by the Ministry of Corporate Affairs.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website https://www.kimshospitals.com/investors/.

b) Vigil Mechanism/Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website https://www.kimshospitals.com/investors/. During the financial year under review, no Complaints were received.

c) Subsidiaries

Your Company does not have any Material non-listed Subsidiary Company whose turnover or net worth exceeded 10% of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

The Company has formulated a policy for determining Material Subsidiaries and the same has been posted on the website https://www.kimshospitals.com/investors/.

d) Acceptance of recommendations made by the Committees.

During the financial year 2021-2022, the Board has accepted all the recommendations of its Committees.

e) Accounting Treatment

The Financial Statement of the Company for FY 2021-2022 have been prepared in accordance with the applicable accounting principles in India and the Indian accounting standards (Ind As) prescribed under section 133 of the Companies Act, 2013 read with the rules made thereunder.

f) Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/ regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

g) Risk Management

Business Risk Evaluation and management of such risks is an ongoing process within the organization.

The Board has constituted a Risk Management Committee headed by the Independent Director which reviews the probability of risk events that adversely affect the operations and profitability of the Company and suggests suitable measures to mitigate such risks.

A Risk Management framework is already in place and the Executive Management reports to the Board periodically on the assessment and minimization of risks

h) Proceeds of Public, Rights and Preferential Issues

During the Financial year 2021-22 the Company has allotted 24,34,504 Equity Shares of Rs. 10/- each at a premium of Rs. 815/- were issued to various applicants as part of Initial Public offer (IPO) Process.

The Company has received Rs. 200 Crores from issue of shares through preferential allotment and it was used for re-payment in full or part of certain loans availed by the Company, its Subsidiaries and for General Corporate purpose as mentioned in the offer documents filed with Registrar of Companies (ROC), Telangana at the time of Initial Public offer (IPO).

The Audit Committee reviews the utilization of proceeds periodically.

i) Management discussion and Analysis

The Management Discussion and Analysis Report is part of this Annual Report.

j) Certificate from Practicing Company Secretary

A Certificate has been received from Krishna Rao Inturi, Partner of M/s. IKR & Associates, Practicing Company Secretaries enclosed as **Annexure II**, that none of the Directors on the Board have been debarred or disqualified from being appointed or re-appointed as directors for the year ended 31st March 2022 by SEBI/Ministry of Corporate Affairs or any such statutory body.

k) Total Fees paid to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

Type of service	Amount
Audit fees	Rs. 1,76,57,874
Other Services	Rs. 25,92,136
Total	**Rs. 2,02,50,010**

l) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	No.s
Number of complaints filed during the financial year 2021-2022	**Nil**
Number of complaints disposed off during the financial year 2021-2022	**Nil**
Number of complaints pending as on end of the financial year 2021-2022	**Nil**

m) Details of Non-Compliances

There are no non-compliances by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the financial year.

n) Compliance with Corporate Governance Norms

i. Mandatory Requirements

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in the Listing Regulations. The requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Company have been complied with as disclosed in this report.

ii. Discretionary Requirements

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations.

- **The Board**

  There is no Non-Executive Chairman of the Company.

- **Shareholder Rights**

  The Company communicates with investors regularly through emails, telephone calls and face to face meetings. The Company publishes the quarterly/half-yearly/annual financial results in leading business newspaper(s) as well as on the Company's website.

- **Modified opinion(s) in Audit Report**

  During the year under review, there was no audit qualification in the Company's financial statements.

- **Reporting of the Internal Auditor**

  The Internal Auditors' report to the Audit Committee of the Board of Directors and are requested to be present as invitees at the Audit Committee meetings held every quarter.

7. **Certificate on Corporate Governance**

The certificate issued by the Practicing Company Secretary on compliance of Corporate Governance norms is enclosed to this Report as **Annexure-III.**

8. **CEO/CFO Certification**

The Chief Executive Officer and the Chief Financial Officer have issued a certificate pursuant to Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate from Dr. Abhinay Bollineni, Director & CEO and Mr. Vikas Maheshwari, Chief Financial Officer was placed before the Board of Directors at its meeting held on 19.05.2022. The certificate is enclosed as **Annexure-IV.**

9. **General Shareholder Information:**

Annual General Meeting	Date : 11th August 2022 Time : 4:00 pm Venue : Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated 05 May 2022 read with other circulars dated 13 January 2021, 5 May 2020, 8 April 2020 and 13 April 2020 as such there is no requirement to have a venue for the AGM.
Financial Year	1st April, 2021 to 31st March, 2022
Dividend Payment Date	Not Applicable
Name and address of the Stock Exchange where the Company is listed	i) BSE Ltd (BSE) PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel :91-22-2272 1234, 1233 Fax : 91-22-2272 3353/3355 Website : www.bseindia.com (ii) National Stock Exchange of India (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 Tel : 91-22-2659 8100 – 8114 Fax : 91-22-26598237/38 Website : www.nseindia.com
Listing on Stock Exchanges BSE Ltd & NSE Ltd	28th June, 2021
Scrip/Stock Code	BSE Scrip Code: 543308 NSE Scrip Id: KIMS
ISIN Number for NSDL & CDSL	INE967H01017

10. **The listing fees have been paid to the above stock exchanges viz., BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).**

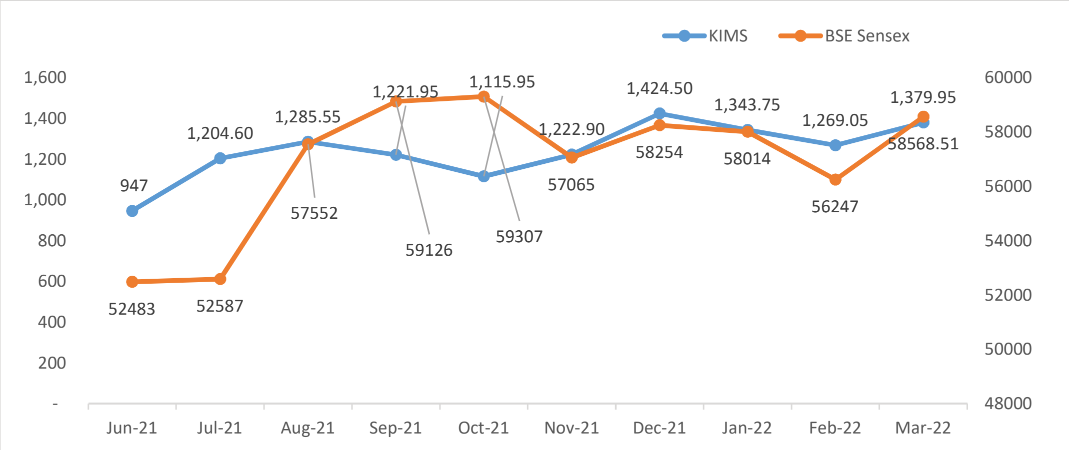
(a) Market Price Data: BSE Limited (BSE)

Sl.no.	Month	High during the month	Low during the month
1.	June 2021	1057.95	938.05
2.	July 2021	1325.00	938.20
3.	August 2021	1394.20	1096.10
4.	September 2021	1297.95	1201.00
5.	October 2021	1244.45	1060.05
6.	November 2021	1315.00	1065.50
7.	December 2021	1495.60	1210.05
8.	January 2022	1532.15	1308.30
9.	February 2022	1405.90	1150.00
10.	March 2022	1425.90	1215.00

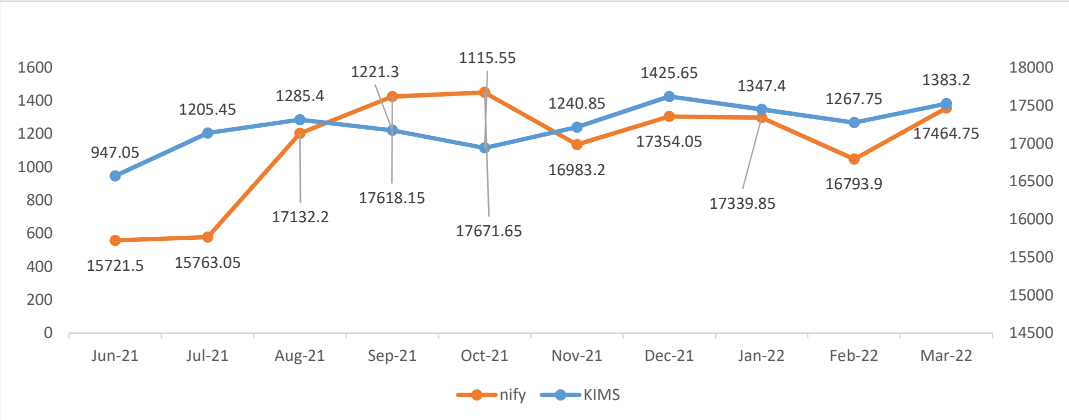
(b) **Market Price Data: National Stock Exchange of India Limited (NSE)**

Sl.no.	Month	High during the month	Low during the month
1.	June 2021	1059.00	938.10
2.	July 2021	1325.00	937.55
3.	August 2021	1397.50	981.00
4.	September 2021	1298.85	1205.00
5.	October 2021	1245.55	1070.00
6.	November 2021	1317.20	1000.00
7.	December 2021	1494.95	1210.30
8.	January 2022	1565.00	1309.65
9.	February 2022	1398.00	1158.65
10.	March 2022	1426.05	1220.00

(a) Performance in comparison to broad based indices of BSE SENSEX:



(b) Performance in comparison to broad based indices of NIFTY:



11. **Registrar to an issue & Share Transfer Agents:**

Registrar to an issue & Share Transfer Agents (for shares held in both Physical and Demat mode) are as follows:

Link Intime India Private Limited
Surya 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road
Coimbatore - 641028
Tel : 0422-2314792 / 2315792
E-mail: coimbatore@linkintime.co.in
Website : www.linkintime.co.in

Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Share Transfer Agents.

Share Transfer Committee is authorized to approve transfer of shares in the physical segment. Such transfers take place on fortnightly basis.All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.

In compliance with the SEBI Listing Regulations, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

12. Distribution of shareholding as on 31st March, 2022.

Shares holding of nominal value Of	No. of Shareholder	No. of Shares	% of total shares
1 - 500	73,335	18,11,306	2.26
500 - 1000	375	2,75,796	0.34
1001 - 2000	156	2,33,472	0.29
2001 - 3000	66	1,70,649	0.21
3001 - 4000	35	1,28,075	0.16
4001 - 5000	30	1,39,176	0.17
5001 – 10000	67	4,92,544	0.62
10001 & Above	195	7,67,76,769	95.94
Total	**74,259**	**8,00,27,787**	**100.00**

13. Dematerialization of Shares and Liquidity.

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.81 percent of the Company's equity share capital are dematerialized as on March 31, 2022.

14. Reconciliation of Share Capital Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out an Audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid up capital.

This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, interalia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

15. Address for correspondence:

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation/ Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	Link Intime India Pvt. Ltd Surya 35, Mayflower Avenue Behind Senthil Nagar Sowripalayam Road Coimbatore - 641028 Tel : 0422-2314792 / 2315792 E-mail: coimbatore@linkintime.co.in Website : www.linkintime.co.in
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	Company Secretary Krishna Institute of Medical Sciences Limited D.No. 1-8-31/1, Minister Road, Secunderabad, Telangana - 500003 Tel: +91 40 4418 6433 Fax: +91 40 2784 0980 Email: cs@kimshospitals.com Website: www.kimshospitals.com

16. Credit Rating:

Name of Agency	Type of Rating	Ratings
CRISIL Rating Limited (A Subsdiary of CRISIL Limited)	**Long Term Rating**	**CRISIL AA-/Positive**
	Short Term Rating	**CRISIL A1+**

There are no firms./ Companies to which the Company or its subsidiaries gave any Loans and Advances in which Directors are interested by name or amount.

17. Demat Suspense Account/Unclaimed Suspense Account

The Company during the year under consideration does not have any Shares in demat suspense account or unclaimed suspense account.

Annexure I

Declaration under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct

I, Dr. Abhinay Bollineni, Director & CEO of the Company, hereby declare that the Board of Directors have laid down a Code of Conduct for its Board Members and Senior Management Personnel of the Company and they have affirmed compliance with the said code of conduct.

For Krishna Institute of Medical Sciences Limited

Place : Hyderabad
Date : 19.05.2022

Dr. Abhinay Bollineni
Director& CEO

Annexure II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Clause 10(i) of Para C of Schedule V of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Krishna Institute of Medical Sciences Limited having CIN L55101TG1973PLC040558 and having registered office at D.No.1-8-31/1, Minister's Road, Secunderabad-500003, Telangana, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl.No	Name of the Director	DIN	Date of Appointment
1	Dr. Bhaskara Rao Bollineni	00008985	01/11/2002
2	Ms. Anitha Dandamudi	00025480	21/03/2008
3	Mr. Pankaj Vaish	00367424	08/01/2021
4	Mr. Kaza Ratna Kishore	01152107	08/01/2021
5	Dr. Abhinay Bollineni	01681273	18/01/2019
6	Mr. Venkata Ramudu Jasthi	03055480	08/01/2021
7	Mr. Rajeswara Rao Gandu	05339318	24/01/2017
8	Mr. Saumen Chakraborty	06471520	08/01/2021
9	Mr. Shantanu Rastogi	06732021	20/06/2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **IKR & Associates**
Company Secretaries

Krishna Rao Inturi
Proprietor
A23071 / CP10486
UDIN:
Peer Review Certificate no. 1255/2021

Place: Hyderabad

Date: 19.05.2022

Annexure III

Practicing Company Secretaries Certificate on Corporate Governance under the Listing Regulations

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

We have examined the compliance of conditions of Corporate Governance by Krishna Institute of Medical Sciences Limited ('the Company'), for the year ended 31st March 2022, as stipulated in the Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

Management Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

Our examination is limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **IKR & Associates**
Company Secretaries

Krishna Rao Inturi
Proprietor
A23071 / CP10486
UDIN:
Peer Review Certificate no. 1255/2021

Place: Hyderabad

Date: 19.05.2022

ANNEXURE – IV

CEO & CFO DECLARATION

To
The Board of Directors
Krishna Institute of Medical Sciences Limited

We, Dr. Abhinay Bollineni, CEO and Mr. Vikas Maheshwari, CFO hereby certify as under:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year ended 31st March, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have disclosed, wherever applicable to the auditors and the audit committee

   i. That there were no deficiencies in the design or operations of internal controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions;

   ii. that there are no material weaknesses in the internal controls over financial reporting;

   iii. that there are no significant changes in internal control over financial reporting during the year;

   iv. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

   v. that there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Krishna Institute of Medical Sciences Limited

Dr. Abhinay Bollineni
Chief Executive Officer

For Krishna Institute of Medical Sciences Limited

Mr. Vikas Maheshwari
Chief Financial Officer

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	U55101TG1973PLC040558
2	Name of the Company	Krishna Institute of Medical Sciences Limited
3	Company Address	D.NO.1-8-31/1,Minister's Road, Secunderabad, Telangana - 500003.
4	Website	www.kimshospitals.com
5	E-mail ID	cs@kimshospitals.com
6	Financial year reported	April 1, 2021 to March 31, 2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code of product/service:86100 Description: Hospital Activities
8	List of three key products/services that the Company manufactures / provides (as in balance sheet)	Healthcare Services
9	Total number of locations where business activity is undertaken by the Company	There are total nine (9) Locations where the business activity is undertaken by the Company
10	Markets served by the Company - Local/ state/ national/international	Telangana and Andhra Pradesh

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

1	Paid up Capital	Rs. 80,02,77,870
2	Total Turnover	Rs. 1167,54,99,013
3	Total Profit After Tax	Rs. 278,36,39,041
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 3,40,04,000. 2% of the average net profits of the company during the three immediately preceding financial years in terms of Section 135 of the Companies Act, 2013.
5	List of activities in which the expenditure in 4 above has been incurred	Promoting Healthcare

SECTION C: OTHER DETAILS:

1	Does the Company have any subsidiary Company/companies	Yes, the Company has total 8 Subsidiary Companies and all are located in India only.
2	Do the subsidiary company/ companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The parent company undertakes majority of the BR initiatives
3	Do any other entity/entities (eg. Suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities.	Entities like suppliers, distributors did not participate in the Company BR initiatives in

SECTION D: BR INFORMATION

1	Details of Director responsible for BR	**a) Details of the Director responsible for implementation of the BR policies:** DIN Number : 01681273 Name: Dr. Abhinay Bollineni Designation:Director & CEO Telephone No. +91 – 98499 94678 Email Id: abhi@kimshospitals.com **b) Details of the BR head:** Same as above

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of Compliance

S. No	Questions	Ethics	Product Lifecycle Sustainability	Employees wellbeing	Stakeholders Engagement	Human Rights	Environment	Policy Advocacy	Community Development (CSR)	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for…	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national/international standards? If yes, specify.	The policies of the Company generally conform to the principles of the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs (MCA), Government of India.								
4	"Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?"	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the Company have a specified committee of the Board/Director/ official to oversee the implementation of the policy	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Indicate the link for the policy to be viewed on-line	The policies which are mandatorily required to be uploaded on the website of the Company have been uploaded on https://www.kimshospitals.com/investors/								
7	Has the policy been formally communicated to all relevant internal andexternal stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Does the Company have in-house structure to implement the policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Does the Company have a grievance redressal mechanism related tothe policies to address stakeholders' grievances related to the policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	✓	✓	✓	✓	✓	✓	✓	✓	✓

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

Not Applicable.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board, or CEO assess the BR performance of the Company :

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? :

Not Applicable

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 – Ethics

1. **Does the policy relating to ethics, bribery, and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Yes. The policies on Code of Conduct and Whistle Blower covers the ethics, bribery, and corruption for the Company and its Subsidiaries. The Bribery and Corruption covers Suppliers and Contractors as part of Whistle Blower policy.

   A code of conduct is a set of organizational rules or standards that describe a business' values, beliefs, and the ethical standards to which the Directors and employees of the Company must adhere. The policy on Code of Conduct for directors and senior management personnel is a guide to help senior management team, Board and its subsidiaries to live up to Company's high ethical standards. Though it summarizes many of the laws that Company is required to follow, it also goes beyond the legal minimums by describing the ethical values we share at our Company.

   The policy on Whistle Blower provides employees, customers and vendors an avenue to raise concerns, in line with the Company's commitment to the standards of ethical, moral and legal business conduct and its commitment to open communications. Further, to provide necessary safeguards for protection of associates from reprisals or victimization, for whistle blowing in good faith.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   In the financial year 2021-22, we have provided services to several million patients. The feedback of our internal and external stakeholders is important for us to strengthen the relationship with our stakeholders. During the year 100% of the consumers'/stakeholders' concerns/complaints (2813) were resolved. We also received 124 concerns/complaints from our shareholders and all of these concerns have been resolved. This is testimony that we handle complaints conscientiously and resolve them on a priority basis.

Principle 2 - Product Life Cycle Sustainability

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   The Company is engaged in providing healthcare services and does not have any product. During the year, steady progress was made on digital transformation with notable initiatives as below:

   • Remote patient monitoring technology was deployed in the wards, integrated with a digital nursing application.

   • Digital applications were flexible to meet the needs of bed management and telemedicine consultation of Omicron Covid cases resulting in a safer and convenient patient experience during challenging times.

   KIMS Hospitals is well on the way to take the next steps in doctors ordering tests on a mobile app, completely digital patient experience and resource optimization. Several initiatives are planned that will take digital to the next level at all units of the group.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

   KIMS, Secunderabad has partnered up with Smart Joules Pvt Ltd (SJPL) a prominent Energy Services Company (ESCO) in 2018. A new and innovative model known as JoulePAYS was executed wherein, KIMS makes Zero Capital investment to implement various Energy Conservation Measures (ECMs) across the hospital and gets a guaranteed energy savings of minimum 10% annually over the baseline energy consumption.

   The details are as follows
   • 23.1% of total energy consumption saved
   • INR 280.52 lakhs of total energy cost saving achieved
   • 2,302 tonnes of CO_2 saved

   In real life translation, the above translates to approximately the following:
   • 38,178 households getting electricity
   • 93 Lakhs Kms less driven
   • 94,366 trees planted

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

   Yes. Sustainable sourcing is one of the key focus areas for the Company and is built around ethical and environmental sourcing principles to mitigate sourcing risks, and stronger supplier relationships for trustworthy business conduct. To ensure the efficacy in procurement of goods the suppliers are asked to adhere to the SOP of the Company including guidelines as defined in various statute.

   Our vendor supply management is robust and we procure the supplies from Government suppliers, domestic suppliers and foreign suppliers.The checks and balances on KYC for each supplier is a paramount requirement and before engaging with a particular supplier a thorough evaluation will be conducted based on the parameters defined by the Internal procurement Committee. Further, in order to reduce the carbon foot print we also procure products from local distributors, thus reducing the risk in transport of the medical supplies. Employees dealing with suppliers are covered through the employee code of conduct.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   The Company is in the business of providing healthcare services in which the products and services as inputs are regulated by the statutes and hence, we procure the products and services from empaneled vendors who are governed by various statutes.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   The Company has a defined process in disposing of biomedical waste and it ensures at the inception the correct way of sorting, labeling, handling, storage, transporting and disposal of solid and liquid waste. This process ensures in the prevention of infections and contamination of personnel & equipment and paves way for reducing nosocomial infections.

   Further, all the hazardous waste such as residuals from Sewarage treatment plant (STP) and general health care wastes are disposed through authorised municipal authorities, biomedical. The waste water is treated in the STP and the treated water is re-utilised as watering the plants so that greenery around the hospital is maintained.

   Bio Medical waste is handed over to a Government approved vendor as specified under Bio Medical Waste Management Rules, 2016. The Company has aligned its Bio Medical Waste SOP as per the regulatory norms.

Principle 3 - Employee Wellbeing

1. **Please indicate the Total number of employees :** Total number of employees including subsidiaries as on 31st March 2022 was 7815 (including Company and its subsidiaries)
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis :** 2958 employees were hired on a contractual basis
3. **Please indicate the Number of permanent women employees:** Total number of permanent women employees as on 31st March 2022 was 4243.
4. **Please indicate the Number of permanent employees with disabilities :** 17 permanent employees are hired with disabilities
5. **Do you have an employee association that is recognized by management. :** There is no recognized or unrecognized employee association.
6. **What percentage of your permanent employees is members of this recognized employee association :** Not Applicable
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year :** During the year there were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment .
8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

   a) Permanent Employees - 80%

   b) Permanent women Employees - 81%

   c) Casual/Temporary/Contractual Employees - 71%

   d) Employees with Disabilities - 71%

Principle 4 – Stakeholders engagement

1. **Has the company mapped its internal and external stakeholders?**

   Yes, these details are available in respect of shareholders / investors, vendors, bankers, employees (full time employees and those on contract), contractors, business partners, patients

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   The Company has identified category of disadvantaged, vulnerable & marginalized stakeholders as per Company's policy. The Company provides the medical treatment to Below Poverty Line (BPL) patients through the Government schemes such as Arogyasree and Employee Health Schemes (EHS).

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company has in place corporate social responsibility policy which caters the need of vulnerable and marginalized people in the society. The Company spent Rs. 34.40 million as CSR expenditure during FY 2022.

Principle 5 – Human Rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**
   The policy is applicable to the Company and its subsidiaries. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'Code of Conduct policy of the Company, adopted by the Company. All employees are sensitised to human rights as part of their orientation programme.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   The Company has not received any complaint or concern with respect to violation of human rights.

Principle 6 – Environment

1. **Does the policy cover only the Company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?**
   The Environment Social Governance (ESG) Policy of the Company covers the Company and all its subsidiaries.
2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.?**
   The Company is committed to endeavours continuous support in energy consumption, monitoring, system efficiency enhancement and identification of opportunities for energy optimisation.
3. **Does the Company identify and assess potential environmental risks?**
   The Company does identify and assesses potential environmental risks and closely monitors their impact if any.
4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so?**

   The Company does not have any project related to Clean Development Mechanism.
5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc.?**
   The company has taken initiatives in support of clean technologies, energy efficiencies, and renewal energy. The company has installed LED lights across all the hospital units as part of the clean and energy efficiency measures. Further, the KIMS Hospital – Secunderabad unit is a certified Green OT that is a part of initiatives on clean technology, energy efficiency, and renewable energy.
6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes. All emissions/waste generated at various units and subsidiaries of the Company is within permissible limits. These are continuously monitored, reviewed internally, and reported to the CPCB / SPCB as per the requirement.
7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.**
   Nil

Principle-7 – Policy advocacy

1. **Is your company a member of any trade and chamber of association? If yes, Name only those major ones that your business deals with.**
   Yes, KIMS is a Member of Association of Healthcare Providers (India) -("AHPI")
2. **Have you advocated/lobbied through above associates for the advancement or improvement of public good? Yes/ No; if yes, specify the broad areas.**
   KIMS engages in constructive dialogues with industry regulatory bodies and associates on issues of legitimate interest of the Group. At Industry level, we participate in many industry forums and associations. We collaborate with these associations and forums to set industry standards benchmarks with best global practises. Through our regular interaction with these associations and forums, we ensure long-term viability of the industry by participating in policy development and thereby securing a sustainable future.

Principle-8 – Community Development (CSR)

1. **Does the company have specified programs/initiatives/projects in pursuit of this policy? If yes, details thereof.**
The company identified a specified program and takes all initiatives in Promoting Education, Health and Sanitation projects in pursuit of the CSR policy.

2. **Are the programs/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?**
All the projects are being taken by the Company through implementing agency i.e. KIMS Foundation and Research Centre (own foundation)

3. **Have you done any impact assessment of your initiative?**
Impact assessment is Not Applicable.

4. **What is your Company's direct contribution to community development projects – amount and details of the projects undertaken?**
The Company has spent Rs.3.40 Crores as part of CSR contribution, detailed CSR Projects have been provided in the Board's Report which forms part of Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**
The Community development initiatives have been taken, however the implementation and adoption of various initiatives such as free Health clinics, cancer awareness programmes in the rural areas is an ongoing process which has been a successful process as part of community development.

Principle-9 – Customer value

1. **What percentage of customer complaints/consumer cases are pending as of the end of the financial year?**
On a daily basis, KIMS serves patients through its network of hospitals. Patients' complaints are redressed through trained patient service coordinators and counsellors. The complaints are escalated to Departmental Heads, Medical Superintendents, and Facility Directors depending on their gravity and the exigencies of the situation. Most of complaints end up being resolved in cordial and amicable situations which provides satisfactory results and patients satisfaction bring goodwill to the company. In exceptional and rare instances, the aggrieved seek available legal recourse, wherein KIMS represents and defends the case through the legal department and often utilises the services of specific domain legal experts to stand for what we believe is correct, in the best interest of the Company and our stakeholders. As on March 31, 2022, Twenty five (25) consumer cases were pending in various courts/forums and during FY 2021-22, Three (3) consumer cases were disposed of.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**
Company is a healthcare service provider and hence this question is not applicable.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of the financial year?**
No, there are no cases filed against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**
The Company collects patient feedback (OP, IP and health check-up patients) through physical feedback forms.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Krishna Institute of Medical Sciences Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Krishna Institute of Medical Sciences Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
Allowance for credit losses relating to trade receivables (as described in Note 1.3 and 2.7 of the standalone financial statements)	
As at March 31, 2022, the Company has outstanding gross trade receivables of Rs. 1,153.56 million which represents approximately 7.35% of the total assets of the Company and Rs 279.78 million of allowance for Expected Credit Loss. In assessing the recoverability of the trade receivables and determination of allowance for expected credit loss, management's judgement involves consideration of aging status, historical payment records, the likelihood of collection based on the terms of the contract and the credit information of its customers. We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.	Our audit procedures included and were not limited to the following: - We tested on a sample basis the design and operating effectiveness of management control over assessing the recoverability of the trade receivables and key internal controls over allowance for credit losses. - We performed test of details and tested relevant contracts, documents, and subsequent receipts for material trade receivable balances. - In respect of material trade receivable balances from the government customers, we traced the trade receivable balances to the portals of the government customers. - We tested the aging of trade receivables at year end. - We reviewed management's assessment of the assumptions used in the allowance for Expected Credit Loss model and verified the expected credit loss computation based on model considered by the management. - We reviewed the disclosures made by the management in standalone financial statements.

Other Information

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

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

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.25 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

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

per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 22102328AJFPQF4916
Place of Signature: Hyderabad
Date: May 19, 2022

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

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

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B. The Company has maintained proper records showing full particulars of intangibles assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more in aggregate for each class of inventory.

b) As disclosed in note 2.12 (b) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) a) During the year the Company has provided loans and stood guarantee to companies as follows:

Rs. in Million

	Guarantees	Loans
Aggregate amount granted/ provided during the year - Subsidiaries	Rs 1,240.00	Rs. 1,951.33
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries	Rs 1,510.00	Rs. 731.40

b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies are not prejudicial to the Company's interest.

c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the medical and healthcare services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) The dues of goods and services tax, provident fund, employees’ state insurance, income-tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount Demanded (Rs. in Million)	Amount paid under protest (Rs. in Million)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
The Andhra Pradesh Tax Act, 1987	Luxury Tax*	16.14	7.99	2004-07	Hon'ble High Court of Judicature at Hyderabad for the State of Andhra Pradesh
		52.02	29.36	2007-11	Sales Tax Appellate Tribunal, Hyderabad
	Penalty on Luxury Tax*	14.10	2.12	2008-09	
AP VAT Act, 2005	Value Added Tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
CGST Act, 2017	CGST and SGST including penalty	6.59	0.44	July 2017 to August 2019	Assistant Commissioner, Ongole

*Interest will be levied as applicable.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) Term loans were applied for the purpose for which the loans were obtained.

d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) a) The Company has utilized the monies raised during the year by way of initial public offer in the nature of equity shares for the purposes for which they were raised.

b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares. The funds raised, have been used for the purposes for which the funds were raised. The Company has not issued any fully or partially or optionally convertible debentures respectively during the year

(xi) a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

b) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) a) The Company has an internal audit system commensurate with the size and nature of its business.

b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 2.38 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 2.33 to the financial statements.

b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 2.33 to the financial statements.

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

per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 22102328AJFPQF4916
Place of Signature: Hyderabad
Date: May 19, 2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Krishna Institute of Medical Sciences Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 22102328AJFPQF4916
Place of Signature: Hyderabad
Date: May 19, 2022

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Standalone Balance Sheet as at 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1 (a)	5,804.70	5,771.77
Capital work-in-progress	2.1 (b)	131.88	76.03
Intangible assets	2.1 (c)	115.01	31.36
Right-of-use assets	2.26	-	20.77
Financial assets			
(i) Investments	2.2	5,420.08	2,132.23
(ii) Loans	2.3 (a)	665.00	190.60
(iii) Other financial assets	2.4 (a)	75.39	107.94
Non-current tax assets (net)	2.9	52.26	40.36
Other non-current assets	2.5	110.70	93.96
Total non-current assets		**12,375.02**	**8,465.02**
Current assets			
Inventories	2.6	259.87	164.73
Financial assets			
(i) Trade receivables	2.7	873.78	730.04
(ii) Cash and cash equivalents	2.8 (a)	198.59	345.85
(iii) Bank balances other than (ii) above	2.8 (b)	1,599.02	2,154.33
(iv) Loans	2.3 (b)	66.40	6.40
(v) Other financial assets	2.4 (b)	236.53	224.25
Other current assets	2.10	78.63	46.65
Total current assets		**3,312.82**	**3,672.25**
Total assets		**15,687.84**	**12,137.27**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.11 (a)	800.28	775.93
Other equity	2.11 (b)	12,975.19	8,297.30
Total equity		**13,775.47**	**9,073.23**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.12 (a)	41.70	677.84
(ii) Lease liabilities	2.26	-	18.89
(iii) Other financial liabilities	2.13 (a)	0.09	0.09
Provisions	2.14	154.51	142.47
Other non-current liabilities	2.17 (a)	42.02	22.72
Deferred tax liabilities (net)	2.36	331.52	301.14
Total non-current liabilities		**569.84**	**1,163.15**
Current liabilities			
Financial liabilities			
(i) Borrowings	2.12 (b)	142.39	609.87
(ii) Lease liabilities	2.26	-	6.73
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.15	0.75	2.51
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.15	805.69	849.34
(iv) Other financial liabilities	2.13 (b)	92.24	97.20
Provisions	2.16	67.89	76.49
Other current liabilities	2.17 (b)	233.57	195.34
Current tax liabilities (Net)		-	63.41
Total current liabilities		**1,342.53**	**1,900.89**
Total equity and liabilities		**15,687.84**	**12,137.27**
Significant accounting policies	1.3		

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

As per our report attached of even date

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

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no:A21035

Place: Hyderabad
Date: 19 May 2022

Place: Hyderabad
Date: 19 May 2022

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Standalone statement of Profit and Loss for the year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Income from operations	2.18	11,433.76	9,326.89
Other income	2.19	241.74	96.15
Total Income		**11,675.50**	**9,423.04**
Expenses			
Purchase of medical consumables, drugs and surgical instruments		2,594.21	1,959.62
Decrease / (increase) in inventories of medical consumables, drugs and surgical instruments	2.20	(95.14)	52.34
Employee benefits expense	2.21	1,740.21	1,470.36
Finance cost	2.22	44.68	147.83
Depreciation and amortisation expense	2.23	449.22	445.98
Other expenses	2.24	3,232.28	2,804.28
Total expenses		**7,965.46**	**6,880.41**
Profit before tax		**3,710.04**	**2,542.63**
Tax expense			
- Current tax	2.36	909.27	668.12
- Deferred tax charge/(credit)	2.36	29.73	(1.64)
- Adjustments of tax relating to earlier year	2.36	(12.63)	(10.34)
Total tax expense		**926.37**	**656.14**
Profit for the year (A)		**2,783.67**	**1,886.49**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement income/(loss) on defined benefit plans		2.63	(6.40)
- Income tax effect		(0.66)	1.61
Other comprehensive income/(loss), net of tax (B)		**1.97**	**(4.79)**
Total comprehensive income for the year (A+B)		**2,785.64**	**1,881.70**
Earnings per share (face value of share Rs. 10 each)	2.29		
- Basic		35.04	25.20
- Diluted		35.04	24.77
Significant accounting policies	1.3		

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

As per our report attached of even date

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Place: Hyderabad
Date: 19 May 2022

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

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no:A21035

Place: Hyderabad
Date: 19 May 2022

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Standalone statement of cash flows for the year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
I. Cash flows from operating activities:		
Profit before tax	3,710.04	2,542.63
Adjustments for operating activities:		
Depreciation and amortisation expenses	449.22	445.98
Loss on sale of property, plant and equipment	27.04	11.71
Provision/(Reversal) of Expected credit loss for trade receivables	(63.44)	17.55
Trade receivables written off	35.56	-
Investment written off	-	0.10
Guarantee commission income	(26.26)	(8.93)
Rental income	(4.00)	(1.27)
Interest income on fixed deposits, security deposit and loan to related parties	(156.62)	(56.43)
Liabilities no longer required written back	(32.04)	(0.89)
Interest income on income tax refund	(9.15)	(8.27)
Finance cost	44.68	147.83
Operating cash flows before working capital changes	**3,975.03**	**3,090.01**
Adjustments for:		
Decrease /(increase) in trade receivables	(115.86)	243.92
Decrease /(increase) in inventories	(95.14)	52.34
(Increase) /decrease in Other financials assets and other assets	3.42	(258.81)
Increase in trade payables, other financial liabilities, provisions and other liabilities	39.10	213.23
Cash generated from operations	**3,806.55**	**3,340.69**
Income taxes paid, net of refunds	(962.81)	(427.20)
Net cash generated from operating activities (A)	**2,843.74**	**2,913.49**
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(694.69)	(726.65)
Proceeds from sale of property, plant and equipment	2.36	3.20
Investment in subsidiaries and joint venture	(3,240.95)	(352.73)
Loans given to subsidiaries	(1,951.33)	(250.00)
Receipt of loans given to subsidiaries	1,416.93	238.70
Redemption of bank deposits (having original maturity of more than three months)	5,821.65	28.82
Investment in bank deposits (having original maturity of more than three months)	(5,263.21)	(2,145.60)
Lease income received	4.00	1.27
Interest received	154.43	36.95
Net cash used in investing activities (B)	**(3,750.81)**	**(3,166.04)**
III. Cash flows from financing activities		
Repayment of long-term borrowings	(603.62)	(1,018.63)
Proceeds / (repayment) of short-term borrowings (net)	(500.00)	479.19
Payment of lease obligations	(10.93)	(14.27)
Proceeds from issue of shares (net off share issue expenses)	1,916.60	950.23
Interest paid	(42.24)	(142.79)
Net cash flows generated from financing activities (C)	**759.81**	**253.73**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(147.26)	1.18
Cash and cash equivalents at the beginning of the year	345.85	344.67
Cash and cash equivalents at the end of the year	**198.59**	**345.85**

Note:
a) The standalone statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian accounting Standard (Ind 7)-Statement of cash flows:

b) Cash and cash equivalents comprises of:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash on hand	7.52	11.54
Balances with banks		
- On current accounts	191.07	209.31
- In deposit accounts (with original maturity of 3 months or less)	-	125.00
Total	**198.59**	**345.85**

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

As per our report attached of even date

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

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Dr. B Bhaskara Rao
Managing Director
DIN:00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad
Date: 19 May 2022

Place: Hyderabad
Date: 19 May 2022

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Statement of changes in equity for the year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

a) Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid	No of shares	Amount
At 1 April 2020	**74,489,552**	**744.90**
Add: Shares issued during the year	3,103,731	31.03
At 31 March 2021	**77,593,283**	**775.93**
Add: Shares issued during the year	2,434,504	24.35
At 31 March 2022	**80,027,787**	**800.28**

b) Other Equity

Particulars	Other equity				Total of other equity
	Reserve and surplus			Share Warrants	
	Securities premium account	Adjustment reserve	Retained earnings		
Balance as at 01 April 2020	**7,525.80**	**57.64**	**(2,090.14)**	**3.10**	**5,496.40**
Profit for the year	-	-	1,886.49	-	1,886.49
Issue of shares	922.30	-	-	(3.10)	919.20
Other comprehensive loss for the year	-	-	(4.79)	-	(4.79)
Balance as at 31 March 2021	**8,448.10**	**57.64**	**(208.44)**	**-**	**8,297.30**
Profit for the year	-	-	2,783.67	-	2,783.67
Shares issued during the year	1,975.65	-	-	-	1,975.65
Share issue expenses (Refer note 2.42)	(83.40)	-	-	-	(83.40)
Other comprehensive income for the year	-	-	1.97	-	1.97
Balance as at 31 March 2022	**10,340.35**	**57.64**	**2,577.20**	**-**	**12,975.19**

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

As per our report attached of even date

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Place: Hyderabad
Date: 19 May 2022

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

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad
Date: 19 May 2022

1.1 Company Overview

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

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

The Company is primarily engaged in the business of rendering medical and healthcare services. The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited on 28 June 2021.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 19 May 2022.

1.2 Basis of preparation of standalone financial statements

a) Statement of Compliances:

The Standalone financial statements of the Company as at and for the year ended 31 March 2021, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS"), as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Act.

All amounts are in Indian Rupees millions, rounded off to two decimals, except share data, unless otherwise stated.

b) Basis of measurement:

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value - refer accounting policy regarding financial instruments
Net defined benefit (asset)/ liability	Defined benefit plan - plan assets measured at fair value

c) Functional and presentation currency:

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

d) Significant accounting judgement, estimates and assumptions:

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

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

Estimates and assumptions

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

Provision for expected credit losses of trade receivables and contract assets

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

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

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

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 2.35 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment of non-financial assets

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

Classification of financial instruments as equity

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

1.3 Significant accounting policies

A. Current and non-current classification

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

Assets

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

All other assets are classified as non-current.

Liabilities

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

All other liabilities are classified as non-current.

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

Operating cycle

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

B. Fair value measurement:

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

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

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

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

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

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

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

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

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

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

The Company's Chief Financial officer determines the policies and procedures for both recurring fair value measurement and for other non-recurring measurement.

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

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

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

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

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

C. Revenue from contract with customer

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

Revenue from contracts with customers is recognised 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.

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

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities. Revenue is recognised at the point in time for the outpatient hospital services when the related services are rendered at the transaction price. With respect to the inpatients hospital services who are undergoing treatment/ observation on the balance sheet date, revenue is recognised over the period to the extent of services rendered.

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

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

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Contract balances

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

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

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

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

Other Income

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

D. Income tax

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

Current income tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

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

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:
- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

E. Property, plant and equipment

Freehold land is carried at cost net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

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

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

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The Company has elected to continue with the carrying value for all of its Property, Plant and Equipment recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

De recognition

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

Depreciation

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

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

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

F. Intangible assets

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

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

De recognition

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

The Company has elected to continue with the carrying value for all of its other intangibles recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

Amortisation

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

The estimated useful lives of intangibles are as follows:

Category of Assets	Useful life (In years)
Software	6

G. Borrowing costs

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

H. Leases

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

Company as a lessee

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

i) Right-of-use assets

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

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

ii) Lease Liabilities

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

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

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

I. Inventories

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

J. Impairment of non-financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company’s cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries in which the Company operates, or for the market in which the asset is used.

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

K. Provisions

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

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

Contingent liabilities

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

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

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

L. Retirement and other employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised in the Statement of Profit and Loss account on the earlier of amendment or curtailment.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short term employee benefits

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

Compensated Absences

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the Balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

M. Financial instruments

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

Financial Assets

Initial recognition and measurement

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

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

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets. For more information on receivables, refer to Note 2.35.

Financial assets at fair value through OCI (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Company's debt instruments are not fair value through OCI assets.

Financial assets at fair value through profit or loss

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

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

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Restated Ind AS Consolidated Statement of Profit and Loss.

Derecognition

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

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financials assets

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

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

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

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

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. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial instruments are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS 32 (Financial instruments: Presentation). Financial instrument issued by the Company classified as equity is carried at its transaction value and shown within "equity". Financial instrument issued by the Company classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such Financial instrument is fair valued through the statement of profit or loss. On modification of Financial instrument from liability to equity, the Financial instrument is recorded at the fair value of Financial instrument classified as equity and the difference in fair value is recorded as a gain/ loss on modification in the Statement of Profit and Loss.

Financial liabilities at amortised cost (loans and borrowings)

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

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

Financial guarantee contracts

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derecognition

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

N. Cash and cash equivalents

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

O. Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

P. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

Q. Corporate social responsibility

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

R. Events after reporting date

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

S. New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

- Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116
- Conceptual framework for financial reporting under Ind AS issued by ICAI
- Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

These amendments had no impact on the financial statements of the Company.

Standards issued but not yet effective and not early adopted by the Company

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. On March 23, 2022, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 101, First-time Adoption of Indian Accounting Standards
- Ind AS 109, Financial Instruments Classification, Recognisation and Dereognisation
- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

These amendments are effective from April 01, 2022. The Company believes that the aforementioned amendments will not materially impact the financial statements of the Company.

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Notes to the standalone financial statements for the year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.1 (a) Property, plant and equipment

Particulars	Freehold land	Leasehold land (refer note 1 below)	Buildings	Medical and surgical equipment	Plant and equipment	Office equipment	Electrical equipment	Computers	Furniture and fixtures	Vehicles	Total of property, plant and equipment
Gross Carrying amount											
Balance as at 1 April 2020	**163.24**	**151.82**	**3,522.77**	**2,359.97**	**127.90**	**47.04**	**313.20**	**80.27**	**224.55**	**41.47**	**7,032.23**
Additions	326.65	-	42.18	244.22	1.97	2.80	16.04	30.81	15.08	-	679.75
Disposals	-	-	-	(43.96)	-	(0.02)	-	(0.05)	-	(0.38)	(44.41)
Balance as at 31 March 2021	**489.89**	**151.82**	**3,564.95**	**2,560.23**	**129.87**	**49.82**	**329.24**	**111.03**	**239.63**	**41.09**	**7,667.58**
Balance as at 1 April 2021	489.89	151.82	3,564.95	2,560.23	129.87	49.82	329.24	111.03	239.63	41.09	7,667.58
Additions	146.17	-	38.80	196.70	25.37	6.87	5.62	38.88	23.80	3.15	485.37
Disposals	-	-	(14.51)	(21.35)	(1.84)	(4.41)	(3.56)	(0.08)	(3.04)	(0.82)	(49.61)
Balance as at 31 March 2022	**636.07**	**151.82**	**3,589.24**	**2,735.57**	**153.40**	**52.28**	**331.30**	**149.83**	**260.40**	**43.42**	**8,103.34**
Accumulated depreciation											
Balance as at 1 April 2020	**-**	**-**	**229.52**	**852.07**	**41.33**	**28.22**	**172.05**	**51.28**	**105.07**	**15.08**	**1,494.63**
Depreciation charge for the year	-	-	62.69	259.28	10.12	6.43	43.39	16.76	26.89	5.13	430.69
Disposals	-	-	-	(29.06)	-	(0.01)	-	(0.05)	-	(0.38)	(29.50)
Balance as at 31 March 2021	**-**	**-**	**292.21**	**1,082.29**	**51.45**	**34.64**	**215.44**	**67.99**	**131.96**	**19.83**	**1,895.81**
Balance as at 1 April 2021	-	-	292.21	1,082.29	51.45	34.64	215.44	67.99	131.96	19.83	1,895.81
Depreciation charge for the year	-	-	63.03	247.44	10.68	5.41	43.74	20.30	27.82	4.62	423.04
Disposals	-	-	(3.35)	(8.34)	(0.55)	(3.14)	(2.99)	(0.07)	(1.24)	(0.53)	(20.21)
Balance as at 31 March 2022	**-**	**-**	**351.89**	**1,321.38**	**61.58**	**36.90**	**256.19**	**88.22**	**158.54**	**23.93**	**2,298.65**
Net book value											
At 31 March 2021	**489.89**	**151.82**	**3,272.74**	**1,477.94**	**78.42**	**15.18**	**113.80**	**43.04**	**107.67**	**21.26**	**5,771.77**
At 31 March 2022	**636.07**	**151.82**	**3,237.35**	**1,414.19**	**91.82**	**15.38**	**75.11**	**61.61**	**101.86**	**19.49**	**5,804.70**

Notes:
1. Lease hold land that is remaining in PPE schedule is related to land taken on perpetual lease.
2. Buildings amounting to gross block Rs. 75.06 (31 March 2021: Rs. 75.06) and net block Rs. 54.67 (31 March 2021: Rs. 56.05) are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.

3. Refer note 2.12 for details of assets pledged as security.

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

2.1(b) Capital Work in Progress

	As at 31 March 2022	As at 31 March 2021
Gross Carrying amount		
Balance as at beginning of the year	76.03	22.33
Additions	130.78	99.72
Capitalised during the year	74.93	46.02
Balance as at end of the year	**131.88**	**76.03**

i) For capital work in progress, aging Schedule as on 31 March 2022

CWIP	amount in CWIP for a periof of				Total
	< 1 year	1-2 years	2-3 years	more than 3 years	
-Projects in Progress	102.51	19.64	9.72	-	**131.88**
Total	**102.51**	**19.64**	**9.72**	**-**	**131.88**

ii) For capital work in progress, aging Schedule as on 31 March 2021

CWIP	amount in CWIP for a periof of				Total
	< 1 year	1-2 years	2-3 years	more than 3 years	
-Projects in Progress	53.70	22.33	-	-	**76.03**
Total	**53.70**	**22.33**	**-**	**-**	**76.03**

There are no capital work in progress projects, whose completion is overdue or has exceed its cost compared to its original plan as at 31 March 2022 and 31 March 2021.

2.1 (c) Intangible assets

Particulars	Software	Total of Intangible assets
Gross Carrying amount		
Balance as at 1 April 2020	**49.01**	**49.01**
Additions	12.90	12.90
Balance as at 31 March 2021	**61.91**	**61.91**
Balance as at 1 April 2021	61.91	61.91
Additions	103.84	103.84
Balance as at 31 March 2022	**165.76**	**165.76**
Accumulated amortisation		
Balance as at 1 April 2020	**22.12**	**22.12**
Amortisation charge for the year	8.43	8.43
Balance as at 31 March 2021	**30.55**	**30.55**
Balance as at 1 April 2021	30.55	30.55
Amortisation charge for the year	20.19	20.19
Balance as at 31 March 2022	**50.74**	**50.74**
Net book value		
At 31 March 2021	**31.36**	**31.36**
At 31 March 2022	**115.01**	**115.01**

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

		As at 31 March 2022	As at 31 March 2021
2.2	**Non current investments**		
	(Unquoted, trade investment)		
	Investment in subsidiaries - valued at cost		
a)	**Equity shares**		
	1,172,281 (31 March 2021: 1,172,281) equity shares of Rs. 10 each fully paid up held in Arunodaya Hospitals Private Limited	63.34	63.34
	16,184,480 (31 March 2021: 16,184,480) equity shares of Rs. 10 each fully paid up held in KIMS Hospitals Private Limited	161.84	161.84
	10,000 (31 March 2021: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Swastha Private Limited	0.10	0.10
	10,000 (31 March 2021: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Hospital Bengaluru Private Limited*	0.10	0.10
	21,272,857 (31 March 2021: 21,185,907) equity shares of Rs. 10 each fully paid up held in KIMS Hospital Enterprises Private Limited (Refer note 2.39 (i))	1,321.61	1,310.31
	5,100 (31 March 2021: 5,100) equity shares of Rs. 10 each fully paid up held in Iconkrishi Institute of Medical Sciences Limited	73.63	73.63
	8,000 (31 March 2021: 8,000) equity shares of Rs. 10 each fully paid up held in Saveera Institute of Medical Sciences Private Limited	43.37	18.79
	3,300,000 (31 March 2021: 3,300,000) equity shares of Rs. 10 each fully paid up held in KIMS Hospital Kurnool Private Limited	116.54	94.22
b)	**Preference shares**		
	30,990,000 (31 March 2021: 30,990,000) 0.001% optionally convertible redeemable preference shares of Rs. 10 each fully paid up held in Saveera Institute of Medical Sciences Private Limited	309.90	309.90
	10,000,000 (31 March 2021: 10,000,000) 12% cumulative optionally convertible redeemable preference shares of Rs. 10 each fully paid up held in Iconkrishi Institute of Medical Sciences Private Limited	100.00	100.00
	Investment in Joint Venture - valued at cost		
a)	**Equity shares**		
	6,416,666 (31 March 2021: Nil) equity shares of Rs. 10 each fully paid up held in Sarvejana Health Care Private Limited (Refer note 2.39(ii))	1,248.17	-
	12,232,890 (31 March 2021: Nil) equity shares of Rs. 10 each partly paid up held in Sarvejana Health Care Private Limited on rights basis (Refer note 2.39(ii))	1,981.48	-
	Total	**5,420.08**	**2,132.23**
	Aggregate amount of unquoted investments	5,420.08	2,132.23
	Aggregate provision for impairment in value of investments	-	-
	*Earlier known as KIMS Hospital (Bhubaneswar) Private Limited		
2.3	**Loans (at amortised cost)**		
	(Unsecured, considered good)		
(a)	**Non-current**		
	-To related parties (refer note 2.28)		
	Loans to related parties	665.00	190.60
	Total	**665.00**	**190.60**
(b)	**Current**		
	-To related parties (refer note 2.28)		
	Loans to related parties	66.40	6.40
		66.40	**6.40**

The Company has no loans which are either repayable on demand or are without specifying any terms or period of repayment.

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

	As at 31 March 2022	As at 31 March 2021
2.4 Other financial assets (at amortised cost)		
(Unsecured, considered good)		
(a) Non-current		
Deposits with remaining maturity more than 12 months*	9.55	12.68
Interest accrued on bank deposits	0.30	2.54
Security deposits	65.54	92.72
Total	**75.39**	**107.94**

* Includes Rs. 3.30 (31 March 2021: 2.00) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing after 12 months of the reporting date.

	As at 31 March 2022	As at 31 March 2021
(b) Current		
-To parties other than related parties		
Contract assets (Unbilled revenue) (refer note 2.37)	105.01	95.68
Interest accrued on bank deposits	27.02	21.07
IPO expenses recoverable (refer note (i) and (ii) below)	-	78.23
Security deposits	88.27	11.52
-To related parties (refer note 2.28)		
Interest accrued on loans	16.23	17.75
Total	**236.53**	**224.25**

(i) During the year ended 31 March 2021, the Company has incurred share issue expenses in connection with proposed public offer of equity shares of which Rs. 78.23 is accounted for various services received for Initial Public Offering (IPO). As per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will recover the expenses incurred in connection with the Issue on completion of IPO and therefore, the amount has been carried forward and disclosed under the head "IPO expenses recoverable" (to the extent of not written off or adjusted).

	As at 31 March 2022	As at 31 March 2021
(ii) Includes Auditor's remuneration in relation to proposed IPO		
Fee	-	19.00
	-	**19.00**

	As at 31 March 2022	As at 31 March 2021
2.5 Other non-current assets		
(Unsecured, considered good)		
Capital advances	57.94	25.12
Balance with government authorities	41.01	40.57
Prepaid expenses	11.75	28.27
Total	**110.70**	**93.96**

	As at 31 March 2022	As at 31 March 2021
2.6 Inventories		
(Valued at lower of cost or net realisable value)		
Medical consumables, drugs and surgical instruments	259.87	164.73
Total	**259.87**	**164.73**

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

		As at 31 March 2022	As at 31 March 2021
2.7	**Trade receivables (amortised cost)**		
	(Unsecured)		
	Considered good - Unsecured*	1,153.56	1,073.26
	Less: Allowance for expected credit loss	(279.78)	(343.22)
		873.78	**730.04**
	Trade receivables - credit impaired - unsecured	-	-
	Less: Allowance for credit impairment	-	-
	Total	**873.78**	**730.04**

* Includes amount receivables from related party (Refer note 2.28).

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Trade Receivables aging schedule as on 31 March 2022

Particulars	**Current but not dues**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables-considered	423.25	400.67	107.86	56.68	49.78	115.31	**1,153.56**
(ii) Undisputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered	-	-	-	-	-	-	-
(v) Disputed Trade receivables- significant	-	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit imparied	-	-	-	-	-	-	-
Total							**1,153.56**
Less : Allowance for expected credit loss							**(279.78)**
Balance at the end of the year							**873.78**

Trade Receivables aging schedule as on 31 March 2021

Particulars	**Current but not dues**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables-considered	297.97	391.36	58.68	141.98	56.40	126.87	**1,073.26**
(ii) Undisputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered	-	-	-	-	-	-	-
(v) Disputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total							**1,073.26**
Less : Allowance for expected credit loss							**(343.22)**
Balance at the end of the year							**730.04**

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

	As at 31 March 2022	As at 31 March 2021
2.8 Cash and bank balances		
a) Cash and cash equivalents		
Cash on hand	7.52	11.54
Balances with banks		
- in current accounts	191.07	209.31
- In deposit accounts (with original maturity of 3 months or less)	-	125.00
	198.59	**345.85**
b) Bank balances other than (a) above		
Deposits with remaining maturity less than 12 months*	1,599.02	2,154.33
	1,599.02	**2,154.33**
Total	**1,797.61**	**2,500.18**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

* Includes Rs. Nil (31 March 2021: 1.30) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing with in 12 months of the reporting date.

c) Changes in liabilities arising from financing activities:

Particulars	1 April 2021	Cash flows	Others	31 March 2022
Current borrowings	500.00	(500.00)	-	-
Current and Non-current lease liabilities	25.62	(10.93)	(14.69)	-
Long term borrowings	787.72	(603.62)	-	184.09
Total liabilities from financing activities	**1,313.34**	**(1,114.55)**	**(14.69)**	**184.09**

Particulars	1 April 2020	Cash flows	Others	31 March 2021
Current borrowings	20.81	479.19	-	500.00
Current and Non-current lease liabilities	34.15	(14.27)	5.75	25.62
Long term borrowings	1,806.34	(1,018.63)	-	787.72
Total liabilities from financing activities	**1,861.30**	**(553.71)**	**5.75**	**1,313.34**

The ‘Other’ column includes lease liabilities to current due to the passage of time and the effect of accrued interest on lease liabilities. Further, includes disposal of right of use asset.

2.9 Non-current tax assets (net)		
Advance tax (net of provision for taxation)	52.26	40.36
	52.26	**40.36**
2.10 Other current assets		
(Unsecured, considered good)		
Advance to suppliers	60.15	22.00
Prepaid expenses	9.31	17.03
Staff advances	9.17	7.62
Total	**78.63**	**46.65**

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

2.11 (a) Equity share capital

	As at 31 March 2022	As at 31 March 2021
Authorised Equity shares		
95,000,000 (31 March 2021: 95,000,000) equity shares of Rs. 10 each	950.00	950.00
	950.00	**950.00**
Issued, subscribed and paid-up		
80,027,787 (31 March 2021: 77,593,283) equity shares of Rs. 10 each fully paid-up	800.28	775.93
	800.28	**775.93**

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	77,593,283	775.93	74,489,552	744.90
Add: Shares issued during the year	2,434,504	24.35	3,103,731	31.03
Shares outstanding at the end of the year	**80,027,787**	**800.28**	**77,593,283**	**775.93**

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

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

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

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Dr. B Bhaskara Rao	21,019,929	26.27%	21,407,895	27.59%
General Atlantic Singapore KH Pte Ltd	13,796,898	17.24%	31,739,906	40.91%
Bollineni Ramanaiah Memorial Hospitals Private Limited	4,840,662	6.05%	5,228,628	6.74%
B. Seenaiah	3,418,618	4.27%	4,582,517	5.91%

(iv) The Company has not issued bonus shares during the period of five years immediately preceding the reporting period.

(v) The Company has not bought back any shares during the period of five years immediately preceding the reporting period.

(vi) Details of shares held by Promoters*

As at 31 March 2022

S. No.	Particulars	Promoter name	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% change during the year
1	Equity shares of Rs. 10 each fully paid	Dr. B Bhaskara Rao	21,407,895	(387,966)	21,019,929	26.27%	(1.81%)
2	Equity shares of Rs. 10 each fully paid	Bollineni Ramanaiah Memorial Hospitals Private Limited	5,228,628	(387,966)	4,840,662	6.05%	(7.42%)
3	Equity shares of Rs. 10 each fully paid	Mrs. Rajyasri Bollineni	2,149,936	(775,933)	1,374,003	1.72%	(36.09%)
4	Equity shares of Rs. 10 each fully paid	Dr. Abhinay Bollineni	47,299	-	47,299	0.06%	0.00%
5	Equity shares of Rs. 10 each fully paid	Mr. Adwik Bollineni	8,128	-	8,128	0.01%	0.00%
Total			**28,841,886**	**(1,551,865)**	**27,290,021**	**34.10%**	**(5.38%)**

As at 31 March 2021

S. No.	Particulars	Promoter name	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% change during the year
1	Equity shares of Rs. 10 each fully paid	Dr. B Bhaskara Rao	18,304,164	3,103,731	21,407,895	27.59%	16.96%
2	Equity shares of Rs. 10 each fully paid	Bollineni Ramanaiah Memorial Hospitals Private Limited	5,228,628	-	5,228,628	6.74%	0.00%
3	Equity shares of Rs. 10 each fully paid	Mrs. Rajyasri Bollineni	2,149,936	-	2,149,936	2.77%	0.00%
4	Equity shares of Rs. 10 each fully paid	Dr. Abhinay Bollineni	46,549	750	47,299	0.06%	1.61%
5	Equity shares of Rs. 10 each fully paid	Mr. Adwik Bollineni	8,128	-	8,128	0.01%	0.00%
Total			**25,737,405**	**3,104,481**	**28,841,886**	**37.17%**	**12.06%**

* Promoters are as per the annual return filed by the Company.

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

2.11 (b) Other equity	**As at 31 March 2022**	**As at 31 March 2021**
(i) Securities premium (refer below note 1)		
Balance as per last financial statements	8,448.10	7,525.80
Add: Shares issued during the year	1,975.65	922.30
Less: Shares issued expenses (refer note 2.42)	(83.40)	-
Closing balance	**10,340.34**	**8,448.10**
(ii) Adjustment reserve (refer below note 2)		
Balance as per last financial statements	57.64	57.64
Movement during the year	-	-
Closing balance	**57.64**	**57.64**
(iii) Share warrants (refer below note 3)		
Balance as per last financial statements	-	3.10
Less: Shares issued during the year	-	(3.10)
Closing balance	-	-
(iv) Retained earnings (refer below note 4)		
Balance as per last financial statements	(208.44)	(2,090.14)
Add: Profit for the year	2,783.67	1,886.49
Add: Other comprehensive income/(loss)	1.97	(4.79)
Closing balance	**2,577.20**	**(208.44)**
	12,975.18	**8,297.30**

Note:

1. Securities premium

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

2. Adjustment reserve

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

During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by the High Court, the Company allotted 969,231 equity shares of Rs. 10 each to the shareholders of the Bollineni Ramanaiah Memorial Hospitals Private Limited ("Demerged Company") against 2,100,000 equity shares of Rs. 10 each outstanding in the Demerged Company in the ratio of 6 equity shares of Rs. 10 each for every 13 equity shares of Rs. 10 each of the Demerged Company. The difference between the consideration payable and the value of net assets taken over as per the Scheme amounting to Rs. 16.15 has been added to the Adjustment Reserve of the Company as per the Scheme.

3. Issue of share warrants

During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement (SSPA) along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders. In accordance with the aforesaid SSPA, the Company has issued 3,103,731 number of share warrants to Dr B Bhaskara Rao. Each of these share warrants are convertible into 1 equity share of Rs. 10 each at a future date prior to filing of Draft Red Hearing Prospectus with Securities Exchange Board of India as per the terms of SSPA. During the year ended 31 March 2019, the Company received Rs. 1 each against these share warrants issued aggregating to Rs. 3.10. The share warrants were converted to 3,103,731 equity shares on 15 February 2021 at the rate of Rs 307.16 (including securities premium of Rs 297.16) (Refer note 2.11(a) & 2.11(b)(iii).

4. Retained earnings

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

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

2.12 Borrowings (at amortised cost)

		As at 31 March 2022	As at 31 March 2021
(a)	**Non-current borrowings (Secured)**		
	Term loans from banks		
	- Federal bank term loan (refer note i)	-	143.15
	Total loans from banks (A)	**-**	**143.15**
	Term loans from financial institutions		
	- NIIF Infrastructure Finance Limited (refer note ii)	41.70	534.69
	Total loans from financial institutions (B)	**41.70**	**534.69**
	Total non-current borrowings (A) + (B)	**41.70**	**677.84**
(b)	**Current borrowings**		
	Secured		
	Current maturity of long term borrowings		
	- Federal bank term loan (refer note i)	-	65.83
	Term loans from financial institutions		
	- NIIF Infrastructure Finance Limited (refer note ii)	142.39	44.04
	Unsecured		
	Working capital loans from banks (refer note iii)	-	500.00
	Total current borrowings	**142.39**	**609.87**

Notes:

i - Federal Bank term loan was taken by the Company is secured by Pari Passu first charge on Property, Plant and Equipment of the Company (excluding Rajahmundry hospital) and personal guarantee of Dr. B. Bhaskara Rao and Dr. B. Abhinay.

- The loan are repayable in 60 equal monthly instalments starting from August 2019 to July 2024 and carries an interest rate of 8.85% p.a (31 March 2021: 8.85% to 9.50% p.a.).
- The loan was prepaid during the year ended 31 March 2022.

ii - Term loan from NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited) is secured by a first pari-passu mortgage and charge of immovable properties of the Secunderabad hospital and Nellore hospital building of the Company.
- Also secured by a first pari-passu charge by way of hypothecation of Secunderabad hospital and Nellore Hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans and a second pari-passu mortgage and charge of immovable properties of the Ongole hospital.
- Also includes a second pari-passu charge by way of hypothecation of Ongole hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans; a second charge on the entire cash flows, receivables, book debts and revenues of the Company, of whatsoever nature and wherever arising; subject to the prior charge of the working capital lenders.
- Also secured by personal guarantee of Dr. Bhaskara Rao. The loan is repayable in 58 equal monthly instalments and carries an interest rate of 9.10% p.a. (31 March 2021: 9.10% p.a).

iii Loan from Standard Chartered Bank taken by the company is secured by personal guarantee given by Dr. B Bhaskar Rao. The loan carries an interest rate of 4.90% per annum (31 March 2021: 4.9% per annum). The loan was repaid during the current year.

iv Aggregate amount of secured loans (including current maturities of long term borrowings) guaranteed by few Directors is Rs.184.09 (31 March 2021: Rs. 1,287.71)

v The quarterly returns or statements of the current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

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

		As at 31 March 2022	As at 31 March 2021
2.13	**Other financial liabilities (at amortised cost)**		
(a)	**Non-current**		
	Security deposits	0.09	0.09
	Total	**0.09**	**0.09**
(b)	**Current**		
	Capital creditors	6.23	23.04
	Employee related liabilities*	79.66	67.53
	Interest accrued but not due on borrowings	0.05	0.28
	Security and caution deposit	6.30	6.35
	Total	**92.24**	**97.20**

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

2.14	**Long-term provisions**		
	Provision for employee benefits		
	Gratuity (refer note 2.27)	154.51	142.47
	Total	**154.51**	**142.47**

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

	As at 31 March 2022	As at 31 March 2021
2.15 Trade payables (at amortised cost)		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer note 2.31)	0.75	2.51
- total outstanding dues of creditors other than micro enterprises and small enterprises	805.69	849.34
Total	**806.44**	**851.85**

The above includes payable to related party. For details refer note 2.28
Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

Trade Payable Aging Schedule as on 31 March 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and samll enterprises	-	0.75	-	-	-	**0.75**
(ii) Total outstanding dues of creditors other than micro enterprises and samll enterprises	74.39	543.71	18.38	3.11	32.96	**672.54**
(iii) Disputed dues of micro enterprises and samll enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and samll enterprises	-	-	-	-	-	-
Total						**673.29**
Accrued expenses						**133.11**
Balance at the end of the year						**806.40**

Trade Payable Aging Schedule as on 31 March 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and samll enterprises	1.76	0.75	-	-	-	**2.51**
(ii) Total outstanding dues of creditors other than micro enterprises and samll enterprises	83.04	584.02	7.37	22.95	55.44	**752.82**
(iii) Disputed dues of micro enterprises and samll enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and samll enterprises	-	-	-	-	-	-
Total						**755.33**
Accrued expenses						**96.52**
Balance at the end of the year						**851.85**

	As at 31 March 2022	As at 31 March 2021
2.16 Short term provisions		
Provision for employee benefits		
Gratuity (refer note 2.27)	-	12.44
Compensated absences	67.89	64.05
Total	**67.89**	**76.49**
2.17 Other liabilities		
(a) Non-current		
Financial guarantee liability	42.02	22.72
Total	**42.02**	**22.72**
(b) Current		
Statutory dues payable	85.84	50.72
Contract liabilities (refer note 2.37)	113.77	123.69
Financial guarantee liability	5.20	3.86
Other liabilities	28.76	17.07
Total	**233.57**	**195.34**

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
2.18	**Income from operations**		
A	**Income from contract with customers**		
	Income from medical and healthcare services (Refer note 2.37)		
	Income from hospital services	7,455.10	6,175.20
	Income from pharmacy	3,782.76	2,977.66
	Total	**11,237.86**	**9,152.86**
B	**Other operating income**		
	Income from academic courses	66.34	62.10
	Income from sale of food and beverages	128.90	103.74
	Other hospital income	0.66	8.19
	Total	**195.90**	**174.03**
	Total income from operations (A+B)	**11,433.76**	**9,326.89**
2.19	**Other income**		
	Interest income on:		
	- fixed deposits	95.83	28.03
	- income tax refunds	9.15	8.27
	- security deposit	6.18	1.43
	- loans to related parties (Refer Note: 2.28)	54.61	26.97
	Rental income	4.00	1.27
	Liabilities no longer required written back	32.04	0.89
	Guarantee commission income from related parties (Refer Note: 2.28)	26.26	8.93
	Miscellaneous income	13.67	20.36
	Total	**241.74**	**96.15**

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
2.20	**Decrease / (increase) in inventories of medical consumables, drugs and surgical**		
	Opening stock	164.73	217.07
	Less: Closing stock	259.87	164.73
	Total	**(95.14)**	**52.34**
2.21	**Employee benefit expense**		
	Salaries, wages and bonus	1,611.37	1,364.54
	Contribution to provident and other funds (refer note no 2.27)	103.76	90.80
	Staff welfare expenses	25.08	15.02
	Total	**1,740.21**	**1,470.36**
2.22	**Finance cost**		
	Interest from banks and financial institutions		
	- term loans	41.99	117.31
	- other loans	0.02	0.18
	Interest expense on lease liabilities (refer note no 2.26)	2.67	5.75
	Others	-	24.59
	Total	**44.68**	**147.83**
2.23	**Depreciation and amortisation expense**		
	Depreciation of property,plant and equiment (refer note no 2.1(a))	423.04	430.69
	Amortisation of intangible assets (refer note no 2.1(c))	20.19	8.43
	Depreciation of Right-of-use assets (refer note no 2.26)	5.99	6.86
	Total	**449.22**	**445.98**
2.24	**Other expenses**		
	Consultancy charges	1,876.53	1,610.94
	House keeping expenses	280.81	240.32
	Power and fuel	144.91	144.82
	Catering and patient welfare expenses	126.22	102.30
	Rent (refer note 2.26)	47.35	41.52
	Tests and investigations	9.45	13.29
	Academic courses expenses	1.73	0.70
	Repairs and maintenance:		
	- Medical equipment	201.76	179.90
	- Hospital building and others	170.79	139.07
	Printing and stationery	27.90	22.84
	Audit fee (refer note A below)	7.10	3.18
	Legal and professional charges	40.39	37.86
	Rates and taxes	39.09	35.15
	Travelling and conveyance	35.88	15.88
	Advertisement and publicity	62.02	47.44
	Communication expenses	11.55	9.57
	Provision/(Reversal) of Expected credit loss for trade receivables	(63.44)	17.55
	Trade receivables written off	35.56	-
	Insurance	6.72	6.28
	Subscriptions and membership fees	6.23	4.67
	Investment written off (refer note no 2.2)	-	0.10
	Donations	2.49	30.79
	Contributions towards Corporate Social Responsibility (refer note 2.33)	34.04	22.44
	Loss on sale of property, plant and equipment (net)	27.04	11.71
	Bank charges	44.45	35.47
	Directors sitting fee	-	0.64
	Commission to Directors	7.67	1.93
	Miscellaneous expenses	48.04	27.92
	Total	**3,232.28**	**2,804.28**

Note A: Payment to auditors (excluding applicable taxes)

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Statutory audit fee	7.10	3.00
Out of pocket expenses	-	0.18

Also refer note 2.4(b)

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

2.25 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars		As at 31 March 2022	As at 31 March 2021
i)	Guarantee issued by the Company on behalf of related entities (Value of loan availed outstanding as at year end against aforesaid guarantee is Rs. 1,421.39 (31 March 2021: Rs. 1,076.85))	1,510.00	1,280.00
ii)	Luxury tax matters in dispute	82.27	82.27
iii)	Good and Service tax matters in dispute	6.59	6.59
iv)	VAT matters in dispute	1.76	1.76
v)	Medical claims (gross, excluding interest/costs)	102.98	119.08
vi)	Other claims	23.76	23.76
vii)	The Company has obtained a stay from High Court for the state of Andhra Pradesh, dated 11 November 2014, directing the local authorities not to proceed with the acquisition of part of the building in Nellore for the purpose of road widening. No provision thereof has been made in the Standalone financials statements.		
viii)	An individual has filed a consumer case at National Consumer Disputes Redressal Commission against the Company along with 3 other hospitals demanding a total compensation of Rs. 235.01 (31 March 2021: Rs. 235.01) along with a further interest @ 18% p.a towards medical negligence. Based on the legal opinion obtained by the company and the internal evaluation by the management, the Company believes that it has strong case in this regard and there shall not be any outflow of resources. No provision thereof has been made in the Standalone financial statement.		
ix)	On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employer contribution obligations, for Provident Fund contributions under Indian law. There are interpretative issues relating to the retrospective applicability of the judgement. However, from the date of order, the Company has complied with the aforesaid Supreme court's judgement. The Company will evaluate the same and update its position for earlier years, if any on receiving further clarity on the subject.		

Notes:

i. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its standalone financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

(b) Commitments

Particulars		As at 31 March 2022	As at 31 March 2021
I) Capital commitment			
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	38.29	129.06
II) Other commitments			
i)	During the earlier years, the Company had acquired 80% shareholding in Saveera Institute of Medical Sciences Private Limited ('Saveera'). As per the shareholder's agreement, the Company agreed to transfer 3.5% of the equity shares of Saveera to the minority shareholders of Saveera subject to fulfilment of certain conditions.		

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

2.26 Lease

Operating and Finance leases in the capacity of lessee

The Company has lease contracts for buildings and medical equipment used in its operations. Leases of building and medical equipment generally have lease terms between 3 and 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

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

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

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

Particulars	Building	Medical equipment	Total
As at 1 April 2020	23.15	4.48	27.63
Amortization expense	4.66	2.20	6.86
As at 31 March 2021	**18.49**	**2.28**	**20.77**
Amortization expense	3.71	2.28	5.99
Deletion	14.79	-	14.79
As at 31 March 2022	-	-	-

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

	As at 31 March 2022	As at 31 March 2021
Opening balance	**25.62**	**34.15**
Accretion of interest	2.67	5.75
Deletions	(17.36)	-
Payments	(10.93)	(14.27)
As at 31 March	-	**25.62**
Current	-	**6.73**
Non-current	-	**18.89**

The effective interest rate for lease liabilities is 9.75% (31 March 2021: 9.75%), with maturity between 2022-2029.

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

	As at 31 March 2022	As at 31 March 2021
Amortization expense of right-of-use assets	5.99	6.86
Interest expense on lease liabilities	2.67	5.75
Expense relating to short-term leases and low-value assets (included in other expenses)	47.35	41.52
Total amount recognised in profit or loss	**56.01**	**54.13**

The Company had total cash outflows for leases of Rs. 58.28 in 31 March 2022 (31 March 2021: Rs. 55.79).

The table below provides details regarding the undiscounted contractual maturities of lease liabilities:

	As at 31 March 2022	As at 31 March 2021
Within less than one year	-	11.24
Between one and five years	-	16.62
After more than five years	-	11.14
Total	-	**39.00**

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

2.27 Employee benefits

(i) Defined benefit plan

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit obligations	192.61	171.32
Fair value of plan assets	38.10	16.42
Net defined benefit obligations	154.51	154.90
Non-current	154.51	142.47
Current	-	12.44

B Reconciliation of net defined benefit obligation

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

i) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation as at beginning of the year	171.32	148.08
Benefits paid	(11.95)	(6.13)
Current service cost	24.85	21.93
Interest cost	9.10	7.90
Actuarial losses/(gains) recognised in other comprehensive income		
- Changes in financial assumptions	(4.99)	0.49
- experience adjustments	4.28	(0.95)
- due to other reason	-	-
Defined benefit obligation at the end of the year	**192.61**	**171.32**

ii) Reconciliation of fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at beginning of the year	16.42	24.05
Contributions paid into the plan	31.45	4.57
Interest income	0.26	0.79
Benefits paid	(11.95)	(6.86)
Return on plan assets	1.92	(6.13)
Plan assets at end of the year	**38.10**	**16.42**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	24.85	21.93
Interest on net defined benefit obligation	8.84	7.11
Net gratuity cost, included in 'employee benefits expense'	**33.69**	**29.04**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain/(loss) on net defined benefit obligation	2.63	(6.40)

D Plan assets

Plan assets comprises of the following:

Particulars	As at 31 March 2022	As at 31 March 2021
Fund managed by Insurer	38.10	16.42

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

2.27 Employee benefits (continued)

E Defined benefit obligation

i) Actuarial assumptions

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

Principal actuarial assumptions	As at 31 March 2022	As at 31 March 2021
Discount rate	6.25%	5.80%
Salary escalation rate	8.00%	8.00%

Maturity profile of defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
1st following year	33.87	28.88
Year 2 to 5	73.09	85.88
Year 6 to 9	64.40	54.33
Year 10 and above	94.30	81.64

ii) Sensitivity analysis

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

Particulars	For the period ended 31 March 2022		For the year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(10.27)	11.43	(9.35)	10.43
Salary escalation rate (1% movement)	10.47	(9.73)	9.62	(8.92)

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

(ii) Defined contribution plan

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Amount recognised in the statement of profit and loss towards		
i) Provident fund	53.71	46.03
ii) Employee state insurance	16.37	15.73

(iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company is assessing the impact of the Code and will record any related impact in the period of the Code becomes effective.

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

2.28 Related party disclosures

(a) Nature of relationship and name of related parties

Nature of relationship	Name of related parties
Subsidiaries	Arunodaya Hospitals Private Limited
	KIMS Hospitals Private Limited
	KIMS Swastha Private Limited
	KIMS Cuddles Private Limited**
	KIMS Hospital Enterprises Private Limited
	KIMS Hospital Bengaluru Private Limited*
	Iconkrishi Institute of Medical Sciences Private Limited
	Saveera Institute of Medical Sciences Private Limited
	KIMS Hospitals Kurnool Private Limited
Joint venture	Sarvejana Health Care Private Limited (w.e.f 27 October 2021)
Key Management personnel (KMP)	Dr. B Bhaskara Rao - Managing Director
	Dr. B Abhinay - Chief Executive Officer (CEO)
	Mr. Uma Shanker Mantha - Company Secretary
	Mr. Vikas Maheshwari - Chief Financial Officer
	Mrs. Dandamudi Anitha -Whole-time Director
Directors	Mr G Rajeswara Rao
	Mrs Jyothi Prasad (resigned on 8 January 2021)
	Mr. Sandeep Achyut Naik (resigned on 6 August 2021)
	Mr. Shantanu Rastogi
	Mr. Saumen Chakraborty (w.e.f 8 January 2021)
	Mr. Pankaj Vaish (w.e.f 8 January 2021)
	Mr. Venkata Ramudu Jasthi (w.e.f 8 January 2021)
	Mr. Kaza Ratna Kishore (w.e.f 8 January 2021)
Relative of KMP	Dr. Raavi Swetha- Daughter in law of Managing Director
Enterprises under control or joint control of KMP and other relative (where transaction exists)	Sri Viswa Medicare Limited
	BSCPL Infrastructure Limited
	KIMS Foundation and Research Centre
Enterprise having significant influence over the company	General Atlantic Singapore KH Pte. Ltd

*Earlier known as KIMS Hospital (Bhubaneswar) Private Limited
** Struckoff w.e.f 30 November 2021.

(b) Transactions with related parties

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i.	**Loans and advances given**		
	KIMS Hospital Enterprises Private Limited	128.58	-
	Iconkrishi Institute of Medical Sciences Private Limited	-	40.00
	Saveera Institute of Medical Sciences Private Limited	595.00	105.00
	KIMS Hospitals Kurnool Private Limited	502.75	105.00
	KIMS Hospital Bengaluru private Limited	725.00	-
ii.	**Repayment of loans and advances**		
	KIMS Hospital Enterprises Private Limited	128.58	-
	Iconkrishi Institute of Medical Sciences Private Limited	85.00	26.80
	Saveera Institute of Medical Sciences Private Limited	625.00	135.00
	KIMS Hospitals Kurnool Private Limited	578.35	76.90
iii.	**Interest income earned on loans given**		
	KIMS Swastha Private Limited	0.51	0.51
	KIMS Hospital Enterprises Private Limited	3.41	-
	Iconkrishi Institute of Medical Sciences Private Limited	2.48	10.34
	Saveera Institute of Medical Sciences Private Limited	23.46	7.24
	KIMS Hospitals Kurnool Private Limited	20.25	8.88
	KIMS Hospital Bengaluru private Limited	4.50	-
iv.	**Conversion of Share warrants in to equity shares**		
	Dr. B Bhaskara Rao (refer note 2.11(b)(iii))	-	953.33
v.	**Payment for purchase of land**		
	BSCPL Infrastructure Limited	-	292.50
vi.	**Professional fee to KMP**		
	Dr. B Bhaskara Rao	18.00	18.00
vii.	**Professional fee to relative of KMP**		
	Dr. Raavi Swetha	2.13	2.03
viii.	**Rent to KMP**		
	Dr. B Bhaskara Rao	0.10	0.10
ix.	**Managerial remuneration ***		
	Dr. B Bhaskara Rao	24.00	22.00
	Mrs. Dandamudi Anitha	4.74	3.60
	Dr. B Abhinay	11.75	9.00
	Mr. Vikas Maheshwari	9.60	8.73
	Mr. Uma Shankar Mantha	2.58	2.23

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

2.28 Related party disclosures (continued)

(b) Transactions with related parties (continued)

	Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
x.	**Directors sitting fee**		
	Mr. G Rajeswara Rao	-	0.32
	Mrs. Jyothi Prasad	-	0.32
xi.	**Commission to Directors**		
	Mr G Rajeswara Rao	0.81	0.20
	Mr. Saumen Chakraborty	3.49	0.88
	Mr. Pankaj Vaish	1.74	0.45
	Mr. Kaza Ratna Kishore	0.81	0.20
	Mr. Venkata Ramudu Jasthi	0.81	0.20
xii.	**Expenditure towards CSR**		
	KIMS Foundation and Research Centre	34.04	21.29
xiii.	**Purchase of medical consumables, drugs and surgical instruments**		
	Arunodaya Hospitals Private Limited	0.15	0.67
	KIMS Hospital Enterprises Private Limited	1.90	1.61
	Iconkrishi Institute of Medical Sciences Private Limited	1.54	0.93
	Saveera Institute of Medical Sciences Private Limited	7.59	0.76
	KIMS Hospitals Kurnool Private Limited	4.11	0.83
	Sarvejana Healthcare Private Limited	0.97	-
xiv.	**Income from pharmacy**		
	KIMS Hospital Enterprises Private Limited	23.69	8.49
	Arunodaya Hospitals Private Limited	1.04	1.46
	Iconkrishi Institute of Medical Sciences Private Limited	7.52	5.60
	Saveera Institute of Medical Sciences Private Limited	7.53	7.98
	KIMS Hospitals Kurnool Private Limited	3.70	6.57
	Sarvejana Healthcare Private Limited	15.57	-
xv	**Investment in subsidiaries**		
	KIMS Hospital Enterprises Private Limited	11.30	352.73
xvi.	**Write off of investment**		
	KIMS Cuddles Private Limited	-	0.10
xvii.	**Investment in Joint Venture**		
	Sarvejana Health Care Private Limited	3,229.65	-
xviii.	**Revenue from Test and Investigations**		
	KIMS Hospital Enterprises Private Limited	11.81	8.13
	Saveera Institute of Medical Sciences Private Limited	1.33	0.75
	KIMS Hospitals Kurnool Private Limited	0.03	-
xix.	**Guarantee closed**		
	KIMS Hospital Enterprises Private Limited	-	400.00
	Savera Institute of Medical Sciences Private Limited	530.00	-
	KIMS Hospitals Kurnool Private Limited	480.00	-
xx.	**Guarantee given on behalf of**		
	Savera Institute of Medical Sciences Private Limited	650.00	-
	KIMS Hospitals Kurnool Private Limited	590.00	-
xxi.	**Investment on account of financial guarantee**		
	KIMS Hospitals Kurnool Private Limited	22.32	-
	Savera Institute of Medical Sciences Private Limited	24.58	-
xxii.	**Commission income on guarantees given to**		
	KIMS Hospital Enterprises Private Limited	-	5.07
	Iconkrishi Institute of Medical Sciences Private Limited	0.52	0.52
	Saveera Institute of Medical Sciences Private Limited	15.67	1.61
	KIMS Hospitals Kurnool Private Limited	10.07	1.73

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

2.28 Related party disclosures (continued)

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

	Particulars	As at 31 March 2022	As at 31 March 2021
i.	**Trade receivables**		
	Sri Viswa Medicare Limited	1.48	1.90
	Iconkrishi Institute of Medical Sciences Private Limited	1.83	2.81
	Saveera Institute of Medical Sciences Private Limited	6.09	9.40
	KIMS Hospitals Kurnool Private Limited	-	0.91
	Arunodaya Hospitals private Limited	0.52	0.23
	Sarvejana Healthcare Private Limited	12.04	-
ii.	**Loans**		
	KIMS Swastha Private Limited	6.40	6.40
	Iconkrishi Institute of Medical Sciences Private Limited	-	85.00
	Saveera Institute of Medical Sciences Private Limited	-	30.00
	KIMS Hospitals Kurnool Private Limited	-	75.60
	KIMS Hospital Bengaluru private Limited	725.00	-
iii.	**Interest accrued on loans**		
	KIMS Swastha Private Limited	2.43	1.97
	Iconkrishi Institute of Medical Sciences Private Limited	9.74	7.51
	Saveera Institute of Medical Sciences Private Limited	-	6.68
	KIMS Hospitals Kurnool Private Limited	-	1.59
	KIMS Hospital Bengaluru private Limited	4.06	-
iv.	**Trade payables**		
	Dr. B Bhaskara Rao	0.14	0.10
	Dr. Raavi Sweata	0.17	0.18
	KIMS Hospitals Kurnool Private Limited	0.91	-
v.	**Commission payable to Directors**		
	Mr G Rajeswara Rao	0.16	0.16
	Mr. Saumen Chakraborty	0.68	0.69
	Mr. Pankaj Vaish	0.34	0.35
	Mr. Kaza Ratna Kishore	0.16	0.16
	Mr. Venkata Ramudu Jasthi	0.16	0.16
vi.	**Guarantee given on behalf of**		
	Iconkrishi Institute of Medical Sciences Private Limited	170.00	170.00
	Saveera Institute of Medical Sciences Private Limited	700.00	580.00
	KIMS Hospitals Kurnool Private Limited	640.00	530.00
vii.	**Financial guarantee liability**		
	KIMS Hospital Enterprises Private Limited		-
	Iconkrishi Institute of Medical Sciences Private Limited	1.89	2.41
	Saveera Institute of Medical Sciences Private Limited	23.76	14.85
	KIMS Hospitals Kurnool Private Limited	21.57	9.32

(d) For certain loans availed by the Company, few Directors of the Company have given personal guarantee amounting to Rs. 184.09 (31 March 2021: Rs. 1,287.71).

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

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

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

2.29 Earnings per share (EPS)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings		
Profit for the year attributable to equity shareholders	2,783.67	1,886.49
Shares		
Number shares at the beginning of the year	77,593,283	74,489,552
Add: Equity shares issued during the year	2,434,504	3,103,731
Total number of equity shares outstanding at the end of the year	**80,027,787**	**77,593,283**
Weighted average number of equity shares outstanding during the year - Basic	79,440,838	74,872,204
Weighted average number of equity shares arising out of issue of share warrant that have dilutive effect on EPS	-	1,276,322
Weighted average number of equity shares outstanding during the year - Diluted	**79,440,838**	**76,148,525**
Earnings per equity share of par value Rs. 10 - Basic (Rs.)	35.04	25.20
Earnings per equity share of par value Rs. 10 - Diluted (Rs.)	35.04	24.77

2.30 Segment information

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, medical and healthcare services have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 ‘Operating segment’ and hence, there are no additional disclosures to be provided other than those already provided in the Standalone Financials Statements. Presently, the Company’s operations are predominantly confined in India. There are no individual customer contributing more than 10% of Company's total revenue. All non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets of the Company are located in India.

2.31 Due to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31 March 2022 has been made in the standalone financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	0.75	2.51
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-

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

2.32 Investments, loans, guarantees and security:

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

Entity	As at 1 April 2021	Allotted / purchased during the year	Sold/Written off during the year	Adjustment	As at 31 March 2022
Investment in subsidiaries					
KIMS Hospitals Private Limited	161.84	-	-	-	161.84
KIMS Swastha Private Limited	0.10	-	-	-	0.10
Arunodaya Hospitals Private Limited	63.34	-	-	-	63.34
KIMS Hospitals Enterprises Private Limited	1,310.31	11.30	-	-	1,321.61
KIMS Hospital Bengaluru Private Limited*	0.10	-	-	-	0.10
Iconkrishi Institute of Medical Sciences Private Limited	173.63	-	-	-	173.63
Saveera Institute of Medical Sciences Private Limited	328.69	-	-	24.58	353.27
KIMS Hospitals Kurnool Private Limited	94.22	-	-	22.32	116.54
Investment in joint venture					
Sarvejana Health Care Private Limited	-	3,229.65	-	-	3,229.65

Entity	As at 1 April 2020	Allotted / purchased during the year	Sold/Written off during the year	Adjustment	As at 31 March 2021
Investment in subsidiaries					
KIMS Hospitals Private Limited	161.84	-	-	-	161.84
KIMS Cuddles Private Limited	0.10	-	0.10	-	-
KIMS Swastha Private Limited	0.10	-	-	-	0.10
Arunodaya Hospitals Private Limited	63.34	-	-	-	63.34
KIMS Hospitals Enterprises Private Limited	957.58	352.73	-	-	1,310.31
KIMS Hospital Bengaluru Private Limited*	0.10	-	-	-	0.10
Iconkrishi Institute of Medical Sciences Private Limited	173.63	-	-	-	173.63
Saveera Institute of Medical Sciences Private Limited	328.69	-	-	-	328.69
KIMS Hospitals Kurnool Private Limited	94.22	-	-	-	94.22

*Earlier known as KIMS Hospital (Bhubaneswar) Private Limited

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

Entity	Purpose of loans	As at 1 April 2021	Given during the year	Repaid during the year	As at 31 March 2022
KIMS Swastha Private Limited	Financial assistance	6.40	-	-	6.40
KIMS Hospital Enterprises Private Limited	Financial assistance	-	128.58	(128.58)	-
Iconkrishi Institute of Medical Sciences Private Limited	Financial assistance	85.00	-	(85.00)	-
Saveera Institute of Medical Sciences Private Limited	Financial assistance	30.00	595.00	(625.00)	-
KIMS Hospitals Kurnool Private Limited	Financial assistance	75.60	502.75	(578.35)	-
KIMS Hospital Bengaluru private Limited	Financial assistance	-	725.00	-	725.00

Entity	Purpose of loans	As at 1 April 2020	Given during the year	Repaid during the year	As at 31 March 2021
KIMS Swastha Private Limited	Financial assistance	6.40	-	-	6.40
Iconkrishi Institute of Medical Sciences Private Limited	Financial assistance	71.80	40.00	(26.80)	85.00
Saveera Institute of Medical Sciences Private Limited	Financial assistance	60.00	105.00	(135.00)	30.00
KIMS Hospitals Kurnool Private Limited	Financial assistance	47.50	105.00	(76.90)	75.60

(c) Details of guarantee provided

The Company has provided guarantees to the following subsidiaries:

For the period ended 31 March 2022

Particulars	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited	Total for the year ended 31 March 2022
Guarantee provided outstanding as at the beginning of the year	170.00	580.00	530.00	1,280.00
Guarantee provided during the financial year	-	650.00	590.00	1,240.00
Guarantee provided settled/expired during the financial year	-	530.00	480.00	1,010.00
Guarantee provided outstanding as at the end of the year	170.00	700.00	640.00	1,510.00

For the year ended 31 March 2021

Particulars	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited	Total for the year ended 31 March 2021
Guarantee provided outstanding as at the beginning of the year	400.00	170.00	580.00	530.00	1,680.00
Guarantee provided during the financial year	-	-	-	-	-
Guarantee provided settled/expired during the financial year	400.00	-	-	-	400.00
Guarantee provided outstanding as at the end of the year	-	170.00	580.00	530.00	1,280.00

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

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

Particulars		**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
a) Gross amount required to be spent by the Company during the year		34.04	22.44
b) Amount approved by the Board to be spent during the year		34.04	22.44
c) Amount spent during the year ending on 31 March 2022:	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	34.04	-	34.04
d) Amount spent during the year ending on 31 March 2021:	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	22.44	-	22.44
		As at 31 March 2022	**As at 31 March 2021**
e) Details related to spent / unspent obligations:			
i) Contribution to Public Trust		-	-
ii) Contribution to Charitable Trust		34.04	22.44
iii) Unspent amount in relation to:		-	-
- Ongoing project		-	-
- Other than ongoing project		-	-
		34.04	**22.44**

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

2.34 Capital management

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

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

The Company's net debt to equity ratio as of 31 March 2022 and 31 March 2021 was as follows:

Particulars *	As at 31 March 2022	As at 31 March 2021
Total borrowings	184.09	1,287.71
Less: Cash and cash equivalents	(198.59)	(345.85)
Net debt	**(14.50)**	**941.86**
Total equity	**13,717.82**	**9,015.59**
Net debt to equity ratio - Gearing Ratio	**-0.11%**	**10.45%**

No changes were made in the objectives, policies or processes for managing capital during and for year ended 31 March 2022 and 31 March 2021.

In order to achieve this overall objective, the Company’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the current year.

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

2.35 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

As at 31 March 2022	Carrying value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note below)			
Trade receivables	873.78	873.78	
Investments	5,420.08	5,420.08	
Cash and cash equivalents	198.59	198.59	
Bank balances other than above	1,599.02	1,599.02	
Loans	731.40	731.40	
Other financial assets	311.92	311.92	
Total	**9,134.79**	**9,134.79**	Level 3
Financial liabilities at amortised cost (Refer note below)			
Long-term borrowings	41.70	41.70	
Short-term borrowings	142.39	142.39	
Trade payables	806.44	806.44	
Other financial liabilities	92.33	92.33	
Total	**1,082.86**	**1,082.86**	

As at 31 March 2021	Carrying value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note below)			
Trade receivables	730.04	730.04	
Investments	2,132.23	2,132.23	
Cash and cash equivalents	345.85	345.85	
Bank balances other than above	2,154.33	2,154.33	
Loans	197.00	197.00	
Other financial assets	332.19	332.19	
Total	**5,891.64**	**5,891.64**	Level 3
Financial liabilities at amortised cost (Refer note below)			
Long-term borrowings	677.84	677.84	
Lease liabilities	25.62	25.62	
Short-term borrowings	609.87	609.87	
Trade payables	851.85	851.85	
Other financial liabilities	97.29	97.29	
Total	**2,262.47**	**2,262.47**	

The carrying amounts of trade receivables, trade payables, other financials assets, other financial liabilities, short term borrowings and cash and cash equivalents and bank balances other than cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair value hierarchy due to the use of unobservable inputs including own credit risk.

B. Financial risk management

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

(i) Risk management framework

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

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

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

(ii) Credit risk

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

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

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

2.35 Financial instruments : Fair value and risk management (continued)

(ii) Credit risk (continued)

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade receivables and contract assets based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 1,258.57 as on 31 March 2022 (31 March 2021: Rs. 1,168.94). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit losses	As at 31 March 2022	As at 31 March 2021
Opening balance	343.22	325.67
Credit loss added	(63.44)	17.55
Closing balance	279.78	343.22
Trade receivable write off not routed through the above movement	35.56	-

The Company uses a provision matrix to determine the expected credit loss on the portfolio of its trade receivables and contract assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and contract assets and is adjusted for forward looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due in the provision matrix. Set out below is the information about the credit risk exposure of the Company's trade receivables and contract asset using provision matrix:

	Not past due	0-180 days due past due date	More than 180 days past due date	Gross trade receivables and contract assets
For the year ended 31 March 2022	528.26	400.67	329.63	1,258.57
For the year ended 31 March 2021	393.66	391.36	383.93	1,168.94

Customer Concentration

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2022 and 31 March 2021. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

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

(iii) Liquidity risk

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings	41.70	-	42.26	-	42.26
Short-term borrowings	142.39	142.39	-	-	142.39
Trade payables	806.44	806.44	-	-	806.44
Other financial liabilities	92.33	92.24	0.09	-	92.33
Total	**1,082.86**	**1,041.07**	**42.35**	**-**	**1,083.42**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings	677.84	-	679.71	-	679.71
Lease liabilities	25.62	11.24	27.76	-	39.00
Short-term borrowings	609.87	609.87	-	-	609.87
Trade payables	851.85	851.85	-	-	851.85
Other financial liabilities	97.29	97.20	0.09	-	97.29
Total	**2,262.47**	**1,570.16**	**707.56**	**-**	**2,277.72**

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

C. Market risk

(i) Interest rate risk exposure

Interest rate risk 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 and short-term borrowings with variable interest rates.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate long term borrowings (including current maturities) and short term borrowings	184.09	787.71
Total borrowings	**184.09**	**787.71**

(i) Sensitivity

Particulars	Impact on profit or loss		Impact on equity, net of tax	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Sensitivity				
1% increase in MCLR	(1.84)	(7.88)	(1.38)	(5.89)
1% decrease in MCLR	1.84	7.88	1.38	5.89

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

D. Currency risk

The Company is not exposed to currency risk.

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

2.36 Income-tax

a. Amount recognised in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	909.27	668.12
Adjustments of tax relating to earlier year	(12.63)	(10.34)
Deferred tax attributable to temporary differences	29.73	(1.64)
Tax expenses for the year	**926.37**	**656.14**

b. Amount recognised in other comprehensive income

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	2.63	(0.66)	1.97	(6.40)	1.61	(4.79)

c. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	**3,710.04**	**2,542.63**
Enacted tax rates	25.168%	25.168%
Tax expense at enacted rates	933.74	639.93
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Non-deductible expenses	5.26	26.55
Adjustment in respect of income-tax for earlier years	(12.63)	(10.34)
Total	**926.37**	**656.14**

d. Recognition of deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset		
Expected credit loss for trade receivables	70.42	86.38
Provision for employee benefits	67.23	65.00
Others	-	2.37
Total deferred tax asset	**137.64**	**153.75**
Deferred tax liability		
Property, plant and equipment	468.91	454.22
Others	0.26	0.66
Total deferred tax liability	**469.16**	**454.89**
Deferred tax liability (net)	**(331.52)**	**(301.14)**

(ii) Movement in temporary differences

	Expected credit loss for trade receivables	Provision for employee benefits	Others - assets	Property, plant and equipment	Others - liability	Total
Balance as at 1 April 2020	**81.97**	**53.19**	**3.36**	**(441.65)**	**(1.25)**	**(304.38)**
Recognised in profit or loss during 2020-21	4.42	10.19	(1.00)	(12.57)	0.59	1.64
Recognised in OCI during 2020-21	-	1.61	-	-	-	1.61
Balance as at 31 March 2021	**86.38**	**65.00**	**2.36**	**(454.22)**	**(0.66)**	**(301.14)**
Recognised in profit or loss during 2021-22	(15.97)	2.89	(2.37)	(14.69)	0.40	(29.73)
Recognised in OCI during 2021-22	-	(0.66)	-	-	-	(0.66)
Balance as at 31 March 2022	**70.42**	**67.23**	**-**	**(468.91)**	**(0.26)**	**(331.52)**

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

2.37 Revenue from contracts with customers:

Disaggregated revenue information

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from hospital services	7,455.10	6,175.20
Income from pharmacy	3,782.76	2,977.66
Total revenue from contracts with customers	**11,237.86**	**9,152.86**
India	11,237.86	9,152.86
Outside India	-	-
Timing of revenue recognition		
Services transferred over time	7,455.10	6,175.20
Goods transferred at a point of time	3,782.76	2,977.66
Total revenue from contracts with customers	**11,237.86**	**9,152.86**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	12,017.31	9,836.74
Less: Discounts and disallowances	(779.45)	(683.88)
Total revenue from contracts with customers	**11,237.86**	**9,152.86**

Contract balances

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Trade receivables	873.78	730.04	991.51
Contract assets	105.01	95.68	32.80
Contract liabilities	113.77	123.69	18.90

Contract liability: During the financial year ended 31 March 2022, the company has recognised revenue of Rs. 123.69 from advance received from patients outstanding as on 31 March 2021. During the financial year ended 31 March 2021, the company has recognised revenue of Rs. 18.90 from advance received from patients outstanding as on 31 March 2020. It expects similarly to recognise revenue in year ended 31 March 2023 from the closing balance of advance from customers as at 31 March 2022.

Contract asset: During the financial period ended 31 March 2022, the company has transferred Rs. 95.68 of contract assets as at 31 March 2021 to trade receivables on completion of performance obligation. During the financial year ended 31 March 2021, the company has transferred Rs. 32.80 of contract assets as at 31 March 2020 to trade receivables on completion of performance obligation.

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

2.38 Ratio Analysis and its elements

Particulars	Numerator	Denomerator	As at 31 March 2022	As at 31 March 2021	% change
Current Ratio *	Current Assets	Current Liabilities	2.47	1.93	27.73%
Debt-Equity ratio *	Total Debts(1)	Shareholder's Equity	0.01	0.14	-90.77%
Debt service coverage ratio **	Earnings for debts service(2)	Debt service(3)	2.64	2.07	27.31%
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	11.77	10.54	11.69%
Trade Receivable turnover Ratio ***	Net Credit Sales(4)	Average Trade Receivables	14.01	10.63	31.79%
Trade Payable turnover Ratio	Net credit Purchases(5)	Average Trade Payables	7.03	5.84	20.34%
Net Capital turnover ratio	Net Sales(6)	Working capital(7)	5.80	5.27	10.21%
Return on Equity Ratio	Net profits after taxes	Average Shareholder's equity	24.37%	24.64%	-1.10%
Net Profit ratio	Net profit	Net Sales(6)	24.36%	20.17%	20.76%
Return on Capital employed	Earnings before interest and taxes	Capital Employed(8)	26.49%	25.25%	4.91%
Return on Investment	Interest (Finance Income)	Time Weighted Average Investment	4.17%	4.21%	-0.95%

(1) Debt includes Lease Liabilities
(2) Net profit after taxes + Non-Operating expenses
(3) Interest and lease payments + Principal Repayments
(4) Gross credit sales - sales return
(5) Gross credit purchases - purchase returns + Other expenses
(6) Total sales - sales return
(7) Current assets - Current liabilities
(8) Tangible Net Worth + Total Debts + Deferred Tax Liability

* Repayment of borrowings and increase in the operations during the year has resulted in the change in the ratio.
** Increase in the profit due to increase in the operations during the year has resulted in the change in the ratio.
*** Increase in the operations during the year has resulted in the change in the ratio.

2.39 Investments during the year ended 31 March 2022

(i) The Company has increased its stake in KIMS Hospital Enterprises Private Limited from 86.32 % to 86.67% through secondary purchase of 86,950 equity shares from existing shareholders for a total amount of Rs. 11.30. The shares were purchased at Rs.130 (premium of Rs.120) per share. The same has been shown as non current investments in the standalone financial statements.

(ii) The Company has invested in Sarvejana Health Care Private Limited ("Sunshine Hospitals") by acquiring 49.38% through purchase of 64,16,666 equity shares fully paid up from existing shareholders for a total amount of Rs.1,248.17 and 12,232,890 equity shares partly paid up from existing shareholders on rights basis for a total amount of Rs.1,981.48. The shares were purchased at Rs.194.52 (premium of Rs.184.52) per share. The same has been shown as non current investment in joint venture in the standalone financial statements (Refer note: 2.43).

Investments during the year ended 31 March 2021

(i) The Company has increased its stake in KIMS Hospital Enterprises Private Limited from 75.26 % to 86.32% through secondary purchase of 2,713,307 equity shares from existing shareholders for a total amount of Rs. 352.73. The shares were purchased at Rs.130 (premium of Rs.120) per share. The same has been shown as non current investments in the standalone financial statements.

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

2.40 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2022 and 31 March 2021.

2.41 Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Company has not declared/paid any dividend during the year.

2.42 The Company has completed Initial Public Offer ("lPO") of 25,995,042 Equity Shares of the face value of Rs. 10/- each at an issue price of Rs. 825/- per Equity Share, comprising offer for sale of 23,560,538 shares by Selling Shareholders and fresh issue of 2,434,504 shares. The Equity Shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 28 June 2021.

The utilisation of the net IPO proceeds is summarised below:

Particulars	Objects of the issue as per prospectus *	Utilisation upto 31 March 2022	Unutilised amount as on 31 March 2022
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company and by our Subsidiaries	1,500.00	1,500.00	-
General Corporate Purpose	416.60	416.60	-
Total	**1,916.60**	**1,916.60**	**-**

* net of Offer expenses to the extent applicable to the Fresh Issue.

The total offer expenses are Rs.893.55 which are proportionately allocated between the selling shareholders and the Company as per respective offer size. The Company's share of these expenses is Rs.83.40, which has been adjusted against securities premium.

2.43 Events after the reporting period

Subsequent to the year end, the Company has complied with the terms and conditions of the shareholders agreement entered during the year with the existing promoter and certain other shareholders of Sunshine Hospitals, including payment of all paid up calls and obtaining majority composition of the Board of Directors. Accordingly, Sunshine Hospitals has become a subsdiairy.

As per our report attached of even date

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Place: Hyderabad
Date: 19 May 2022

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

Dr. B Bhaskara Rao
Managing Director
DIN:00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad
Date: 19 May 2022

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Krishna Institute of Medical Sciences Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Krishna Institute of Medical Sciences Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<u>Allowance for credit losses relating to trade receivables</u> (as described in Note 1.3 and 2.5 of the consolidated financial statements)	
As at March 31, 2022, the Group has outstanding gross trade receivables of Rs. 1,690.25 million which represents approximately 8.86% of the total assets of the Group and Rs 403.90 million of allowance for Expected Credit Loss. In assessing the recoverability of the trade receivables and determination of allowance for expected credit loss, management's judgement involves consideration of aging status, historical payment records, the likelihood of collection based on the terms of the contract and the credit information of its customers. We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.	Our audit procedures included and were not limited to the following: - We tested on a sample basis the design and operating effectiveness of management control over assessing the recoverability of the trade receivables and key internal controls over allowance for credit losses. - We performed test of details and tested relevant contracts, documents, and subsequent receipts for material trade receivable balances. - In respect of material trade receivable balances from the government customers, we traced the trade receivable balances to the portals of the government customers. - We tested the aging of trade receivables at year end. - We reviewed management's assessment of the assumptions used in the allowance for Expected Credit Loss model and verified the expected credit loss computation based on model considered by the management. - We reviewed the disclosures made by the management in consolidated financial statements.

Other Information

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of Rs. 850.21 million as at March 31, 2022, and total revenues of Rs. Nil and net cash inflows of Rs. 0.75 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs. 95.10 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the report(s) of such other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint venture, none of the directors of the Group's companies, and its joint venture, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies joint venture, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture in its consolidated financial statements – Refer Note 2.23 to the consolidated financial statements;

ii. The Group, and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture, incorporated in India during the year ended March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, and joint venture respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and joint venture companies, incorporated in India.

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

per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 22102328AJFUBN3535
Place of Signature: Hyderabad
Date: May 19, 2022

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Consolidated Financial Statements of Krishna Institute of Medical Sciences Limited ("the Parent Company")

In terms of the information and explanations sought by us and given by the Company and to the best of our knowledge and belief, we state that:

3(xxi) There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the Company and its subsidiary companies and joint venture included in the Consolidated Financial Statements.

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

per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 22102328AJFUBN3535
Place of Signature: Hyderabad
Date: May 19, 2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Krishna Institute of Medical Sciences Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group and its joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these three (3) subsidiaries, and one (1) joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint venture incorporated in India.

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

per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 22102328AJFUBN3535
Place of Signature: Hyderabad
Date: May 19, 2022

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Consolidated Balance Sheet as at 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1 (a)	7,705.21	7,706.26
Capital work-in-progress	2.1(b)	207.59	92.44
Goodwill	2.38	847.75	847.75
Other intangible assets	2.1 (c)	317.62	247.43
Right-of-use assets	2.24	1,181.50	509.34
Investments in a Joint Venture	2.34	3,324.76	-
Financial assets			
(i) Other financial assets	2.2(a)	395.57	192.20
Deferred tax assets (net)	2.37	32.15	29.35
Non-current tax assets (net)	2.7	174.73	103.70
Other non-current assets	2.3	952.63	121.12
Total non-current assets		**15,139.51**	**9,849.59**
Current assets			
Inventories	2.4	364.27	240.85
Financial assets			
(i) Trade receivables	2.5	1,286.36	1,098.19
(ii) Cash and cash equivalents	2.6(a)	256.34	521.29
(iii) Bank balances other than (ii) above	2.6(b)	1,644.31	2,323.13
(iv) Other financial assets	2.2(b)	280.97	257.62
Other current assets	2.8	101.71	70.87
Total current assets		**3,933.96**	**4,511.95**
Total assets		**19,073.47**	**14,361.54**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.9 (a)	800.28	775.93
Other equity	2.9 (b)	13,072.81	7,861.41
Total equity attributable to owners of the Company		**13,873.09**	**8,637.34**
Non-controlling interests		233.31	124.61
Total Equity		**14,106.40**	**8,761.95**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.10 (a)	1,376.63	1,846.03
(ii) Lease liabilities	2.24	886.59	433.40
(iii) Other financial liabilities	2.11(a)	3.92	5.59
Provisions	2.12	170.50	160.64
Other non-current liabilities	2.15(a)	-	12.37
Deferred tax liabilities (net)	2.37	379.38	358.31
Total non-current liabilities		**2,817.02**	**2,816.34**
Current liabilities			
Financial liabilities			
(i) Borrowings	2.10 (b)	233.66	858.64
(ii) Lease liabilities	2.24	68.40	25.62
(iii) Trade payables	2.13		
(a) Total outstanding dues of micro enterprises and small enterprises; and		44.68	17.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,250.66	1,300.80
(iv) Other financial liabilities	2.11(b)	168.88	161.29
Provisions	2.14	103.39	104.86
Other current liabilities	2.15(b)	278.66	227.13
Current tax liability (net)		1.72	87.01
Total current liabilities		**2,150.05**	**2,783.25**
Total equity and liabilities		**19,073.47**	**14,361.54**
Significant accounting policies	1.3		

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

As per our report on even date attached

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Place: Hyderabad
Date: 19 May 2022

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

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no:A21035

Place: Hyderabad
Date: 19 May 2022

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Consolidated Statement of Profit and Loss for the year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Income from operations	2.16	16,508.25	13,299.37
Other income	2.17	202.60	101.65
Total income		**16,710.85**	**13,401.02**
Expenses			
Purchase of medical consumables, drugs and surgical instruments		3,674.97	2,826.39
(Increase)/ Decrease in inventories of medical consumables, drugs and surgical instruments	2.18	(123.42)	62.92
Employee benefits expense	2.19	2,619.08	2,202.09
Finance cost	2.20	160.33	324.97
Depreciation and amortisation expense	2.21	726.73	695.36
Other expenses	2.22	5,179.73	4,499.14
Total expenses		**12,237.42**	**10,610.87**
Profit before share of profit of Joint Venture and tax		**4,473.43**	**2,790.15**
Share of profit of a Joint Venture, net of tax	2.34	**95.10**	-
Profit before tax		**4,568.53**	**2,790.15**
Tax expense			
- Current tax	2.37	1,141.55	778.39
- Deferred tax charge /(credit)	2.37	1.66	(33.03)
- Adjustment of tax relating to earlier year	2.37	(12.63)	(10.00)
Total tax expense		**1,130.58**	**735.36**
Profit for the year (A)		**3,437.95**	**2,054.79**
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement income / (loss) of defined benefit plans		**1.53**	(6.28)
- Income tax effect		(0.33)	1.64
Other comprehensive income/(loss), net of tax (B)		**1.20**	**(4.64)**
Total comprehensive income for the year (A+B)		**3,439.15**	**2,050.15**
Profit attributable to:			
Owners of the Company		3,326.85	2,012.19
Non-controlling interests		111.10	42.60
Profit for the year		**3,437.95**	**2,054.79**
Other comprehensive income / (loss) attributable to:			
Owners of the Company		1.40	(4.98)
Non-controlling interests		(0.20)	0.34
Other comprehensive income / (loss) for the year		**1.20**	**(4.64)**
Total comprehensive income attributable to:			
Owners of the Company		3,328.25	2,007.21
Non-controlling interests		110.90	42.94
Total comprehensive income for the year		**3,439.15**	**2,050.15**
Earnings per equity share (face value of share Rs. 10 each)			
- Basic	2.27	41.88	26.87
- Diluted	2.27	41.88	26.42
Significant accounting policies	1.3		

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

As per our report on even date attached

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

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no:A21035

Place: Hyderabad
Date: 19 May 2022

Place: Hyderabad
Date: 19 May 2022

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Consolidated statement of Cash Flows for the year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
I	**Cash flows from operating activities**		
	Profit before tax	4,568.53	2,790.15
	Adjustments for:		
	Depreciation and amortisation expenses	726.73	695.36
	Finance cost	160.33	324.97
	Provision/(Reversal) of Expected credit loss for trade receivables	(7.97)	38.77
	Trade receivables written off	52.54	8.26
	Interest income on fixed deposits and security deposit	(112.89)	(38.06)
	Interest income on income tax refund	(9.93)	(19.93)
	Loss on sale of property, plant and equipment (net)	27.17	10.79
	Liabilities no longer required written back	(42.41)	(7.52)
	Share of profit of a Joint Venture, net of tax	(95.10)	-
	Rental income	(13.10)	(7.09)
	Operating profit before working capital changes	**5,253.90**	**3,795.70**
	Adjustments for:		
	(Increase)/decrease in inventories	(123.42)	62.92
	(Increase)/decrease in trade receivables	(232.74)	177.46
	Increase in other financial assets and other assets	(489.70)	(338.11)
	Increase in trade payables, other financial liabilities and provisions	101.18	239.21
	Cash generated from operations	**4,509.22**	**3,937.18**
	Income taxes paid, net of refunds	(1,268.97)	(377.44)
	Net cash generated from operating activities (A)	**3,240.25**	**3,559.74**
II	**Cash flows from investing activities**		
	Purchase of property, plant and equipment and intangible assets	(1,703.22)	(944.26)
	Proceeds from sale of property, plant and equipment	3.18	8.42
	Investment in Joint Venture	(3,229.65)	-
	Acquisition of non-controlling interests	(11.30)	(352.73)
	Lease income received	13.10	7.09
	Interest received	120.75	35.47
	Redemption of bank deposits (having original maturity of more than three months)	6,519.99	113.82
	Investment in bank deposits (having original maturity of more than three months)	(5,828.06)	(2,409.59)
	Net cash used in investing activities (B)	**(4,115.20)**	**(3,541.78)**
III	**Cash flows from financing activities**		
	Repayment of long-term borrowings	(1,709.40)	(1,300.44)
	Receipts of long-term borrowings	1,240.00	455.05
	(Repayment)/Proceeds of short-term borrowings (net)	(624.98)	338.03
	Payment of lease obligations	(95.49)	(73.13)
	Proceeds from exercise of share warrants	-	950.23
	Proceeds from issue of shares (net off share issue expenses)	1,916.60	-
	Interest paid	(116.72)	(271.55)
	Net cash flows generated from financing activities (C)	**610.00**	**98.19**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(264.95)**	**116.15**
	Cash and cash equivalents at the beginning of the year	521.29	405.14
	Cash and cash equivalents at the end of the year	**256.34**	**521.29**

Note:
a) The consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian accounting Standard (Ind AS 7)- Statement of cash flows:
b) Cash and cash equivalents comprises of:

	As at 31 March 2022	As at 31 March 2021
Cash on hand	10.00	15.21
Balances with banks		
- On current accounts	246.34	306.08
- In deposit accounts (with original maturity of 3 months or less)	-	200.00
Total	**256.34**	**521.29**

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

As per our report on even date attached

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

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no:A21035

Place: Hyderabad
Date: 19 May 2022

Place: Hyderabad
Date: 19 May 2022

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Consolidated statement of changes in equity for year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. of shares	Amount
At 1 April 2020	**7,44,89,552**	**744.90**
Add: Shares issued during the year	31,03,731	31.03
At 31 March 2021	**7,75,93,283**	**775.93**
Add: Shares issued during the year	24,34,504	24.35
At 31 March 2022	**8,00,27,787**	**800.28**

-

b) Other equity

Particulars	Other equity attributable to the owners of the Company					Non-controlling interest	Total (Includes equity share capital as per (a) above)
	Reserve and surplus			Share warrants	Total other equity		
	Securities premium account	Adjustment reserve	Retained earnings				
Balance as at 01 April 2020	7,525.80	57.64	(2,350.19)	3.10	5,236.35	133.05	6,114.29
Profit for the year	-	-	2,012.19	-	2,012.19	42.60	2,054.79
Issue of shares	922.30	-	-	(3.10)	919.20	-	950.23
Acquisition of non-controlling interests (refer note 2.33)	-	-	(301.35)	-	(301.35)	(51.38)	(352.73)
Other comprehensive loss for the year	-	-	(4.98)	-	(4.98)	0.34	(4.63)
Balance as at 31 March 2021	**8,448.10**	**57.64**	**(644.33)**	-	**7,861.41**	**124.61**	**8,761.95**
Profit for the year	-	-	3,326.85	-	3,326.85	111.10	3,437.95
Issue of shares	1,975.65	-	-	-	1,975.65	-	2,000.00
Share issue expenses (refer note 2.41)	(83.40)	-	-	-	(83.40)	-	(83.40)
Acquisition of non-controlling interests (refer note 2.33)	-	-	(9.10)	-	(9.10)	(2.20)	(11.30)
Other comprehensive income for the year	-	-	1.40	-	1.40	(0.20)	1.20
Balance as at 31 March 2022	**10,340.35**	**57.64**	**2,674.82**	-	**13,072.81**	**233.31**	**14,106.40**

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

As per our report on even date attached

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Place: Hyderabad
Date: 19 May 2022

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

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shankar Mantha
Company Secretary
Membership no:A21035

Place: Hyderabad
Date: 19 May 2022

1.1 Group Overview

The consolidated financial statements comprise financial statements of Krishna Institute of Medical Sciences Limited ("the Company" or "Parent") and its subsidiaries (collectively, the Group) and a Joint Venture for the year ended 31 March 2022. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at D. No. 1-8-31/1, Minister's Road, Secunderabad, Telangana, India - 500003.

The Group is principally engaged in the business of rendering medical and healthcare services. Information on the Group's structure is provided in Note 1.3A. Information on other related party relationships of the Group is provided in Note 2.26. The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited on 28 June 2021.

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

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on 19 May 2022.

1.2 Basis of preparation of consolidated financial statements

a) Statement of compliance:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

All amounts are in Indian Rupees millions, rounded off to two decimals, except share data, unless otherwise stated.

b) Basis of measurement:

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

Items	**Measurement basis**
Certain financial assets and liabilities	Fair value or refer accounting policy regarding financial instruments
Net defined benefit (asset)/ liability	Defined benefit plan - plan assets measured at fair value

c) Functional and presentation currency:

The Group's consolidated financial statements are presented in Indian rupee (INR), which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

d) New and amended standards

Standards issued but not yet effective and not early adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

- Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116
- Conceptual framework for financial reporting under Ind AS issued by ICAI
- Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

These amendments had no impact on the financial statements of the Group.

Standards issued but not yet effective and not early adopted by the Group

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 23, 2022, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 101, First-time Adoption of Indian Accounting Standards
- Ind AS 103: Business combination
- Ind AS 109, Financial Instruments Classification, Recognisation and Dereognisation
- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

These amendments are effective from April 01, 2022. The Group believes that the aforementioned amendments will not materially impact the financial statements of the Group.

e) Significant accounting judgement, estimates and assumptions:

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

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

Estimates and assumptions

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

Provision for expected credit losses of trade receivables and contract assets

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

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

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

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

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 2.37 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 2.25 - Measurement of defined benefit obligations, key actuarial assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 2.31 and 2.32 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment of non-financial assets

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

Classification of financial instruments as equity

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

1.3 Significant accounting policies

A. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

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

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory, property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The consolidated financial statements as at and for the year ended 31 March 2022 have been prepared on the basis of the financial statements of the following subsidiaries and a joint venture which are principally engaged in the business of rendering medical and healthcare services.

Name of the Company	Country of incorporation	Ownership interest (in %)	
		31 March 2022	31 March 2021
Arunodaya Hospitals Private Limited ('AHPL')	India	57.83	57.83
KIMS Hospital Enterprises Private Limited ('KHEPL')	India	86.67	86.32
Iconkrishi Institute of Medical Sciences Private Limited ('ICIMSPL')	India	51.00	51.00
Saveera Intitute of Medical Sciences Private Limited ('SIMSPL')	India	80.00	80.00
KIMS Hospitals Private Limited ('KHPL')	India	100.00	100.00
KIMS Swastha Private Limited ('KSPL')	India	100.00	100.00
KIMS Cuddles Private Limited ('KCPL') (Note 1)	India	NA	100.00
KIMS Hospital Bengaluru Private Limited ('KHBPL') (Note 2)	India	100.00	100.00
KIMS Hospital Kurnool Private Limited ('KHKPL') (Formerly known as "Kurnool Rainbow Hospitals Private Limited")	India	55.00	55.00
Sarvejana Healthcare Private Limited (Note 3)	India	49.38	NA

Notes:

1. Struck off w.e.f 30 November 2021.
2. Earlier known as KIMS Hospital (Bhubaneswar) Private Limited.
3. Joint venture w.e.f. 27 October 2021

B. Business combination and goodwill

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

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

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

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

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

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

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

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

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

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

C. Current–non-current classification

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

Assets

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

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

All other assets are classified as non-current.

Liabilities

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

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

Operating cycle

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

D. Fair value measurement:

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group's Chief Financial officer determines the policies and procedures for both recurring fair value measurement and for other non-recurring measurement.

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

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.32 – financial instruments.

E. Revenue from contract with customer

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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities. Revenue is recognised at the point in time for the outpatient hospital services when the related services are rendered at the transaction price. With respect to the inpatients hospital services who are undergoing treatment/ observation on the balance sheet date, revenue is recognised over the period to the extent of services rendered.

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

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

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Contract Balances:

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

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

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

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

Other Income

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

F. Income-tax

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

Current income-tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

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

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

G. Property, plant and equipment

Freehold land is carried at cost net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

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

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

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The Group has elected to continue with the carrying value for all of its Property, Plant and Equipment recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

De recognition

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

Depreciation

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

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

Based on the planned usage of certain specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment as below:

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

H. Intangible assets

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

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

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

De recognition

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

The Group has elected to continue with the carrying value for all of its other intangibles recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

Amortisation

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

The estimated useful lives of intangibles are as follows:

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

I. Borrowing costs

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

J. Leases

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

Group as a lessee

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

Right-of-use assets

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

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

Lease Liabilities

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

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

Short-term leases and leases of low-value assets

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

K. Inventories

The inventories comprising of medical consumables, drugs and surgical instruments are valued at lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The Group follows the weighted average method for determining the cost of such inventories. The Comparison of cost and net realisable value is made on item by item basis.

L. Impairment of non-financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries in which the Group operates, or for the market in which the asset is used.

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

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired

M. Provisions

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

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

Contingent liabilities

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

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

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

Retirement and other employee benefits

Defined contribution plans

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

Defined benefit plans

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

The gratuity scheme is administered by third party. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short term employee benefits

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

Compensated absences

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of consolidated profit and loss and are not deferred. The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

N. Financial instruments

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

Financial Assets

Initial recognition and measurement

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

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in to following categories

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

Financial assets at amortised cost

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

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

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets. For more information on receivables, refer to Note 2.32.

Financial assets at fair value through OCI (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Group's debt instruments are not fair value through OCI assets.

Financial assets at fair value through profit or loss

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

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

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

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

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

Derecognition

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

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financials assets

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

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

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities 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. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to consolidated statement of profit & loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

Financial instrument are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS 32 (Financial instruments: Presentation). Financial instrument issued by the Group classified as equity is carried at its transaction value and shown within " equity". Financial instrument issued by the

Group classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such Financial instrument is fair valued through the statement of profit or loss. On modification of Financial instrument from liability to equity, the Financial instrument is recorded at the fair value of Financial instrument classified as equity and the difference in fair value is recorded as a gain/ loss on modification in the statement of profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

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

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

Financial guarantee contracts

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derecognition

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

O. Cash and cash equivalents

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

P. Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of parent company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Q. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

R. Investment in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.
If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.
The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

S. Corporate social responsibility

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

T. Events after reporting date

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

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Notes to the Consolidated financial statements for the year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.1 (a) Property, plant and equipment

Particulars	Freehold land	Leasehold land (refer Note 3)	Leasehold improvement	Buildings	Medical and surgical equipment	Plant and equipment	Office equipment	Electrical equipment	Computers	Furniture and fixtures	Vehicles	Total of property, plant and equipment
Gross carrying amount												
Balance as at 1 April 2020	215.36	151.82	174.62	4,089.82	3,372.61	301.61	73.42	449.19	155.88	363.60	64.12	9,412.03
Additions	348.55	-	21.38	43.89	329.48	4.09	3.77	25.15	38.16	29.95	4.50	848.92
Disposals	(0.14)	-	-	-	(47.10)	-	(0.26)	-	(1.73)	-	(0.38)	(49.61)
Balance as at 31 March 2021	**563.77**	**151.82**	**196.00**	**4,133.71**	**3,654.99**	**305.70**	**76.93**	**474.34**	**192.30**	**393.55**	**68.24**	**10,211.34**
Balance as at 1 April 2021	563.77	151.82	196.00	4,133.71	3,654.99	305.70	76.93	474.34	192.30	393.55	68.24	10,211.34
Additions	146.17	-	13.83	46.15	286.79	34.65	11.46	10.24	67.37	33.62	10.13	660.41
Disposals	-	-	-	(14.51)	(21.67)	(1.84)	(4.41)	(3.56)	(0.08)	(3.04)	(2.15)	(51.26)
Balance as at 31 March 2022	**709.94**	**151.82**	**209.83**	**4,165.35**	**3,920.11**	**338.51**	**83.98**	**481.02**	**259.59**	**424.13**	**76.22**	**10,820.49**
Accumulated depreciation					-		-		-		-	
Balance as at 1 April 2020	-	-	**49.08**	**245.61**	**1,034.10**	**78.05**	**42.10**	**206.32**	**99.67**	**146.04**	**22.27**	**1,923.22**
Depreciation charge for the year	-	-	12.93	73.09	348.78	22.89	11.00	59.59	31.56	44.05	8.37	612.26
Disposals	-	-	-	-	(29.89)	-	(0.02)	-	(0.11)	-	(0.38)	(30.40)
Balance as at 31 March 2021	**-**	**-**	**62.01**	**318.70**	**1,352.99**	**100.94**	**53.08**	**265.91**	**131.13**	**190.09**	**30.26**	**2,505.08**
Balance as at 1 April 2021	-	-	62.01	318.70	1,352.99	100.94	53.08	265.91	131.13	190.09	30.26	2,505.08
Depreciation charge for the year	-	-	27.18	75.48	341.16	23.64	9.67	60.57	38.16	45.96	9.29	631.11
Disposals	-	-	-	(3.35)	(8.44)	(0.55)	(3.14)	(2.99)	(0.07)	(1.24)	(1.13)	(20.91)
Balance as at 31 March 2022	**-**	**-**	**89.19**	**390.83**	**1,685.71**	**124.03**	**59.61**	**323.49**	**169.21**	**234.81**	**38.42**	**3,115.28**
Net block value												
At 31 March 2021	**563.77**	**151.82**	**134.00**	**3,815.01**	**2,302.00**	**204.76**	**23.85**	**208.43**	**61.18**	**203.46**	**37.98**	**7,706.26**
At 31 March 2022	**709.94**	**151.82**	**120.64**	**3,774.52**	**2,234.40**	**214.48**	**24.37**	**157.53**	**90.38**	**189.32**	**37.80**	**7,705.21**

1. Buildings amounting to gross block Rs. 75.06 (31 March 2021: Rs. 75.06) and net block Rs. 54.67 (31 March 2021: Rs. 56.05) are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.

2. Refer note 2.10 for details of assets pledged as security.
3. Lease hold land that is remaining in PPE schedule is related to land taken on perpetual lease.

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

2.1(b) Capital Work in Progress

	As at 31 March 2022	As at 31 March 2021
Gross Carrying amount		
Balance as at beginning of the year	92.44	22.32
Additions	195.10	116.14
Capitalised during the year	(79.95)	(46.02)
Balance as at end of the year	**207.59**	**92.44**

i) For capital work in progress, aging Schedule as on 31 March 2022

CWIP	amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	more than 3 years	
-Projects in Progress	161.82	36.05	9.72	-	**207.59**
Total	**161.82**	**36.05**	**9.72**	**-**	**207.59**

ii) For capital work in progress, aging Schedule as on 31 March 2021

CWIP	amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	more than 3 years	
-Projects in Progress	70.12	22.32	-	-	**92.44**
Total	**70.12**	**22.32**	**-**	**-**	**92.44**

There are no capital work in progress projects, whose completion is overdue or has exceed its cost compared to its original plan as at 31 March 2022 and 31 March 2021.

2.1 (c) Other intangible assets

Particulars	Software	Brand	Non compete	Customer contract	Total of Intangible assets
Gross carrying amount					
Balance as at 1 April 2020	75.05	25.24	28.30	188.02	316.61
Additions	15.09	-	-	-	15.09
Balance as at 31 March 2021	**90.14**	**25.24**	**28.30**	**188.02**	**331.70**
Balance as at 1 April 2021	90.14	25.24	28.30	188.02	331.70
Additions	112.74	-	-	-	112.74
Balance as at 31 March 2022	**202.88**	**25.24**	**28.30**	**188.02**	**444.44**
Accumulated amortisation					
Balance as at 1 April 2020	27.48	6.36	8.49	11.90	54.22
Amortisation charge for the year	13.07	5.05	5.66	6.27	30.05
Balance as at 31 March 2021	**40.56**	**11.41**	**14.15**	**18.17**	**84.27**
Balance as at 1 April 2021	40.56	11.41	14.15	18.17	84.27
Amortisation charge for the year	25.57	5.05	5.66	6.27	42.55
Balance as at 31 March 2022	**66.13**	**16.46**	**19.81**	**24.44**	**126.82**
Net book value					
At 31 March 2021	**49.59**	**13.83**	**14.15**	**169.85**	**247.43**
At 31 March 2022	**136.75**	**8.78**	**8.49**	**163.58**	**317.62**

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

2.2 Other financial assets (at amortised cost)
(Unsecured, Considered good)

(a) Non-current

-To parties other than related parties		
Deposits with remaining maturity more than 12 months*	12.70	25.81
Interest accrued on bank deposits	0.64	2.67
Security deposits	382.23	163.72
Total	**395.57**	**192.20**

*Includes Rs 6.45 (March 2021: Rs 4.23) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing after12 months of the reporting date.

(b) Current

Unsecured		
-To parties other than related parties		
Contract assets (Unbilled revenue) (Refer note 2.30)	152.33	133.52
Other advances	2.75	-
IPO expenses recoverable (Refer note (i) and (ii) below)	-	78.23
Interest accrued on bank deposits	27.33	23.24
Security deposits	98.56	22.63
-To parties other than related parties		
Other advances - credit impaired	-	0.32
Less: Other advances - credit impaired	-	(0.32)
Total	**280.97**	**257.62**

(i) During the year ended 31 March 2021, the Company has incurred share issue expenses in connection with proposed public offer of equity shares of which Rs. 78.23 is accounted for various services received for Initial Public Offering (IPO). As per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will recover the expenses incurred in connection with the Issue on completion of IPO and therefore, the amount has been carried forward and disclosed under the head "IPO expenses recoverable" (to the extent of not written off or adjusted).

(ii) Includes Auditor's remuneration related to proposed IPO :		
Fees	-	19.00
	-	**19.00**

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

Capital advances	889.33	39.90
Balance with government authorities	41.01	40.57
Prepaid expenses	22.29	40.65
Total	**952.63**	**121.12**

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

Medical consumables, drugs and surgical instruments	364.27	240.85
Total	**364.27**	**240.85**

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

	As at 31 March 2022	As at 31 March 2021
2.5 Trade receivables (at amortised cost)		
(Unsecured)		
Considered good - Unsecured*	1,690.26	1,510.06
Less: Allowance for expected credit loss	(403.90)	(411.87)
	1,286.36	**1,098.19**
Trade receivables - credit impaired - unsecured	-	-
Less: Allowance for credit impairment	-	-
Total	**1,286.36**	**1,098.19**

* Includes amount receivables from related party (Refer note 2.26).

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Trade Receivables aging schedule as on 31 March 2022

Particulars	Current but No due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	more than 3 years	
(i) Undisputed Trade receivables-considered good	634.78	593.13	188.99	91.59	62.96	118.81	**1,690.26**
(ii) Undisputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total							**1,690.26**
Less : Allowance for expected credit loss							**(403.90)**
Balance at the end of the year							**1,286.36**

Trade Receivables aging schedule as on 31 March 2021

Particulars	Current but No due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	more than 3 years	
(i) Undisputed Trade receivables-considered good	494.49	560.88	85.11	170.28	66.49	132.81	**1,510.06**
(ii) Undisputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total							**1,510.06**
Less : Allowance for expected credit loss							**(411.87)**
Balance at the end of the year							**1,098.19**

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

		As at 31 March 2022	As at 31 March 2021
2.6	**Cash and bank balances**		
	a) Cash and cash equivalents		
	Cash on hand	10.00	15.21
	Balances with banks		
	- in current accounts	246.34	306.08
	- in deposit accounts (with original maturity of 3 months or less)	-	200.00
		256.34	**521.29**
	b) Bank balances other than (a) above		
	Deposits with remaining maturity less than 12 months *	1,644.31	2,323.13
		1,644.31	**2,323.13**
	Total	**1,900.65**	**2,844.42**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

* Includes Rs. 0.77 (31 March 2021: 1.96) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing with in 12 months of the reporting date.

c) Changes in liabilities arising from financing activities:

	As at 31 March 2022	As at 31 March 2021
Borrowings (Non-current and current):		
Opening balance	2,704.68	3,207.79
Proceeds from/ (repayment of) borrowings, net	(1,094.38)	(507.36)
Non-cash items (Borrowing cost amortisation and interest accrual on financial liabilities)	4.24	4.25
Closing balance	**1,614.54**	**2,704.68**
Lease liabilities:		
Opening balance	459.02	479.53
Additions	541.87	1.58
Interest accrued on lease liabilities	45.43	51.04
Payment of lease liabilities	(95.49)	(73.13)
Others (includes deletion and interest transferred to CWIP)	4.16	-
Closing balance	**954.99**	**459.02**

2.7	**Non-current tax assets (net)**		
	Advance tax (net of provision for taxation)	174.73	103.70
	Total	**174.73**	**103.70**
2.8	**Other current assets**		
	(Unsecured, considered good)		
	Advance to suppliers	66.75	25.53
	Prepaid expenses	21.61	27.30
	Staff advances	12.06	18.02
	Other receivables	1.29	0.02
	Total	**101.71**	**70.87**

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

	As at 31 March 2022	As at 31 March 2021
2.9 (a) Equity share capital		
Authorised share capital		
95,000,000 (31 March 2021: 95,000,000) equity shares of Rs. 10 each	950.00	950.00
	950.00	**950.00**
Issued, subscribed and paid-up		
80,027,787 (31 March 2021: 77,593,283) equity shares of Rs. 10 each fully paid-up	800.28	775.93
	800.28	**775.93**

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	7,75,93,283	775.93	7,44,89,552	744.90
Add: Shares issued during the year	24,34,504	24.35	31,03,731	31.03
Shares outstanding at the end of the year	**8,00,27,787**	**800.28**	**7,75,93,283**	**775.93**

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

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

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

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Dr. B Bhaskar Rao	2,10,19,929	26.27%	2,14,07,895	27.59%
General Atlantic Singapore KH Pte Ltd	1,37,96,898	17.24%	3,17,39,906	40.91%
B. Seenaiah	34,18,618	4.27%	45,82,517	5.91%
Bollineni Ramanaiah Memorial Hospitals Private Limited	48,40,662	6.05%	52,28,628	6.74%

(iv) The Company has not issued bonus shares during the period of five years immediately preceding the reporting period.

(v) The Company has not bought back any shares during the period of five years immediately preceding the reporting period.

(vi) Details of shares held by Promoters*

As at 31 March 2022

S. No.		Promoter name	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% change during the year
1	Equity shares of Rs. 10 each fully paid	Dr. B Bhaskara Rao	2,14,07,895	(3,87,966)	2,10,19,929	26.27%	(1.81%)
2	Equity shares of Rs. 10 each fully paid	Bollineni Ramanaiah Memorial Hospitals Private Limited	52,28,628	(3,87,966)	48,40,662	6.05%	(7.42%)
3	Equity shares of Rs. 10 each fully paid	Mrs. Rajyasri Bollineni	21,49,936	(7,75,933)	13,74,003	1.72%	(36.09%)
4	Equity shares of Rs. 10 each fully paid	Dr. Abhinay Bollineni	47,299	-	47,299	0.06%	0.00%
5	Equity shares of Rs. 10 each fully paid	Mr. Adwik Bollineni	8,128	-	8,128	0.01%	0.00%
Total			**2,88,41,886**	**(15,51,865)**	**2,72,90,021**	**34.10%**	**(5.38%)**

As at 31 March 2021

S. No.		Promoter name	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% change during the year
1	Equity shares of Rs. 10 each fully paid	Bhaskar Rao Bollineni	1,83,04,164	31,03,731	2,14,07,895	27.59%	16.96%
2	Equity shares of Rs. 10 each fully paid	Bollineni Ramanaiah Memorial Hospitals Private Limited	52,28,628	-	52,28,628	6.74%	0.00%
3	Equity shares of Rs. 10 each fully paid	Rajyasri Bollineni	21,49,936	-	21,49,936	2.77%	0.00%
4	Equity shares of Rs. 10 each fully paid	Abhinay Bollineni	46,549	750	47,299	0.06%	1.61%
5	Equity shares of Rs. 10 each fully paid	Adwik Bollineni	8,128	-	8,128	0.01%	0.00%
Total			**2,57,37,405**	**31,04,481**	**2,88,41,886**	**37.17%**	**12.06%**

*Promoters as per the annual return filed by the Company

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

		As at 31 March 2022	As at 31 March 2021
2.9 (b)	**Other equity**		
(i)	**Securities premium (refer below note 1)**		
	Balance as per last financial statements	8,448.10	7,525.80
	Add: Shares issued during the year	1,975.65	922.30
	Less: Shares issue expense (refer below note 2.41)	(83.40)	-
	Closing balance	**10,340.35**	**8,448.10**
(ii)	**Adjustment reserve (refer below note 2)**		
	Balance as per last financial statements	57.64	57.64
	Movement during the year	-	-
	Closing balance	**57.64**	**57.64**
(iii)	**Share warrants (refer below note 3)**		
	Balance as per last financial statements	-	3.10
	Less: Share issued during the year	-	(3.10)
	Closing balance	-	-
(iv)	**Retained earnings (refer below note 4)**		
	Balance as per last financial statements	(644.33)	(2,350.19)
	Add: Acquisition of non-controlling interests (refer note 2.33)	(9.10)	(301.35)
	Add: Profit for the year	3,326.85	2,012.19
	Add: Other comprehensive income/(loss) for the year	1.40	(4.98)
	Closing balance	**2,674.82**	**(644.33)**
		13,072.81	**7,861.41**

1. Securities premium

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

2. Adjustment reserve

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

During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by the High Court, the Company allotted 969,231 equity shares of Rs. 10 each to the shareholders of the Bollineni Ramanaiah Memorial Hospitals Private Limited ("Demerged Company") against 2,100,000 equity shares of Rs. 10 each outstanding in the Demerged Company in the ratio of 6 equity shares of Rs. 10 each for every 13 equity shares of Rs. 10 each of the Demerged Company. The difference between the consideration payable and the value of net assets taken over as per the Scheme amounting to Rs. 16.15 has been added to the Adjustment Reserve of the Company as per the Scheme.

3. Share warrants

During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement (SSPA) along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders. In accordance with the aforesaid SSPA, the Company has issued 3,103,731 number of share warrants to Dr B Bhaskara Rao. Each of these share warrants are convertible into 1 equity share of Rs. 10 each at a future date prior to filing of Draft Red Hearing Prospectus with Securities Exchange Board of India as per the terms of SSPA. During the year ended 31 March 2019, the Company received Rs. 1 each against these share warrants issued aggregating to Rs. 3.10. The share warrants were converted to 3,103,731 equity shares on 15 February 2021 at the rate of Rs 307.16 (including securities premium of Rs 297.16)(Refer note 2.9(a) & 2.9 (b)(i)).

4. Retained earnings

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

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

2.10 Borrowings (at amortised cost)

		As at 31 March 2022	As at 31 March 2021
(a)	**Non-current borrowings**		
	Secured		
	Term loans from banks		
	- HDFC Bank vehicle loan (refer note i)	1.53	2.31
	- HDFC Bank term loan (refer note ii)	-	83.24
	- Federal bank term loan (refer note iii)	-	143.15
	- Federal bank term loans (refer note iv and v)	70.11	93.81
	- HDFC Bank term loan (refer note vi)	633.75	552.66
	- HDFC Bank term loan (refer note vii)	629.54	436.17
	Total loans from banks (A)	**1,334.93**	**1,311.34**
	Term loans from financial institutions		
	- NIIF Infrastructure Finance Limited (refer note viii)	41.70	534.69
	Total loans from financial institutions (B)	**41.70**	**534.69**
	Total non-current borrowings (A) + (B)	**1,376.63**	**1,846.03**
(b)	**Current borrowings**		
	Secured		
	Working capital loans from banks (refer note ix)	15.14	52.67
	Current maturity of long term borrowings		
	- HDFC Bank vehicle loan (refer note i)	0.78	0.72
	- HDFC Bank term loan (refer note ii)	-	66.60
	- Federal bank term loan (refer note iii)	-	65.83
	- Federal bank term loans (refer note iv and v)	22.56	20.43
	- HDFC Bank term loan (refer note vi)	13.00	45.06
	- HDFC Bank term loan (refer note vii)	37.29	63.29
	Term loans from financial institutions		
	- NIIF Infrastructure Finance Limited (refer note viii)	142.39	44.04
	Unsecured		
	Working capital loans from bank (refer note x)	-	500.00
	Loan from others	2.50	-
	Total current borrowings	**233.66**	**858.64**

Notes:

i - Term loan from HDFC Bank of KHEPL is secured by first exclusive hypothecation charge on the vehicle acquired from the said loans. The loan carries interest rate of 8.01% (31 March 2021: 8.01%) per annum.
- These loans are repayable in 84 equated monthly instalments starting from January 2018 to December 2024.

ii Term loan from HDFC Bank of KHEPL is secured by exclusive charge on entire Property, Plant and Equipment and exclusive charge on all current assets including card swipes of the KHEPL. Also secured by personal guarantee of Dr B Bhaskara Rao and Dr. B. Abhinay.
- The loan carries interest rate of 9% floating linked to bank's 1 year MCLR (31 March 2021: 9%).
- The loan is repayable in 31 equated monthly instalments starting from November 2020 to May 2023. The loan was repaid during the current year.

iii - Federal Bank term loan taken by the Company is secured by Pari Passu first charge on Property, Plant and Equipment of the Company (excluding Rajahmundry hospital) and personal guarantee of Dr. B. Bhaskara Rao and Dr. B. Abhinay.

- The loan is repayable in 60 equal monthly instalments starting from August 2019 to July 2024 and carries an interest rate of 8.85% p.a (31 March 2021: 8.85% to 9.50% p.a.).
- The loan was prepaid during the year ended 31 March 2022.

iv Federal bank - Term loan facility 1 of ICIMSPL is secured by way of first charge on the medical equipment, other movable assets, building improvements and fixtures of ICIMSPL and second charge on entire current assets of ICIMSPL. Further, it is secured by personal guarantee of Dr.B.Abhinay, Dr. B. Bhaskara Rao, Dr. T. Sai Balaram Krishna and Dr. P. Satish Kumar. The loan is also secured by corporate guarantee given by the Company.
- The loan is repayable in 72 equated monthly instalments starting September 2019 and carries an interest rate of 8.40% per annum (31 March 2021:8.40% - 9.30% per annum) with annual reset (linked to 1 year MCLR).

v Federal bank - Term loan facility 2 of ICIMSPL is secured by way of first charge on medical equipment (minimum 1.19x cover), with 15% margin, of the ICIMSPL and second charge on entire current assets of the ICIMSPL. Further, it is secured by personal guarantee of Dr.B.Abhinay, Dr. B Bhaskara Rao, Dr. T Sai Balaram Krishna and Dr. P. Satish Kumar. The loan is also secured by corporate guarantee given by the company.
- The loan is repayable in 72 equated monthly instalments starting April 2020 and carries an interest rate of 8.50% per annum (31 March 2021: 8.5% - 9.50% per annum) with annual reset (linked to 1 year MCLR).

vi Term loan taken by SIMSPL from HDFC Bank Limited has repayment term of 60-135 months and the last instalment in the said facilities is due in February 2030. The loan carries an interest rate of 8.25%-9.75% p.a (31 March 2021 : 8.25%-9.75% p.a).

The loan is secured by first and exclusive charge on moveable and immoveable assets, current assets of the SIMSPL and equitable mortgage on the property owned by the SIMSPL situated at Sy no.155, D.No.1-1348,NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004. Further, the loan is secured by way of Corporate guarantee given by the Company and personal guarantee given by the directors:- Mr. S.V Kishore Reddy and Mr. Yelakala Surendra Reddy. The loans are repaid during the year.

New term loan taken during the year from HDFC Bank Limited has repayment term of 120 months and the last installment in the said facilities is due in December 2031.The loan carries an interest rate of 6% (31 March, 2021 : Nil) floating rate linked to 3 months T-Bill +1%(spread) per annum. The loans are secured by first and exclusive charge on movable fixed assets and current assets of the SIMSPL (both Present and future) and equitable mortgage on the land and building owned by the SIMSPL situated at Sy no.155, D.No.1-1348,NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004. Further the loan is secured by way of corporate guarantee given by the Company and personal guarantee given by the directors - Mr. S.V Kishore Reddy and Mr. Yelakala Surendra Reddy.

vii i) Term loan - 1 taken by KHKPL from HDFC Bank is secured by way of equitable mortgage on the property situated at Plot Nos. 27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of kallur,Johrapuram Road,Kurnool and first and exclusive first charge on movable and immovable assets and current assets of the KHKPL. Further, the loan is also secured by corporate guarantee given by the Company. The loan consists of different facilities wherein repayments term ranges between 60 to 104 months and the last instalment in the said facilities is due in April 2028. The loan carries an interest rate of 1Y MCLR+ 1.10% (spread) per annum (31 March 2021 : 1Y MCLR+ 1.10% (spread) per annum). The loan was preclosed during the year ended 31 March 2022.

Fresh loan taken during the year ended 31 March 2021 from HDFC Bank has repayment term of 48 months and the last instalment in the said facilities is due in July 2025. The loan carries an interest rate of 1Y MCLR+ 0.50% (spread) per annum (31 March 2021 : 1Y MCLR+ 0.50%).The loan is secured by way of extension of Second ranking charge over existing primary and collateral securities including Mortgages created in favour of HDFC Bank.

'Fresh Term Loan taken during the year from HDFC Bank has a repayment term of 120 months and the last instalment in the said facility due in December 2031. The loan carries an interest rate of 6% (floating rate linked to 3 months T-Bill) per annum (31 March 2021 : Nil). The same is secured by way of equitable mortgage on the property situated at Plot Nos. 27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of kallur,Johrapuram Road,Kurnool and first and exclusive charge on entire movable fixed assets of the KHKPL (both present and future) and current assets of the KHKPL. Further, the loan is also secured by corporate guarantee given by the Company.

viii - Term loan from NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited) is taken by the Company and is secured by a first pari-passu mortgage and charge of immovable properties of the Secunderabad hospital and Nellore hospital building of the Company.
- Also secured by a first pari-passu charge by way of hypothecation of Secunderabad hospital and Nellore Hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans and a second pari-passu mortgage and charge of immovable properties of the Ongole hospital.
- Also includes a second pari-passu charge by way of hypothecation of Ongole hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans; a second charge on the entire cash flows, receivables, book debts and revenues of the Company, of whatsoever nature and wherever arising; subject to the prior charge of the working capital lenders.
- Also secured by personal guarantee of Dr. B. Bhaskara Rao. The loan is repayable in 58 equal monthly instalments and carries an interest rate of 9.10% p.a. (31 March 2021: 9.10% p.a).

ix Working capital loans consists of loans from :

a) Working capital loan taken by AHPL consists of loan from HDFC bank which is secured by first and exclusive charge on fixed and current assets of the Company other than assets exclusively charged to other equipment financers. It is also secured by personal guarantee of Dr. G. Someswara Rao. Loan is repayable on demand and carries interest rate of 1 Yr MCLR + 1.85% per annum (31 March 2021: Base rate + 2.75%).

b) - Federal Bank - Working capital loan taken by ICIMSPL is secured by first charge on entire current assets of ICIMSPL with a margin of 25% on stock and receivables and second charge on medical equipment, other movable assets, building improvements and fixtures of ICIMSPL.
- Further, it is secured by personal guarantee of Dr. Abhinay Bollineni, Dr. Bhaskara Rao, Dr. Sai (Director of ICIMSPL) and Dr. P Satish Kumar (Director of ICIMSPL).
- The loan is further secured by corporate guarantee given by the Company.
- Loan is repayable on demand and carries an interest rate of 8.50% per annum (linked to 1 year MCLR) (31 March 2021: 9.50% per annum (linked to 1 year MCLR)).

c) - HDFC Bank - Working capital loan taken by SIMSPL carries interest rate of 9.95% per annum, linked to 1 year MCLR (31 March 2021: 9.95% per annum, linked to 1 year MCLR).
- The loan is secured by first and exclusive charge on moveable and immoveable assets, current assets of the SIMSPL and equitable mortgage on the property owned by Veera Kishore Reddy (Director of SIMSPL) situated at Sy no.155, D.No.1-1348, NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004.
- Further, the loan is secured by way of Corporate guarantee given by the Company and personal guarantee given by Mr. Veera Kishore Reddy and Mr. Yelakala Surendra Reddy (Directors of SIMSPL).

d) Loan from HDFC Bank taken by KHKPL is secured by way of equitable mortgage on the property situated at Plot Nos.27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of kallur, Johrapuram Road, Kurnool and first and exclusive first charge on movable and immovable assets and current assets of KHKPL.
- Further, the loan is also secured by corporate guarantee given by the Company.
- The loan carries an interest rate of 1Y MCLR+ 1.10% (spread) per annum (31 March 2021: 1Y MCLR+ 1.10% (spread) per annum).

x Loan from Standard Chartered Bank taken by the company is secured by personal guarantee given by Dr. B Bhaskar Rao. The loan carries an interest rate of 4.90% per annum (31 March 2021: 4.9% per annum). The loan was repaid during the current year.

xi Aggregate amount of secured loans guaranteed by few Directors of the Company is Rs. 279.26 (31 March 2021: Rs. 1,551.62).

xii The quarterly returns or statements of the current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

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

		As at 31 March 2022	As at 31 March 2021
2.11	**Other financial liabilities (at amortized cost)**		
(a)	**Non-current**		
	Security deposits	2.15	3.16
	Capital creditors	1.77	2.43
	Total	**3.92**	**5.59**
(b)	**Current**		
	Capital creditors	14.77	42.00
	Employee related payable	140.61	104.01
	Interest accrued but not due on borrowings	6.98	8.80
	Security and caution deposit	6.52	6.47
	Total	**168.88**	**161.29**

*Includes payables to related parties. For details refer note 2.26

		As at 31 March 2022	As at 31 March 2021
2.12	**Long-term provisions**		
	Provision for employee benefits		
	Gratuity (refer note 2.25)	170.50	160.64
	Total	**170.50**	**160.64**

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

		As at 31 March 2022	As at 31 March 2021
2.13	**Trade payables (at amortized cost)**		
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises (refer note 2.29)	44.68	17.90
	- total outstanding dues of creditors other than micro enterprises and small enterprises	1,250.66	1,300.80
	Total	**1,295.34**	**1,318.70**

The above includes payable to related party. For details refer note 2.26
Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

Trade Payable Aging Schedule as on 31 March 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	24.11	20.57	-	-	-	**44.68**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	224.91	794.51	32.51	4.48	35.86	**1,092.27**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total						**1,136.95**
Accrued expenses						**158.39**
Balance at the end of the year						**1,295.34**

Trade Payable Aging Schedule as on 31 March 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	13.42	4.48	-	-	-	**17.90**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	257.42	790.30	15.91	26.38	58.41	**1,148.42**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total						**1,166.32**
Accrued expenses						**152.38**
Balance at the end of the year						**1,318.70**

		As at 31 March 2022	As at 31 March 2021
2.14	**Short-term provisions**		
	Provision for employee benefits		
	Gratuity (refer note 2.25)	1.37	12.49
	Compensated absences	102.02	92.38
	Total	**103.39**	**104.86**
2.15	**Other liabilities**		
(a)	**Non-current**		
	Deferred income	-	12.37
	Total	**-**	**12.37**
(b)	**Current**		
	Statutory dues payable	111.57	71.79
	Contract liabilities (Refer note 2.30)	135.13	137.75
	Deferred income	-	0.47
	Other liabilities	31.96	17.12
	Total	**278.66**	**227.13**

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
2.16	**Income from operations**		
A	**Income from contract with customers**		
	Income from medical and healthcare services (Refer note 2.30)		
	Income from hospital services	10,800.53	8,861.40
	Income from pharmacy	5,509.26	4,260.72
	Total	**16,309.79**	**13,122.12**
B	**Other operating income**		
	Income from academic courses	66.34	62.10
	Income from sale of food and beverages	129.66	105.70
	Other hospital income	2.46	9.45
	Total	**198.46**	**177.25**
	Total Income from operations (A+B)	**16,508.25**	**13,299.37**
2.17	**Other income**		
	Interest income on:		
	- fixed deposits	101.91	32.45
	- income tax refunds	9.93	19.93
	- security deposits	10.98	5.61
	Rental income (refer note 2.24)	13.10	7.09
	Liabilities no longer required written back	42.41	7.52
	Miscellaneous income	24.27	29.05
	Total	**202.60**	**101.65**

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
2.18	**(Increase)/ decrease in inventories of medical consumables, drugs and surgical instruments**		
	Opening stock	240.85	303.77
	Less: Closing stock	364.27	240.85
	Total	**(123.42)**	**62.92**
2.19	**Employee benefit expense**		
	Salaries, wages and bonus	2,426.76	2,041.84
	Contribution to provident and other funds (refer note no 2.25)	153.98	136.09
	Staff welfare expenses	38.34	24.16
	Total	**2,619.08**	**2,202.09**
2.20	**Finance cost**		
	Interest to banks and financial insitutions		
	- term loans	109.34	235.59
	- other loans	4.44	6.39
	Unwinding of discount on security deposit	-	0.12
	Interest expense on lease liabilities (refer note no 2.24)	45.43	51.04
	Others	1.12	31.82
	Total	**160.33**	**324.97**
2.21	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (refer note no 2.1(a))	631.11	612.26
	Amortisation of intangible assets (refer note no 2.1(c))	42.55	30.05
	Amortisation of Right-of-use assets (refer note no 2.24)	53.07	53.05
	Total	**726.73**	**695.36**
2.22	**Other expenses**		
	Consultancy charges	3,007.12	2,634.58
	House keeping expenses	472.85	400.86
	Power and fuel	258.27	243.12
	Catering and patient welfare expenses	194.27	159.66
	Rent (refer note 2.24)	93.50	86.43
	Tests and investigations	24.73	25.69
	Academic courses expenses	1.73	0.70
	Repairs and maintenance:		
	- Medical equipment	270.04	242.33
	- Hospital building and others	235.18	201.29
	Printing and stationery	50.51	41.20
	Audit fee	10.02	6.28
	Legal and professional charges	53.24	49.75
	Rates and taxes	45.60	40.86
	Travelling and conveyance	72.94	29.57
	Advertisement and publicity	111.51	91.81
	Communication expenses	21.73	17.99
	Provision/(Reversal) of expected credit loss for trade receivables	(7.97)	38.77
	Trade receivable written off	52.54	8.26
	Insurance	10.31	9.28
	Subscriptions and membership fees	7.72	7.48
	Donations	2.91	35.79
	Contribution towards Corporate Social Responsibility expenditure	39.06	25.58
	Loss on sale of property, plant and equipment (net)	27.17	10.79
	Bank charges	58.41	48.33
	Directors sitting fee	-	0.64
	Commission to Directors	7.67	1.93
	Miscellaneous expenses	58.67	40.17
	Total	**5,179.73**	**4,499.14**

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

2.23 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars		As at 31 March 2022	As at 31 March 2021
i)	Luxury tax matters in dispute	82.27	82.27
ii)	Service tax matters in dispute	-	0.09
iii)	Good and Service tax matters in dispute	6.59	6.59
iv)	VAT matters in dispute	1.76	1.76
v)	Medical claims (gross, excluding interest/costs)	108.68	124.78
vi)	Other claims	23.76	23.76
vii)	The Company has obtained a stay from High Court for the state of Andhra Pradesh, dated 11 November 2014, directing the local authorities not to proceed with the acquisition of part of the building in Nellore for the purpose of road widening. No provision thereof has been made in the Consolidated financials statements.		
viii)	An individual has filed a consumer case at National Consumer Disputes Redressal Commission against the Company along with 3 other hospitals demanding a total compensation of Rs 235.01 (31 March 2021: Rs. 235.01) along with a further interest @ 18% p.a towards medical negligence. Based on the legal opinion obtained by the company and the internal evaluation by the management, the Company believes that it has strong case in this regard and there shall not be any outflow of resources. No provision thereof has been made in the Consolidated financial statement.		
ix)	On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employer contribution obligations, for Provident Fund contributions under Indian law. There are interpretative issues relating to the retrospective applicability of the judgement. However, from the date of order, the Group has complied with the aforesaid Supreme court's judgement. The Group will evaluate the same and update its position for earlier years, if any on receiving further clarity on the subject.		

Notes:

i. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its consolidated financial statements. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

(b) Commitments

Particulars		As at 31 March 2022	As at 31 March 2021
I) Capital commitment			
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	812.65	184.45
II) Other commitments			
i)	During the earlier years, the Company has acquired 80% shareholding in Saveera Institute of Medical Sciences Private Limited ('SIMSPL'). As per the shareholder's agreement, the Company agreed to transfer 3.5% of the equity shares of SIMSPL to Non controlling interest of SIMSPL subject to fulfilment of certain conditions.		

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

2.24 Lease

a) Group as a lessee

The Group has lease contracts for various items of land, building and medical equipment used in its operations. Leases of land , building and medical equipment generally have lease terms between 3 and 15 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. One of our hospital buildings taken on lease has applied for the requisite approvals from municipal and other authorities. The lessor is in the process of obtaining these approvals from respective authorities.

The Group also has certain leases of buildings and medical equipment with lease terms of 12 months or less with no purchase option and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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

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

Particulars	Leasehold Land	Building	Medical equipment	Total Right of Use Asset
As at 1 April 2020	119.63	436.13	5.05	560.81
Additions	-	1.58	-	1.58
Amortisation expense	(2.95)	(47.61)	(2.49)	(53.05)
As at 31 March 2021	**116.68**	**390.10**	**2.56**	**509.34**
Additions	780.89	-	-	780.89
Deletion	-	(14.79)	-	(14.79)
Amortization expense charged to P&L	(43.83)	(6.76)	(2.48)	(53.07)
Amortization expense included in CWIP	(40.87)	-	-	(40.87)
As at 31 March 2022	**812.86**	**368.55**	**0.08**	**1,181.50**

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

	As at 31 March 2022	As at 31 March 2021
Opening Balance	459.02	479.53
Additions	541.87	1.58
Deletions	(17.36)	-
Accretion of interest charged to P&L	45.43	51.04
Accretion of interest included in CWIP	21.52	-
Payments	(95.49)	(73.13)
Balance as at	**954.99**	**459.02**
Current	**68.40**	**25.62**
Non-current	**886.59**	**433.40**

The effective interest rate for lease liabilities ranges between 8% to 10.5%, with maturity between 2022-2031 (31 March 2021: 9% to 10.5%, with maturity between 2022-2031)

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

	As at 31 March 2022	As at 31 March 2021
Amortisation expense of right-of-use assets	53.07	53.05
Interest expense on lease liabilities	45.43	51.04
Expense relating to short-term leases and low-value assets (included in other expenses)	93.50	86.43
Total amount recognised in profit or loss	**192.00**	**190.52**

The Group had total cash outflows for leases of Rs. 188.99 in 31 March 2022 (31 March 2021: Rs. 159.56).

Set out below are the undiscounted potential future rental payments relating to periods included in the lease term:

	As at 31 March 2022	As at 31 March 2021
Within less than one year	150.36	72.89
Between one and five years	632.80	298.10
After more than five years	609.39	363.17
Total	**1,392.55**	**734.16**

Operating lease in the capacity of lessor

b) The Group has given certain property, plant and equipment on cancellable leases to various parties. The rental income earned from such leases recognised in other income is Rs. 13.10 (31 March 2021: Rs. 7.09).

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

2.25 Employee benefits

(i) Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity. The Group accrues gratuity as per the provisions of the payment of Gratuity Act, 1972 as applicable as at the balance sheet date. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive 15 days salary for each year of completed services at the time of retirement/exit. The gratuity fund is administered by trust formed for this purpose and is managed by Life Insurance Corporation of India. The Group's obligation in respect of gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligation	227.08	197.64
Fair value of plan assets	56.50	24.51
Total employee benefit liability	**170.58**	**173.13**
Non-current	170.50	160.64
Current	1.37	12.49

B Reconciliation of net defined benefit obligation

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

i) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation as at beginning of the year	197.64	168.00
Benefits paid	(14.68)	(7.60)
Current service cost	33.24	28.90
Interest cost	10.50	8.99
Actuarial losses/(gains) recognised in other comprehensive income due to:		
- Changes in financial assumptions	0.02	0.06
- Changes in demographic assumptions	(5.96)	0.52
- experience changes	6.32	(1.24)
Defined benefit obligation as at the end of the year	**227.08**	**197.64**

ii) Reconciliation to fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at beginning of the year	24.51	28.63
Contributions paid into the plan	44.02	9.37
Interest income	0.74	1.05
Benefits paid	(14.68)	(7.60)
Return on plan assets	1.91	(6.94)
Plan assets at end of the year	**56.50**	**24.51**

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

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Current service cost	33.24	28.90
Interest on defined benefit obligation / plan assets (net)	9.76	7.95
Net gratuity cost, included in 'employee benefits expense'	**43.00**	**36.85**

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

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Actuarial gain / (loss) on net defined benefit obligation	0.38	(0.66)
Actual return on plan assets less interest on plan assets	(1.91)	6.94

D Plan assets

Plan assets comprises of the following:

Particulars	As at 31 March 2022	As at 31 March 2021
Fund managed by Insurer	56.50	24.51

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

2.25 Employee benefits (continued)
(i) Defined benefit plan (continued)

E Defined benefit obligation
i) Actuarial assumptions
The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Principal actuarial assumptions	As at 31 March 2022	As at 31 March 2021
Discount rate	6.25%	5.80%
Salary escalation rate	8.00%	8.00%
Mortality	0.087% to 0.965%	0.087% to 0.965%
Attrition rate	8% to 60%	8% to 60%

F Maturity profile of defined benefit obligation

The following payments are expected contributions to the defined benefit plan in future years

Particulars	As at 31 March 2022	As at 31 March 2021
1st following year	38.51	33.14
Year 2 to 5	92.98	114.85
Year 6 to 9	74.51	61.95
Year 10 and above	114.08	99.00

The average duration of the defined benefit plan obligation at the end of the reporting year is 5.84 years (31 March 2021: 6.66 years).

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

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

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

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

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(17.33)	19.30	(10.69)	13.48
Salary escalation rate (1% movement)	18.28	(16.78)	12.54	(10.16)

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

(ii) Defined contribution plan

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Amount recognised in the consolidated statement of profit and loss towards		
i) Provident fund	81.82	72.06
ii) Employee state insurance	29.16	27.19

The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company is assessing the impact of the Code and will record any related impact in the period of the Code becomes effective.

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

2.26 Related party disclosures

(a) Nature of relationship and name of related parties

Nature of relationship	Name of related parties
Key Management personnel (KMP)	Dr. B Bhaskara Rao - Managing Director Dr. B Abhinay- Chief Executive Officer Mr. Uma Shankar Mantha - Company Secretary Mr. Vikas Maheshwari - Chief Financial Officer Mrs. Dandamudi Anitha -Whole-time Director
Directors of the Company	Mr G Rajeswara Rao Mrs Jyothi Prasad (resigned on 8 January 2021) Mr. Saumen Chakraborty (w.e.f 8 January 2021) Mr. Pankaj Vaish (w.e.f 8 January 2021) Mr. Venkata Ramudu Jasthi (w.e.f 8 January 2021) Mr. Kaza Ratna Kishore (w.e.f 8 January 2021) Mr. Sandeep Achyut Naik (resigned on 6 August 2021) Mr. Shantanu Rastogi
Relative of KMP	Dr. Raavi Swetha- Daughter in law of Managing Director
Enterprises under control or joint control of KMP and close family member of KMP	Sri Viswa Medicare Limited KIMS Foundation and Research Centre BSCPL Infrastructure Limited
Enterprise having significant influence over the Group	General Atlantic Singapore KH Pte. Ltd
Joint Venture	Sarvejana Health Care Private Limited (w.e.f 27 October 2021)

(b) Transactions with related parties

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i. Professional fee to KMP		
Dr. B Bhaskara Rao	18.00	18.00
ii. Professional fee to relative of KMP		
Dr. Raavi Swetha	2.13	2.03
iii Rent to KMP		
Dr. B Bhaskara Rao	0.10	0.10
iv. Managerial remuneration*		
Dr. B Bhaskara Rao	24.00	22.00
Mrs. Dandamudi Anitha	4.74	3.60
Dr. B Abhinay	11.75	9.00
Mr. Vikas Maheshwari	9.60	8.73
Mr. Uma Shankar Mantha	2.58	2.23
v. Directors sitting fee		
Mr G Rajeswara Rao	-	0.32
Mrs Jyothi Prasad	-	0.32
vi. Conversion of Share warrants in to equity shares		
Dr. B Bhaskara Rao (refer note 2.9(b)(iii))	-	953.33
vii. Payment for purchase of Land		
BSCPL Infrastructure Limited	-	292.50
viii. Expenditure towards CSR		
KIMS Foundation and Research Centre	34.04	21.29
ix. Commission to Directors		
Mr G Rajeswara Rao	0.81	0.20
Mr. Saumen Chakraborty	3.49	0.88
Mr. Pankaj Vaish	1.74	0.45
Mr. Kaza Ratna Kishore	0.81	0.20
Mr. Venkata Ramudu Jasthi	0.81	0.20
x. Purchase of medical consumables, drugs and surgical instruments		
Sarvejana Healthcare Private Limited	0.97	-
xi. Income from pharmacy		
Sarvejana Healthcare Private Limited	15.57	-
xii. Investment in Joint Venture		
Sarvejana Healthcare Private Limited	3,229.65	-
xiii. Share of profit of a Joint Venture, net of tax		
Sarvejana Healthcare Private Limited	95.10	-

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

2.26 Related party disclosures

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

Particulars	As at 31 March 2022	As at 31 March 2021
i. Trade receivables		
Sri Viswa Medicare Limited	1.48	1.90
Sarvejana Healthcare Private Limited	12.04	-
ii. Trade payables		
Dr. B Bhaskara Rao	0.14	0.10
Dr. Raavi Swetha	0.17	0.18
iii. Commission to Directors		
Mr G Rajeswara Rao	0.16	0.16
Mr. Saumen Chakraborty	0.68	0.69
Mr. Pankaj Vaish	0.34	0.35
Mr. Kaza Ratna Kishore	0.16	0.16
Mr. Venkata Ramudu Jasthi	0.16	0.16

(d) For certain loans availed by the Group, few Directors of the Company have given personal guarantee. Refer note 2.10 for details.

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

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

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

2.27 Earnings per share (EPS)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings		
Profit attributable to equity shareholders of the Company	3,326.85	2,012.19
Shares		
Number of shares at the beginning of the year	7,75,93,283	7,44,89,552
Add: Equity shares issued during the year	24,34,504	31,03,731
Total number of equity shares outstanding at the end of the year	**8,00,27,787**	**7,75,93,283**
Weighted average number of equity shares outstanding during the year - Basic	7,94,40,838	7,48,72,204
Weighted average number of equity shares arising out of issue of share warrant that have dilutive effect on EPS	-	12,76,322
Weighted average number of equity shares outstanding during the year - used in calculating Diluted EPS	7,94,40,838	7,61,48,526
Earnings per share of par value Rs. 10 - Basic (Rs.)	41.88	26.87
Earnings per share of par value Rs. 10 - Diluted (Rs.)	41.88	26.42

2.28 Segment information

The Managing Director of the Group takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Group's business model, medical and healthcare services have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the Consolidated Financial Statements. Presently, the Group's operations are predominantly confined in India. There are no individual customer contributing more than 10% of Group's total revenue.

2.29 Due to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31 March 2022 has been made in the consolidated financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	44.68	17.90
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-

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

2.30 Revenue from contracts with customers:

Disaggregated revenue information

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from hospital services	10,800.53	8,861.40
Income from pharmacy	5,509.26	4,260.72
Total revenue from contracts with customers	**16,309.79**	**13,122.12**
India	16,309.79	13,122.12
Outside India	-	-
Timing of revenue recognition		
Services transferred over time	10,800.53	8,861.40
Goods transferred at a point of time	5,509.26	4,260.72
Total revenue from contracts with customers	**16,309.79**	**13,122.12**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	17,449.06	13,941.88
Less: Discounts and disallowances	(1,139.27)	(819.76)
Total revenue from contracts with customers	**16,309.79**	**13,122.12**

Contract balances

Particulars	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
Trade receivables	1,286.36	1,098.19	1,322.68
Contract assets	152.33	133.52	44.39
Contract liabilities	135.13	137.75	27.02

Contract liabilities: During the financial year ended 31 March 2022, the Group has recognised revenue of Rs. 137.75 from advance received from patients outstanding as on 31 March 2021. During the financial year ended 31 March 2021, the company has recognised revenue of Rs. 27.02 from advance received from patients outstanding as on 31 March 2020. It expects similarly to recognise revenue in year ended 31 March 2023 from the closing balance of advance from customers as at 31 March 2022.

Contract asset: During the financial year ended 31 March 2022, the company has transferred Rs. 133.52 of contract assets as at 31 March 2021 to trade receivables on completion of performance obligation. During the financial year ended 31 March 2021, the company has transferred Rs. 44.39 of contract assets as at 31 March 2020 to trade receivables on completion of performance obligation.

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

2.31 Capital management

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

The Company's net debt to equity ratio as of 31 March 2022 and 31 March 2021 was as follows:

Particulars*	**As at 31 March 2022**	**As at 31 March 2021**
Total borrowings	1,610.29	2,704.67
Less: Cash and cash equivalents	(256.34)	(521.29)
Net debt	**1,353.95**	**2,183.38**
Total equity	**13,815.45**	**8,579.71**
Net debt to equity ratio - Gearing ratio	**9.80%**	**25.45%**

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.
In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

* For this purpose, net debt is defined as total borrowings, less cash and cash equivalents. Total equity comprises all components Total equity attributable to owners of the Company excluding adjustment reserve.

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

2.32 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

As at 31 March 2022	Carrying value	Fair value	Fair value level
Financial assets at amortised cost (Refer note below)			
Trade receivables	1,286.36	1,286.36	
Cash and cash equivalents	256.34	256.34	
Bank balances other than above	1,644.31	1,644.31	
Other financial assets	676.54	676.54	
Total	**3,863.55**	**3,863.55**	
Financial liabilities at amortised cost (Refer note below)			Level 3
Long-term borrowings	1,376.63	1,376.63	
Lease liabilities	954.99	954.99	
Short-term borrowings	233.66	233.66	
Trade payables	1,295.34	1,295.34	
Other financial liabilities	172.80	172.80	
Total	**4,033.42**	**4,033.42**	

As at 31 March 2021	Carrying value	Fair value	Fair value level
Financial assets at amortised cost (Refer note below)			
Trade receivables	1,098.19	1,098.19	
Cash and cash equivalents	521.29	521.29	
Bank balances other than above	2,323.13	2,323.13	
Other financial assets	449.82	449.82	
Total	**4,392.43**	**4,392.43**	
Financial liabilities at amortised cost (Refer note below)			Level 3
Long-term borrowings	1,846.03	1,846.03	
Lease liabilities	459.02	459.02	
Short-term borrowings	858.64	858.64	
Trade payables	1,318.70	1,318.70	
Other financial liabilities	166.88	166.88	
Total	**4,649.27**	**4,649.27**	

The carrying amounts of trade receivables, trade payables, other financials assets, other financial liabilities, short term borrowings and cash and cash equivalents and bank balances other than cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair value hierarchy due to the use of unobservable inputs including own credit risk.

B. Financial risk management

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

(i) Risk management framework

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

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

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

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

2.32 Financial instruments : Fair value and risk management (continued)

(ii) Credit risk

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and contract assets amounting to Rs. 1,842.59 as on 31 March 2022 (31 March 2021 : Rs. 1,643.59). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit losses	As at 31 March 2022	As at 31 March 2021
Opening balance	411.87	373.10
Credit loss (reversed)/added	(7.97)	38.77
Closing Balance	403.90	411.87
Trade receivable write off not routed through the above movement	52.54	8.26

The Group uses a provision matrix to determine the expected credit loss on the portfolio of its trade receivables and contract assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and contract assets and is adjusted for forward looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due in the provision matrix. Set out below is the information about the credit risk exposure of the Group's trade receivables and contract asset using provision matrix:

	Not past due	0-180 days due past due date	More than 180 days past due date	Gross trade receivables and contract assets
For the year ended 31 March 2022	787.11	593.13	462.35	1,842.59
For the year ended 31 March 2021	628.01	560.88	454.69	1,643.59

Customer Concentration

No single customer represents 10% or more of the Group's total revenue during the year ended 31 March 2022 and 31 March 2021. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

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

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

2.32 Financial instruments : Fair value and risk management (continued)

(iii) Liquidity risk

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings	1,376.63	-	477.05	900.27	1,377.32
Lease liabilities	954.99	150.36	632.80	609.39	1,392.55
Short-term borrowings	233.66	233.66	-	-	233.66
Trade payables	1,295.34	1,295.34	-	-	1,295.34
Other financial liabilities	172.80	168.88	1.77	2.15	172.80
Total	**4,033.42**	**1,848.24**	**1,111.62**	**1,511.81**	**4,471.67**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings	1,846.03	-	1,499.25	350.40	1,849.65
Lease liabilities	459.02	72.89	298.10	363.17	734.16
Short-term borrowings	858.64	858.64	-	-	858.64
Trade payables	1,318.70	1,318.70	-	-	1,318.70
Other financial liabilities	166.88	161.29	2.43	3.16	166.88
Total	**4,649.27**	**2,411.52**	**1,799.78**	**716.74**	**4,928.03**

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

C. Market risk

(i) Interest rate risk exposure

Interest rate risk 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 Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long-term and short-term borrowings with variable interest rates.

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate long term borrowings and short term borrowings	1,605.48	2,177.91
Total borrowings	**1,605.48**	**2,177.91**

(i) Sensitivity

Particulars	Impact on profit or loss As at 31 March 2022	As at 31 March 2021
Sensitivity		
1% increase in MCLR	(16.05)	(21.78)
1% decrease in MCLR	16.05	21.78

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

D. Currency risk

The Group is not exposed to currency risk.

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

2.33 Business combinations and acquisition of non-controlling interests

(i) Acquisition of additional interest in shares of KIMS Hospitals Enterprise Private Limited

During the year ended 31 March 2022, the Company has increased its stake in KIMS Hospitals Enterprise Private Limited from 86.32 % to 86.67% through secondary purchase of 86,950 equity shares from existing shareholders for a total amount of Rs. 11.30. The shares were purchased at Rs.130 (premium of Rs.120) per share. This has resulted in reduction of non controlling interest and other equity amounting to Rs. 2.20 and Rs. 9.10 respectively.

During the year ended 31 March 2021, the Company had increased its stake in KIMS Hospitals Enterprise Private Limited from 75.26 % to 86.32% through secondary purchase of 2,464,818 equity shares from existing shareholders for a total amount of Rs. 352.73. The shares were purchased at Rs. 130 per share. This has resulted in reduction of non controlling interest and other equity amounting to Rs. 51.38 and Rs. 301.35 respectively.

Accounting Policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by- acquisition basis. For the non-controlling interest of KIMS Hospitals Kurnool Private Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

2.34 Interest in joint venture

The Company has invested in Sarvejana Healthcare Private Limited ("Sunshine Hospitals") by acquiring 49.38% through purchase of 64,16,666 equity shares fully paid up from existing shareholders for a total amount of Rs.1,248.17 and 12,232,890 equity shares partly paid up from existing shareholders on rights basis for a total amount of Rs.1,981.48. The shares were purchased at Rs.194.52 (premium of Rs.184.52) per share.

As at 31 March 2022, the Group's interest in Sarvejana Healthcare Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet as at 31 March 2022:

	Amount
Current assets	1,467.85
Non-current assets	2,593.09
Current liabilities	607.67
Non-current liabilities	714.43
Equity	**2,738.84**
Group's share in equity- 49.38%	**1,352.44**
Consolidation adjustment (including goodwill / intangible assets)	**1,972.32**
Group's carrying amount of the investment	**3,324.76**

Summarised statement of profit and loss of the Sarvejana Health Care Private Limited for the period of 27 October 2021 to 31 March 2022:

	Amount
Revenue from contracts with customers	1,867.17
Purchase of medical consumables, drugs and surgical instruments	(495.70)
(Increase)/ Decrease in inventories of medical consumables, drugs and surgical instruments	5.96
Depreciation and amortisation expense	(115.20)
Finance cost	(38.71)
Employee benefits expense	(194.85)
Other expenses	(694.61)
Profit before tax	**334.06**
Income tax expense	109.04
Profit for the period	**225.02**
Total comprehensive income for the period	**234.72**
Group's share of profit for the period @ 49.38%	**115.90**
Less: Consolidation adjustments	**(20.80)**
Group's share of profit for the period	**95.10**

The joint venture has following contingent liabilities and capital commitments (to the extent of Group' share) as at 31 March 2022. Sarvejana Healthcare Private Limited cannot distribute its profits until it obtains the consent from the Venture partners.

	Amount
Contingent liabilities	188.55
Capital commitments	244.68

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

2.35 Non-controlling interest

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

As at 31 March 2022	Arunodaya Hospitals Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	KIMS Hospital Enterprises Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited
NCI Percentage	**42.17%**	**49.00%**	**13.33%**	**20.00%**	**45.00%**
Non-current assets	212.78	266.38	2,097.22	903.85	485.91
Current assets	96.71	149.32	197.20	159.50	108.45
Non-current liabilities	(9.86)	(70.16)	(892.37)	(636.48)	(632.83)
Current liabilities	(72.00)	(144.25)	(309.21)	(163.60)	(139.43)
Net Assets	**227.62**	**201.28**	**1,092.85**	**263.28**	**(177.90)**
Net Assets attributable to NCI (before adjustments)	95.99	98.63	145.66	52.66	(80.05)
Business combination and other adjustment on consolidation	(0.89)	7.66	(1.60)	(70.64)	(14.11)
Net Assets attributable to NCI	**95.10**	**106.29**	**144.06**	**(17.98)**	**(94.16)**
Revenue	306.28	1,059.94	2,308.49	855.77	652.94
Profit	(28.16)	153.78	459.15	22.84	(33.12)
Other comprehensive income/(loss) ('OCI')	0.40	(0.40)	(0.49)	(0.07)	(0.23)
Total comprehensive income	**(27.76)**	**153.38**	**458.66**	**22.76**	**(33.35)**
Profit allocated to NCI	(11.87)	75.35	61.20	4.57	(14.90)
OCI allocated to NCI	0.17	(0.20)	(0.06)	(0.01)	(0.10)
Business combination and other adjustment on consolidation	(0.23)	(2.21)	(0.01)	(0.01)	(0.79)
Total comprehensive income allocated to NCI	**(11.93)**	**72.94**	**61.13**	**4.55**	**(15.79)**
Cash flows					
Cash flow from operating activities	(14.19)	112.91	183.01	101.35	43.89
Cash flow from investing activities	16.36	(35.20)	(44.45)	(47.94)	(36.84)
Cash flow from financing activities	(2.13)	(103.48)	(241.21)	(61.28)	10.76
Net increase / (decrease) in cash and cash equivalents	**0.04**	**(25.77)**	**(102.65)**	**(7.87)**	**17.81**
Cash flows attributable to NCI	**0.02**	**(12.63)**	**(13.68)**	**(1.57)**	**8.01**

As at 31 March 2021	Arunodaya Hospitals Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	KIMS Hospital Enterprises Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited
NCI Percentage	**42.17%**	**49.00%**	**13.68%**	**20.00%**	**45.00%**
Non-current assets	189.48	243.40	1,058.80	872.88	466.03
Current assets	133.51	134.95	387.44	156.34	73.19
Non-current liabilities	(11.16)	(195.46)	(511.22)	(586.35)	(512.42)
Current liabilities	(56.48)	(135.00)	(300.84)	(226.94)	(193.67)
Net Assets	**255.35**	**47.90**	**634.18**	**215.93**	**(166.87)**
Net Assets attributable to NCI (before adjustments)	107.68	23.47	86.77	43.19	(75.09)
Business combination and other adjustment on consolidation	(0.66)	9.90	(1.65)	(65.72)	(3.28)
Net Assets attributable to NCI	**107.02**	**33.37**	**85.12**	**(22.53)**	**(78.37)**
Revenue	364.76	834.78	1,638.88	694.72	524.45
Profit	25.37	96.67	158.34	(48.59)	(51.77)
Other comprehensive income/(loss) ('OCI')	1.23	(0.02)	(0.89)	(0.14)	(0.04)
Total comprehensive income	**26.59**	**96.65**	**157.46**	**(48.73)**	**(51.80)**
Profit allocated to NCI	10.70	47.37	39.17	(9.72)	(23.30)
OCI allocated to NCI	0.52	(0.01)	(0.22)	(0.03)	(0.02)
Business combination and other adjustment on consolidation	(1.11)	(2.21)	(17.41)	-	(0.79)
Total comprehensive income allocated to NCI	**10.11**	**45.15**	**21.54**	**(9.75)**	**(24.11)**
Cash flows					
Cash flow from operating activities	43.07	86.08	455.71	54.37	14.45
Cash flow from investing activities	(80.61)	(20.90)	(172.35)	(46.97)	(46.85)
Cash flow from financing activities	(2.77)	(33.62)	(168.69)	0.77	33.46
Net increase / (decrease) in cash and cash equivalents	**(40.31)**	**31.56**	**114.67**	**8.17**	**1.06**
Cash flows attributable to NCI	**(17.00)**	**15.46**	**15.69**	**1.63**	**0.48**

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Notes to the Consolidated financial statements for the year ended 31 March 2022
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.36 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

31 March 2022

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Krishna Institute of Medical Sciences Limited	97.65%	13,775.47	80.97%	2,783.64	164.17%	1.97	81.00%	2,785.61
Subsidiary								
Arunodaya Hospitals Private Limited	1.61%	227.62	-0.47%	(16.29)	19.17%	0.23	-0.47%	(16.06)
KIMS Hospitals Private Limited	0.82%	116.29	-0.10%	(3.37)	0.00%	-	-0.10%	(3.37)
KIMS Swastha Private Limited	-0.02%	(3.00)	-0.02%	(0.54)	0.00%	-	-0.02%	(0.54)
KIMS Hospital Bengaluru Private Limited*	-0.03%	(4.48)	-0.13%	(4.53)	0.00%	-	-0.13%	(4.53)
KIMS Hospital Enterprises Private Limited	7.75%	1,092.85	11.58%	397.95	-35.83%	(0.43)	11.56%	397.52
Iconkrishi Institute Of Medical Sciences Private Limited	1.43%	201.28	2.28%	78.43	-16.67%	(0.20)	2.27%	78.23
Saveera Institute Of Medical Sciences Private Limited	1.87%	263.28	0.53%	18.27	-5.00%	(0.06)	0.53%	18.21
KIMS Hospitals Kurnool Private Limited	-1.26%	(177.90)	-0.53%	(18.22)	-10.83%	(0.13)	-0.53%	(18.35)
Joint venture								
Sarvejana Health Care Private Limited	NA	NA	2.77%	95.10	0.00%	-	2.77%	95.10
Non-controlling interests in all subsidiaries	1.65%	233.31	3.23%	111.10	-16.67%	(0.20)	3.22%	110.90
Eliminations	-11.47%	(1,618.32)	-0.10%	(3.59)	1.67%	0.02	-0.10%	(3.57)
Total	**100.00%**	**14,106.40**	**100.00%**	**3,437.95**	**100.00%**	**1.20**	**100.00%**	**3,439.15**

31 March 2021

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Parent								
Krishna Institute of Medical Sciences Limited	103.55%	9,073.23	91.81%	1,886.49	103.23%	(4.79)	91.78%	1,881.70
Subsidiary								
Arunodaya Hospitals Private Limited	2.91%	255.35	0.71%	14.66	-15.30%	0.71	0.75%	15.37
KIMS Hospitals Private Limited	1.37%	119.65	-0.15%	(2.98)	0.00%	-	-0.15%	(2.98)
KIMS Swastha Private Limited	-0.03%	(2.46)	-0.03%	(0.54)	0.00%	-	-0.03%	(0.54)
KIMS Cuddles Private Limited	0.00%	-	-0.01%	(0.26)	0.00%	-	-0.01%	(0.26)
KIMS Hospital Bengaluru Private Limited*	0.00%	0.05	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
KIMS Hospital Enterprises Private Limited	7.24%	634.18	6.65%	136.67	16.38%	(0.76)	6.63%	135.91
Iconkrishi Institute Of Medical Sciences Private Limited	0.55%	47.90	2.40%	49.30	0.22%	(0.01)	2.40%	49.29
Saveera Institute Of Medical Sciences Private Limited	2.46%	215.93	-1.89%	(38.87)	2.37%	(0.11)	-1.90%	(38.98)
KIMS Hospitals Kurnool Private Limited	-1.90%	(166.87)	-1.39%	(28.47)	0.43%	(0.02)	-1.39%	(28.49)
Non-controlling interests in all subsidiaries	1.42%	124.61	2.07%	42.60	-7.33%	0.34	2.09%	42.94
Eliminations	-17.57%	(1,539.62)	-0.17%	(3.78)	0.00%	-	-0.18%	(3.78)
Total	**100.00%**	**8,761.95**	**100.01%**	**2,054.79**	**100.00%**	**(4.64)**	**100.00%**	**2,050.15**

*Earlier known as KIMS Hospital (Bhubaneswar) Private Limited.

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

2.37 Income tax

a. Amount recognised in the statement of profit and loss

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	1,141.55	778.39
Deferred tax attributable to temporary differences	1.66	(33.03)
Adjustment of tax relating to earlier years	(12.63)	(10.00)
Tax expenses for the year	**1,130.58**	**735.36**

b. Amount recognised in other comprehensive income

	For the year ended 31 March 2022			For the year ended 31 March 2021		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	1.53	(0.33)	1.20	(6.28)	1.64	(4.64)

c. Reconciliation of effective tax rate

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	**4,473.43**	**2,790.15**
Enacted tax rates	25.168%	25.168%
Tax expense at enacted rates	1,125.87	702.22
Adjustment of tax relating to earlier years	(12.63)	(10.00)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Non-deductible expenses	6.40	31.99
Minimum Alternate Tax (MAT) credit entitlement	-	(16.26)
(Reversal)/ recognition of tax losses	-	26.39
Others	10.93	1.02
Total	**1,130.58**	**735.36**

d. Recognition of deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset		
Expected credit loss for trade receivables	102.83	93.99
Provision for employee benefits	87.88	79.98
Property, Plant and Equipment	3.45	6.24
Minimum alternate tax credit entitlement	-	16.26
Others	46.49	20.55
Total deferred tax asset	**240.65**	**217.01**
Deferred tax liability		
Property, Plant and Equipment	586.88	543.70
Others	1.00	2.28
Total deferred tax liability	**587.88**	**545.97**
Deferred tax asset	**(347.23)**	**(328.96)**
Net deferred tax liabilities	**(379.38)**	**(358.31)**
Net deferred tax asset	**32.15**	**29.35**

(ii) Movement in temporary differences

Particulars	Expected credit loss for trade receivables	Minimum alternate tax credit entitlement	Provision for employee benefits	Others - assets	Property, plant and equipment (asset)	Property, plant and equipment (liability)	Others - liability	Total
Balance as at 1 April 2020	**88.53**	**21.06**	**61.47**	**15.74**	**4.17**	**(531.47)**	**(2.07)**	**(342.57)**
Recognised in profit or loss during the year	5.46	16.26	16.87	4.81	2.06	(12.23)	(0.20)	33.03
Recognised in OCI during the year	-	-	1.64	-	-	-	-	1.64
Others	-	(21.06)	-	-	-	-	-	(21.06)
Balance as at 31 March 2021	**93.99**	**16.26**	**79.98**	**20.55**	6.24	**(543.70)**	**(2.28)**	**(328.96)**
Recognised in profit or loss during the year	8.85	-	8.23	25.94	(2.79)	(43.18)	1.28	(1.66)
Recognised in OCI during the year	-	-	(0.33)	-	-	-	-	(0.33)
Others	-	(16.26)	-	-	-	-	-	(16.26)
Balance as at 31 March 2022	**102.83**	**-**	**87.88**	**46.49**	**3.45**	**(586.88)**	**(1.00)**	**(347.23)**

Tax loss and unabsorbed depreciation carry-forward for which no deferred tax assets were recorded with expiry date:

	As at 31 March 2022	As at 31 March 2021
Expiry within 1-5 years	-	-
Expiry within 6-8 years	145.33	45.25
Indefinite	51.16	197.96
	196.49	**243.21**

Amount of deferred tax asset that has not been recorded as at year end:

	As at 31 March 2022	As at 31 March 2021
Tax rate	25.17%	25.17%
Deferred tax asset not recorded as at year end	**49.46**	**61.22**

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

2.38 Goodwill

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year and end of the year	847.75	847.75

For impairment testing, goodwill acquired through business combinations and goodwill on consolidation has been allocated to the medical and healthcare services CGU. The group has performed its annual impairment testing for the year ended 31 March 2022 and 31 March 2021.

Medical and Health care Services CGU

The recoverable amount of the CGU, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the years is stated in the below table and cash flows beyond the five-year period are extrapolated using a long term growth rate as stated in the below table that is the same as the long-term average growth rate for the Medical and Health care industry.

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	12.20%	16.50%
Long term growth rate	5.50%	5.50%

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

There is no impairment noted in the Medical and Healthcare Services CGU based on the assessment performed by the Management. Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the Medical and Healthcare Services CGU lower than the carrying amount of CGU.

2.39 Other Statutory Information

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix) The Group has not declared/paid any dividend during the year.

2.40 The Company has completed Initial Public Offer ("IPO") of 25,995,042 Equity Shares of the face value of Rs. 10/- each at an issue price of Rs. 825/- per Equity Share, comprising offer for sale of 23,560,538 shares by Selling Shareholders and fresh issue of 2,434,504 shares. The Equity Shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 28 June 2021.

The utilisation of the net IPO proceeds is summarised below:

Particulars	Objects of the issue as per prospectus *	Utilisation upto 31 March 2022	Unutilised amount as on 31 March 2022
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company	1,500.00	1,500.00	-
General Corporate Purpose	416.60	416.60	-
Total	**1,916.60**	**1,916.60**	**-**

* net of Offer expenses to the extent applicable to the Fresh Issue.

The total offer expenses are Rs.893.55 which are proportionately allocated between the selling shareholders and the Company as per respective offer size. The Company's share of these expenses is Rs. 83.40, which has been adjusted against securities premium.

2.41 Events after the reporting period

Subsequent to the year end, the Company has complied with the terms and conditions of the shareholders agreement entered during the year with the existing promoter and certain other shareholders of Sunshine Hospitals, including payment of all paid up calls and obtaining majority composition of the Board of Directors. Accordingly, Sunshine Hospitals has become a subsdiairy subsequent to year end.

As per our report on even date attached

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

per Navneet Rai Kabra
Partner
Membership no.: 102328

Place: Hyderabad
Date: 19 May 2022

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

Dr. B Bhaskara Rao
Managing Director
DIN:00008985

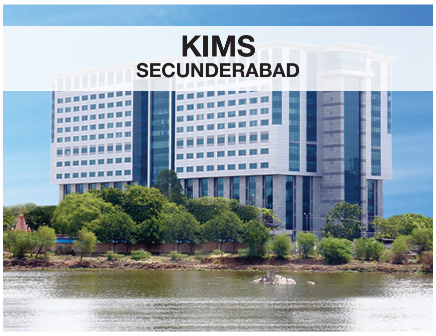
Dr. B Abhinay
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shanker Mantha
Company Secretary
Membership no:A21035

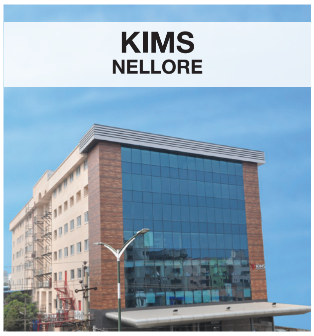
Place: Hyderabad
Date: 19 May 2022

THE LARGEST CORPORATE HEALTHCARE GROUP IN ANDHRA PRADESH AND TELANGANA



KIMS
SECUNDERABAD

KIMS
KONDAPUR



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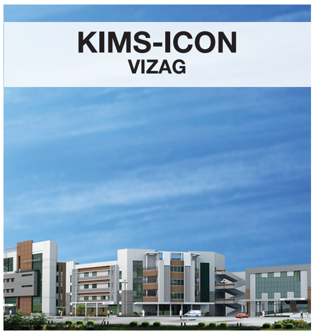
KIMS-SUNSHINE
PARADISE CIRCLE

KIMS
GACHIBOWLI



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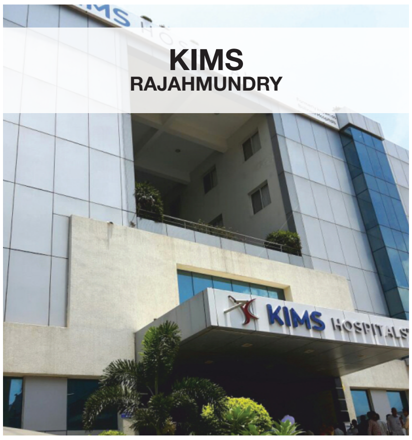

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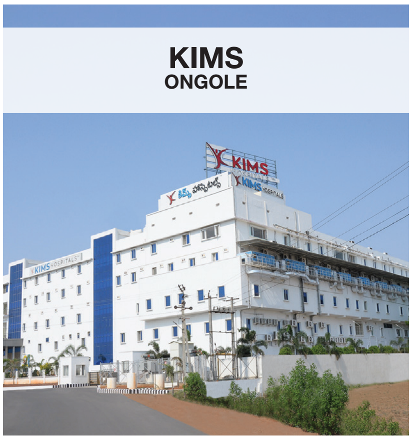

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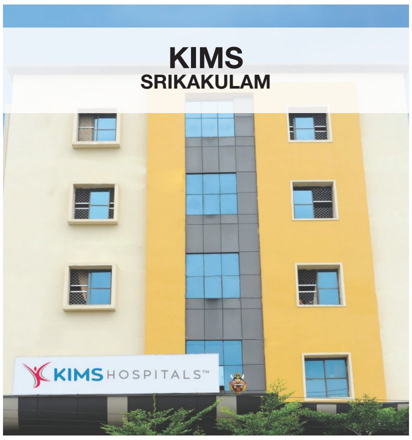

KIMS
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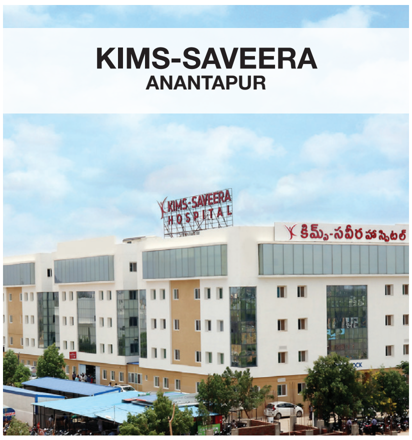

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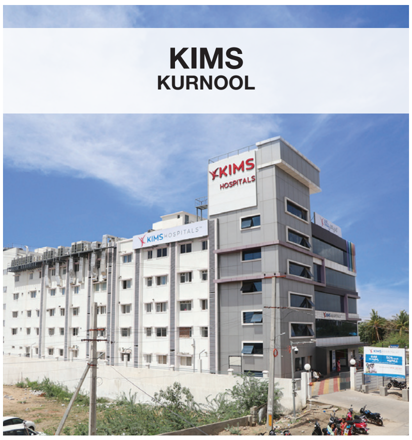
ANANTAPUR



KIMS
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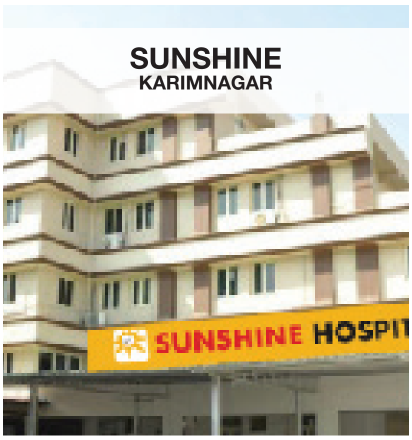

SUNSHINE
KARIMNAGAR

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