Takshasila Hospitals Operating Private Limited
Balance sheet as at 31 March 2021
(All amounts are in INR lacs unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	**4**	3,410	4,551
Capital work-in-progress	**4**	55	48
Right of use assets	**32**	18,446	17,377
Other intangible assets	**1**	190	186
Financial assets			
Investments	**2**	6,617	6,616
Loans	**3**	1,054	933
Other financial assets	**6**	7,223	7,045
Income tax assets (net)	**24**	1,203	3,634
Other non-current assets	**8**	72	45
Total non-current assets		**38,270**	**40,435**
Current assets			
Inventories	**7**	502	531
Financial assets			
Trade receivables	**4**	1,523	1,493
Cash and bank balances	**5**	9,816	5,037
Loans	**3**	174	227
Other financial assets	**6**	336	148
Other current assets	**8**	155	134
Total current assets		**12,506**	**7,570**
Total assets		**50,776**	**48,005**
Equity and liabilities			
Equity			
Equity share capital	**9**	39,263	30,293
Other equity	**10**	(11,454)	(12,759)
Total equity		**27,809**	**17,534**
Non-current liabilities			
Financial liabilities			
Lease liabilities	**12**	14,930	13,256
Other financial liabilities	**14**	4,759	4,090
Provisions	**15**	148	100
Total non-current liabilities		**19,837**	**17,446**
Current liabilities			
Financial liabilities			
Lease liabilities	**12**	245	125
Trade payables	**13**		
total outstanding dues of micro enterprises and small enterprises		77	60
total outstanding dues of creditors other than micro enterprises and small enterprises		1,059	1,012
Other financial liabilities	**14**	1,079	11,245
Provisions	**15**	238	201
Other current liabilities	**16**	432	382
Total current liabilities		**3,130**	**13,025**
Total liabilities		**22,967**	**30,471**
Total equity and liabilities		**50,776**	**48,005**
Significant accounting policies	**3**		

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

for and on behalf of Board of directors of
Takshasila Hospitals Operating Private Limited

Ankit Daga
Partner
Membership number: 512486

Place: Bengaluru
Date: / /2021

Yuichi Nagano
Managing Director
DIN: 08328401

Place: Bengaluru
Date: / /2021

Naoya Matsumi
Director
DIN: 08805301

Place: Bengaluru
Date: / /2021

Masatomo Ogi
Chief Financial Officer

Place: Bengaluru
Date: / /2021

K N Vijaya Bhaskar
Company Secretary

Place: Bengaluru
Date: / /2021

Takshasila Hospitals Operating Private Limited
Statement of profit and loss for the year ended 31 March 2021
(All amounts are in INR lacs unless otherwise stated)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	**17**	24,825	29,493
Other income	**18**	817	616
Total income		**25,642**	**30,109**
Expenses			
Purchase of medical and non-medical items		6,778	7,261
Changes in inventories	**19**	29	(141)
Employee benefits expense	**20**	4,803	4,247
Finance costs	**21**	1,545	1,002
Depreciation and amortisation expense	**22**	2,821	2,421
Other expenses	**23**	12,840	15,135
Total expenses		**28,816**	**29,925**
Profit / (loss) before tax		**(3,174)**	**184**
Tax expenses	**24**	**-**	**-**
Profit / (loss) for the year		**(3,174)**	**184**
Other comprehensive income/ (expense)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit liability , net of income tax (Nil)	**30**	(5)	(34)
Other comprehensive income for the year, net of income tax		**(5)**	**(34)**
Total comprehensive income for the year		**(3,179)**	**150**
(Loss) / Profit per share			
Basic and diluted loss/earnings per share	**27**	(0.87)	0.06
Significant accounting policies	**3**		

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Company Secretary

Place: Bengaluru
Date: / /2021

Takshasila Hospitals Operating Private Limited
Cash flow statement for the year ended 31 March 2021
(All amounts are in INR lacs unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flows from operating activities		
Profit / (loss) before tax	**(3,174)**	**184**
Adjustments:		
Depreciation and amortisation	2,821	2,421
Interest income	(808)	(601)
Finance cost	1,545	1,002
Loss on sale of property, plant and equipment	25	13
Share issue expenses reclassified to securities premium	(2)	-
Provision for doubtful debts	264	233
Provision for doubtful advances and deposits	(4)	73
Bad debts written off	10	-
	677	**3,325**
Movements in working capital		
- changes in trade payables	64	(53)
- changes in other financial liabilities	709	829
- changes in other liabilities	51	160
- changes in provisions	80	76
- changes in trade receivables	(293)	(749)
- changes in inventories	29	(141)
- changes in other financial assets	(83)	1,353
- changes in other assets	(71)	61
Cash generated from operations	**1,162**	**4,861**
Income tax refund (net)	2,642	(961)
Net cash generated from operating activities (A)	**3,804**	**3,900**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress) and other intangible assets	(924)	(1,525)
Proceeds from sale of property, plant and equipment and other intangible assets	4	7
Investment in unlisted equity share capital	(1)	-
Investment in bank deposits	(3,863)	(4,216)
Interest received	246	(1,000)
Net cash used in investing activities (B)	**(4,538)**	**(6,734)**
C. Cash flows from financing activities		
Proceeds from issue of equity shares	3,000	-
Payment of lease liabilities	(1,350)	(308)
Net cash generated from / (used in) financing activities (C)	**1,650**	**(308)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	916	(3,142)
Cash and cash equivalents at the beginning of the year	810	3,952
Cash and cash equivalents at the end of the year (refer note 5)	**1,726**	**810**

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date attached
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for and on behalf of Board of directors of
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Place: Bengaluru
Date: / /2021

Masatomo Ogi -
Chief Financial Officer -

Place: Bengaluru -
Date: / /2021 -

1 Background of the Company:

Takshasila Hospitals Operating Private Limited ("the Company") was incorporated on 12 April, 2012. The Company has been setup with an objective to carry on business of running and managing hospitals, clinics, laboratories, diagnostic centers etc. The Company started its operations from 11 November, 2013.

2 Basis of preparation of financial statements

A Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the provisions of the Companies Act , 2013 (`Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Details of the accounting policies are included in note 3.

B Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rs. lakhs, unless otherwise stated.

C Going concern

While the pandemic has impacted the sales performance of the Company during the lockdown phase, post relaxation of the restrictions the performance of the Company has gradually increased. The Management continues to closely monitor the situation and will take appropriate action, as necessary, to scale up operations in due compliance with the applicable regulations.

The Company has a positive net current assets of INR. 9,376 lakhs and positive net- worth of INR. 27,809 lakhs as at March 31, 2021. The Company has generated cash flow from operations of INR 3,804 lakhs and has no borrowing as at March 31, 2021. The Company has ability to borrow adequate short term/long term funds from banks in case of any shortfall/temporary requirement of funds. Accordingly, the company continues to prepare the financial statements on a going concern basis.

As per the Management's current assessment, no significant impact is expected on the carrying amounts of inventories, trade receivables, investments and other financial assets and it continues to monitor changes in future economic conditions. The eventual outcome of the impact of this global health pandemic may be different from those estimated as on the date of approval of these financial statements.

These financial statements do not, therefore, include any adjustments relating to the recoverability or reclassification of the assets or to amounts and classification of liabilities that may be necessary if the company is unable to continue as a going concern.

3 Summary of significant accounting policies

A Basis of measurement

The 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
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

B Use of estimates and judgements

In preparing these financial statements, management of the Company has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 35A - Right of use assets.
- Note 15 - Lease liabilities.
- Note 25 - Financial instruments.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:

- Note &1 - Estimation of useful life of property, plant and equipment
- Note 35A & 15 - Determination of lease term
- Note 30 - Employee benefit plans: key actuarial assumptions;

C Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– 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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

D Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

E Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
− 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.

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.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
− contingent events that would change the amount or timing of cash flows;
− terms that may adjust the contractual coupon rate, including variable interest rate features;
− prepayment and extension features; and
− terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

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.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

F Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets for the current period of significant items of property, plant and equipment are as follows:

Asset category	Useful life as per the management	As per schedule II of Companies Act, 2013
Medical Equipment	7 years	15 years
Leasehold improvements	8 years	Based on lease term
Other equipments including air conditioners	5 - 10 years	15 years
Furniture and fixtures	8 years	10 years
Computers	3 years	3 years
Vehicles	8 years	8 years

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized 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.

Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term.

G Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset category	Useful Life
Computer software	5 years

H Inventories

Inventories are measured at the lower of cost and net realisable value on the first in first out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT/GST wherever applicable applying FIFO method.

I Investment

(i) Initial recognition

The acquired investments in subsidiaries and joint ventures are measured at acquisition date fair value.

(ii) Subsequent measurement

Investments in equity shares of subsidiaries and joint ventures are accounted either.

(a) at cost, or

(b) in accordance with Ind AS 109, financial instruments

The Company has elected to account its investments in subsidiaries at cost.

J Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 - Financial Instruments requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(ii) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

K Employee benefits

Defined benefit plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item ‘Employee benefits expense’. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined contribution plan

A defined contribution plan is post-employment benefit plan of Employee State Insurance (ESI) under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and Employee State Insurance scheme which is a defined contribution plan. The Company’s contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation twice in a calender year at the discretion of employee. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

L 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

M Revenue recognition

Revenue from contracts with customers is recognised as per Ind AS 115, 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, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Disaggregation of revenue
The Company disaggregates revenue into revenue from rendering hospital services, pharmacy sales and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

The specific recognition criteria described below must also be met before revenue is recognised:

Medical services
Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded net of discount given to patients recognised during the period in which the hospital service is provided, based upon the actual amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

Sale of medical and non-medical items
Pharmacy Sales are recognised when the control of the goods have passed to the buyer, usually on delivery of the goods. The Company collects Goods and Services Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Other operating revenue
Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance arrangements as per the management agreement with other entities. The service income is recognised on the basis of services rendered and as per the terms of agreement.

Dividend and interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
Dividend income is recognised when the Company's right to receive dividend is established.

Contract balances
Unbilled revenue
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, an unbilled revenue is recognised for the earned consideration that is conditional. Unbilled revenue is a contract asset and disclosed under "other current financial assets" in balance sheet.

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (E) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

N Leases

Effective 01 January 2020, the Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.
When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and liabilities for short-term leases of buildings, medical equipments that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risk and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognized in the Company statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight line basis over the term of the lease. Lease incentive received were recognized as an integral part of the total lease expense, over the term of the lease.

O Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

P Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The amount of current tax reflects the best estimate of the tax to be paid after considering the uncertainty and is calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12, Income Taxes defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

Q Earnings per share

Basic earnings per share are computed by dividing profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

R Contingent liabilities

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

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

S Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts and investment in liquid mutual funds are classified as cash and cash equivalents for the purpose of cash flow statement, as they form an integral part of an entity's cash management.

T Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

U Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs

Balance Sheet:

a) Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.

b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c) Specified format for disclosure of shareholding of promoters.

d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

d) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

e) Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(All amounts are in INR lacs unless otherwise stated)

Property, plant and equipment and capital work-in-progress

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2021:

Reconciliation of carrying amount

Particulars	Medical equipments	Office equipment	Furniture and fixtures	Leasehold improvements	Computers	Vehicles	Total (A)	Capital work-in-progress (B)
Cost or deemed cost								
Balance as at 1 April 2019	10,770	752	1,437	1,929	605	70	**15,563**	75
Additions	555	167	118	360	185	6	**1,391**	697
Disposals / Adjustments	(4)	(37)	(4)	-	-	-	**(45)**	-
Capitalised during the year	-	-	-	-	-	-	**-**	(724)
Balance as at 31 March 2020	**11,321**	**882**	**1,551**	**2,289**	**790**	**76**	**16,909**	**48**
Additions	454	114	40	127	80	17	**832**	311
Disposals / Adjustments	-	(5)	(8)	-	(2)	(5)	**(20)**	-
Capitalised during the year	-	-	-	-	-	-	**-**	(304)
Balance as at 31 March 2021	**11,775**	**991**	**1,583**	**2,416**	**868**	**88**	**17,721**	**55**
Accumulated depreciation								
Balance as at 1 April 2019	7,244	486	831	1,065	534	35	**10,195**	-
Depreciation expense for the year	1,590	77	189	267	57	9	**2,189**	-
Disposals / Adjustments	(3)	(20)	(3)	-	-	-	**(26)**	-
Balance as at 31 March 2020	**8,831**	**543**	**1,017**	**1,332**	**591**	**44**	**12,358**	**-**
Depreciation expense for the year	1,283	88	195	296	98	10	**1,970**	-
Disposals / Adjustments	-	(5)	(7)	-	(1)	(4)	**(17)**	-
Balance as at 31 March 2021	**10,114**	**626**	**1,205**	**1,628**	**688**	**50**	**14,311**	**-**
Carrying amount (net)								
At 1 April 2019	**3,526**	**266**	**606**	**864**	**71**	**35**	**5,368**	**75**
At 31 March 2020	**2,490**	**339**	**534**	**957**	**199**	**32**	**4,551**	**48**
At 31 March 2021	**1,661**	**365**	**378**	**788**	**180**	**38**	**3,410**	**55**

(All amounts are in INR lacs unless otherwise stated)

1 Other intangible assets

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2021:

Reconciliation of carrying amount

Particulars	**Computer software**	**Total**
Cost or deemed cost		
Balance as at 1 April 2019	480	**480**
Additions	170	**170**
Balance as at 31 March 2020	**650**	**650**
Additions	99	**99**
Disposals	(29)	**(29)**
Balance as at 31 March 2021	**720**	**720**
Accumulated depreciation		
Balance as at 1 April 2019	403	**403**
Amortisation expense for the year	60	**60**
Balance as at 31 March 2020	**463**	**463**
Amortisation expense for the year	70	**70**
Disposals	(3)	**(3)**
Balance as at 31 March 2021	**530**	**530**
Carrying amount (net)		
Balance as at 1 April 2019	**76**	**76**
Balance as at 31 March 2020	**186**	**186**
Balance as at 31 March 2021	**190**	**190**

Takshasila Hospitals Operating Private Limited
Statement of changes in equity for the year ended 31 March 2021
(All amounts are in INR lacs unless otherwise stated)

(a) Equity share capital

Particulars	Note	No. of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid up			
Balance as at 1 April 2019		**30,29,26,750**	**30,293**
Shares issued during the year	**13 (a)**	-	-
Balance as at 31 March 2020		**30,29,26,750**	**30,293**
Balance as at 1 April 2020		**30,29,26,750**	**30,293**
Shares issued during the year	**13 (a)**	8,96,99,625	8,970
Balance as at 31 March 2021		**39,26,26,375**	**39,263**

(b) Preference share capital

Particulars	Note	No. of Shares	Amount
Preference shares of INR 10 each issued, subscribed and fully paid up			
		-	-
Changes in preference shares	**13 (e)**	-	-
Balance as at 1 April 2019		-	-
Balance as at 31 March 2020		-	-
Balance as at 31 March 2021		-	-

(c) Other equity

Particulars	Attributable to the owners of the Company			Total
	Reserves and surplus		Items of OCI	
	Securities Premium	Retained earnings	Re-measurement of (gain)/loss on defined benefit plan	
Balance as at 01 April 2019	**8,106**	**(20,029)**	**38**	**(11,885)**
Recognition of imputed interest on corporate debt securities (refer note 6)	**-**	**(1,024)**	**-**	**(1,024)**
Loss for the year	**-**	**184**	**-**	**184**
Other comprehensive income, net of tax	**-**	**-**	**(34)**	**(34)**
Total comprehensive income for the year (Refer Note 2)	**-**	**(840)**	**(34)**	**(874)**
Balance as at 31 March 2020	**8,106**	**(20,869)**	**4**	**(12,759)**
Balance as at 1 April 2020	**8,106**	**(20,869)**	**4**	**(12,759)**
Total comprehensive income for the year ended 31 March 2021				
Premium on issue of equity shares (refer note 14)	4,485	-	-	4,485
Share issue expenses	(2)	-	-	(2)
Profit for the year	-	(3,174)	-	(3,174)
Other comprehensive income, net of tax	-	-	(5)	(5)
Total comprehensive income for the year ended 31 March 2021	**4,483**	**(3,174)**	**(5)**	**1,304**
Balance as at 31 March 2021	**12,589**	**(24,043)**	**(1)**	**(11,454)**

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.

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

for and on behalf of Board of directors of
Takshasila Hospitals Operating Private Limited

Ankit Daga
Partner
Membership number: 512486

Place: Bengaluru
Date: / /2021

Yuichi Nagano
Managing Director
DIN: 08328401

Place: Bengaluru
Date: / /2021

Naoya Matsumi
Director
DIN: 08805301

Place: Bengaluru
Date: / /2021

Masatomo Ogi
Chief Financial Officer

Place: Bengaluru
Date: / /2021

(All amounts are in INR lacs unless otherwise stated)

Financial assets

2 Investments

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Non-current investments		
Unquoted, carried at cost		
Investment in equity instruments of subsidiary		
Takshasila Healthcare and Research Service Private Limited	150	149
[1,500,000 (31 March 2020: 1,489,590) equity shares of INR 10 each fully paid up]		
Investment in debentures of subsidiary		
Takshasila Healthcare and Research Service Private Limited*	6,467	6,467
[108,520,410 (31 March 2020: 108,520,410) 5.5% compulsorily convertible debentures of INR 10 each fully paid up]		
Total	**6,617**	**6,616**

Aggregate book value of unquoted investments	6,617	6,616
Aggregate amount of impairment in value of investments	-	-
Investments carried at cost	6,617	6,616

* Based on the arrangement with Takshasila Healthcare and Research Services Private Limited (subsidiary company) , the Company has accounted for this investment on the basis of the underlying feature of the instrument which has mandatory conversion feature as well as an interest payment feature in cash. Based on the principles of IND AS 109 which requires embedded derivatives to be separated and accounted separately, the company has split this instrument into these two features basis the underlying fair values of these instruments. In addition, in accordance with IND AS 109, the Company has elected to subsequently measure the amount allocated to the mandatory conversion feature at cost since it effectively represents an investment in the subsidiary. The amount allocated to the interest repayment feature will be accounted for subsequently at amortised cost in accordance with the requirements of IND AS 109.

The CCD shall be mandatorily converted into equity shares upon the expiry of 15 years from their date of issue

3 Loans

(Unsecured and considered good, unless stated otherwise)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Non-current		
To related parties (refer note 29)		
Security deposits [(1)]	893	828
To parties other than related parties		
Security deposits [(1)]	161	105
Total	**1,054**	**933**
Current		
To parties other than related parties		
Advance to employees	46	45
Security deposits [(1)]	128	182
Unsecured, considered doubtful		
Advance to employees	8	3
Less: Provision for doubtful advances	(8)	(3)
Security deposits	24	24
Less: Provision for doubtful deposits	(24)	(24)
Total	**174**	**227**
Total loans	**1,228**	**1,160**

[(1)] *Loans carried at amortised cost*

4 Trade receivables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Trade receivables - unsecured	2,569	2,276
Less: Loss allowance	(1,046)	(783)
Total	**1,523**	**1,493**

The Company's exposure to credit and market risks and loss allowance related to trade receivables are disclosed in note 25.

(All amounts are in INR lacs unless otherwise stated)

5 Cash and bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash on hand	31	6
Balances with banks		
- in current accounts	1,695	804
	1,726	**810**
Other bank balance		
Fixed deposits with bank (maturing within 12 months from the reporting date)*	8,090	4,227
	8,090	**4,227**
Total	**9,816**	**5,037**

* Fixed deposit include deposit given as security for obtaining bank guarantee

For the purpose of the statement of cash flows, cash and cash equivalent comprises the following

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	31	6
Balances with banks		
- in current accounts	1,695	804
Cash and cash equivalents as per statement of cash flows	**1,726**	**810**

6 Other financial assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
To related parties (refer note 29)		
Corporate debt securities (refer note 6)	2,794	3,114
Interest accrued on debentures [(1)]	4,272	3,687
Other receivables	145	242
To parties other than related parties		
Fixed deposit with bank (maturing beyond 12 months from the reporting date)*	12	2
Total	**7,223**	**7,045**
Current		
To related parties (refer note 29)		
Other receivables	-	2
To parties other than related parties		
Interest accrued but not due on fixed deposits [(1)]	56	41
Unbilled revenue [(1)]	280	105
Total	**336**	**148**
Total other financial assets	**7,559**	**7,193**

[(1)] *Financial assets carried at amortised cost*

* Fixed deposit include deposit given as security for obtaining bank guarantee

(All amounts are in INR lacs unless otherwise stated)

7 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Medical and non medical items	502	531
Total inventories	**502**	**531**

8 Other assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Capital advances	45	17
Capital advances (considered doubtful)	0	11
Less: Provision for doubtful advances	(0)	(11)
Prepaid expense	27	28
Total	**72**	**45**
Current		
Advance to vendors	28	47
Advance to vendors (considered doubtful)	96	94
Less: Provision for doubtful advances	(96)	(94)
Prepaid expense	127	87
Total	**155**	**134**
Total other assets	**227**	**179**

9 Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised share capital		
395,000,000 (31 March 2020: 325,000,000) equity shares of INR 10 each	39,500	32,500
Nil (31 March 2020: 63,000,000) preference shares of INR 10 each	-	6,300
	39,500	38,800
Issued, subscribed and paid-up		
Equity share capital		
392,626,375 (31 March 2020: 302,926,750) equity shares of INR 10 each, fully paid up	39,263	30,293
	39,263	**30,293**
Preference share capital issued		
31 March 2020: 63,000,000 preference shares of INR 10 each	-	6,300
Less: Preference share classified as financial liability	-	(6,300)
	-	-
Total share capital	**39,263**	**30,293**

13 (b) Rights, preference and restriction attached to equity shares

The Company has authorised share capital of 395,000,000 equity shares (31 March 2020: 325,000,000) divided into three classes of equity shares: 305,000,000 Class A equity shares (31 March 2020: 235,000,000 equity shares) of INR 10 each, 50,000,000 Class B equity shares (31 March 2020: 50,000,000 equity shares) of INR 10 each and 40,000,000 Class C equity shares (31 March 2020: 40,000,000 equity shares) of INR 10 each. The distribution will be in proportion to the equity shares held by the shareholders. The rights and preferences attached to each class of shares are as follows:

i) Class A equity shares:
The holders' of Class A equity shares has one vote per share and entitled to receive dividend as proposed by the Board of Directors subject to the approval in the ensuing Annual General meeting.

ii) Class B equity shares:
The holders' of Class B equity shares has one vote per share but are not entitled to receive any dividend rights attached to the shares.

iii) Class C equity shares:
The holders' of Class C equity shares are entitled to receive dividend as proposed by the Board of Directors subject to the approval in the ensuing Annual General meeting but do not have any voting rights.

In the event of liquidation of the Company, the holders' of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

13 (c) Particulars of shares held by holding company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	Amount in INR (lakhs)	Number of shares held	Amount in INR (lakhs)
Secom Medical System (Singapore) Pte Ltd	23,55,75,825	23,558	18,17,56,050	18,176

13 (d) Particulars of shareholders holding more than 5% equity shares

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% holding	Number of shares held	% holding
Class A equity shares				
Secom Medical System (Singapore) Pte Ltd	18,15,75,825	60%	12,77,56,050	60%
Toyota Tsusho Corporation	12,10,50,550	40%	8,51,70,700	40%
	30,26,26,375	**100%**	**21,29,26,750**	**100%**
Class B equity shares				
Secom Medical System (Singapore) Pte Ltd	3,00,00,000	60%	3,00,00,000	60%
Toyota Tsusho Corporation	2,00,00,000	40%	2,00,00,000	40%
	5,00,00,000	**100%**	**5,00,00,000**	**100%**
Class C equity shares				
Secom Medical System (Singapore) Pte Ltd	2,40,00,000	60%	2,40,00,000	60%
Toyota Tsusho Corporation	1,60,00,000	40%	1,60,00,000	40%
	4,00,00,000	**100%**	**4,00,00,000**	**100%**

The Company has not declared any dividend during the year ended 31 March 2021 and 2020. The Company has not bought back any share from incorporation date (i.e. 12 April, 2012) till 31 March, 2021.

(All amounts are in INR lacs unless otherwise stated)

13 (e) Compulsorily convertible cumulative preference shares ("CCPS")

Particulars	As at 31 March 2021	As at 31 March 2020
Shares outstanding at the beginning of the year	-	-
Shares classified as financial liability	-	-
Shares outstanding at the end of the year	-	-

Rights, preferences and restrictions attached to the preference shares :

(i) The Company has issued compulsorily convertible cumulative preference shares ("CCPS") of Rs.10 each and not be entitled to exercise any voting rights. If voting rights are provided to the holder of CCPS due to applicable law, the holder of CCPS shall waive to exercise its voting rights.

ii) The CCPS holder shall be entitled to a dividend rate of 10.90% on cummulative basis and it also includes the dividend distribution tax payable payable as per the local tax rates.

(iii) The CCPS shall be mandatorily converted into equity shares upon the expiry of a period of 20 years from the date of their issue.

(iv) Upon exercise by the CCPS holder, every 1.20 CCPS held will be converted to 1 class A equity share. In case of any fraction, then such fractions shall be ignored.

The CCPS holders are entitled to, at its option cause the Company to redeem/buyback the CCPS shares along with the cumulative dividend at 10.9 % p.a till the date of purchase under the put option. The above put option with the CCPS's holder resulted in entire compound financial instrument being classified as a financial liability in accordance with IND AS 32 : Financial Instruments. Refer note 17.

Particulars of preference share holders holding more than 5% of the total number of preference share capital as at the year end:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Japan Bank of International Corporation	-	-	6,30,00,000	100%
Less:Preference shares classified as liability	-	-	(6,30,00,000)	-100%
Number of shares classified under share capital	-	-	-	-

* During the year, the CCPS was purchased by the existing equity shareholders and was converted into equity shares (refer note 18)

10 Other equity

Particulars		As at 31 March 2021	As at 31 March 2020
Securities premium	(i)	12,589	8,106
Retained earnings	(ii)	(24,043)	(20,869)
Items of other comprehensive income	(iii)	(1)	4
Total other equity		**(11,454)**	**(12,758)**

(i) Securities premium

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginnning of the year	8,106	8,106
Premium on fresh issue of shares (refer note 13(a))	1,000	-
Premium on conversion of CCPS into equity shares (refer note 18)	3,485	-
Less: Share issue expense	(2)	-
At the end of the year	**12,589**	**8,106**

(ii) Retained earnings

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginnning of the year	(20,869)	(20,029)
Add: Recognition of imputed interest on corporate debt securities (refer note 6)	-	(1,024)
Add: Net profit / (loss) after tax transferred from the statement of profit and loss	(3,174)	184
At the end of the year	**(24,043)**	**(20,869)**

(iii) Items of other comprehensive income

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginnning of the year	4	38
Actuarial (gain)/ loss on remeasurement of defined benefit liability	(5)	(34)
At the end of the year	**(1)**	**4**
Total other equity	**(11,454)**	**(12,759)**

Nature and purpose of other equity

(i) Securities premium:
Amounts received on issue of shares in excess of par value has been classified as securities premium. This reserve can be utilised in accordance with the specific conditions of the Companies Act, 2013.

(ii) Retained earnings:
The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the statement of profit and loss to retained earnings.

(iii) Other comprehensive income:
Other comprehensive income comprises actuarial gains and losses on defined benefit obligation.

(All amounts are in INR lacs unless otherwise stated)

Financial liabilities

11 Borrowings

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Long term borrowings		
Unsecured		
CCPS classified as financial liability (refer note I)	-	6,300
Interest accrued but not due on preference shares	-	3,949
	-	**10,249**
Less: Current maturities of long term borrowings	-	(10,249)
Total	**-**	**-**

Note I - Compulsory convertible cumulative preference shares (CCPS) from Japan Bank for International Cooperation

i) CCPS having a face value of Rs. 10 has been issued by the Company on June 2014, which will be mandatorily converted to equity shares upon expiry of 20 years from the date of issue.

ii) The CCPS holder shall be entitled to a dividend rate of 10.90% on cummulative basis and it also includes the dividend distribution tax payable payable as per the local tax rates.

iii) The CCPS holders are entitled to, at its option to cause the Company to redeem/buyback the CCPS shares along with the cumulative dividend at 10.9 % p.a at anytime from June 2019. (Refer note 18)

Note 2

Basis approval from the board, the CCPS were purchased by the existing equity share holders of the Company on 14 July 2020 from Japan Bank of International Corporation and on the same day the CCPS was converted into equity shares in the same shareholding ratio.

12 Lease liabilities

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Non-current		
To related parties (refer note 29)		
Lease liability (refer note 36)	6,716	6,793
To parties other than related parties		
Lease liability (refer note 36)	8,214	6,463
Total	**14,930**	**13,256**

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Current		
To related parties (refer note 29)		
Lease liability (refer note 36)	77	70
To parties other than related parties		
Lease liability (refer note 36)	168	55
Total	**245**	**125**
Total lease liabilities	**15,175**	**13,381**

13 Trade payables

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 31)	77	60
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,059	1,012
	1,136	**1,072**

All trade payables are current. The Company's exposure to credit and currency risk and liquidity risk related to trade payables are disclosed in note 25.

(All amounts are in INR lacs unless otherwise stated)

14 Other financial liabilities [(1)]

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
To related parties (refer note 29)		
Rent payable	4,759	4,090
Total	**4,759**	**4,090**

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Current maturities of long term borrowings**	-	10,249
Accrued salaries and benefits	12	15
Accrued expenses	945	900
Creditors for capital goods	122	81
Total	**1,079**	**11,245**
Total other financial liabilities	**5,838**	**15,335**

[(1)] *Financial liability carried at amortised cost*

*The Company's exposure to currency and liquidity risks related to other financial liabilities are disclosed in note 25.

** Basis approval from the board, the CCPS were purchased by the existing equity share holders of the Company on 14 July 2020 from Japan Bank of International Corporation and on the same day the CCPS was converted into equity shares in the same shareholding ratio.

15 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Provision for employee benefits		
Provision for gratuity (refer note 30)	148	100
Total	**148**	**100**
Current		
Provision for employee benefits		
Provision for compensated absence	167	123
Provision for gratuity (refer note 30)	71	78
Total	**238**	**201**
Total Provisions	**386**	**301**

16 Other liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Statutory dues payable	190	227
Advance from patients	210	117
Deferred revenue	32	38
Total other current liabilities	**432**	**382**

(All amounts are in INR lacs unless otherwise stated)

17 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income from medical services	24,149	28,269
Sale of medical and non-medical items	628	1,139
Other operating revenue		
Revenue share income	47	85
Total revenue from operations	**24,825**	**29,493**

a) The revenue from contracts with customer at disaggregation is provided above.

b) Changes in contract liabilities- Advance received from customers	As at 31 March 2021
Balance at the beginning of the year	117
Less: Revenue recognised that was included in the balance at the beginning of the year	(117)
Add: Increase due to advance from patients received	210
Balance at the end of the year	**210**
Expected revenue recognition from remaining performance obligations:	
- Within one year	**210**

c) Contract balances	As at 31 March 2021	As at 31 March 2020
Receivables		
- Trade receivables	1,523	1,493
- Unbilled revenue	280	105
Contract liabilities		
- Advance received from customer	210	117

Unbilled revenue is relating to the service rendered where the invoicing is not done and trade receivable are non-interest bearing and are generally on a terms of 30 to 90 days.

Contract liabilities relates to the advances received from the customers to deliver the hospital service. There is no significant changes in the contract liabilities during the year.

d) The company's performance obligation is to provide the hospital service to patients, this is part of a contract that has an original expected duration of less than one year, hence the company has taken the practical expedient related to performance obligation disclosure as provided by Ind AS 115.

18 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- on bank deposits	256	241
- on debentures (refer note 6)	271	298
- on income tax refund	211	-
-on financial asset at amortised cost	70	62
Miscellaneous income	9	15
Total other income	**817**	**616**

19 Changes in inventories

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year	**B**	531	390
Inventories at the end of the year	**A**	502	531
(Increase) / decrease in inventory	**B-A**	**29**	**(141)**

(All amounts are in INR lacs unless otherwise stated)

20 Employee benefits expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	4,160	3,879
Contribution to provident and other funds	314	288
Staff welfare expenses	330	80
Total employee benefits expense	**4,803**	**4,247**

21 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on		
Preference shares classified as financial liability	206	687
Lease liabilities	1,339	314
Others	-	1
Total finance costs	**1,545**	**1,002**

22 Depreciation and amortization expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note)	1,970	2,189
Amortization of other intangible assets (refer note 1)	70	60
Depreciation of right of use assets (refer note 36)	781	172
Total depreciation and amortization expense	**2,821**	**2,421**

23 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Hospital operating expenses		
Professional fees to doctors	8,000	8,700
Power and fuel	566	610
Hospital general expenses	887	895
House keeping expenses	482	452
Patient welfare expenses	334	379
Rent		
-Building	137	1,263
-Equipment / Furniture	91	122
Repairs and maintenance		
- Hospital equipments	449	443
- Others	401	320
Administrative expenses		
Travelling and conveyance	88	137
Security charges	250	220
Printing and stationery	91	114
Advertisement and publicity	77	128
Legal and professional fees (refer note (a) below)	218	254
Business promotion	211	456
Telephone and communication	49	54
Bank charges	115	143
Insurance	18	19
Rates and taxes	44	45
Books and periodicals	32	37
Bad debts written off	10	-
Provision for loss allowance	264	233
Provision for doubtful advances and deposits	-	73
Provision for other receivable	-	-
Loss on sale of property, plant and equipment	25	13
Miscellaneous expenses	2	25
Total other expenses	**12,840**	**15,135**

(a) Payment to Auditors (included in legal and professional charges and excludes applicable taxes)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:		
Statutory audit	23	22
Tax audit	12	14
Total	**35**	**36**

24 Income tax expense

28 (a) Income tax recognised in the Statement of profit and loss

(Rs in lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	-	-
Deferred tax	-	-
Total income tax expense recognised in the Statement of profit and loss	**-**	**-**

28 (b) Income tax recognised in other comprehensive income

Income tax arising on income and expense recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	-	-
Total income tax recognised in other comprehensive income on items that will not be reclassified to profit or loss	**-**	**-**

28 (c) Net deferred tax assets and liabilities

Deferred tax balances (Rs in lakhs)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Deferred tax liability		
On ROU and lease liability	(823)	(1,006)
Deferred tax asset		
Tax losses and Unabsorbed depreciation	2,870	2,648
Property, plant and equipment	664	492
Employee benefits	97	76
Provision for doubtful debts/advances	296	240
Net deferred tax assets/(liabilities)	**3,104**	**2,450**
Recognised deferred tax assets and liabilities	**-**	**-**

Tax benefits on unabsorbed losses and other temporary differences have not been recognised as deferred tax assets as it is not probable that the future economic benefits associated with the assets will be realised.

28 (d) Income tax assets, (Net)

	As at 31 March 2021	**As at 31 March 2020**
Advance income tax (net of provision)	1,203	3,634
Considered doubtful		
Advance income tax and tax deducted at source	41	41
Less: Provision for doubtful advances	(41)	(41)
	1,203	**3,634**

28 (e) Current tax liabilities

	As at 31 March 2021	**As at 31 March 2020**
Provision for tax (net of advance tax)	-	-
	-	-

(All amounts are in INR lacs unless otherwise stated)

25 Financial instruments - Fair values and risk management

A Accounting classifications and fair values

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs)

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

As at 31 March 2021

	Carrying value				Fair value			
Particulars	**Mandatorily at FVTPL**	**Other financial assets - amortised costs**	**Other financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Investments	-	6,617	-	**6,617**				
Loans	-	1,228	-	**1,228**	-	-	-	-
Trade receivables	-	1,523	-	**1,523**	-	-	-	-
Cash and cash equivalents	-	9,816	-	**9,816**	-	-	-	-
Other financial assets	-	7,559	-	**7,559**	-	-	-	-
	-	**26,742**	**-**	**26,742**	-	-	-	-
Financial liabilities								
Lease liabilities			245	**245**	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	1,136	**1,136**	-	-	-	-
Other financial liabilities	-	-	5,838	**5,838**	-	-	-	-
	-	-	**7,219**	**7,219**	**-**	**-**	**-**	**-**

For all of the Company's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amounts are a reasonable approximation of fair values.

As at 31 March 2020

	Carrying value							
Particulars	**Mandatorily at FVTPL**	**Other financial assets - amortised costs**	**Other financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Investments		6,616	**-**	**6,616**				
Loans	-	1,160	-	**1,160**	-	-	-	-
Trade receivables	-	1,493	-	**1,493**	-	-	-	-
Cash and cash equivalents	-	5,037	-	**5,037**	-	-	-	-
Other financial assets	-	7,193	-	**7,193**	-	-	-	-
	-	**21,499**	**-**	**21,499**	-	-	-	-
Financial liabilities								
Lease liabilities			125	**125**	-	-	-	-
Borrowings	-	-	-	**-**	-	-	-	-
Trade payables	-	-	1,072	**1,072**	-	-	-	-
Other financial liabilities	-	-	15,335	**15,335**	-	-	-	-
	-	**-**	**16,532**	**16,532**	-	-	-	-

The company has not separately disclosed the fair values for financial assets and liabilities other than investments, because their carrying amounts are a reasonable approximation of the fair values.

B Measurement of fair values

The basis of measurement in respect to each class of financial assets and financial liability is disclosed in Note 3 (c) to the financial statements.

(All amounts are in INR lacs unless otherwise stated)

25 Financial instruments – Fair values and risk management (continued)

C Financial risk management

The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

Risk management framework

The Company's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the company's policy. Each significant risk has a designated 'owner' within the company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is monitored and reviewed by the board of directors on a periodic basis. The overall internal control environment and risk management programme including financial risk management is reviewed by the Board of Directors.

The risk management framework aims to:
· improve financial risk awareness and risk transparency
· identify, control and monitor key risks
· identify risk accumulations
· provide management with reliable information on the Company's risk situation
· improve financial returns

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, bank deposits and other loans. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

(a) Trade receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis after assessesing the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. The receivables are mainly unsecured, the Company does not hold any collateral or a guarantee as security.
The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates derived as per the trend of trade receivable ageing of previous years.

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

For trade receivables , provision is provided by the Company as per the below mentioned policy

	As at	
Particulars	**31-Mar-21**	**31-Mar-20**
Not due	7%	6%
Past due 1-90 days	19%	18%
Past due 91–180 days	41%	54%
Past due 181–270 days	77%	65%
Past due 271-360 days	97%	93%
Above 360 days	100%	100%

Movement in the expected credit loss allowance	**31 March 2021**	**31 March 2020**
Balance as at the beginning of the year	783	549
Impairment loss allowances recognised	264	233
Balance as at the end of the year	**1,046**	**783**

No single customer accounted for more than 10% of the revenue for the year ended 31 March 2021. There is no significant concentration of credit risk.

Details of geographic concentration of revenue is included in note 33 to the financial statements
The Company's exposure to credit risk on account of trade receivables is presented in Note 4

(b) Investments and cash deposits

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

(All amounts are in INR lacs unless otherwise stated)

25 Financial instruments – Fair values and risk management (continued)

ii. Liquidity risk

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

The Company's principal sources of liquidity are cash and cash equivalents, and the cash flow that is generated from operations. The Company has managed its liquidity and working capital requirements through cash generated from operations. Currently the Company has significant cash/fixed deposit balance and no borrowings. (refer note 18)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2021		**Contractual cash flows**		
	Carrying amount	**Upto 1 year**	**1-2 years**	**More than 2 years**
Non-derivative financial liabilities				
Lease liabilities	15,175	64	137	14,975
Trade payables	1,059	1,059	-	-
Other financial liabilities	5,838	2,396	3,442	-
	22,072	**3,518**	**3,579**	**14,975**

31 March 2020		**Contractual cash flows**		
	Carrying amount	**Upto 1 year**	**1-2 years**	**More than 2 years**
Non-derivative financial liabilities				
Lease liabilities	13,381	1,123	1,127	11,131
Trade payables	1,012	1,012	-	-
Borrowings	10,249	10,249	-	-
Other financial liabilities	5,086	1,644	3,442	-
	29,728	**14,028**	**4,569**	**11,131**

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes trade receivable/payable, other financial assets and liabilities. The Company is exposed to a variety of market risks, including currency risk.

Interest rate risk
The Company is not exposed to significant interest rate risk as the Company does not have any borrowings.

Currency risk
The Company does not have significant exposure in terms of foreign currency risk as there are no material transactions in foreign currency.

25 Financial instruments – Fair values and risk management (continued)

The below table presents foreign currency risk from non-derivative financial instruments as of 31 March 2021 and 31 March 2020

As at 31 March 2021	Foreign Currency	Amount in Foreign Currency	Amount in INR
Other receivables	JPY	-	-
Other current liabilities	JPY	-	-
Net assets / (liabilities)		**-**	**-**

As at 31 March 2020	Foreign Currency	Amount in Foreign Currency	Amount in INR
Other receivables	JPY	3	2
Other current liabilities	JPY	-	-
Net assets / (liabilities)		**3**	**2**

(All amounts are in INR lacs unless otherwise stated)

26 Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent Liabilities

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Claims against the Company not acknowledged as debts in respect of:		
a) Litigations [see note below]	349	349
b) Others	-	-

Notes:

a) Pursuant to an agreemeent dated 28 February 2013, the Company had entered into a lease agreement for nurses accomodation for a period 3 years. The Company has vacated the premises after one year by giving due notice as stipulated in the agreement. Subsequently the lessor has filed a claim against the Company demanding compensation for various modifications made to the building to suit the requirement of the Company. Management believes that its position is likely to be upheld in court and this will not materially impact the financial statements.

Additionally, the Company believes that other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business will not have any material adverse effect on its financial statements in any given accounting year.

The Company, as per the Employees' Provident Fund (EPF) and Miscellaneous provisions Act, 1952 ('the Act') is required to deduct provident fund at certain defined percentages on basic wages and along with employee's contribution is required to deposit them with the EPF authorities. On February 28, 2019, the Supreme Court of India held that allowances meeting certain conditions paid by establishments to its employees should also be considered as "basic wages" while computing provident fund amounts for employees whose basic wages is less than certain statutory thresholds. This court ruling may have an impact of increasing Company's liability towards provident fund contributions which is a defined contribution plan. However, the Company based on the legal advice in this EPF matter believes that there is considerable uncertainty due to which provision cannot be estimated reliably of the retrospective impact on EPF contribution. The uncertainty includes how much back in the past, in case of retrospective impact; intolerable burden on existing employees for the past period; practical difficulties as several employees have left the organization; and the basic wage limits have been changing year on year for many of the employees. Due to this practical hardship, the Company has not accrued any liability towards EPF contribution for past periods. The Company has been following Hon'ble Supreme Court defintion from 1 April 2019.

(ii) Commitments

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	67	111

27 Earnings per share (EPS)

The following table sets forth the computation of basic and diluted earnings per share:

	31 March 2021	**31 March 2020**
(Loss) / Profit after tax	(3,174)	184
Adjustment on account of dilution	-	-
Net profit / (loss) for the year attributable to equity shareholders for calculation of basic and diluted EPS	**(3,174)**	**184**
Weighted average number of equity shares for the year		
Weighted average number of equity shares for the purpose of basic and diluted earnings per share	36,61,19,852	30,20,99,081
Basic and diluted loss/ earnings per share	**(0.87)**	**0.06**

28 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity shares. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Total equity attributable to the equity shareholders of the Company	27,809	17,534
As a percentage of total capital	155%	77%
Total borrowings	-	10,249
Cash and cash equivalents	9,816	5,037
Net borrowings including current maturities	(9,815)	5,212
As a percentage of total capital	-55%	23%
Total capital (loans and borrowings and equity)	**17,993**	**22,746**

(All amounts are in INR lacs unless otherwise stated)

29 Related party transactions

The Company's material related party transactions and outstanding balances are with its group companies with whom the Company routinely enters into transactions in the ordinary course of business.

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with the related parties of the company.

A Names of related parties and description of relationship

The Ultimate Holding Company	Secom Co., Ltd, Japan
The Holding Company	Secom Medical System (Singapore) Pte Ltd
Subsidiary Company	Takshasila Healthcare and Research Service Private Limited ("THRSPL")
Enterprises having significant influence over the Company	Secom Medical System Co. Ltd, Japan Toyota Tsusho Corporation, Japan
Key Management Personnel	Mr. Yuichi Nagano Mr. Takashi Maki Mr. Tatsuro Fuse Mr. Naoya Matsumi (from 22 July 2020) Mr. Hiroshi Yonenaga (from 10 April 2020) Mr. Toshiyuki Azeo (upto 10 April 2020) Mr. Yasuhiko Mitsutake (upto 16 September 2020) Mr. Masatomo Ogi Mr. K.N Vijaya Bhaskar

B. The details of amounts due to or due from related parties as at March 31, 2021 and March 31, 2020 are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Loans		
Security deposits		
Takshasila Healthcare and Research Service Private Limited	893	828
Non-current investments		
Investment in equity shares		
Takshasila Healthcare and Research Service Private Limited	150	149
Investment in debentures		
Takshasila Healthcare and Research Service Private Limited	6,467	6,467
Other non- current financial assets		
Takshasila Healthcare and Research Service Private Limited		
Interest accrued on debentures	4,272	3,687
Other receivables	145	242
Other current financial asset		
Other receivables		
Secom Medical System Co Ltd, Japan	-	2
Other non current financial liabilities		
Rent payable		
Takshasila Healthcare and Research Service Private Limited	4,759	4,090
Lease liability - current		
Takshasila Healthcare and Research Service Private Limited	77	70
Lease liability - non current		
Takshasila Healthcare and Research Service Private Limited	6,716	6,793

(All amounts are in INR lacs unless otherwise stated)

C. Related party transactions during the year ended 31 March 2021:

Particulars	Subsidiary company	Ultimate Holding company	Key Managerial Personnel *	Enterprises having significant influence over the Company
Remuneration paid*				
Mr. Takashi Maki (Director)	- (-)	- (-)	14 (19)	- (-)
Mr. Yasuhiko Mitsutake (Whole Time Director till 16th Sep 2021)	- (-)	- (-)	19 (35)	- (-)
Mr. Yuichi Nagano (Managing Director)	- (-)	- (-)	19 (19)	- (-)
Mr. Naoya Matsumi (Whole Time Director)	- (-)	- (-)	21 (-)	- (-)
Mr. Masatomo Ogi (Chief Financial Officer)	- (-)	- (-)	21 (21)	- (-)
Mr. K N Vijaya Bhaskar (Company Secretary)	- (-)	- (-)	24 (22)	- (-)
Payment of lease liabilities (including GST)	850 (212)	- (-)	- (-)	- (-)
Rent expenses (including GST)	- (760)	- (-)	- (-)	- (-)
Interest income on debentures	271 (298)	- (-)	- (-)	- (-)
Interest income on financial asset at amortised cost	64 59	- (-)	- (-)	- (-)
Import of medical consumables Toyota Tsusho Corporation, Japan	- (-)	- (-)	- (-)	47 (-)
Reimbursement of expenses				
Secom Co., Ltd, Japan	- (-)	273 (-)	- (-)	- (-)
Secom Medical System Co Ltd, Japan	- (-)	- (-)	- (-)	3 (2)
Toyota Tsusho Corporation, Japan	- (-)	- (-)	- (-)	182 (-)

*The figures do not include provision for gratuity and compensated absences payable to the directors is determined based on the actuarial valuation for the Company as a whole and separate figures for directors are not available.

Figures in brackets are for previous year.

All transaction with the related parties are priced at arm's length basis and resulting outstanding balances are to be setteled as per the terms agreed. None of the above balances are secured.

30 Employee benefit plans

a) Defined contribution plan

The Company has defined contribution plan in form of Provident Fund and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.The amount recognised as an expense towards contribution to provident fund, employee state insurance and other funds for the year aggregated to INR 267 lacs (previous year: INR 246 lacs).

b) Defined benefit plan

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The employees' gratuity fund scheme is not funded.

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Defined benefit liability - gratuity plan	219	178
Total employee benefit liability	**219**	**178**
Non-current	148	100
Current	71	78
	219	**178**

For details of related employee benefit expenses, refer Note No.20.

A Reconciliation of present value of defined benefit obligation

i. Gratuity Plan

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Opening defined benefit obligations	178	111
Interest cost	10	7
Current service cost	37	35
Benefits paid and charges deducted	(11)	(9)
Actuarial loss/(gain) on obligation (balancing figure)	5	34
Closing defined benefit obligation	**219**	**178**

B i. Expenses recognised in profit or loss

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Current service cost	37	35
Interest cost	10	7
	47	**42**

ii. Remeasurements recognised in other comprehensive income

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Actuarial loss/(gain) on obligation	5	34
	5	**34**

C Defined benefit obligation - acturial assumptions

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Discount rate	5.50%	5.00%
Salary increase	8%	8%
Attrition rate	40%	50%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

D Defined benefit obligation - Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at 31 March 2021		**As at 31 March 2020**	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	-2.20%	2.40%	-2.10%	2.20%
Future salary increase (1% movement)	2.00%	-1.90%	2.20%	-2.10%
Attrition rate (10% movement)	-2.90%	3.20%	-11.30%	23.60%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(All amounts are in INR lacs unless otherwise stated)

E Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The scheme is managed on unfunded basis.

b) Expected contribution during the next annual reporting period

The Company's best estimate of contribution during the next year	-	-

* Please note that since the scheme is managed on unfunded basis, the next year contribution is taken as nil

c) Maturity profile of defined benefit obligation

Weighted average duration (based on discounted cashflows)	4 years	2 years

Expected cash flows over the next (valued on undiscounted basis):	Indian Rupees (INR)	Indian Rupees (INR)
1 year	71	78
2 to 5 years	143	109
5 to 10 years	33	12
More than 10 years	4	1

31 Dues 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 allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the said Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
1. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	77	60
- Interest	-	-
2. The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year		
- Principal	-	-
- Interest	-	-
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

32 Leasing arrangements: The company being a lessee (IndAS 116)

Impact on transition to Ind AS 116 - The Company has adopted Ind AS 116 "Leases" on all the lease contracts existing on 01 January 2020 using modified retrospective method. The lease contracts for the period 01 April 2019 to 31 December 2019 has been recorded as per Ind AS 17. The impact of transition to Ind AS is summarised below:

(Rs. in lakhs)

Particulars	Total
Right of use assets	17,549
Lease liability	13,375

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 January 2020. The rate applied for measuring lease liabilities is 10%.

I Right-of-use assets: The details of the right-of-use asset held by the Company is as follows: *(Rs. in lakhs)*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	17,377	-
ROU recognition on transition to IND AS 116 on 01 January 2020	-	13,375
Amount reclassified from prepaid rent to ROU	-	4,174
Additions during the year	1,851	-
Depreciation charge for the year	(781)	(172)
Total	**18,446**	**17,377**

II Lease liabilities: The lease liabilities included in statement of financial position

Particulars	As at 31 March 2021	As at 31 March 2020
Current	245	125
Non-current	14,930	13,256

II. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Leases under Ind AS 116		
Interest on lease liabilities	1,339	314
Expenses relating to short-term leases and low value leases	228	111
Depreciation	781	172

III. Amounts recognised in statement of cash flows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The total cash outflow for leases excluding cash outflow of short-term leases and leases of low-value assets	1,350	308

The Company has taken lease on building from Takshashila Healthcare Research Services Private Limited (Subsidiary company of the Company, hereinafter referred to as "THRSPL") and Mr. B P Gopala Reddy for their respective share of the building (as mentioned below). Effective 1 January 2020, the lease on building has been recorded as a Right of use assets on transition to IND AS 116 and the corresponding liability as lease liability.

Mr. B P Gopala Reddy ("Erstwhile Land Owner") was allotted certain piece of land by Karnataka Industrial Areas Development Board ("KIADB") on lease cum sale basis. Pursuant to the agreement dated 25 February, 2011 THRSPL entered into a Joint Development Agreement ("JDA") with the Erstwhile Owner, whereby the land would be transferred to THRSPL by KIADB in consideration of THRSPL constructing a hospital and sharing the super built up area between Erstwhile Owner and THRSPL in an agreed proportion i.e., 42% of the constructed area to the Erstwhile land owner and 58% to THRSPL. Subsequently, KIADB allotted the land to THRSPL on lease cum sale basis. During the year 2014, the relevant sale deed from KIADB was executed. THRSPL has also entered into JDA in respect of certain land owned by the Erstwhile Owner which is contiguous to the land where by the total land would be eventually held between THRSPL and the Erstwhile Owner in the agreed proportion. The building is constructed on the land owned by erstwhile owners, based on the Memorandum of Understanding ("MOU") and Joint Development Agreement ("JDA") entered on 25 February 2011. The 'Deed of Conveyance' , other transfer documents and the lease deed between THRSPL, erstwhile owner and the company are pending execution.

THRSPL has bifurcated the cost of land and building as per the existing arrangements (i.e., 42% share of land and building to the Erstwhile land owner and balance 58% share to THRSPL) that are legally enforceable and supported by an external independent legal opinion. The Company believes that the likely settlement and final execution of documents in relation to land and building between THRSPL and the erstwhile owner including execution of the lease deed between THRSPL, erstwhile owner and the Company will be completed once the dispute in relation to certain terms of the arrangement is resolved. As per the Company, these terms will not have any material impact on the allocation of land and building, and the corresponding recognition of right of use assets and lease liability in the books of the Company effective 1 January 2020 on transition to IND AS 116.

33 Segment reporting

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

Geographical information

Geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been presented based on the geographical location of the customers and segment assets has been presented based on the geographical location of the assets.

(i) Revenue from operations (Rs in lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	24,825	29,493
Total	24,825	29,493

(ii) Non current assets*

Particulars	As at 31 March 2021	As at 31 March 2020
India	23,377	25,840
Total	23,377	25,840

*Non-current assets exclude financial assets

34 Subsequent events

The Company evaluated all events or transactions that occurred after March 31, 2021 up through September xx, 2021 the date the financial statements were issued.

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended March 31, 2021.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

for and on behalf of Board of directors of
Takshasila Hospitals Operating Private Limited

Ankit Daga
Partner
Membership number: 512486

Place: Bengaluru
Date: / /2021

Yuichi Nagano
Managing Director
DIN: 08328401

Place: Bengaluru
Date: / /2021

Naoya Matsumi
Director
DIN: 08805301

Place: Bengaluru
Date: / /2021

Masatomo Ogi
Chief Financial Officer

Place: Bengaluru
Date: / /2021

K N Vijaya Bhaskar
Company Secretary

Place: Bengaluru
Date: / /2021