

WOCKHARDT HOSPITALS LIMITED
("the Company")
Ind AS Financial Statements for year ended
31 March 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Wockhardt Hospitals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wockhardt Hospitals Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 7 to the financial statements wherein, as explained, the management has recognised net Deferred Tax Assets of Rs. 22,266.16 Lakhs, mainly comprising of unabsorbed depreciation and losses from specified business, basis their estimate that sufficient taxable profits would be available in future years against which they can be utilised.



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Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 prepared in accordance with Ind AS included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor dated September 04, 2019 on the comparative financial information expressed an unmodified audit opinion.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except records pertaining to



Company's hospital at Adventist Wockhardt Heart Hospital at 24, Athwalines, Surat on account of a dispute with the owners as mentioned in Note 30 to the financial statements.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Bhavik L. Shah

Partner

Membership No. 122071

UDIN: 20122071AAAADE5591



Place: Mumbai

Date: August 19, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WOCKHARDT HOSPITALS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Bhavik L. Shah

Partner

Membership No. 122071

UDIN: 20122071AAAADE5591



Place: Mumbai

Date: August 19, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WOCKHARDT HOSPITALS LIMITED FOR THE YEAR ENDED MARCH 31, 2020

- i.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
 - (b) Certain fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self constructed properties as on March 31, 2020 are held in the name of the Company.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or provided guarantees or security or made any investment. Accordingly, provisions stated in paragraph 3(iv) of the Order with respect to Section 185 and 186 of the Act are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been



a slight delay in a few cases. However, no undisputed statutory dues were in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, sales-tax, service tax, value added tax, goods and service tax and customs duty that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (In Rs.)
Income Tax Act, 1961	Income Tax	TRO- 10 (1)	AY 2006-07	6,82,768
		High Court	AY 2010-11*	74,39,04,318
		High Court- Hyderabad	AY 2007-08*	1,99,76,193
			AY 2008-09	99,80,466
			AY 2009-10*	1,28,22,654
		Tribunal- Mumbai	AY 2009-10	58,41,050
		CIT(A)	AY 2009-10	12,54,640
		CIT(A)	AY 2011-12	4,66,780
		CIT(A)	AY 2012-13	2,77,592
		CIT(A)-60	AY 2013-14	2,86,894
TDS Officer	AY 2008-09	13,940		
	AY 2018-19	3,85,97,830		
TDS Officer# As per traces.	AY 2009-10 to A.Y 2019-20	75,92,579		
Finance Act, 1994	Service Tax	CESTAT	FY 2012-13*	68,76,366
AP VAT Act, 2005	VAT	Tribunal (Hyderabad)	FY 2005-06*	27,85,764
			FY 2006-07*	13,06,887
Gujarat VAT Act, 2003	VAT	Commissioner of Sales Tax	FY 2009-10*	57,67,441
			FY 2010-11*	86,97,258
		Assistant commissioner of Sales Tax-3(91)	FY 2011-12	1,24,23,988
			FY 2012-13	89,06,236
Maharashtra VAT Act, 2002	VAT	Assistant commissioner of Sales Tax-920	FY 2013-14	1,06,03,763
			FY 2012-13	5,18,23,728



*Note: Out of the above, amount paid/adjusted under protest by the Company for VAT, Service tax and Income-tax is ₹ 22.29 Lakhs, ₹ 1.72 Lakhs and ₹ 7,441.96 Lakhs respectively.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company had made private placement of optionally convertible cumulative redeemable preference shares during the year under review.

In respect of the above issue, we further report that:

- (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- (b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.



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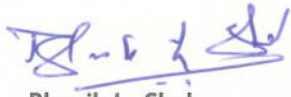
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- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Bhavik L. Shah

Partner

Membership No. 122071

UDIN: 20122071AAAADE5591



Place: Mumbai

Date: August 19, 2020

**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS
OF WOCKHARDT HOSPITALS LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Wockhardt Hospitals Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls With Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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



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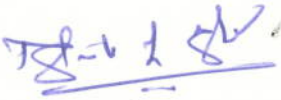
Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Bhavik L. Shah

Partner

Membership No. 122071

UDIN: 20122071AAAADE5591



Place: Mumbai

Date: August 19, 2020

WOCKHARDT HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2020

1. CORPORATE INFORMATION

The Company was incorporated on August 28, 1991 as a public limited Company. The Company was originally named “First Hospital & Heart Institute Limited”. The Company started commercial operations in the year 1995. On September 11, 2000; the name was changed to “Wockhardt Health Sciences Limited” and subsequently on October 19, 2000; the name was changed to “Wockhardt Hospitals Limited”. The registered office of the Company is located at Wockhardt Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, India.

The Company is principally in the business of providing advanced tertiary care and related hospital services, and running, operating and management of various other hospitals in different parts of the country.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of Compliance

These Financial Statements have been prepared to comply to in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, as amended from time to time, the provision of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

The financial statements were authorised for issue by the Company’s Board of Directors on August 19, 2020.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 116 ‘Leases’ with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, without giving any effect in retained earnings at 1st April, 2019. As a result, the comparative information has not been restated. Refer Note 29 for further details.

(b) Basis of preparation

These Financial Statements have been prepared under the historical cost convention on a going concern and accrual basis with the exception for the following material items in the statement of financial position:



WOCKHARDT HOSPITALS LIMITED

- Certain financial assets and liabilities are measured at fair value
- Certain Property, Plant and Equipment, which have been revalued

(c) Use of Estimate and Judgements

The presentation of the Financial Statement in conformity in Ind AS which requires the management to make judgements and estimates about the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the judgements and estimates used in preparation of the Financial Statements are prudent and reasonable.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Estimates and assumptions are required in particular for:

- Useful life and residual value of property, plant and equipment and intangible assets

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- Goodwill impairment

For goodwill impairment testing, if events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the CGUs (including allocated goodwill) is compared with its recoverable amount by the Company. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by the Company using a discounted cash flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgment involves, but is not limited to, industry trends including pricing, estimating long-term revenues, revenue growth, operating expenses and capital expenditures.

- Impairment of Non – Financial Assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



WOCKHARDT HOSPITALS LIMITED

Key source of estimate uncertainty

(i) Impairment of trade receivables:

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

(ii) Legal and other disputes:

The Company provides for anticipated settlement cost where an outflow of resources is considered probable and a reliable estimate may be made of the likely outcome of the dispute and legal and other expenses arising from claims against the company. These estimates take into account the specific circumstances of each dispute and relevant external advice which are inherently judgmental and could change substantially over time as new facts emerge and each dispute progresses.

(iii) Post-employment benefits:

The costs of providing gratuity and other post-employment benefits are charged to the statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefits derived from the employee's services. The costs are assessed on the basis of assumptions selected by management. These assumptions include future earnings and salary increases, discount rate, expected long-term rates of return on assets and mortality rates.

(iv) Assumptions are also made by the management with respect to valuation of inventories, evaluation of recoverability of deferred tax, contingencies, determination of useful lives of Property, Plant and Equipments and measurement of recoverable amounts of cash generating units.

1.2 SIGNIFICANT ACCOUNTING POLICIES:

(a) Property, Plant and Equipment & Depreciation

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost 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 non-refundable purchase taxes, after deducting trade discounts and rebates.
- borrowing cost and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
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WOCKHARDT HOSPITALS LIMITED

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent Expenditure

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

(b) Depreciation / Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment is provided, using the straight line method (SLM), pro-rata to the year of use of assets, at the rates specified in Schedule II of the Companies Act, 2013 with exception the following:

- In respect of Vehicles, Computer Hardware and Office Equipment's which are depreciated over 5 years, 3 years and 4 years respectively, based on the useful life as estimated by the management.
- In case of revalued assets depreciation is provided over the remaining useful life of the asset as estimated by the management.
- In case of assets, falling under the block of Building, constructed on rental premises, depreciation is provided either on the basis of useful life of the assets as estimated by the management or rental period whichever is lower.
- Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Intangible assets being Management Rights are amortized over a period of ten years and Computer Software is amortised over a period of three years.

Intangible assets arising on account of management contracts are amortised over the non-cancellable period of the management contract.



WOCKHARDT HOSPITALS LIMITED

(c) Intangible Assets

i. Recognition and Measurement

Intangible assets comprising of Computer Software are stated at acquisition cost, including any cost attributable for bringing the asset to its working condition, less accumulated amortization and impairment losses, if any. Technology support cost and annual maintenance cost for such software is charged annually to the Statement of Profit and Loss.

ii. Subsequent Expenditure

Other Intangible assets are recognized where it is probable that future economic benefit attributable to the assets will flow to the company and its cost can be reliably measured.

(d) Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

(e) Foreign Currency Transactions

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of the transaction. All assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.



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Realized gain or loss resulting from the settlement/translation of such transactions of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss.

(f) Financial Instruments

i. Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.



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Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets



WOCKHARDT HOSPITALS LIMITED

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

iii. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company



WOCKHARDT HOSPITALS LIMITED

may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR ("Effective Interest Method"). Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(g) Business combinations

- i) The Company accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.
- ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.
- iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets



WOCKHARDT HOSPITALS LIMITED

acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

- iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.
- v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.
- vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.
- vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.
- viii) Any goodwill that arises on account of such business combination is tested annually for impairment.
- ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(h) Inventories

Inventories of pharmacy products and Consumables are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, and other levies, transit insurance and receiving charges.

(i) Revenue recognition

Revenues from services (including supplies to patients) are recognized on daily basis.

Revenue from pharmacy sales (other than supplies to inpatients) are recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.



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Effective April 1, 2018, the Company has applied Ind AS 115 - Revenue from Contract with customers which establishes a comprehensive framework for revenue recognition. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized upon transfer of control of promised products or services to customers/patients in an amount that reflects the consideration we expect to receive in exchange for those products or services. Sales and Service Income exclude Goods and Service Tax (GST) and are net of trade / volume discounts, where applicable.

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

Interest Income

Interest income is recognised with reference to the Effective Interest Rate method

(j) Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

Other long-term employee benefits



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The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they arise.

(k) Leases

Effective April 1, 2019, the Company has applied Ind AS 116 using modified retrospective approach and the right of use asset is recognised at the date of initial application as an amount equal to the lease liability, using the entity's prevailing incremental borrowing rate as at the date of initial application, adjusted for any prepaid or accrued lease payments relating to that lease that were recognised in the balance sheet immediately before the date of initial application.

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

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with a term of twelve months or less (short-term leases) and leases for which the underlying asset is of low value (low-value leases). For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or prior to the commencement date of the lease, any initial direct costs incurred by the Company, any lease incentives received and expected costs for obligations to dismantle and remove right-of-use assets when they are no longer used.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the end of the lease term or useful life of the right-of-use asset.

Right-of-use assets are assessed for impairment whenever there is an indication that the balance sheet carrying amount may not be recoverable using cash flow projections for the useful life.

For lease liabilities at commencement date, the Company measures the lease liability at the present value of the future lease payments as from the commencement date of the lease to end of the lease term. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, the Company's incremental borrowing rate for the asset subject to the lease in the respective markets.

Subsequently, the Company measures the lease liability by adjusting carrying amount to reflect interest on the lease liability and lease payments made.



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The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a change to the lease terms or expected payments under the lease, or a modification that is not accounted for as a separate lease

The portion of the lease payments attributable to the repayment of lease liabilities is recognized in cash flows used in financing activities, and the portion attributable to the payment of interest is included in cash flows from operating activities. Further, Short-term lease payments, payments for leases for which the underlying asset is of low-value and variable lease payments not included in the measurement of the lease liability is also included in cash flows from operating activities.

(l) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.



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Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax for the year are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(n) Borrowing Costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at the Effective Interest Rate.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

(o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These



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are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

(1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the Financial Statements.

(p) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(q) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the company.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.3 RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



WOCKHARDT HOSPITALS LIMITED
Balance Sheet as at 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

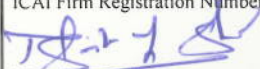
Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	35,340.97	39,956.89
Right of use assets	2.1	2,827.79	
Capital work-in-progress	2	6,468.92	6,303.80
Intangible assets	3	2,715.19	3,219.94
Goodwill	4	259.24	259.24
		-	
Financial assets			
- Deposits	5.1	306.10	609.97
- Other financial assets	6	50.15	30.53
Deferred tax assets (net)	7	22,266.16	20,168.52
Income Tax assets (net)		11,715.95	11,976.12
Other non-current assets	8	5,838.63	5,587.19
Total non-current assets		87,789.10	88,112.20
Current assets			
Inventories	9	683.40	554.32
Financial Assets			
- Trade receivables	10	6,863.15	5,754.41
- Cash and cash equivalents	11	989.79	606.27
- Bank balance (other than above)	11	878.78	1,063.64
- Loans receivables	5.2	20.24	11.04
- Other financial assets	6	709.10	923.01
Other current assets	8	239.64	272.85
Total current assets		10,384.10	9,185.53
TOTAL ASSETS		98,173.20	97,297.73
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	15	10,649.10	8,939.42
Other Equity	16	40,296.90	40,353.46
		50,946.00	49,292.88
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	17	23,738.27	27,688.56
- Lease Liabilities	12	1,651.91	-
- Other financial liabilities	12	5,616.89	6,202.80
Provisions	13	562.38	528.33
Total non-current liabilities		31,569.45	34,419.69
Current liabilities			
Financial Liabilities			
- Trade payables	18	-	-
(a) Due to micro and small enterprises		-	-
(b) Due to others (other than above)		8,375.13	7,244.13
- Other financial liabilities	12	5,104.60	4,863.25
- Lease Liabilities	12	406.13	-
Other current liabilities	14	1,346.42	1,192.04
Provisions	13	425.47	285.74
Total current liabilities		15,657.75	13,585.17
TOTAL EQUITY AND LIABILITIES		98,173.20	97,297.73

Significant Accounting Policies


1

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date attached
For **MSKA & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number : 105047W



Bhavik L. Shah
Partner
M No. 122071





Zahabiya H. Khorakiwala
Managing Director
(DIN : 00102689)


Hetali Vyas
Company Secretary

For and on behalf of the Board of Directors


Murtaza H. Khorakiwala
Director
(DIN : 00102650)


Jayant Dalal
Chief Financial Officer

Place: Mumbai
Date: August 19, 2020

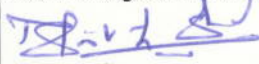
WOCKHARDT HOSPITALS LIMITED
Statement Of Profit And Loss for the year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
INCOME			
Revenue from operations	19	48,883.74	44,749.37
Other Income	20	808.31	484.94
Total Income		49,692.05	45,234.31
EXPENSES			
Cost of materials consumed	21	10,507.31	10,006.41
Purchases of Stock-in-Trade	22	1,401.17	1,103.86
Employee benefits expense	23	9,399.67	9,644.99
Finance Costs	24	4,310.25	4,982.94
Depreciation and amortisation expense	2	4,949.53	4,299.96
Other Expenses	25	28,563.08	27,996.80
Total Expenses		59,131.01	58,034.97
Profit / (Loss) before tax		(9,438.96)	(12,800.66)
Tax (Expense) / Credit		2,750.89	3,830.94
Current Tax		-	-
Deferred Tax	7	2,750.89	3,830.94
Net Profit / (Loss) after Tax		(6,688.07)	(8,969.72)
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(28.09)	(1.02)
Income tax on the above		8.76	0.32
Total Comprehensive income for the year		(6,707.39)	(8,970.42)
Earnings per equity share of par value of Rs. 10 each			
Basic (in Rs.)		(7.47)	(10.66)
Diluted (in Rs.)		(7.47)	(10.66)


The accompanying notes form an integral part of these Financial Statement.

As per our attached report of even date attached
For MSKA & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number : 105047W



Bhavik L. Shah
Partner
M No. 122071




Zahabiya H. Khorakiwala
Managing Director
(DIN : 00102689)


Hetali Vyas
Company Secretary

For and on behalf of the Board of Directors


Murtaza H. Khorakiwala
Director
(DIN : 00102650)


Jayant Dalal
Chief Financial Officer

Place: Mumbai
Date: August 19, 2020

WOCKHARDT HOSPITALS LIMITED
Statement of Changes in Equity for the year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

EQUITY SHARE CAPITAL		1 April 2018	Changes in equity share capital during the year	31 March 2019	Changes in equity share capital during the year	31 March 2020
		8,402.02	537.40	8,939.42	1,709.68	10,649.10

OTHER EQUITY

Particulars	Equity Component of Optionally Convertible Debentures (Note 6)	Equity Component of Preference Share (Note 16)	Reserve and Surplus		Retained Earnings (Note 16)	Other items of Other Comprehensive Income (Note 16)	Total Equity
			Capital reserve (Note 16)	Securities premium reserve (Note 6)			
Balance at 1 April 2018	7,121.25	10,932.79	45.94	42,078.82	(23,451.14)	16.80	36,744.46
Profit/(Loss) for the year	-	-	-	-	(8,969.72)	-	(8,969.72)
Other comprehensive income for the year	-	-	-	-	-	(0.70)	(0.70)
Total comprehensive income for the year	-	-	-	-	-	(0.70)	(0.70)
Transaction with Owners	-	-	-	-	-	-	-
Equity component of Compound Financial Instruments issued during the year	-	15,864.16	-	-	-	-	15,864.16
Net Gain/loss on conversion/redemption of Compound Financial Instrument (net of tax)	-	-	-	-	1,500.88	-	1,500.88
Conversion of Compound Financial Instrument	(725.98)	(10,922.23)	-	6,862.60	-	-	6,862.60
Redemption of Compound Financial Instrument	6,395.27	15,874.71	45.94	48,941.42	(30,919.98)	16.10	40,353.46
Balance at 31 March 2019	-	-	-	-	(6,688.07)	-	(6,688.07)
Profit for the year	-	-	-	-	(19.32)	-	(19.32)
Other comprehensive income for the year	-	-	-	-	-	(19.32)	(19.32)
Total comprehensive income for the year	-	-	-	-	-	-	-
Transaction with Owners	-	-	-	-	-	-	-
Equity component of Compound Financial Instruments issued during the year	-	1,904.42	-	-	-	-	1,904.42
Net Gain/loss on conversion/redemption of Compound Financial Instrument (net of tax)	-	-	-	-	1,569.05	-	1,569.05
Conversion of Compound Financial Instrument	-	-	-	3,419.35	-	-	3,419.35
Redemption of Compound Financial Instrument	(241.99)	-	-	-	-	-	(241.99)
Balance at 31 March 2020	6,153.28	17,779.13	45.94	52,360.77	(36,039.00)	(3.23)	40,296.90

As per our attached report of even date

For MSKA & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number : 105047W



Bhavik L. Shah
Partner
M No. 122071

For and on behalf of the Board of Directors

(Signature)
Zahabiya H. Khorakiwala
Managing Director
(DIN : 00102689)

Murtaza H. Khorakiwala
Director
(DIN : 00102650)

(Signature)
Hetali Vyasa
Company Secretary

(Signature)
Jayant Dalal
Chief Financial Officer



Place : Mumbai
Date : August 19, 2020

WOCKHARDT HOSPITALS LIMITED
Cash Flow Statement for the year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

	As at 31 March 2020	As at 31 March 2019
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Net Loss before Exceptional Items & tax	(9,438.96)	(12,800.66)
Adjustments for:		
Depreciation and amortisation expense	4,949.53	4,299.96
Foreign Exchange (Gain) / Loss	(6.72)	12.85
Loss on sale of assets	12.93	2.99
Finance costs	4,310.25	4,982.94
Interest Income	(218.47)	(86.85)
Liabilities / provisions written back	(13.66)	(56.04)
Unwinding of discount on deferred consideration	348.06	410.10
Operating profit before operating assets and liabilities	(57.04)	(3,234.70)
Changes in operating and liabilities		
(Increase) / Decrease in Inventories	(129.08)	126.11
(Increase) / Decrease in Trade receivables	(1,108.73)	(1,326.79)
(Increase) / Decrease in Loans and Advances	(9.20)	5.31
(Increase) / Decrease in Other Current Financial Assets	299.84	(714.82)
(Increase) / Decrease in Other Current Assets	35.17	391.23
Increase / (Decrease) in Other Liabilities and Provisions	565.92	(771.14)
Cash Used in Operations	(403.13)	(5,524.79)
Tax Refund/ (Paid)	260.17	(1,202.10)
Net cash used in Operating Activities	(142.96)	(6,726.89)
CASH FLOWS PROVIDED BY/ (USED IN) INVESTING ACTIVITIES:		
Purchase of property, plant and equipment (including Capital work in progress and capital advances)	(182.67)	(703.74)
Proceeds from/(Deposits in) Fixed Deposits	184.86	339.06
Interest Received	218.47	86.85
Net cash used in Investing activities	220.66	(277.83)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Repayment of borrowings (Net)	(512.13)	(1,077.73)
Interest and other finance charges paid for lease	(934.45)	-
Finance costs paid	(19.88)	(110.93)
Proceeds from Issue of preference shares	2,795.00	23,323.69
Repayment of optionally convertible debentures	(1,022.72)	(2,100.00)
Repayment of preference shares	-	(13,899.00)
Net cash from Financing Activities	305.83	6,136.03
Net increase/(decrease) in cash and cash equivalents	383.52	(868.68)
Cash and cash equivalents at beginning of year	606.27	1,474.95
Cash and cash equivalents at end of year	989.79	606.27
Note :		
Components of cash and cash equivalents		
(i) Cash on Hand	53.12	95.61
(ii) Balances with Banks:		
-In Current Accounts	936.67	510.66
-In Deposit Accounts	-	-
	989.79	606.27

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Cash Flow Statements".

As per our attached report of even date attached
For MSKA & ASSOCIATES
Chartered Accountants
FRN : 112630W

Bhavik L. Shah
Partner
M No. 922071



Zahabiya H. Khorakiwala
Zahabiya H. Khorakiwala
Managing Director
(DIN : 00102689)

Hetali Vyas
Hetali Vyas
Company Secretary

For and on behalf of the Board of Directors

Murtaza H. Khorakiwala
Murtaza H. Khorakiwala
Director
(DIN : 00102650)

Jayant Dalal
Jayant Dalal
Chief Financial Officer

Place: Mumbai
Date: August 19, 2020

WOCKHARDT HOSPITALS LIMITED
Notes to the financial statement for year ended 31 March 2020
2 - PROPERTY, PLANT AND EQUIPMENT

All amounts are in INR in Lakhs unless otherwise stated

P A R T I C U L A R S	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	BALANCE AS AT 01 April 2019	ADDITIONS	DISPOSALS / ADJUSTMENTS	BALANCE AS AT 31 March 2020	BALANCE AS AT 01 April 2019	DEPRECIATION ELIMINATED ON DISPOSAL OF ASSETS YEAR	BALANCE AS AT 31 March 2020	BALANCE AS AT 31 March 2019
Tangible assets								
(a) Land	390.84	-	-	390.84	-	-	-	390.84
Freehold Leasehold*								900.10
(b) Buildings	24,918.25	-	0.67	24,917.58	3,838.04	642.01	4,479.44	21,080.21
(c) Plant and Equipment	32,119.50	91.15	74.91	32,135.74	16,880.41	2,646.89	19,464.02	15,239.10
(d) Furniture and Fixtures	4,252.50	1.89	0.13	4,254.26	2,386.35	328.08	2,714.31	1,866.15
(e) Vehicles	270.00	-	4.48	265.52	263.42	3.11	262.05	6.57
(f) Office equipment	816.37	11.82	23.60	804.60	717.67	30.07	725.33	98.70
(g) Computers	2,520.46	-	2.40	2,518.06	2,145.24	157.58	2,300.50	375.22
TOTAL	65,287.93	104.86	106.17	65,286.61	26,231.14	3,807.74	29,945.64	36,340.97

* Land at Delhi has been acquired on a perpetual lease basis. Hence, no amortisation has been done on the premium paid.

P A R T I C U L A R S	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	BALANCE AS AT 01 April 2018	ADDITIONS	DISPOSALS / ADJUSTMENTS	BALANCE AS AT 31 March 2019	BALANCE AS AT 01 April 2018	DEPRECIATION ELIMINATED ON DISPOSAL OF ASSETS YEAR	BALANCE AS AT 31 March 2019	BALANCE AS AT 31 March 2018
Tangible assets								
(a) Land	390.84	-	-	390.84	-	-	-	390.84
Freehold Leasehold								900.10
(b) Buildings	24,790.61	127.64	-	24,918.25	3,199.40	638.64	3,838.04	21,591.21
(c) Plant and Equipment	31,582.16	571.17	33.83	32,119.50	14,247.45	2,657.00	16,880.41	17,334.72
(d) Furniture and Fixtures	4,246.02	6.76	0.28	4,252.50	2,039.96	346.46	2,386.35	2,206.06
(e) Vehicles	270.00	-	-	270.00	239.21	24.22	263.42	30.79
(f) Office equipment	767.49	49.07	0.19	816.37	633.76	84.09	717.67	133.73
(g) Computers	2,403.74	116.72	-	2,520.46	1,987.44	157.81	2,145.24	416.30
TOTAL	65,350.96	871.37	34.30	66,188.03	22,347.21	3,908.21	26,231.14	43,003.75

CAPITAL WORK IN PROGRESS :

31 March 2020	31 March 2019
6,468.92	6,303.80

Capital Work in Progress



WOCKHARDT HOSPITALS LIMITED
 Notes to the financial statement for year ended 31 March 2020
 2.1 - Right of use assets
All amounts are in INR in Lakhs unless otherwise stated

The following table summarizes the movements of the right-of-use assets and amortisation charge during the year.

P A R T I C U L A R S	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK BALANCE AS AT 31 March 2020
	BALANCE AS AT 01 April 2019	ADDITIONS	DISPOSALS / ADJUSTMENTS	BALANCE AS AT 31 March 2020	BALANCE AS AT 01 April 2019	DEPRECIATION EXPENSE FOR THE YEAR	ELIMINATED ON DISPOSAL OF ASSETS	
(a) Land *	900.10	-	-	900.10	-	-	-	900.10
(b) Building	2,707.11	-	-	2,707.11	-	779.42	-	1,927.69
TOTAL	3,607.21	-	-	3,607.21	-	779.42	-	2,827.79

* Reclassified on account of adoption of Ind As 116 and the same pertains to Land at Delhi which has been acquired on a perpetual lease basis. Hence, no amortisation charged.

Refer note 29 for disclosures related to ROU assets and liabilities



WOCKHARDT HOSPITALS LIMITED
Notes to the financial statement for year ended 31 March 2020
3- INTANGIBLE ASSETS

All amounts are in INR in Lakhs unless otherwise stated

P A R T I C U L A R S	GROSS BLOCK					ACCUMULATED AMORTISATION			NET BLOCK	
	BALANCE AS AT 01 April 2019	ADDITIONS	ON ACCOUNT OF BUSINESS COMBINATIONS*	DISPOSALS/ ADJUSTMENTS	BALANCE AS AT 31 March 2020	BALANCE AS AT 01 April 2019	DEPRECIATION EXPENSE FOR THE YEAR	ELIMINATED ON DISPOSAL OF ASSETS	BALANCE AS AT 31 March 2020	BALANCE AS AT 31 March 2019
Intangible assets										
(a) Computer Software	839.26	-	-	-	839.26	764.01	41.21	-	805.23	34.03
(b) Management contracts*	4,362.46	-	-	203.41	4,159.06	1,217.77	321.15	61.02	1,477.90	2,681.15
TOTAL	5,201.72	-	-	203.41	4,998.31	1,981.78	362.37	61.02	2,283.13	2,715.19

* The company entered into a management agreement to operate and manage the Sterling Hospitals Limited, Vashti on 21st April 2006, NM Virani Hospital, Rajkot on 30th March 2006 and The Umrao Institute of Medical Science and Research on 30th July 2014. This agreement entitles the Company to have an exclusive right to run, operate and manage the operations and facilities of the hospital as a super speciality hospital.

Under Ind AS 103, a group of assets that meet the definition of a business are to be accounted for as a business combination. Since in above, existing hospital were taken over, it constitutes a business combination. However, since this agreement were entered into before the date of transition, the business combination was grandfathered under IND AS 101. In previous year, on completion of the first term of ten years and start of the second term of ten years, as per Ind AS 103 Business Combination, intangible asset is recognised at fair value with corresponding credit to deferred consideration.

During the year the Company has handed over possession of the Vashti Hospital Unit to Sterling Hospitals Limited- counter party to the management agreement

P A R T I C U L A R S	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION			NET BLOCK			
	BALANCE AS AT 01 April 2018	ADDITIONS	ON ACCOUNT OF BUSINESS COMBINATIONS	DISPOSALS/ ADJUSTMENTS	BALANCE AS AT 31 March 2019	BALANCE AS AT 01 April 2018	DEPRECIATION EXPENSE FOR THE YEAR	ELIMINATED ON DISPOSAL OF ASSETS	BALANCE AS AT 31 March 2019	BALANCE AS AT 31 March 2018
Intangible assets										
(a) Computer Software	819.30	19.95	-	-	839.26	693.42	70.60	-	764.01	125.89
(b) Management contracts*	4,362.46	-	-	-	4,362.46	896.62	321.15	-	1,217.77	3,465.85
TOTAL	5,181.77	19.95	-	-	5,201.72	1,590.03	391.75	-	1,981.78	3,219.94



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

4- GOODWILL

(i) Acquisitions post transition date

Management contract with Umrao Institute of Medical Science and Research

The company entered into a management agreement to operate and manage the Umrao Institute of Medical Science and Research on 30 July 2014. This agreement entitles the Company to have an exclusive right to operate and manage the hospital (including land and building, related equipments etc.). The employees of the existing hospital were also transferred to the Company.

Under Ind AS 103, a group of assets that meet the definition of a business are to be accounted for as a business combination. Accordingly, the following considerations apply :

- The fair value of the consideration transferred for the acquisition (excluding transaction costs which are required to be recognised as an expense in the period in which it is incurred) are allocated to the fair value of identifiable assets and liabilities acquired.
- Difference between the aggregate consideration and the fair value of the assets/liabilities referred to above is recognised as goodwill. Goodwill is not permitted to be amortised.
- Deferred consideration in relation to business combinations is required to be initially measured at its present value.

The goodwill recognised is largely due to the synergies expected from the operation of the hospital, as well as certain intangible assets such as customer lists etc, which have not been recognised separately as they do not meet the criteria for recognition as intangible assets.

The following table summarizes the preliminary fair value of the consideration, the amount at which assets acquired and the liabilities assumed were recognised as of the date of acquisition :

Deferred consideration	6,129.78
Total (A)	6,129.78
Fair value of Property, Plant and Equipment	1,677.00
Fair value of Intangible Assets	3,452.78
Deferred tax	740.76
Total (B)	5,870.54
Goodwill (A)-(B)	259.24

(ii) Impairment Testing

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGU's) as follows:

Particulars	31 March 2020	31 March 2019
Umrao Institute of Medical Science and Research	259.24	259.24

The recoverable amounts have been determined based on value in use calculations, which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to the relevant industry. The Management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

7 INCOME TAXES

Tax expense

	31 March 2020	31 March 2019
(a) Amounts recognised in profit and loss		
Current income tax	-	-
Deferred Tax		
Attributable to		
Origination and reversal of temporary differences	2,750.89	3,830.94
Deferred tax expense	2,750.89	3,830.94
Tax expense for the year	2,750.89	3,830.94

(b) Amounts recognised in other comprehensive income	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(28.09)	8.76	(19.32)	(1.02)	0.32	(0.70)
	(28.09)	8.76	(19.32)	(1.02)	0.32	(0.70)

(c) Reconciliation of effective tax rate	31 March 2020	31 March 2019
Profit before tax	(9,438.96)	(12,800.66)
Tax using the Company's domestic tax rate (31 March 2020: 31.20% , 31 March 2019: 31.20%)	(2,949.00)	(3,993.81)
Tax effect of:		
Expenses on which deferred tax asset was not recognised (Permanent Difference)	311.82	173.63
Deferred tax on unabsorbed losses recognised in Current year	(417.10)	-
Tax effect on Indexation of land	20.95	18.62
Effect of rate change	-	-
Reversal of MAT Credit	282.43	-
Others	-	(29.39)
Tax expense as per profit or loss	(2,750.89)	(3,830.94)

The Company's weighted average tax rates for the years ended 31 March 2020 and 31 March 2019 were 29.14% and 29.93%, respectively.



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

(d) Movement in deferred tax balances	As at 31 March 2020			
	Net balance April 1, 2019	Recognised in Profit or Loss	Recognised in Equity/ OCI/ Goodwill/Other assets	Net deferred tax asset/liability
Property, plant and equipment	(7,059.82)	732.84	-	(6,326.98)
Employee benefits	253.99	45.77	8.76	308.52
Security deposits	5.37	0.41	-	5.78
Business Combinations	615.08	7.22	-	622.30
Debentures	235.30	624.79	(662.01)	198.07
Unabsorbed depreciation, loss from specified business and business loss	25,725.27	1,621.55	-	27,346.82
Trade receivables	112.76	(39.93)	-	72.83
Impact on account of adoption of Ind AS 116	(1.85)	40.67	-	38.82
MAT Credit	282.42	(282.42)	-	(0.00)
Tax Assets / (Liabilities)	20,168.52	2,750.89	(653.25)	22,266.16

(e) Movement in deferred tax balances	As at 31 March 2019			
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in Equity/ OCI/ Goodwill	Net deferred tax asset/(liability)
Property, plant and equipment	(7,818.46)	758.64	-	(7,059.82)
Employee benefits	236.76	16.91	0.32	253.99
Security deposits	5.00	0.37	-	5.37
Business Combinations	480.18	134.90	-	615.08
Debentures	56.39	677.33	(498.42)	235.30
Unabsorbed depreciation, loss from specified business and business loss	23,468.92	2,256.35	-	25,725.27
Trade receivables	126.33	(13.57)	-	112.76
Lease rent liability	(1.85)	-	-	(1.85)
MAT Credit	282.42	-	-	282.42
Tax Assets / (Liabilities)	16,835.69	3,830.94	(498.11)	20,168.52

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Management has recognised Deferred Tax Assets of Rs.22,266 Lakhs, mainly comprising of unabsorbed depreciation and unabsorbed losses from specified business under section 35 AD of Income Tax Act, 1961, which can be carried forward for indefinite period. The Company has been incurring operating losses in past. However, based on various measures being implemented by the Company including cost rationalisation and better capacity utilisation, the Management estimates that sufficient taxable profits would be generated in future years to absorb all unabsorbed losses/depreciation and accordingly considers its appropriate to recognise deferred tax asset on the same.



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

5.1 Deposits

Particulars	31 March 2020	31 March 2019
Non-current		
<u>(Unsecured, considered good)</u>		
Security Deposits	245.35	544.31
Less : Allowance for bad and doubtful security deposits	-	-
	245.35	544.31
Other Deposits	60.75	65.65
Less : Allowance for bad and doubtful deposits to others	-	-
	60.75	65.65
	306.10	609.97

5.2 Loans Receivables

Particulars	31 March 2020	31 March 2019
Current		
<u>Unsecured, considered good</u>		
Loans to Employees	20.24	11.04
Less: Provision for loans to employees	-	-
	20.24	11.04

6 Other Financial Assets

Particulars	31 March 2020	31 March 2019
(a) Non-current		
<u>In earmarked account</u>		
-Balances with maturity more than 12 months on the reporting date	50.15	30.53
-Interest accrued on deposits/ margins	-	-
	50.15	30.52
(b) Current		
Interest accrued on deposits/margins	6.11	9.22
Other Advances	97.42	120.58
Other Receivables (Refer Note 31)	65.51	24.89
Contract Assets (Unbilled Revenue)	540.05	768.32
	709.09	923.01



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

8 Other Assets

Particulars	31 March 2020	31 March 2019
(a) Non-current		
Capital advances	90.20	35.13
Sales tax paid under protest	21.37	21.37
Prepaid expenses	71.83	73.79
Security deposits	5,655.23	5,456.90
	5,838.63	5,587.19
(b) Current		
Prepaid Expenses	239.64	272.85
	239.64	272.85

9 INVENTORIES

Particulars	31 March 2020	31 March 2019
(a) Consumables	404.03	333.33
(b) Pharmacy #	279.37	220.98
Total inventories at lower of cost and net realisable value	683.40	554.32

Stock of traded goods of INR 249.44 lakhs (net of GST) as on 31.03.2020 (INR 62.98 lakhs (net of GST) as on 31.03.2019).

10 TRADE RECEIVABLES

Particulars	31 March 2020	31 March 2019
(a) Trade receivables Unsecured but considered good	6,863.15	5,754.41
Less: Loss allowances	-	-
	6,863.15	5,754.41
(b) Trade receivables - Unsecured and doubtful	233.43	361.40
	7,096.58	6,115.82
Less: allowance for credit loss	(233.43)	(361.40)
	6,863.15	5,754.41

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

11 CASH AND BANK BALANCES

Particulars	31 March 2020	31 March 2019
(a) Cash and cash equivalents comprise the following :		
(i) Cash on Hand	53.12	95.61
(ii) Balances with Banks;		
-In Current Accounts	936.67	510.66
SubTotal (a)	989.79	606.27
(b) Other Bank Balances		
- In Deposit Account with maturity less than 12 months from reporting date.	393.22	607.22
- In earmarked accounts (Margin Money, etc.) with maturity less than 12 months from the reporting date.	485.56	456.42
SubTotal (b)	878.78	1,063.64
Total (a) + (b)	1,868.57	1,669.91



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

B. 0.1% Optionally Convertible Cumulative Redeemable Preference Share (OCCRPS)

During the year i.e. FY 2019-20, the Company has issued and allotted 30,92,591 and 36,29,030 . 0.1% Optionally Convertible Cumulative Redeemable Preference Share (OCCRPS) of Rs 10/- each fully paid at a premium of Rs 44/- and Rs 21/- per share respectively. The OCCRPS shall carry coupon rate 0.1% p.a. having redemption premium (8% p.a.) cumulative to be paid on entire value at the time of conversion or redemption as the case may be and it has been issued for a terms of 18 years. The Holder of OCCRPS shall carry a preferential right vis-a-vis Equity Shares of the Company . OCCRPS shall be non participating in surplus of funds, surplus assets and profit which may remain after the entire capital has been repaid, on Winding-up of the Company. The OCCRPS shall be paid Dividend on Cumulative Basis. The OCCRPS shall have option to convert the same in equity shares, the conversion option is available at the end of every 2 years for a period on one month. The conversion price shall be at the fair value of the Company at the time of exercise of conversion option by the OCCRPS holders.

Details of Preference shareholders holding more than 5%.

Particulars	31st March 2020		31st March 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
6% Non Cumulative Preference shares				
Palanpur Holdings & Investments Pvt Ltd.	160,000	100	160,000	100
0.1% Optionally Convertible Cumulative Redeemable Preference Shares				
Carol Info Services Limited	41,635,920	83.42	40,503,902	94
Merind Limited	5,129,626	10.28	2,685,183	6
Humuza Consultants	3,145,160	6.30	-	-

12 Other Financial Liabilities

Particulars	31st March 2020	31st March 2019
(a) Non-current		
Deferred consideration	5,433.29	5,965.90
Lease Liability	1,651.91	-
Others	183.58	236.90
	7,268.78	6,202.80
(b) Current		
Deferred consideration	1,850.84	1,855.83
Lease Liability	406.13	-
Current Maturities of Long Term Deferred Payment Liabilities	-	512.13
Salaries & Others Allowances payable	106.63	74.07
Provision for expenses	2,693.66	1,940.18
Creditors for Capital Expenditure	453.47	481.04
	5,510.73	4,863.25

Creditors for capital expenditure pertain to amounts payable for capital expenditures incurred on hospitals in Delhi and Mumbai
Deferred consideration pertains to the present value of consideration payable recognised on account of Business Combination.

13 Provisions

Particulars	31st March 2020	31st March 2019
(a) Non-current		
(i) Provision for Employee Benefits:		
Provision for Gratuity (Refer Note 28)	366.10	370.24
Provision for Compensated Absences (Refer Note 28)	196.29	158.09
	562.39	528.33
(b) Current		
(i) Provision for employee benefits		
Provision for Bonus / Performance Linked Incentives	365.42	245.98
Provision for Gratuity (Refer Note 28)	25.12	12.18
Provision for Compensated Absences (Refer Note 28)	34.92	27.59
	425.46	285.73

14 Other Liabilities

Particulars	31st March 2020	31st March 2019
(a) Current		
Statutory Liabilities	384.12	397.45
Contract Liabilities: Advances from customers	934.98	760.36
Other liabilities	27.32	34.24
	1,346.42	1,192.04



WOCKHARDT HOSPITALS LIMITED
Notes to the financial statement for year ended 31 March 2020
All amounts are in INR in Lakhs unless otherwise stated
15 EQUITY SHARE CAPITAL

Particulars	31st March 2020		31st March 2019	
	Number of shares	INR in Lakhs	Number of shares	INR in Lakhs
(a) Authorised Equity shares of Rs.10/- each	110,000,000	11,000.00	92,000,000	9,200.00
	110,000,000	11,000.00	92,000,000	9,200.00
(b) Issued, Subscribed and fully paid up Equity shares of Rs.10/- each	106,491,016	10,649.10	89,394,242	8,939.42
	106,491,016	10,649.10	89,394,242	8,939.42

15.1 Reconciliation of number of shares at the beginning and at the end of the reporting period

Particulars	31st March 2020		31st March 2019	
	Number of shares	INR in Lakhs	Number of shares	INR in Lakhs
Equity shares at beginning of the year	89,394,242	8,939.42	84,020,241	8,402.02
Add: Fresh issue of shares [^]	17,096,774	1,709.68	5,374,001	537.40
Less: Reduction in number of equity shares	-	-	-	-
Equity shares at end of the year	106,491,016	10,649.10	89,394,242	8,939.42

[^]Refer note 17.1, equity shares issued upon exercise of conversion option by Debentureholders of 530 numbers of Optionally Convertible Debentures of Face Value of INR 10,00,000 each at a conversion price of Rs 31/- per equity share of face value of Rs 10 each

15.2 Terms attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. 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. The distribution will be in proportion to the number of equity shares held by the share holders

15.3 Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	31st March 2020	31st March 2019
Dartmour Holdings Private Limited, the holding company	60,778,000	60,778,000
Merind Limited, subsidiary of Dartmour Holdings Private Limited	1,612,903	1,612,903

15.4 Details of Shareholders holding shares more than 5%

Name of shareholder	31st March 2020		31st March 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Dartmour Holdings Private Limited (DHPL)**	60,778,000	57.07	60,778,000	67.99
Carol Info Services Limited	34,050,113	31.97	16,953,339	18.96
Mr. H F Khorakiwala	6,750,000	6.34	6,750,000	7.55

^{**}includes shareholding together with its nominees.

15.5 The Company has issued 170.96 lakhs numbers of equity shares on triggering of a conversion option by the holders of OCD at a conversion price of Rs 31/- per equity share of face value of Rs 10 each. Please refer note 17.1 related to terms of Conversion/ Redemption of Debentures (OCDs).

15.6 Shares reserved for issue under options

For details of shares reserved for issue on conversion of Optionally Convertible Debentures, please refer note 17.1 related to terms of Conversion/ Redemption of Debentures (OCDs).

16 OTHER EQUITY

Particulars	31st March 2020	31st March 2019
(a) Equity component of OCD+	6,153.28	6,395.27
(b) Equity Component of Preference Shares++	17,779.13	15,874.71
(c) Reserves and Surplus		
(i) Capital reserve	45.94	45.94
(ii) Securities premium reserve	52,360.78	48,941.42
(iii) Profit / (Loss) in Statement of Profit and Loss		
Opening balance	(30,919.98)	(23,451.14)
Add: Profit / (Loss) for the year	(6,688.07)	(8,969.72)
Less: Gain on conversion of Compound Financial Instrument net of Deferred tax	1,569.05	1,500.88
Closing balance	(36,039.00)	(30,919.98)
Other Comprehensive Income / (Loss)		
(iv) Items that will not to be reclassified to profit or loss in subsequent periods before Remeasurement of defined benefit plan	(3.23)	16.10
	40,296.90	40,353.46

Nature and purpose of reserves and surplus
Capital Reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

Securities Premium

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

Profit / (Loss) in Statement of Profit and Loss

Retained earnings are the profits / (loss) that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

17 BORROWINGS

Particulars	Maturity	31st March 2020	31st March 2019
Unsecured :			
(a) Liability component of 1,149 nos (P.Y. 1,749 nos) Optionally Convertible Debentures of Rs.10,00,000/- each #	Refer details below	14,165.81	19,981.08
(b) Liability component of Redeemable Preference Shares #	Refer details below	9,572.46	7,707.48
		23,738.27	27,688.57

Effective interest rate is 12%



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

17.1 Terms attached to Optionally Convertible Debenture	
The Company had issued 3364 Unsecured 0% Optionally Convertible Debentures ("OCD") vide details hereunder in pursuance of Board resolution dated 5th October, 2013 & further amended from time to time:	
Issue Size	Upto Rs 350 Crores Series A - upto Rs 150 Crores (1500 nos) Series B - upto Rs 53 Crores (530 nos) Series C - upto Rs 147 Crores (1470 nos)
Allotment	Series A - 140.5 Crores (1405 nos) Series B - 53.0 Crores (530 nos) Series C - 142.9 Crores (1429 nos)
Instrument	Unsecured, Redeemable, Optionally convertible Debentures
Face Value	Rs 1,000,000 per Debenture for cash at par
Issue Price	Rs 1,000,000 per Debenture for cash at par
Interest Payment	Not Applicable as Rate of Interest is 0%
Interest Calculation	Not Applicable as Rate of Interest is 0%
Conversion Price	Series A - Rs 137.7 per equity share of Rs. 10/- each Series B - Rs 182.9 per equity share of Rs. 10/- each Series C - Rs 226.1 per equity share of Rs. 10/- each
Option Trigger (Years)	Series A - 4 years from date of allotment Series B - 6 years from date of allotment Series C - 8 years from date of allotment
Redemption Premium per annum	Series A - 10.8% Series B - 11.4% Series C - 11.6%
Redemption date	Series A - 9 years from date of allotment Series B - 10 years from date of allotment Series C - 11 years from date of allotment
Security	Unsecured
Presently the company is having 1149 Nos of OCD's of Series C Outstanding against which it has reserved 50,818,22 number of equity shares of Rs. 10 each respectively for Series C (1149 OCD's) for the allottees of Optionally Convertible Debentures. These OCDs will be convertible at the option of the allottees over a maximum period of 8 years for Series C from the date of allotment.	
Conversion of OCD to Equity during the year	
During the year the company has converted 530 B-Series Optionally Convertible Debenture (OCD) of Rs 1,000,000 each, upon the Conversion Option exercised by the Debenture Holders and issued 170,96,774 equity shares at conversion price of Rs 31 per share, as per the amended terms of the debentures.	
(During the previous year the company has converted 740 A-Series Optionally Convertible Debenture (OCD) of Rs 1,000,000 each, upon the Conversion Option exercised by the Debenture Holders and issued 5,374,001 equity shares at conversion price of Rs 137.7 per share, as per the terms of the debentures.)	

17.2 DETAILS OF PREFERENCE SHARES

Particulars	31st March 2020		31st March 2019	
	Number of shares	INR in Lakhs	Number of shares	INR in Lakhs
(a) Authorised Preference Shares of Rs. 10/- each	55,000,000	5,500	55,000,000	5,500
	55,000,000	5,500.00	55,000,000	5,500.00
(b) Issued, Subscribed and fully paid up 6% Non-Cumulative Non-Convertible Redeemable Preference Shares	160,000	16	160,000	16
Add: Fresh issue of shares [^]				
Less: Reduction in number of equity shares				
	160,000	16.00	160,000	16.00
(c) 8% Non-Cumulative Non-Convertible Redeemable Preference Shares			20,795,046	2,080
Add: Fresh issue of shares [^]				
Less: Redemption of preference shares			20,795,046	(2,080)
(d) 0.1% Optionally Convertible Cumulative Preference Share (OCCRPS)	43,189,085	4,318.91	43,189,085	4,318.91
Add: Fresh issue of shares [^]	6,721,621	672.16		
	49,910,706	4,991.07	43,189,085	4,318.91

Terms attached to Preference Shares

A. 6% Non-Cumulative Non-Convertible Redeemable Preference Shares

1,60,000 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs 10/- each which are redeemable on or before March 22, 2023.

18 TRADE PAYABLES

Particulars	31st March 2020	31st March 2019
Trade payables due from micro and small enterprises	-	-
Trade payables due from other than micro and small enterprises	8,375.13	7,244.13
	8,375.13	7,244.13

Sundry Creditors include overdue amounts including interest of Rs. Nil, payable to Micro, Small & Medium Enterprises (MSME). The above information has been determined to the extent such parties have been identified on the basis of information available. The auditors have relied upon in respect of this matter.



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

19 REVENUE FROM OPERATIONS

Particulars	31st March 2020	31st March 2019
(a) Revenue from Services - Health Care Services	46,947.36	43,193.41
(b) Revenue from Sales - Pharmacy Sales	1,936.37	1,555.97
	48,883.73	44,749.37

Refer notes below

i The revenue from rendering Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by Ind AS 115.

ii Transaction price allocated to the remaining performance obligations

Particulars	31st March 2020	31st March 2019
Contract Liabilities	934.98	760.36

iii. Use of Practical expedients

Transaction price allocated to the remaining performance obligations

The Company has applied the practical expedient with respect to non disclosure of information in respect of remaining performance obligations considering the fact that the company's performance obligations, i.e. the treatment in case of healthcare segment has an original expected duration of one year or less.

iv. Earnings in foreign exchange

Particulars	31st March 2020	31st March 2019
- from Services Rendered	178.69	332.62

20 OTHER INCOME

Particulars	31st March 2020	31st March 2019
(a) Interest Income	218.47	86.85
(b) Other Non-Operating Income;		
- Liabilities / provisions written back	13.66	56.04
- Rent & Other Income	557.78	335.93
- Net Foreign Exchange Gain	-	-
(c) Revenue from Sale of Scrap	18.40	6.13
	808.31	484.94

21 COST OF MATERIALS CONSUMED

Particulars	31st March 2020	31st March 2019
(a) Hospital Consumables		
Opening stock	333.33	422.56
Add: Purchases	7,517.54	6,919.47
Less: Closing stock	404.03	333.33
	7,446.84	7,008.70
(b) Pharmacy Consumed		
Opening Stock	220.98	257.87
Add: Purchases	4,520.02	4,064.69
Less: Purchase Cost of Pharmacy Traded [#]	1,401.18	1,103.86
Less: Closing stock	279.37	220.98
	3,060.45	2,997.72
	10,507.29	10,006.41

[#] Out of the total pharmacy consumed, the purchase cost of pharmacy amounting to INR 1401.18 Lakhs (P.Y. INR 1103.86 Lakhs) is sold to Out Patients and Others as retail sales.

22 PURCHASE OF PHARMACY TRADED

Particulars	31st March 2020	31st March 2019
Purchase Cost of Pharmacy Traded	1,401.17	1,103.86
	1,401.17	1,103.86



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

23 EMPLOYEE BENEFITS EXPENSES

Particulars	31st March 2020	31st March 2019
Salaries and Wages	8,203.69	8,418.28
Contributions To Provident and Other Funds	524.83	555.72
Gratuity Expenses - unfunded (Refer Note 28)	82.93	106.57
Staff Welfare Expenses	588.21	564.43
	9,399.66	9,645.00

24 FINANCE COSTS

Particulars	31st March 2020	31st March 2019
Term Loans & Deferred Payment Liabilities	19.88	110.93
Interest Others	323.28	179.42
Interest on debentures	2,002.52	3,265.21
Interest on deferred consideration	704.78	915.53
Interest on preference share liability	974.40	511.86
Interest on Lease Liability	285.38	-
	4,310.24	4,982.94

25 OTHER EXPENSES

Particulars	31st March 2020	31st March 2019
(a) Selling & Distribution Expenses		
Marketing Service Expenses	536.40	949.33
Sales Promotion Expenses	242.67	213.99
Gifts & Giveaways	19.42	16.49
Foreign Commission	270.49	69.68
Advertisement Expenses	326.98	382.33
Subtotal (a)	1,395.96	1,631.80
(b) Auditors Remuneration		
Audit Fees	13.57	7.89
Tax Audit Fees	4.13	4.13
Other Services	0.89	4.19
Subtotal (b)	18.59	16.21
(c) Operating Expenses		
Consultancy & Clinical Charges	16,528.53	14,497.10
Management Fees	893.58	978.42
Power & Fuel	1,685.13	1,600.22
Housekeeping	1,814.97	1,899.63
Pantry Expenses	734.46	719.35
Travelling Expenses	271.31	363.44
Rent & Compensation	228.45	1,196.69
Repairs General	506.20	753.37
Repairs To Machineries	1,210.04	890.83
Repairs To Buildings	67.26	233.12
Net Foreign Exchange Loss	(6.72)	12.85
Office Administration Expenses	101.73	122.79
Printing & Stationery	316.69	353.43
Legal & Professional Charges	535.44	393.60
Security Service Charges	523.73	551.69
Communication Expenses	85.54	104.94
Dresses & Napkins	261.28	203.68
Rates & Taxes	259.39	337.35
Water Charges	80.31	93.28
Vehicle Expenses	55.91	57.08
Bank Charges	231.22	228.48
Training & Development	4.76	13.18
Computer Software Expenses	63.97	53.73
Insurance	73.08	73.50
Loss On Sale Of Assets	12.93	2.99
License Fees	150.32	147.84
Membership & Subscription	105.18	54.01
Management agreement fees	348.06	410.10
Miscellaneous Expenses	5.82	2.07
Subtotal (c)	27,148.57	26,348.79
Total (a)+(b)+(c)	28,563.12	27,996.79



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

26 - EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

	31-Mar-20	31-Mar-19
i. Profit attributable to owners of the Company		
Profit/(Loss) after tax	(6,688.07)	(8,969.72)
Add: Cumulative Dividend paid on preference shares pertaining to previous year	-	-
Less: Cumulative Dividend payable on preference shares for current year	0.50	0.43
Net Loss for calculation of basic/diluted EPS	(6,688.57)	(8,970.15)
ii. Weighted average number of shares for basic and diluted EPS	89,487,924	84,123,305
iii. Basic and diluted earnings per share (in Rs.)	(7.47)	(10.66)

* There is no dilution of earnings with regard to Issuance of Optionally Convertible Debentures (OCDs) and Optionally Convertible Redeemable Preference Shares (OCCRPS) considering the company has incurred a net loss for the years ended 31st March 2020 and 31st March 2019.

27 - CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Board of Directors of the company has well constituted Corporate Social Responsibility (CSR) committee and CSR policy is in place. As per section 135 of Act, the company is required to spend atleast two percent of average net profit of the company made during immediately preceding three financial years. Since average net profit for last three financial years as per section 135 of Companies Act 2013 stands negative, the Company is not required to incur CSR expenditure and no expenses on the same have been incurred for the year.



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

28 - EMPLOYEES BENEFITS

The Company contributes to the following post-employment plans in India.

A Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised INR 524.83 Lakhs for the year ended 31 March 2020 (31 March 2019: INR 555.72 Lakhs) towards provident fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B Defined Benefit Plan:

A) Gratuity is payable to all eligible employees of the company. The Company provides for payment of gratuity as under:

i) On normal retirement / early retirement / withdrawal / resignation:

- As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:

- As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

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

	31 March 2020	31 March 2019
Net defined benefit (obligation)	(391.22)	(382.42)

i. Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Net defined benefit liability	
	31 March 2020	31 March 2019
Opening balance	382.42	349.21
Included in profit or loss		
Current service cost	86.42	80.17
Past service cost	-	-
Interest cost (income)	29.79	27.41
	498.62	456.80
Remeasurement loss (gain):	-	-
Actuarial loss (gain) arising from:	-	-
Demographic assumptions	-	-
Financial assumptions	(28.09)	1.02
Experience adjustment	-	-
Return on plan assets excluding interest income	-	-
	470.54	457.82
Other		
Contributions paid by the employer	(79.32)	(75.40)
Benefits paid	-	-
Closing balance	391.22	382.42

ii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2020	31 March 2019
Discount rate	6.85%	7.79%
Future salary growth	3.00%	4.50%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Assumptions regarding future mortality have been based on published statistics and mortality tables.



WOCKHARDT HOSPITALS LIMITED**Notes to the financial statement for year ended 31 March 2020***All amounts are in INR in Lakhs unless otherwise stated***iii. 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.

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	349.56	440.90	340.16	433.03
Future salary growth (1% movement)	440.15	349.05	432.92	338.72
Rate of employee turnover (1% movement)	391.51	390.92	397.01	365.26

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

iv. Expected future cash flows

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

	31 March 2020	31 March 2019
1st Following Year	25.12	12.18
2nd Following Year	18.52	11.36
3rd Following Year	19.53	28.11
4th Following Year	23.26	18.06
5th Following Year	22.24	20.11
Sum of Years 6 To 10	125.80	125.18

C Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2020 based on actuarial valuation using the projected accrued benefit method is INR 136.37 Lakhs (31 March 2019 : INR 130.63 Lakhs).



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

29- LEASES

Note ___ explains the changes and new accounting policy introduced on April 01, 2019, resulting from the adoption of the new accounting standard Ind AS 116 Leases.

The lease liabilities and right-of-use assets were recorded as on April 01, 2019, were 2,661.43 Lakhs.

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- has not applied the requirements of Ind AS 116 for leases of low value assets.
- accounting for operating leases with a lease term of less than 12 months as at April 01, 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Reconciliation of lease commitment disclosed on March 31, 2019, and lease liability recorded as on April 01, 2019, is as follows:

Particulars	Amount
Operating lease commitment as on March 31, 2019	3,924.65
Effect of discounting	1,263.22
Lease liabilities recognised as of April 01, 2019*	2,661.43

* The weighted average incremental borrowing rate at April 01, 2019, the date of implementation of Ind AS 116 Leases was 12.00%

Particulars	31st March 2020
Lease payments recognized in the statement of profit and loss for the year	1,064.80
The future minimum lease payments under non-cancellable operating leases are:	
Within one year	735.32
After one year but not more than five years	882.30
More than 5 years	9,575.19
Total	11,192.82

Movement of Lease Liability and ROU Asset

Particulars	Lease Liability	ROU Asset
As on April 1, 2019	2,661.43	2,661.43
Addition	45.69	45.69
Add: Interest during the current period	285.38	-
Less: Depreciation during the current period	-	779.42
Less: Payment during the current period	934.45	-
Reclassification of leasehold land from PPE to ROU Asset consequent to adoption of Ind AS 116	-	900.10
As on March 31, 2020	2,058.05	2,827.79
Of which are:		
Current lease liabilities	406.13	-
Non-current lease liabilities	1,651.91	-



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

30 - CONTINGENT LIABILITIES AND COMMITMENTS

	31 March 2020	31 March 2019
A. Contingent liabilities (to the extent not provide)		
Claims against the company not acknowledged as debts		
i. Income Tax Matters	8,353.90	8,073.73
ii. Sales Tax Matters	1,023.15	1,023.15
iii. Service Tax Matters	68.76	132.57
iv. Other matters [#]	8,950.68	12,988.29
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances - 31 March 2020: INR 90.19 Lakhs, 31 March 2019: INR 35.12 Lakhs	158.98	203.22

Other matters includes The Company has settled the 2 petitions filed by the Company against Kamineni Hospitals Limited and Kamineni Healthcare Limited for challenging the respective awards which had gone against the Company. In the Wockhardt Hospitals Ltd. vs Kamineni Hospitals Limited, the Company received an amount of Rs.87,03,669/- by way of settlement. This matter has been disposed off. In Wockhardt Hospitals Ltd. vs Kamineni Healthcare Services Pvt. Ltd, the Company is expected to receive an amount of Rs.1,88,18,825/- once Court re-opens after COVID- 19 situation. This has been discussed with the counter party orally. The matter is still pending.

The Company has a Management Agreement with Metas of Seventh-Day Adventist (METAS) to run, manage and operate the Hospital at Athwalines, Surat. On 1st November 2017, METAS unilaterally terminated the Agreement with the Company. METAS has, in an illegal manner, forcibly taken over the possession of the hospital and the Company has not been able to continue the operation since then. In this regard, the Company has invoked the arbitration clause under the Management Agreement and approached the Commercial Court at Baroda under section 9 of the Arbitration and Conciliation Act, 1996 seeking urgent relief. The Commercial Court by its order dated 17th November 2017 passed judgment in favour of the Company but METAS has appealed before the Gujarat High Court against this order and currently the same is referred to the Sole Arbitrator Shri. D.A. Mehta (Retd. Judge High Court of Gujarat). The Arbitrator has passed the Order dated November 12, 2019 directing the Company to pay Rs.55.41 crores on or before December 31, 2019. This was challenged by the Company before the Additional Judge, District Court and an interim order dated 13.12.2019 was passed by the Court asking the Company to deposit 60% of the Award which is challenged and pending before the Gujarat High Court. As the matter is sub-judice no provision for the same has been made in the books of accounts.

C. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities

D. The Company does not expect any reimbursements in respect of the above contingent liabilities.

E. The Company's pending litigations comprise of proceedings pending with Income Tax, Service Tax, Sales Tax and other authorities. The Company has reviewed all such pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results except in case of arbitration matter of Hyderabad, if settled unfavorably.



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

31 - RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

A RELATED PARTIES AND RELATIONSHIPS

1 Holding Company

Dartmour Holdings Private Ltd

2 Fellow subsidiaries

Merind Ltd

3 Key managerial personnel and Directors

Ms. Zahabiya H.Khorakiwala	- Managing Director	
Dr. Habil Fakhruddin Khorakiwala	- Non - Executive Director	
Dr. Murtaza Habil Khorakiwala	- Non - Executive Director	
Dr. Huzaifa Habil Khorakiwala	- Non - Executive Director	
Dr. Gurukumar Bhalchandra Parulkar	- Non - Executive Independent Director	(Resigned w.e.f.20th March, 2020)
Mr. Akhtar Fakhruddin Shamsi	- Non - Executive Independent Director	
Mrs. Vijaya Nair	- Appointed Additional Non Executive Independent Director w.e.f. 20th March, 2020	

4 Individuals having direct or indirect control over the Company

Dr. Habil Fakhruddin Khorakiwala

5 Enterprises over which Individuals having direct or indirect control over the Company, having significant influence

Wockhardt Limited
Carol Info Services Limited
Palanpur Holdings & Investments Pvt Ltd
The Peace Mission Private Limited
Wockhardt Foundation
Humuza Consultants*

*Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakiwala Trust, which in turn holds shares in its capacity as the partner of the partnership firm Humuza Consultants.

B TRANSACTIONS WITH RELATED PARTIES

Particulars	Nature of Transaction	31 March 2020	31 March 2019
Incomes			
Wockhardt Limited	Other Income (incl. GST)	37.61	81.31
Expenses			
Wockhardt Foundation	Ambulance Hire Charges	5.85	9.52
Wockhardt Limited	Other Expenses	-	2.93
Carol Info Services Ltd	Interest Expense	-	176.11
Ms. Zahabiya H.Khorakiwala - MD	Director's Remuneration*	204.78	267.50
Dr. Gurukumar Bhalchandra Parulkar	Director Sitting Fees	0.16	0.09
Mr. Akhtar Fakhruddin Shamsi	Director Sitting Fees	0.22	0.15
Carol Info Services Ltd	Other Expenses (Reimbursement of Rent Paid)	50.63	10.52
Issue of Financial Instruments			
Humuza Consultants	Issue of Preference Shares (OCCRPS)	975.00	-
Merind Limited	Issue of Preference Shares (OCCRPS)	1,320.00	1,450.00
Carol Info Services Ltd	Issue of Preference Shares (OCCRPS)	500.00	21,872.11
Repayment/ Redemption of Financial Instruments			
Humuza Consultants	Redemption of Preference Shares (NCRPS)	-	13,899.93
Merind Limited	Redemption of Debentures incl. Premium (OCDs)	1,022.83	3,100.75
Other Transactions			
Carol Info Services Ltd	Security Deposit (Reimbursement)	-	9.00

All the amount mention below for the disclosure are the contractual amount based on the arrangement with respective parties

C BALANCES OF/ WITH RELATED PARTIES

Particulars	Nature of Balance	31 March 2020	31 March 2019
Receivables			
Carol Info Services Ltd	Other receivables	2.46	2.46
Wockhardt Limited	Other receivables	62.98	22.37
Humuza Consultants	Other Loans & Advances	-	100.07
Merind Limited	Other receivables	0.07	0.07
Payables			
Wockhardt Limited	Other payables	4.98	1.06
Wockhardt Foundation	Other payables	2.14	2.14
Merind Limited	OCD's	-	11,840
Carol Info Services Ltd	OCD's	11,490	5,650
Palanpur Holdings & Investments Pvt Ltd	Preference Shares	16.00	16
Merind Limited	Preference Shares (OCCRPS)	2,770.00	1,450
Carol Info Services Ltd	Preference Shares (OCCRPS)	22,372	21,872
Humuza Consultants	Preference Shares (OCCRPS)	975	-
Carol Info Services Ltd	Other Expenses (Reimbursement of Rent)	48.17	-

*Consists of short term employee benefits and contribution to Provident fund

Terms and conditions of transactions with related parties

Outstanding balances at year end are generally unsecured. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the company has not recorded any impairment of receivables relating to amounts owed by related parties. (31 March 2019 - Nil)



WOCKHARDT HOSPITALS LIMITED
Notes to the financial statement for year ended 31 March 2020
All amounts are in INR in Lakhs unless otherwise stated

32- SEGMENT REPORTING

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation -

The operations of the Company are limited to one segment, namely, managing and operating hospitals. All the assets and revenue earned and disclosed in financials by the Company are in India.

(b) Following are reportable segments

Reportable segment - Hospital Business

B. Information about reportable segments

Particulars	31 March 2020	31 March 2019
External revenues		
Revenue from Health Care Services	46,947.36	43,193.41
Revenue from Pharmacy Sales (Traded)	1,936.37	1,555.97
Revenue from Sale of Scrap	18.40	6.13
	48,902.14	44,755.50

C. Information about major customer

The company does not have any customers contributing to more than 10% of the total revenue.



33 FINANCIAL INSTRUMENTS
1. Financial instruments – Fair values and risk management
A. Accounting classification and fair values

31 March 2020	Carrying amount*			Total
	Fair Value through Profit and Loss	Fair Value through Other Comprehensive Income	Amortised Cost	
Financial assets				
Deposits	-	-	306.09	306.09
Other financial assets (Non-current)	-	-	50.15	50.15
Trade receivables	-	-	6,863.15	6,863.15
Cash and cash equivalents	-	-	989.79	989.79
Bank balance (other than above)	-	-	878.78	878.78
Loans Receivables (current)	-	-	20.24	20.24
Other financial assets (current)	-	-	709.10	709.10
	-	-	9,817.29	9,817.29
Financial liabilities				
Borrowings (Non-current)	-	-	23,738.27	23,738.27
Lease liability (Non-current)	-	-	1,651.91	1,651.91
Lease liability	-	-	406.13	406.13
Other financial liabilities (Non-current)	-	-	5,616.87	5,616.87
Trade payables	-	-	8,375.13	8,375.13
Other financial liabilities (current)	-	-	5,104.60	5,104.60
	-	-	44,892.92	44,892.92

31 March 2019	Carrying amount*			Total
	Fair Value through Profit and Loss	Fair Value through Other Comprehensive Income	Amortised Cost	
Financial assets				
Deposits	-	-	609.97	609.97
Other financial assets (Non-current)	-	-	30.53	30.53
Trade receivables	-	-	5,779.31	5,779.31
Cash and cash equivalents	-	-	609.49	609.49
Bank balance (other than above)	-	-	1,060.42	1,060.42
Loans Receivables (current)	-	-	11.04	11.04
Other financial assets (current)	-	-	129.80	129.80
	-	-	8,230.55	8,230.55
Financial liabilities				
Borrowings (Non-current)	-	-	27,688.56	27,688.56
Other financial liabilities (Non-current)	-	-	7,896.73	7,896.73
Trade payables	-	-	7,244.13	7,244.13
Current maturities of long-term debt	-	-	1,067.24	1,067.24
	-	-	43,896.66	43,896.66

B. Measurement of fair values

The following methods / assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- Fair value of lease liabilities is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

The fair value is determined by using the valuation model/technique with observable/ non-observable inputs and assumptions. There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2020 and March 31, 2019.

*There are no financial instruments measured at fair value through Other Comprehensive Income. Similarly, there are no financial instruments which are valued under category Level 1, Level 2 and Level 3.

Financial instruments measured at amortized cost The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's Risk Management Framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and



WOCKHARDT HOSPITALS LIMITED**Notes to the financial statement for year ended 31 March 2020***All amounts are in INR in Lakhs unless otherwise stated***Financial instruments – Fair values and risk management (continued)****ii. 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, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Expected credit loss assessment for customers as at 31 March 2020 and 31 March 2019

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend.

The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs.7,096.58 lakhs (previous year: Rs.6,115.82 Lakhs). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	31 March 2020	31 March 2019
Balance as at April 1, 2019	361.40	361.40
Impairment loss recognised	-	-
Amounts written off	(127.98)	-
Balance as at 31 March 2019	233.43	361.40

The Management believes that unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available.

Cash and Bank Balances

The Company held cash and cash equivalents of INR 1868.58 Lakhs (31 March 2018: INR 1669.91 Lakhs). The cash and bank balances are held with bank and financial institution counterparties with good credit ratings.

Others

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.



WOCKHARDT HOSPITALS LIMITED
Notes to the financial statement for year ended 31 March 2020
All amounts are in INR in Lakhs unless otherwise stated
Financial instruments – Fair values and risk management (continued)
iii. Liquidity risk

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

Exposure to liquidity risk

Contractual cash flows including estimated interest payment						
31 March 2020	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
<u>Secured</u>						
Term Loan	-	-	-	-	-	-
Deferred Payment Liabilities	-	-	-	-	-	-
<u>Unsecured</u>						
Optionally Convertible Debentures	14,165.81	26,151.24	-	-	12,859.40	13,291.84
Preference share liability	9,572.46	63,914.40	8.96	17.92	17.92	63,869.60
Creditors for Capital Expenditure	453.47	453.47	453.47	-	-	-
Deferred consideration	7,284.13	10,036.90	1,064.00	2,128.00	2,128.00	4,716.90
Deposit	183.58	183.58	183.58	-	-	-
Trade payables	8,375.13	8,375.13	8,375.13	-	-	-
Lease Liability	2,058.05	11,192.82	735.32	604.73	277.57	9,575.19
Salaries and allowances payable	106.63	106.63	106.63	-	-	-

Contractual cash flows including estimated interest payment						
31 March 2019	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
<u>Secured</u>						
Term Loan	-	-	-	-	-	-
Deferred Payment Liabilities	512.13	531.45	531.45	-	-	-
<u>Unsecured</u>						
Optionally Convertible Debentures	19,981.08	39,086.44	-	-	10,700.00	28,386.44
Preference share liability	7,707.48	57,079.50	8.29	16.58	16.58	57,038.05
Creditors for Capital Expenditure	481.04	481.04	481.04	-	-	-
Deferred consideration	7,821.73	11,657.69	1,404.79	2,200.00	2,200.00	5,852.90
Deposit	75.00	75.00	15.00	30.00	30.00	-
Trade payables	7,244.13	7,244.13	7,244.13	-	-	-
Salaries and allowances payable	74.07	74.07	74.07	-	-	-



WOCKHARDT HOSPITALS LIMITED**Notes to the financial statement for year ended 31 March 2020***All amounts are in INR in Lakhs unless otherwise stated***Financial instruments – Fair values and risk management (continued)****iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	31 March 2020	31 March 2019
Fixed-rate instruments		
Financial liabilities	23,738.27	28,200.69
	23,738.27	28,200.69

There are no variable-rate instruments, hence disclosure related to same are not required to be disclosed.



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

*All amounts are in INR in Lakhs unless otherwise stated***34 CAPITAL MANAGEMENT**

The Company's capital management is intended to create value for stakeholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual and long-term strategic plans. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of 'adjusted net debt' to 'adjusted equity'. For this purpose adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings and obligations under lease, less cash and cash equivalents, Bank balance and current investments.

The following table summarizes the capital of the Company:

	31 March 2020	31 March 2019
Total Debt*	25,796.31	28,200.69
Less : Cash and cash equivalent and other bank balances	1,868.57	1,669.91
Adjusted net debt	23,927.74	26,530.78
Total equity	50,946.00	41,823.34
Adjusted net debt to adjusted equity ratio	0.47	0.63

* Previous year amounts are not comparable to the extent of lease liability recognised on account of IndAS 116 Leases.



WOCKHARDT HOSPITALS LIMITED

Notes to the financial statement for year ended 31 March 2020

All amounts are in INR in Lakhs unless otherwise stated

35 CONFIRMATION FROM DEBTORS AND CREDITORS

The Company is in the process of obtaining confirmation from its Debtors and Creditors.

36 SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the financial Statements as on the Balance sheet date.

37 Previous Year figures have been regrouped wherever necessary to conform to current year classification.

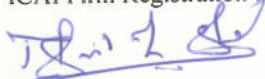
38 On 11th March, 2020, the World Health Organization declared COVID-19 a global pandemic and suggested guidelines for containment and mitigation worldwide. As the operations of the Company have been affected in the short term, the Management expects slide in revenue due to reduction in patient inflow. However the Company has managed its liquidity position via cost efficiency initiatives and better working capital management. As at 31st March, 2020, the Management has used internal and external sources of information up to the date of approval of these financial statements in determining the impact of the COVID-19 pandemic on various elements of the financial statements. The Management has used the principles of prudence in developing estimates, assumptions, exercising judgements and performing sensitivity analysis. Based on the current estimates, the Company expects to fully recover the carrying amount of its assets as at 31st March, 2020. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

As per our attached report of even date attached

For MSKA & ASSOCIATES

Chartered Accountants

ICAI Firm Registration Number : 105047W



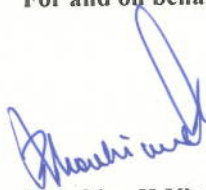
Bhavik L. Shah

Partner

M No. 122071



For and on behalf of the Board of Directors



Zahabiya H Khorakiwala

Managing Director

(DIN : 00102689)



Hetali Vyas

Company Secretary



Murtaza H. Khorakiwala

Director

(DIN : 00102650)



Jayant Dalal

Chief Financial Officer

Place: Mumbai

Date: August 19, 2020