



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VIRINCHI HEALTHCARE PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **VIRINCHI HEALTHCARE PRIVATE LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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.

M. Naveen





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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

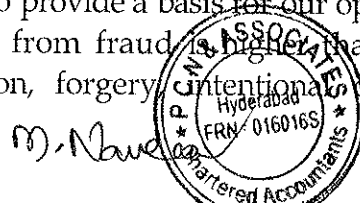
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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.

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.





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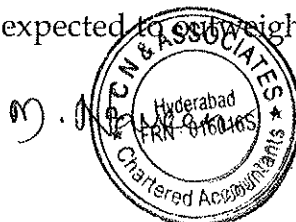
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





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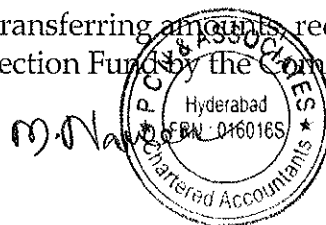
Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, during the year the Company has not paid remuneration to its directors. Hence the provisions of section 197 of the Act are not applicable.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have pending litigations which would have impact on its financial position.
 - 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 has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.





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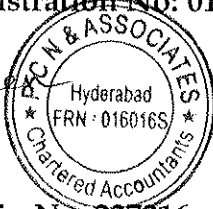
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For P C N & Associates,

Chartered Accountants

Firm's Registration No: 016016S

M. Naveen
M Naveen



Partner

Membership No: 237316

UDIN: 20237316AAAADU7457

Place: Hyderabad

Date: 25-06-2020



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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **VIRINCHI HEALTHCARE PRIVATE LIMITED** of even date

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

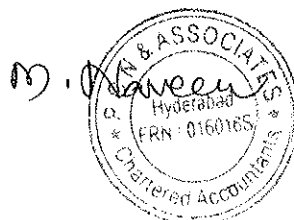
We have audited the internal financial controls over financial reporting of **VIRINCHI HEALTHCARE PRIVATE LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





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

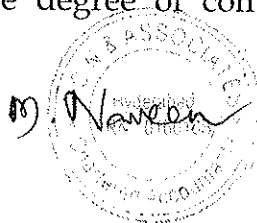
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Limitations of Internal Financial Controls over Financial Reporting

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





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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P C N & Associates,

Chartered Accountants

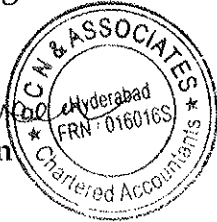
Firm's Registration No: 016016S


M Naveen

Partner

Membership No: 237316

UDIN: 20237316AAAADU7457



Place: Hyderabad

Date: 25-06-2020



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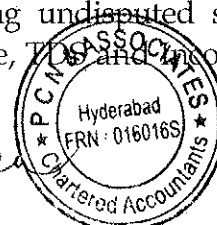
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ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VIRINCHI HEALTHCARE PRIVATE LIMITED of even date

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us based on the examination of the title deeds of immovable properties, they are held in the name of the company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iii) of the Order is not applicable to the Company.
- iv. The company has not granted any loans or made Investment or provided any guarantee or security to the parties covered under section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, TDS and Income Tax as applicable to it with the appropriate authorities.

M. Naveen

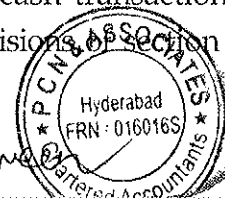




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- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and based on the records of the company examined by us, there are no dues of Income Tax, Goods and Service Tax and Customs Duty which have not been deposited as at March 31, 2020 on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has regular in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.



M. Naveen



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

For P C N & Associates,

Chartered Accountants

Firm's Registration No: 016016S

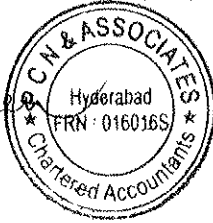
M. Naveen

M Naveen

Partner

Membership No: 237316

UDIN: 20237316AAAADU7457



Place: Hyderabad

Date: 25-06-2020

VIRINCHI HEALTH CARE PVT LTD
BALANCE SHEET AS AT 31/03/2020

PARTICULARS	NOTE NO	31/03/2020	31/03/2019
1) NON CURRENT ASSETS			
Property, Plant and Equipment	1	2,02,21,58,715	1,51,45,15,285
Intangible Asset	1	2,43,32,582	2,85,02,638
Capital Work In Progress	1	15,87,898	15,18,759
Financial Assets			
Non-Current Investments		-	-
Long Term Loans and Advances	2	6,76,90,571	6,83,87,773
Deferred Tax Asset	3	11,08,75,996	93,01,014
Other Non Current Assets	4	73,47,016	81,53,942
2) CURRENT ASSETS			
Inventory		9,63,65,011	8,48,92,448
Financial Assets			
Trade Receivables	5	18,78,07,237	15,77,10,490
Cash and Cash Equivalents	6	4,80,62,374	5,87,11,628
Short Term Loans and Advances	7	81,37,113	11,45,28,566
Other Current Assets	8	6,21,50,375	2,07,31,238
Total Assets		2,63,65,14,888	2,06,69,53,781
EQUITY AND LIABILITIES			
Equity			
Share Capital	9	5,43,59,780	5,43,59,780
Other Equity	10	71,65,69,980	50,80,69,811
(1) Non-Current Liabilities			
Financial Liabilities			
Long Term Borrowings	11	1,50,31,32,636	1,14,97,37,270
Long Term Provisions	12	1,39,01,154	97,25,904
Deferred Tax Liability		-	-
(2) Current Liabilities			
Financial Liabilities			
Short Term Borrowings	13	18,10,61,467	16,85,20,509
Trade Payables	14	7,55,54,750	3,72,56,066
Short Term Provisions	15	9,19,35,121	13,92,84,441
Total		2,63,65,14,888	2,06,69,53,781

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

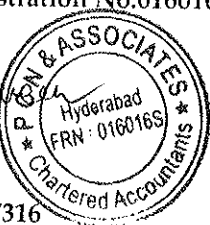
For and on behalf of the Board
For Virinchi Healthcare Pvt Ltd

M. Naveen

Partner

M. No. 237316

UDIN: 20237316AAAADU7457



M.V. Srinivasa Rao

M.V.Srinivasa Rao
Director

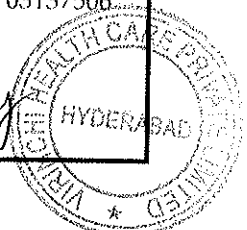
DIN: 00816334,

K. Sri Kalyan

K.Sri Kalyan
Director

DIN: 03137506

K. Parvathi
Company Secretary
A. 12894



Place : Hyderabad

Date: 25th June 2020

M/s. VIRINCHI HEALTHCARE PVT LTD

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2020

Particulars	Note No	Year Ended 31/03/2020	Year Ended 31/03/2019
Revenue from operations	16	1,62,08,73,540	1,41,42,53,480
Other Income	17	28,40,334	35,27,283
Total Revenue		1,62,37,13,874	1,41,77,80,763
Expenses:			
Purchases	18	24,92,29,293	21,86,91,687
Changes in Inventory		(1,14,72,563)	1,80,37,366
Employee Benefit Expenses	19	30,02,32,958	24,90,52,073
Depreciation	1	15,95,03,427	9,96,85,108
Amortisation Expenses		2,31,365	-
Finance Cost	20	14,31,33,757	10,83,65,651
Administrative Expenses and Other Operating Expenses	21	73,06,52,797	70,06,35,016
Total Expenses		1,57,15,11,034	1,39,44,66,901
Profit Before Tax		5,22,02,840	2,33,13,862
Tax expense:			
Current Tax		87,13,852	47,99,578
Deferred Tax Liability/(Asset)		(10,15,74,982)	(7,84,83,294)
Profit/(Loss) for the period		14,50,63,970	9,69,97,578
Earning Per Share:			
Basic EPS		26.69	17.84
Diluted EPS		26.69	17.84

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No. 016016S

M. Naveen
M. Naveen
Partner
M. No. 237316
UDIN: 20237316AAAADU7457



For and on behalf of the Board
For Virinchi Healthcare Pvt Ltd

M.V. Srinivasa Rao
Director
DIN: 00816334

K. Sri Kalyan
Director
DIN: 03137506

K. Parth
Company Secretary
M.No. A18894

Place : Hyderabad

Date: 25th June 2020



M/s. VIRINCHI HEALTH CARE PRIVATE LIMITED

Cash Flow Statement for the Year Ended

Particulars	March 2020 (Rs. In Lakhs)	March 2019 (Rs. In Lakhs)
A. Cash Flow from Operating Activities:		
Net Profit/ (Loss) before taxation and extraordinary items	5,22,02,840	2,33,13,862
Adjustments for:		
Depreciation	15,95,03,427	9,96,85,108
Interest expenses	14,31,33,757	10,83,65,651
Operating Profit before Working Capital Changes	35,48,40,024	23,13,64,621
Working Capital Changes		
Trade and Other Receivables Including Inventory	(7,66,67,848)	(21,67,23,855)
Trade and Other Payables	76,65,572	1,27,05,195
Cash Generated from Operations	28,58,37,748	2,73,45,961
Interest paid	14,31,33,757	10,83,65,651
Taxation for the year	(9,28,61,130)	(7,36,83,716)
Net Cash from Operating Activities	23,55,65,121	(73,35,974)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(59,96,09,741)	(29,17,25,046)
Net Cash used in Investing Activities	(59,96,09,741)	(29,17,25,046)
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	-	-
Net Proceeds from Borrowings	35,33,95,366	31,72,70,303
Net Cash used in Financing Activities	35,33,95,366	31,72,70,303
Net increase in cash and cash equivalents	(1,06,49,254)	1,82,09,283
Cash and Cash equivalents as at Beginning of the Year	5,87,11,628	4,05,02,345
Cash and Cash equivalents as at End of the Year	4,80,62,374	5,87,11,628

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

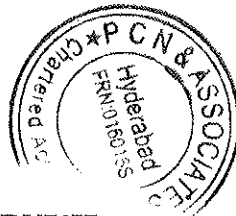
M. Naveen

M.Naveen

Partner

M. No. 237316

UDIN: 20237316AAAADU7457



For and on behalf of the Board

For Virinchi Healthcare Pvt Ltd

M.V. Srinivasa Rao *K. Sri Kalyan*

M.V.Srinivasa Rao

Director

DIN: 00816334

K.Sri Kalyan

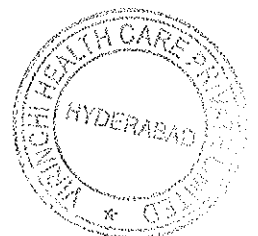
Director

DIN: 03137506

K. Ravi
Company Secretary
MPC A 18874

Place : Hyderabad

Date: 25th June 2020



Note No. 2 Long Term Loans And Advances		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Deposits	6,76,90,571	6,83,87,773
Total Long Term Loans and Advances	6,76,90,571	6,83,87,773

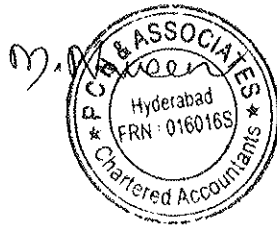
Note No. 3 Deferred Tax Asset		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Opening Deferred Tax Liability	93,01,014	(6,91,82,280)
Add: Deferred Tax Asset\ (Liability) for the Year	10,15,74,982	7,84,83,294
Total Deferred Tax Asset	11,08,75,996	93,01,014

Note No. 4 Other Non Current Assets		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Unamortised Expenses	73,47,016	81,53,942
Total Other Non Current Assets	73,47,016	81,53,942

Note No. 5 Trade Receivables		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Unsecured, Considered Good	18,78,07,237	15,77,10,490
Total Trade Receivables	18,78,07,237	15,77,10,490

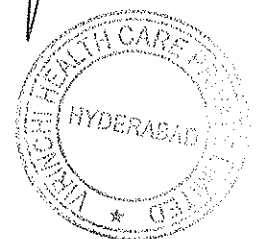
Note No. 6 Cash and Cash Equivalents		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
a) Balances with Banks :		
Current Accounts	49,65,408	1,29,16,960
b) Cash on Hand	6,23,149	25,91,886
Sub Total	55,88,557	1,55,08,846
Other Bank Balances		
On Deposit Accounts		
12 Months from date of deposit	4,24,73,817	4,32,02,782
Sub Total	4,24,73,817	4,32,02,782
Total Cash and Cash Equivalents	4,80,62,374	5,87,11,628

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K. Raj



Note No. 7 Short Term Loans and Advances		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Unsecured		
Other Unsecured Loans and Advances	81,37,113	11,45,28,566
Total Short Term Loans and Advances	81,37,113	11,45,28,566

Note No. 8 Other Current Assets		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Salary and Travel Advances	1,40,80,890	4,33,952
TDS Receivable	4,73,94,497	1,93,85,619
Prepaid Expenses	6,74,988	9,11,667
Total Other Current Assets	6,21,50,375	2,07,31,238

Note No. 9 Share Capital		
Equity Shares of Rs.10 Each, Issued , Subscribed and Fully Paid	No.	Rs.
As At April 1 , 2018	54,35,978	5,43,59,780
Add: Issued During the Year	-	-
As At March 31 , 2019	54,35,978	5,43,59,780
Add: Issued During the Year	-	-
As At March 31 , 2020	54,35,978	5,43,59,780
Particulars	As at 31/03/2020	As at 31/03/2019
Authorised:		
60,00,000 Equity Shares of Rs.10/- Each	6,00,00,000	6,00,00,000
Issued, Subscribed and Fully Paid Up		
54,35,978 Equity Shares of Rs.10/-Each	5,43,59,780	5,43,59,780
Total Equity Share capital	5,43,59,780	5,43,59,780

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K. Parth



Reconciliation of Shares Outstanding at Beginning and End of the Reporting Year				
Equity Shares	March 31, 2020		March 31, 2019	
	No's	Amount	No's	Amount
As at Beginning of the Year	54,35,978	5,43,59,780	54,35,978	5,43,59,780
Shares Issued During the Year	-	-	-	-
As at End of the Year	54,35,978	5,43,59,780	54,35,978	5,43,59,780

Details of Share Holders Holding More than 5% Shares in the Company				
Name of the Share Holder	March 31, 2020		March 31, 2019	
	Nos	% of Share Holding	Nos	% of Share Holding
Virinchi Limited	54,35,977	100	54,35,977	100

Note No. 10 Other Equity					
Particulars	Securities Premium	Capital Reserve	Retained Earnings	Total	
As At April 1 ,2018	54,15,97,800	-	(18,65,10,567)	35,50,87,233	
Additions for the Year	-	5,59,85,000	9,69,97,578	15,29,82,578	
As At March 31 ,2019	54,15,97,800	5,59,85,000	(8,95,12,989)	50,80,69,811	
Additions for the Year	-	6,34,36,199	14,50,63,970	20,85,00,169	
As At March 31 ,2020	54,15,97,800	11,94,21,199	5,55,50,981	71,65,69,980	



P. C. N.

K. P. Reddy

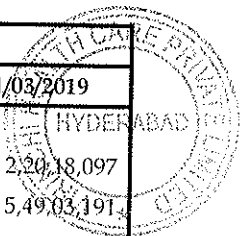
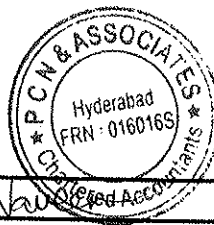
Note No. 11 Long Term Borrowings		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Long Term Borrowings		
Secured		
a) Term Loans:		
From Banks		
M/s. Canara Bank, IF Branch, Hyderabad	24,73,19,292	26,56,69,861
M/s. Central Bank of India, Koti, Hyderabad	19,38,60,705	19,94,33,382
M/s. Lakshmi Vilas Bank, Marredpally, Secunderabad	6,83,87,402	7,28,48,909
M/s. Oriental Bank of Commerce, Ameerpet, Hyderabad	8,14,23,760	8,67,06,897
Less: Principal Repayable in next 12 Months (Hypothecation of Machinery such as Medical equipment, Furniture)	(4,75,25,544)	(4,75,25,544)
Equipment Loans	17,55,53,732	4,20,26,087
Vehicle Loans	8,15,108	13,40,928
b) Other Loans and Advances	-	-
Slump Sale Payable	50,85,86,499	45,57,25,000
Unsecured Loans and Advances	27,47,11,682	7,35,11,750
Total Long Term Borrowings	1,50,31,32,636	1,14,97,37,270

Note No. 12 Long Term Provisions		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Provisions for employee benefits		
- Provision for Gratuity	1,39,01,154	97,25,904
Total Long Term Provisions	1,39,01,154	97,25,904

Note No. 13 Short Term Borrowings		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
a) Loans repayable on demand		
From Banks		
Secured	13,35,35,923	11,74,18,846
Term Loan repayable in next 12 months		
Consortium Bank TL	3,34,10,000	3,34,10,000
Equipment Finance	1,41,15,544	1,41,15,544
Unsecured	-	35,76,119
Total Short Term Borrowings	18,10,61,467	16,85,20,509

Note No. 14 Trade Payables		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
Trade Payables	7,55,54,750	3,72,56,066
Total Trade Payables	7,55,54,750	3,72,56,066

Note No. 15 Short Term Provisions		
PARTICULARS	As At 31/03/2020	As At 31/03/2019
a) Provisions For Employee Benefits	2,23,04,773	2,20,18,097
b) Provisions For Expenses	2,98,48,599	5,49,03,191
c) Others		
Statutory Liabilities	3,97,81,749	6,23,63,153
Total Short Term Provisions	8,19,35,121	13,92,84,441



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NOTE NO. 16 : REVENUE FROM OPERATIONS

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Revenue from Operations		
(a) Revenue from Services	1,35,63,95,207	1,16,57,29,729
(b) Pharmacy Sale	25,40,12,802	24,38,94,369
(c) Revenue from Other Services	73,83,781	-
(d) Sale of Food Items	30,81,750	46,29,382
Total Revenue from Operations	1,62,08,73,540	1,41,42,53,480

NOTE NO. 17 : OTHER INCOME

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
(a) Interest Income	28,40,334	35,27,283
Total Other Income	28,40,334	35,27,283

NOTE NO. 18 : PURCHASE OF STOCK IN TRADE

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Pharmacy Purchases	24,92,29,293	21,86,91,687
Total Purchases	24,92,29,293	21,86,91,687

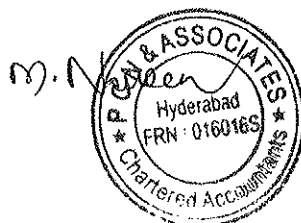
NOTE NO. 19 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
(a) Salaries & Wages	27,20,80,501	22,31,82,841
(b) Contribution to Employees	2,17,34,666	2,06,80,125
(c) Staff Welfare Exp	64,17,791	51,89,107
Total Employee Benefit Expenses	30,02,32,958	24,90,52,073

NOTE NO. 20 : FINANCE COST

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Finance Cost	14,31,33,757	10,83,65,651
Total Finance Cost	14,31,33,757	10,83,65,651

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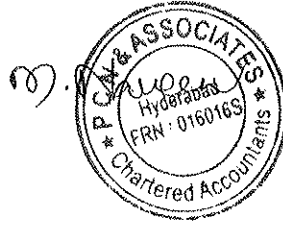
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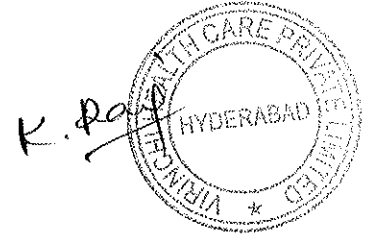
NOTE NO. 21 : ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
(a) Power & Fuel	5,12,33,624	4,63,50,145
(b) Rent	11,15,89,766	11,23,24,786
(c) Repairs and other Maintenance	1,53,00,958	1,50,86,572
(d) Insurance	3,89,632	4,80,125
(e) Telephone, Postage and Others	90,36,393	34,95,468
(f) Marketing and Business Promotion Expenses	79,45,163	53,44,588
(g) Office Maintenance	6,39,18,180	4,83,09,445
(h) Travelling and Accomodation Expenses	1,14,32,247	98,94,418
(i) Professional Fee	42,50,29,352	44,08,22,835
(j) Printing & Stationery Expenses	96,07,516	55,81,063
(k) Rates & Taxes	82,69,107	31,41,935
(l) Disallowances and Network Hospital Discount	1,67,82,859	96,85,636
(m) Payment to Auditors:		
(i) As Auditor	1,18,000	1,18,000
Total Administrative and Other Operating Expenses	73,06,52,797	70,06,35,016

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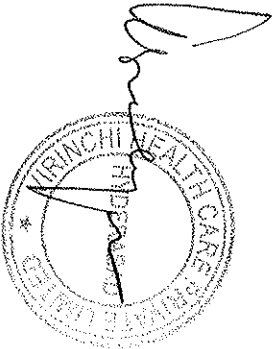
Note No.01

Sl. No.	Particulars	FIXED ASSETS SCHEDULE				Depreciation/Amortization		Net Block					
		As on 01.04.2019	Additions during the year	Gross Block Stamp Sale Additions	Deletions During the Year	As on 31.03.2020	Dep. As on 01.04.2019	Dep. For the year ended 31.03.2020	Stamp Sale	Depreciation	Total Depreciation	Net Block as on 31.03.2020	Net Block as on 31.03.2019
1	Tangible Assets												
1	Building	83,41,73,707	4,13,27,492	-	-	89,55,01,199	0,34,69,362	2,96,23,030	2,96,23,030	2,96,23,030	3,70,27,333	80,25,18,246	79,02,04,245
2	Electrical Equipment	12,32,13,897	88,70,000	-	-	13,20,83,897	2,96,23,030	1,04,04,303	1,04,04,303	1,04,04,303	3,37,57,097	9,50,90,864	9,65,90,864
3	Furniture & Fixtures	17,23,50,792	1,94,54,668	-	-	19,18,05,460	4,10,67,037	9,31,94,534	9,31,94,534	9,31,94,534	3,50,58,800	13,60,48,363	13,12,83,755
4	Hospital Equipment	57,19,56,640	20,22,46,052	49,67,47,629	-	1,27,89,50,321	11,30,30,638	60,02,215	60,02,215	60,02,215	2,50,28,800	44,06,91,531	45,89,20,532
5	Plant & Machinery	3,65,26,531	78,00,000	-	-	4,43,26,531	80,29,216	44,27,963	44,27,963	44,27,963	1,04,40,128	3,28,69,337	3,28,69,337
6	Office Equipment	1,07,85,419	81,09,348	-	-	1,88,94,767	25,96,254	9,33,294	9,33,294	9,33,294	85,29,604	99,33,167	1,04,97,316
7	Vehicles	48,92,690	-	-	-	48,92,690	25,96,254	3,86,021	3,86,021	3,86,021	31,82,275	27,57,209	27,57,209
8	Computer Hardware	2,37,41,015	-	-	-	2,37,41,015	2,17,76,180	6,53,275	6,53,275	6,53,275	2,21,89,923	17,10,415	22,96,436
	Total	1,79,76,41,691	28,78,07,580	49,67,47,629	-	2,36,21,96,880	28,31,26,106	13,28,83,571	13,28,83,571	13,28,83,571	56,00,38,165	1,33,10,947	1,34,86,823
1	Intangible Assets												
	Computer Software	3,68,87,534	24,50,000	-	-	3,93,37,534	83,64,896	66,20,054	66,20,054	66,20,054	1,50,24,992	2,43,32,582	2,85,02,636
	Total	3,68,87,534	24,50,000	-	-	3,93,37,534	83,64,896	66,20,054	66,20,054	66,20,054	1,50,24,992	2,43,32,582	2,85,02,636
1	Goodwill	15,18,759	69,139	-	-	15,87,898	-	-	-	-	15,87,898	15,87,898	15,18,759
	Total	1,83,80,47,884	29,03,26,699	49,67,47,629	-	2,82,31,22,312	28,15,11,302	15,95,03,427	15,95,03,427	15,95,03,427	37,50,43,117	2,04,80,79,195	1,54,45,36,682
	Grand Total	1,83,80,47,884	29,03,26,699	49,67,47,629	-	2,82,31,22,312	28,15,11,302	15,95,03,427	15,95,03,427	15,95,03,427	37,50,43,117	2,04,80,79,195	1,54,45,36,682

P. V. S.



K. P. S.



NOTE 22**Directors Remuneration**

Particulars	For Year Ended March 31,2020 (Rs)	For Year Ended March 31,2019(Rs)
Directors Remuneration	NIL	NIL

NOTE 23:

Particulars	For Year Ended March 31,2020(Rs)	For Year Ended March 31,2019(Rs)
Auditors remuneration	1,18,000	1,18,000

NOTE 24: Earning per Share

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Particulars	2019-20	2018-19
Profit available for the equity Share holders ((Rs)	14,50,63,970	9,69,97,578
No. of equity shares outstanding for EPS Basic	54,35,978	54,35,978
No, of equity shares outstanding, of EPS-Diluted	54,35,978	54,35,978
Basic (Rs)	26.69	17.84
Diluted (Rs)	26.69	17.84

NOTE 25:

There are dues to MSME's outstanding for more than 45 days.

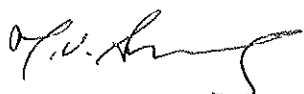
NOTE 26:**List of Related Parties:**

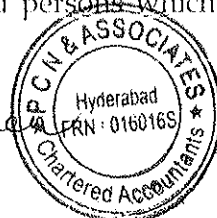
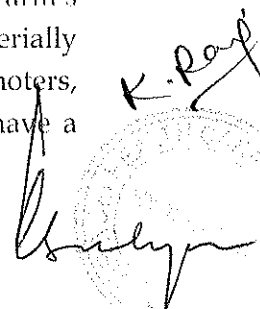
- 1) Virinchi Limited – Holding Company
- 2) Key management personnel

S.NO.	NAME	Designation
1	M.V.Srinivasa Rao	Director
2	K.Sri Kalyan	Director
3	K.Ravindranath Tagore	Company Secretary

Related Party Transactions.

All related transaction that are entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of company at large



The followings are Related party Transaction:

Particulars	Nature of transaction	Current year (Rs)	Previous year (Rs)
Virinchi Limited	Equipment Rent	0	1,20,00,000
Virinchi Limited	Slump Sale	5,28,61,499	45,57,25,420

S. No.	Name of the Related Party	Relationship	Amount Outstanding as on 31-03-2020
1	Virinchi Limited	Holding Company	89,33,71,985

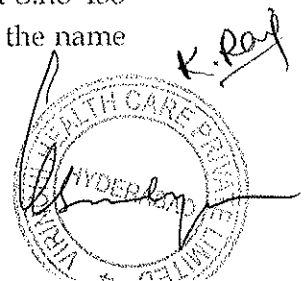
NOTE: 27

Details of collateral security, corporate guarantee and Personal Guarantee:

- 11.875 Acres freehold industrial land located at SY No103 Lakshmakkapally, Mulugu Mandal ,Medak District in the name of M/S.Vivo Biotech Ltd.
- 7 Acres 5 Guntas of freehold industrial land located at syNo.159, Janwada Village, Shankerpally Mandal, Ranga Reddy District in the name of Mr. ViswanathKompella.
- Plot No. 76& 77, Balamrai Co-operative Housing Society , Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella.
- Plot No. 78, Balamrai Co-operative Housing Society , Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella.
- Plot No. 88, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella.
- Plot No. 74, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella.
- Plot No. 227, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of M/s. Shri Shri Resorts Pvt Ltd.
- Open non-agricultural land admeasuring 2 Acres 31 Guntas at S.no 438 P, Devar Yamjal , Hakimpet, Shameerpet Mandal, R.R Dist in the name of M/s.Virinchi limited.

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M. Navin



- Commercial Flat admeasuring 2700 Sq.ft, Flat No. 308-A, Ashoka Metropolitan (Virinchi Hospitals), Road NO.12, Banjara Hills , Hyderabad , in the name of M/s. Virinchi Limited.
- Residential House land admeasuring 324.44 Sq Yards at Plot No 227, Balamrai Society, Mahendra Hills, West Maredpally, Secunderabad, in the name of M/s Iragavarapu Constructions Pvt Ltd.
- Open Plot admeasuring 400Sq Yards at Plot No 522, Ashoka Colony, Kapra,Keesara Mandal,R.R District , in the name of Smt. Madhavi latha Kompella

Corporate Guarantee: M/S. Virinchi Limited

M/s Vivo Biotech limited

Personal guarantee: Mr. Viswanath Kompella

Mrs. Madhavi Latha Kompella

NOTE 28:

Previous year's figures have been regrouped wherever necessary.

Note 29:

The figures have been rounded off to the nearest rupee.

As per our report of even date

For and on behalf of the Board of Directors
of **Virinchi Health Care Pvt Ltd**

For P C N & Associates.,

Chartered Accountants

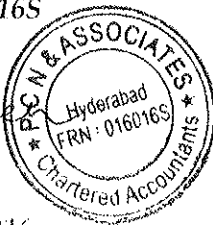
FRN: 016016S

M. Naveen

M Naveen

Partner

M.No.237316



M.V. Srinivasa Rao

M.V.Srinivasa Rao

Director

DIN: 00816334

K. Sri Kalyan

K. SRI KALYAN

Director

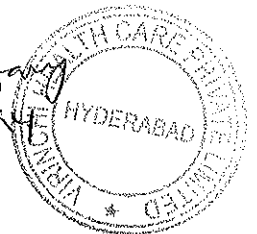
DIN: 03137506

UDIN: 20237316AAAADU7457

Place: Hyderabad

Date: 25th Jun 2020

K. Rang
Company Secretary
M.No. 1A854



VIRINCHI HEALTH CARE PVT LTD

Notes and other explanatory information to financial statements for the year ended March 31, 2020

1. Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, 2016 & 2017 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;

1.1 Summary of significant accounting policies

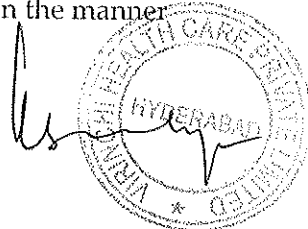
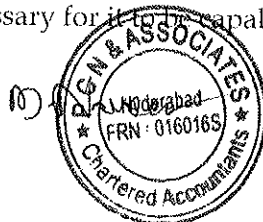
I. Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.

II. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner



intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

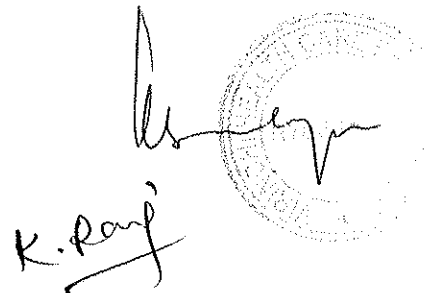
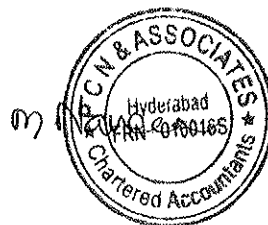
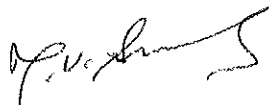
The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment. Asset class wise useful lives in years are as under:

Electrical Equipment, Furniture and Fixture	
Medical Equipment	12
Building Interiors	10
Plant & Machinery, Vehicles	6
Computer Software	6
Office Equipment	5
Computer Hardware	3



- III. In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of **Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

IV. Financial Assets

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset 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 assets.

Subsequent Measurement:

(i) Financial assets measured at amortised cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

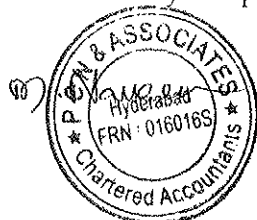
- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

(V) (i) Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

(i) Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a



provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

V. (ii) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

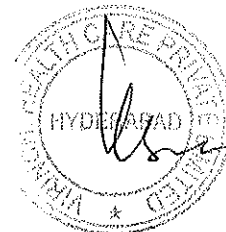
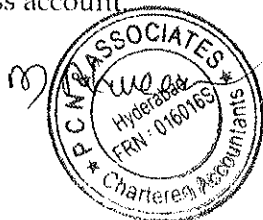
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

VI. Inventories

Stock in Trade valued at lower of cost of purchase or Net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

VII. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.



VIII. Share Capital

Equity shares are classified as equity.

IX. Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

Subsequent measurement - at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de recognised, and through the amortization process.

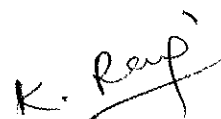
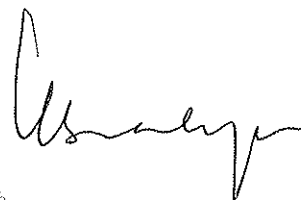
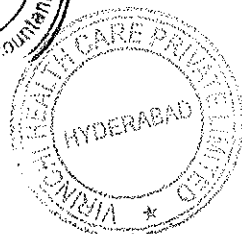
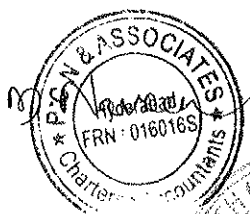
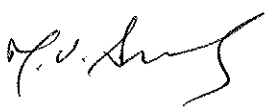
De recognition

A financial liability is de recognised when the obligation under the liability is discharged or cancelled or expired. 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 a de recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

X. Borrowing Costs

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

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



XI. Employee Benefits

- Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalised as other direct cost in the Capital Work in Progress / Intangible asset under development.
- Retirement benefits in the form of Provident Fund are accounted when they are raised. Gratuity provision is creating and accounted on monthly basis.

XII. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.


Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

The Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.




XIII. Leases

As a lessee

Medical equipment received by the company under operating Lease Basis. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease-hold Building:

Leasehold Building that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold Building is accounted for as leasehold Building use rights (referred to as prepaid lease payments in Ind AS 116 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

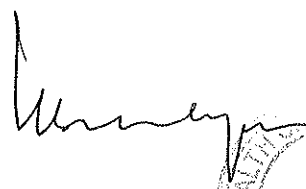
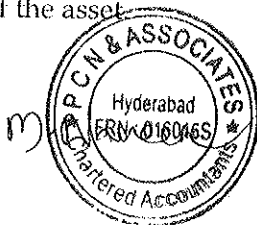
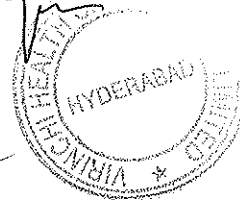
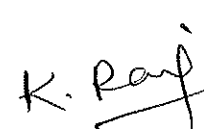
XIV. Provisions , Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages/Discounts or disallowances on claim settlement with corporate and insurance clients including TPA are recognised at the time of settlement of claims.

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable

XV. Revenue Recognition

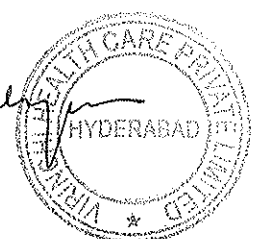
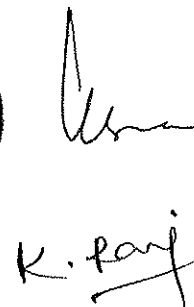
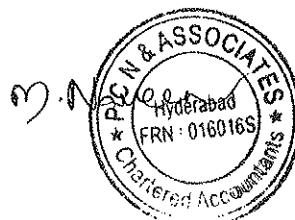
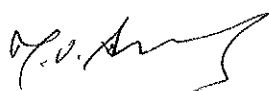
The Company's revenues are derived from sale of goods and services.

- **Sale of Services**

Service income is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed.

- **Sale of goods**

Revenue from sale of goods is recognized where control is transferred to the Company's customers at the time of shipment to or receipt of goods by the customers. There was no change in the point of recognition of revenue upon adoption of Ind AS 115.



- **Revenue from Healthcare Services:**

Revenue from patients is recognized when the company satisfies performance obligation by transferring promised goods and services to patients. Revenue is measured based on the transaction price which is the fair value of the consideration received /receivable net of discount/concession and GST. The Income by way of doctor's Consultancy fees and the consequent liability towards Doctor's Consultation charges are considered as accrued as and when the amounts are finalized and certainty of recovery from patients is established.

Revenue from dietary/pharmacy sales and other associates services is recognized at the point when the goods are sold or services are rendered.

- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

XVI. Foreign Currency Transactions

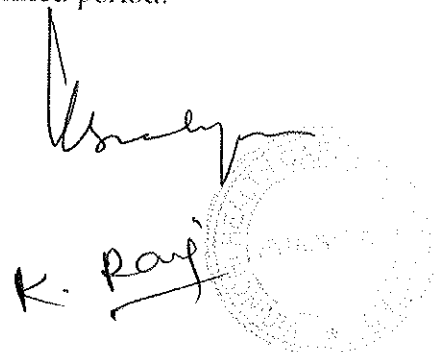
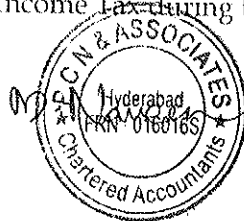

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

XIX. Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.


K. Raj

XX. Earnings per Share

Basic earnings per share are calculated by dividing:

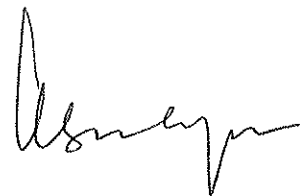
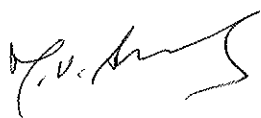
- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XXI. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.



K. Ray

