INDEPENDENT AUDITOR'S REPORT

To the Members of SAMUDRA HEALTHCARE ENTERPRISE LIMITED, HYDERABAD

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the financial statements of **SAMUDRA HEALTHCARE ENTERPRISE LIMITED, HYDERABAD,** "the Company" , which comprise the Balance sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity, and Statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after 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 accompanying 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, "(Ind AS)" and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit including other 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 (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 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 Annexures 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.

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 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 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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.

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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.

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 section 143(11) of the Act, we give in the Annexure A 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, 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B". 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) as amended

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the company to its directors during the year.

(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:

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i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements

ii. The Company did not have long-term contracts including derivative contracts for which these were material foreseeable losses.

iii. There are no amounts, that are required to be transferred, to the Investor Education and Protection Fund by the Company.

For Brahmayya & Co.,
Chartered Accountants
FRN 000513S

BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
FIRM No: 0005135
KAKINADA-533 003

E S H Mohan
Partner
Membership number: 028134
Place: Kakinada
Date: 14/05/2019

Annexure-A to the Auditors' Report:
Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Samudra Healthcare Enterprises Limited on the financial statements as of and for the year ended 31st March, 2019. We report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed Assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical assets have been noticed. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanation given to us and on the basis of examination of the records of the company, the title deeds of immovable property are held in the name of the company.

ii. The Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. According to the information and explanation given to us, the Company has not accepted any deposits from the public under the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vi. Maintenance of cost records pursuant to the rules made by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company for the year under report.

vii. (a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues applicable to the Company including provident fund, employees' state insurance, income-tax, cess and other statutory dues with the appropriate authorities during the financial year ended 31st March 2019. There are no undisputed amounts payable in respect of income tax, cess and other statutory dues which are outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

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(b) There are no dues in respect of income tax, cess and other statutory dues that have not been deposited with the appropriate authorities on account of any dispute, except for a demand on account of Service tax for Rs.95,17,693/-, for the year 2011-12 on which an Appeal is pending before CESTAT Bangalore.

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

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, paragraph 3(ix) of the Order is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Hence, the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, are not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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 Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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, paragraph 3(xv) of the Order is not applicable.

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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 Brahmayya & Co
Chartered Accountants
FRN 000513S

BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
FIRM No: 000513S
KAKINADA-533 003

E S H Mohan
Partner
Membership number: 028134
Place: Kakinada
Date: 14/05/2019

Annexure-B to the Auditors' Report

Referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Samudra Healthcare Enterprises Limited on the financial statements as of and for the year ended 31st March, 2019. We report that:

We have audited the internal financial controls over financial reporting of SAMUDRA HEALTHCARE ENTERPRISES LIMITED (" the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

AUDITORS' RESPONSIBILITY

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

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

BRAHMAYYA & CO.
KAKINADA

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.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, 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 31 March 2019, 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 Brahmayya & Co.,
Chartered Accountants
FRN 000513S

BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
FIRM No: 0005135
KAKINADA-533 003

BHMO

E S H Mohan
Partner
Membership number: 028134
Place: Kakinada
Date: 14|05|2019

SAMUDRA HEALTHCARE ENTERPRISES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2019

(All amounts are in INR '000 unless otherwise stated)

	Particulars	Note No	As at 31st March 2019	As at 31st March 2018
I.	**ASSETS**			
1	**Non Current Assets**			
	(a) Property, Plant & Equipment	3	208219	220141
	(b) Capital work-in-progress	4	0	0
	(c) Intangible asset	5	0	0
	(d) Financial Assets			
	(i) Other financial assets	6	1551	1551
	(e) Deferred tax asset(net)	7	17525	34672
2	**Current Assets**			
	(a) Inventories	8	3788	4086
	(b) Financial Assets			
	(i) Trade receivables	9	158359	128219
	(ii) Cash and Cash Equivalents	10	29795	27290
	(iii) Other Bank Balances	11	11857	29106
	(iv) Other financial assets	12	686	634
	(c) Current Tax Asset		0	14885
	(d) Other Current Assets	13	8120	6514
	TOTAL ASSETS		**439901**	**467099**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
1	(a) Equity share capital	14	125000	125000
2	(b) Other Equity	15	116892	103134
	LIABILITIES			
1	**Non current Liabilities**			
	(a) Provisions	16	9848	7450
2	**Current liabilities**			
	(a) Financial liabilities			
	Trade Payables - Total Outstanding dues of	17		
	- Micro and Small Enterprises		3413	0
	- Other than Micro and Small Enterprises		177317	226503
	(b) Other Current liabilities	18	3517	2610
	(c) Provisions	19	2468	2403
	(d) Current tax liability		1446	0
	TOTAL EQUITY AND LIABILITIES		**439901**	**467099**
General Information		1		
Summary of Significant Accounting Policies		2		

The accoumpanying notes form an integral part of the financial statements
This is the Balance sheet referred to our report

As per our report of even date
for M/s. Brahmayya & Co.,
Chartered Accountants
Firm's Registration No : 000513S

For and on behalf of the Board of

BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
FIRM No: 0005135
KAKINADA-533 003

E S H Mohan
Partner
Membership No: 28134

Director
BV. HP

Director
VSR

Place : Kakinada
Date: 14 May 2019

SAMUDRA HEALTHCARE ENTERPRISES LIMITED
STATEMENT OF PROFIT AND LOSSFOR THE YEAR ENDED 31ST MARCH 2019

(All amounts are in INR '000 unless otherwise stated)

	Particulars	NoteNo	for the year ended 31st March, 2019	for the year ended 31st March, 2018
I.	Revenue from operations	20	375733	324774
II.	Other income	21	5525	6034
III.	**Total Revenue (I + II)**		**381259**	**330808**
IV.	**Expenses:**			
	Cost of materials consumed		60540	46142
	Employee benefits expense	22	59717	57839
	Finance Costs - Other charges		1275	783
	Depreciation and amortization expense	3 & 5	24888	31481
	Other expenses	23	186719	164121
	Total expenses		**333140**	**300365**
V.	**Profit before tax (III - IV)**		**48118**	**30443**
VI.	**Tax expense:**			
	Current tax CY Normal Tax (PY Minimum Alternative Tax)		15000	7000
	Less: MAT Credit		0	-6971
	Deferred tax Expenses (Income)		17413	-36651
	Income Tax Paid for Earlier Years		1256	0
VII.	**Profit / (Loss) for the Year (V - VI)**		**14449**	**67064**
	Other Comprehensive Income			
	Items that will not be clasified subsequently to profit or loss			
	Remeasurement gain / (loss) on defined benefit obligations		(956)	1,106
	Tax on above		266	(305)
			(690)	801
	Total Comprehensive Income for the year		**13759**	**67865**
VIII.	**Earnings per equity share:**	24		
	Basic (In Rs.)		1.16	5.37
	Diluted			
	General Information	1		
	Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements
This is the Statement of Profit and loss referred to in our report

As per our report of even date
for M/s. Brahmayya & Co.,
Chartered Accountants
Firm's Registration No : 000513S

For and on behalf of the Board of

BRAHMAYYA & CO CHARTERED ACCOUNTANTS FIRM No: 0005135 KAKINADA-533 003

E S H Mohan
Partner
Membership No: 28134

Director
Dr. HP

Director
VSR

Place : Kakinada
Date: 14 May 2019

BALANCE SHEET AS AT 31ST MARCH 2019
Statement of Changes in Equity as on March, 31, 2019

(All amounts are in INR '000 unless otherwise stated)

a. Equity share capital

Particulars	No of shares	Amount
Balance at April 01, 2017	125,00,000	125000
Balance at March 31, 2018	125,00,000	125000
Balance at March 31, 2019	125,00,000	125000

b. Other Equity

Particulars	Reserves and Surplus		Total
	Securities premium reserve	Retained earnings	
Balance at April 01, 2017	113379	-78111	35268
Profit for the year		67064	67064
Other comprehensive income for the year		801	801
Balance at March 31, 2018	**113379**	**-10245**	**103134**
Profit for the year	0	14449	14449
Other comprehensive income for the year	0	-690	-690
Balance at March 31, 2019	**113379**	**3514**	**116893**

The accompanying notes form an integral part of the financial statements
This is the Statement of Changes in Equity referred to in our report

As per our report of even date
for M/s. Brahmayya & Co.,
Chartered Accountants
Firm's Registration No. 000513S

BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
FIRM No: 0005135
KAKINADA-533 003

E S H Mohan
Partner
Membership No: 28134

For and on behalf of the Board of

Director
BV.HP

Director
VSR

Place : Kakinada
Date: 14 May 2019

Samudra Healthcare Enterprises Limited
Cash Flow Statement for the year ended 31st March, 2019
(All amounts are in INR '000 unless otherwise stated)

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
A Cash Flow from Operatiing Activities:		
Net profit / (Loss) before tax	48118	30444
Adjustment for:		
Depreciation and Amortisation Expenses	24888	31481
Interest received	-1498	-2071
Profit on Sale of Asset	0	-381
Provision for Expected Credit Loss	13141	2641
Excess Provision Credited Back	-1867	-1976
Operating profit / (loss) before working capital changes	82782	60138
Adjustment for:		
Decrease / (Increase) in Inventories	297	-128
Decrease/(Increase) in Trade Receivables	-43282	-61410
Decrease / (Increase) in Other financial assets	2	-165
Decrease / (Increase) in Other Current Assets	-1606	6147
Increase / (Decrease) in Trade Payables	-43906	49761
Increase / (Decrease) in Other Current liabilities	906	167
Increase / (Decrease) in Provisions	1508	2465
Net cash generated from / (used in) operating activities	**-3297**	**56976**
Less: Tax (paid) / Refund	92	-2288
Net cash generated from / (used in) operating activities	**-3205**	**54688**
B Cash flow from Investing Activities:		
Additions to Fixed Assets & CWIP	-12967	-34290
Sale proceeds of asset	0	530
Interest received	1427	2054
Decrease (Increase) in fixed deposits	17250	-1851
Net Cash from / (used in) Investing activities	**5710**	**-33558**
C Cash Flow from Financing Activities		
Net Cash Flow from Financing Activities	**0**	**0**
Net increase / (decrease) in cash and cash equivalents	**2505**	**21131**
Opening Cash and Bank balances		
Cash on hand	225	354
Balances with banks in current accounts	27065	5805
	27290	**6159**
Closing Cash and Bank balances		
Cash on hand	938	225
Balances with banks in current accounts	28857	27065
	29795	**27290**

The accompanying notes form an integral part of the financial statements
This is the Cash flow statement referred to in our report

As per our report of even date
for M/s. Brahmayya & Co.,
Chartered Accountants
Firm's Registration No : 000513S

ESHMO

E S H Mohan
Partner
Membership No: 28134
Place : Kakinada
Date: 14 May 2019

BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
FIRM No: 0005135
KAKINADA-533 003

For and on behalf of the Board

Director **Director**

BVIH P VSR

1. Corporate Information

Samudra Healthcare Enterprises Limited ("the Company") incorporated in the year 2003 and started super specialty hospital in Kakinada with franchise agreement with Apollo Hospitals Enterprises Limited. In the year 2005 the Company became wholly owned subsidiary of Apollo Hospitals Enterprises Limited. The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high quality hospital services on cost-effective basis.

The financial statements were authorized for by the Board of Directors on 14th May, 2019

2. Significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act, as applicable.

2.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

Fair value measurement

In addition, for financial reporting purposes, fair value measurement is categorised into Level 1, Level 2 or Level 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as under:

i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
iii) Level 3 inputs are unobservable for the asset or liability.

Operating cycle

Based on the nature of service 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.

Current and non - current classification

The company classifies an asset as current when-
(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
(b) it holds the asset primarily for the purpose of trading;
(c) it expects to realise the asset within twelve months after the reporting period; or

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(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

The company classifies a liability as current when-
(a) it expects to settle the liability in its normal operating cycle;
(b) it holds the liability primarily for the purpose of trading;
(c) the liability is due to be settled within twelve months after the reporting period; or
(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

2.3 Significant Accounting Policies

2.3.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Revenue from Healthcare Services

Revenue primarily comprises of fees charged for inpatient and outpatient hospital services. Services include changes for accommodation, theatre, medical professional service, equipment, radiology, laboratory and pharmaceutical good used. Revenue is recorded and recognized during the period in which the hospital services is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged, and invoice is not raised for service.

The service revenues are presented net of related doctor fees and diagnostic charges in cases where the Company is not the primary obligor and dose not have the pricing latitude.

Interest income

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

2.3.2 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company's leasing arrangements are in respect of operating leases for premises that are cancellable in nature.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.3.3 Foreign currency

The functional currency of the Company is the Indian Rupee.
Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximates the rate at the date of transactions. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured in terms of historical cost.

2.3.4 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.3.5 Employee benefits

Retirement benefit costs and termination benefits

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re measurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date

2.3.6 Taxation

Income tax expense comprises current tax and the net change in the deferred tax asset and liability during the year.

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax asset and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle the current tax assets and liabilities on a net basis.

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

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

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

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Current and deferred tax for the year

Current and deferred tax 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.

2.3.7 Property, plant and equipment

Land and buildings mainly comprise hospitals and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Fixtures, plant and medical equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction/erection period is capitalized as part of the construction/erection cost to the extent such expenditure is related to construction or is incidental thereto.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Buildings (Freehold)	60 years
Buildings (Leasehold)	30 years
Plant and Medical Equipment	15 years
Electrical Installation and Generators	10 years
Medical Equipment	13 years
Surgical Instruments	3 Years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years
Servers	6 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The useful life of Staircase forming a part of the building has how ever been deemed to be 30 Years.

2.3.8 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortisation is recognised on a

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

An Intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Estimated useful lives of the computer software is 3 Years

2.3.9 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

2.3.10 Inventories

The inventories of all medicines, Medicare items traded and dealt with by the Company are valued at cost. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the Net Realizable Value is not applicable. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for Value Added Tax / Goods and Service Tax wherever applicable, applying the FIFO method.

Stock of provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realizable value is not applicable in the absence of any further modification/alteration before being consumed in-house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for Value Added Tax / Goods and Service Tax wherever applicable applying FIFO method.

Linen, crockery and cutlery are valued at cost and are subject to 1/3 write off wherever applicable applying FIFO method. The net realizable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

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2.3.11 Provisions, Contingent liabilities and contingent assets, Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities

Contingent liabilities are disclosed for

- possible obligation which will be confirmed only by future events not wholly within the control of the Company
- 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

Contingent assets are neither recognised nor disclosed in the financial statements.

2.3.12 Other Provisions

Other provisions (including third-party payments for malpractice claims) which are not covered by insurance and other costs for legal claims are recognised based on legal opinions and management judgment.

2.3.13 Earnings per share

Basic Earnings per share ("EPS") is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. The Company did not have any potentially dilutive securities in any of the periods presented.

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2.3.14 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

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

For the purposes of subsequent measurement, financial instruments of the Company are classified in the following categories:

a) Financial assets are valued at amortised cost
b) Financial assets fair value at fair value through other comprehensive income
c) Financial assets at fair value through profit or loss

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets

Recognition and initial measurement

The Company initially recognises loans and advances, deposits, on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement of the financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the Statement of Profit and Loss.

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Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Statement of Profit and Loss and is included in the "Other Income" line item.

Impairment of Financial assets

The Company applies the expected credit loss (ECL) model for recognising the impairment loss on financial assets measured at amortised cost and FVTOCI but are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of profit or loss.

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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If the company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Within credit period	1-30 days past due	31-60 days past Due	60-90 days past Due	90-120 days past due	730-1095	>1095
% of provision for ECL	3.00%	18.00%	21.00%	25.00%	38.00%	55.00%	100.00%

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Derecognition of Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Financial liabilities

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.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

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Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.
A financial liability is classified as held for trading if:
it has been incurred principally for the purpose of repurchasing it in the near term; or
on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss. Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

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Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.3.15 Trade Receivables

Receivables are initially recognized at fair value, which in most cases approximates the nominal value of consideration receivable. If there is a subsequent indication that those assets may be impaired, they are reviewed for impairment and an allowance is recognized.

2.3.16 Trade Payables

Trade Payables are recognized for amounts to be paid for goods or services acquired in the ordinary course of the business whether billed by the supplier/service provided or not. Trade payables are classified as current liabilities.

2.3.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.4 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate 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 periods.

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2.4.1 Critical judgements in applying Accounting Policies

The Company renders the service as a principal, the gross amounts collected from customer shall be recorded as revenue. The amounts payable to the facilitators in return for the services received shall be recorded as expenses.

2.4.2 Key sources of estimation uncertainty

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

Impairment of non-financial asset

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities disclosed in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. The Company has considered Weighted Average Cost of Capital (WACC) rate of respective periods in which transaction had occurred for measuring deposit, being financial liabilities, at amortised cost.

Employee Benefits

The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Litigations

The Amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation arising at the reporting period.

Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clincial services rendered to insured and corporate patients are subject to approvals for the insurance companies and corporates. Accordingly, the company estimates the amounts likely to be disallowed by such companies based on past trends. Estimations based on past trends are also required in determining the value of consideration from customers to be allocated to award credits for customers

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Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. This re-estimation may result in depreciation expense in future periods.

Expected credit loss

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given the provision matrix.

BRAHMAYYA & CO. KAKINADA

SAMUDRA HEALTHCARE ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2019
Note 3 Property, Plant and Equipment

(All amounts are in INR '000 unless otherwise stated)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	Up to April 1, 2018	Depreciation for the year	On disposals	Up to March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
Land	8138	0	0	8138	0	0	0	0	8138	8138
	-8138	0	0	-8138	0	0	0	0	-8138	-8138
Buildings	66216	0	0	66216	12842	1055		13896	52319	53374
	-57724	-8492	0	-66216	-11727	-1115		-12842	-53374	-45997
Medical Equipment	307655	11833		319488	154449	22815		177264	142224	153206
	-278146	-52554	-23045	-307655	-148117	-29229	-22896	-154449	-153206	-130029
Computers	4587	831	0	5418	4183	224	0	4407	1011	404
	-4215	-372	0	-4587	-3969	-214	0	-4183	-404	-246
Furniture and Fixtures	1438	119		1557	848	90	0	938	619	590
	-1349	-90	0	-1438	-757	-91	0	-848	-590	-592
Vehicles	5489	0	0	5489	4344	199	0	4543	946	1146
	-5489	0	0	-5489	-3929	-414	0	-4344	-1146	-1560
Office equipment	4232	150	0	4383	3481	208	0	3689	694	752
	-4059	-174	0	-4232	-3200	-281	0	-3481	-752	-859
Electrical Installations	2989	34	0	3023	457	298	0	755	2268	2532
	-1001	-1988	0	-2989	-319	-139	0	-457	-2532	-682
Total	400745	12967	0	413712	180604	24888	0	205492	208219	220141
	-360121	-63669	-23045	-400745	-172019	-31481	-22896	-180604	-220141	-188102

Note 4 Capital work in Progress

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	Up to April 1, 2018	Depreciation for the year	On disposals	Up to March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
Capital work in Progress	0	0	0	0	0	0	0	0	0	0
	-29379		-29379	0	0	0	0	0	0	-29379
Total	0	0	0	0	0	0	0	0	0	0
	-29379	0	-29379	0	0	0	0	0	0	-29379

Note 5 Intangible Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	Up to April 1, 2018	Amortization for the year	On disposals	Up to March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
Computer Software	150	0	0	150	150	0	0	150	0	0
	-150	0	0	-150	-150	0	0	-150	0	0
Total	150	0	0	150	150	0	0	150	0	0
	-150	0	0	-150	-150	0	0	-150	0	0

BRAHMAYYA & CO. KAKINADA

BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 6 Other financial assets

Particulars	As at 31st March 2019	As at 31st March 2018
Non-current		
Security Deposits	1551	1551
Total	**1551**	**1551**

Note No. 7

Deferred tax asset

The major components of income tax expense for the year ended 31st March, 2019 and 31st March, 2018 are:

Statement of profit and loss:

Profit or loss	for the year ended 31st Mar, 2019	for the year ended 31st March, 2018
Current income tax charge	15000	7000
MAT Credit	0	-6971
Deferred tax Relating to origination and reversal of temporary differences	17413	-36651
Income tax expense reported in the statement of profit or loss	**32413**	**-36622**

Other Comprehensive Income	for the year ended 31st Mar, 2019	for the year ended 31st March, 2018
Re-measurement gains/(losses) on defined benefit plans	266	-305
Income tax expense charged to OCI	**266**	**-305**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

	for the year ended 31st Mar, 2019	for the year ended 31st March, 2018
Accounting profit before income tax	47162	31548
Enacted tax rates	27.8200	20.38885
Computed expected tax expense	13121	6432
Unasertained Liabilities	3656	539
	16777	**6971**

BRAHMAYYA & CO. KAKINADA

BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Deferred tax:

Deferred tax relates to the following:

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred tax asset on account of:		
Depreciation and amortization expense	0	14037
Provision for Expected Credit Loss	13709	9958
Gratuity	2295	2116
Items disallowed u/s 43B of the Income tax Act	602	1591
	16606	**27701**
Deferred tax liability on account of:		
Depreciation and amortization expense	11,453	0
	11,453	**0**
Deferred tax asset (Net)	**5153**	**27701**
MAT Credit Entitlement	6971	6971
Net deferred tax Asset	**12124**	**34672**

Particulars	for the year ended 31st Mar, 2019	for the year ended 31st March, 2018
Deferred tax asset	-17679	36955
MAT Credit Entitlement		6971
Net deferred tax Asset	**-17679**	**43926**

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance as of 1 April	**34672**	**-8645**
Tax income/(expense) recognised during the period in		
: profit or loss	-17413	36651
: other comprehensive income	266	-305
: MAT Credit entitlement	6971	6971
Closing balance as at 31 March	**17525**	**34672**

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.

BRAHMAYYA & CO. KAKINADA

BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 8 Inventories

Particulars	As at 31st March 2019	As at 31st March 2018
(at cost)		
Medicines	3788	4086
Total	**3788**	**4086**

Note 9 Trade Receivables

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured, considered good	158359	128219
Unsecured, considered doubtful	98645	85504
	257004	**213723**
Less: Provision for Expected Credit Loss	98645	85504
Total	158359	128219

The average credit period on sale of services is 30-60days from the date of the invoice.

Of the Gross trade receivables balance as at 31st March, 2019 of Rs.257004 (as at 31st March, 2018 of Rs. 213722) major amount is due from Employee State Insurance Corporation, the company's largest customer.

Movement in the expected credit loss allowance

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Balance at beginning of the year	85504	82863
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	13141	2641
Balance at end of the year	**98645**	**85504**

The amounts receivable net of ECL as on 31 March 2019 is Rs 158359 (as at 31 March 2018 Rs 128218)

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 10 Cash and Cash Equivalenst

Particulars	As at 31st March 2019	As at 31st March 2018
Cash on hand	938	225
Balances with banks in current accounts	28857	27065
Total	**29795**	**27290**

Note 11 Other Bank Balances

Particulars	As at 31st March 2019	As at 31st March 2018
Balances with banks		
: in deposit accounts with less than 12 months maturity	11857	29106
Total	**11857**	**29106**

Note 12 Other financial assets

Particulars	As at 31st March 2019	As at 31st March 2018
Deposits recoverable	185	385
Advance to employees	378	160
Other Advances	51	72
Interest accrued on Deposits	71	17
Total	**686**	**634**

Note 13 Other assets

Particulars	As at 31st March 2019	As at 31st March 2018
Current		
Advance to Suppliers	1357	1476
Prepaid Expenses	2490	955
Unbilled revenue	3579	3388
Service Tax paid under protest	694	694
Total	**8120**	**6514**

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 14 Share Capital

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
Authorised 12,700,000 Equity Shares of Rs. 10/- each	127,00,000	127000	127,00,000	127000
Issued, Subscribed and Paid up 12,500,000 Equity Shares of Rs. 10/- each fully paid up	125,00,000	125000	125,00,000	125000

Reconciliation of number of shares outstanding

Particulars	Number	Amount
Shares outstanding at the beginning of the year	125,00,000	125000
Shares outstanding at the end of the year	125,00,000	125000

Shares held by Holding Company

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Apollo Hospitals Enterprise Limited	125,00,000	100%	125,00,000	100%

Rights, Preferences and Restrictions attached to equity Shares including declaration of dividend

The company has only one class of equity shares having face value of Rs 100/- per share with one vote per each equity share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential creditors. The distribution will be in proportion to the number of equity shares held by the shareholders.

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 15 Other Equity

Particulars	As at 31st March 2019	As at 31st March 2018
Reserves and Surplus		
Securities premium reserve		
Balance at the beginning of the year	113379	113379
Balance at the end of the year	113379	113379
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	-10266	-77331
Add: Net Profit/(Loss) for the year	14449	67064
Balance at the end of the year	4183	-10266
Other Comprehensive Income		
Balance at the beginning of the year	21	-780
Add: for the year	-690	801
Balance at the end of the year	-669	21
Total	**116893**	**103134**

Note 16 Long Term Provisions

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits (refer note 27)		
Gratuity (unfunded)	8068	7450
Leave Encashment (unfunded)	1780	0
Total	**9848**	**7450**

BRAHMAYYA & CO. KAKINADA

BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 17 Trade Payables

Particulars	As at 31st March 2019	As at 31st March 2018
Trade payables	180729	226503
Total	**180729**	**226503**

* As per information available with the company, there are no dues to the suppliers under "Small, Micro Enterprises Development Act, 2006" ("MSMED Act, 2006") beyond the appointed date. Consequently, no interest is payable.

Trade payables are non-interest bearing and are normally settled on 30 to 45 day terms

Note 18 Other Current Liabilities

Particulars	As at 31st March 2019	As at 31st March 2018
Advances from Inpatients	1626	1215
Taxes withheld onad others	1892	1396
Total	**3517**	**2610**

Note 19 Short Term Provisions

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits (refer note 26)		
Gratuity (unfunded)	181	229
Leave Encashment (unfunded)	2288	2174
Total	**2468**	**2403**

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 20 Revenue from operations

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Collection from: Inpatients	295552	246365
: Outpatients	99974	91508
Commision on Pharmacy Sales	2004	1874
Consultancy Charges Received	338	0
	397868	**339747**
Less: Consultancy Charges	-14984	-12437
: Disallowance	-3666	-385
: Investigation Charges	-3484	-2150
Total	**375733**	**324774**

The following Customers constitute more than 10% of Company's Turnover	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Dr N.T.R Vaidya Seva	56074	32414

Note 21 Other Income

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Other Income		
Interest Income	1498	2071
Other non-operating income		
Rental Income	694	429
Insurence Claims received	290	33
Interest on income tax refund	1175	929
Income from training Program	0	56
Profit on sale of Asset	0	381
Other Income	0	160
Excess Provision Credited Back	1867	1976
Total	**5525**	**6034**

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 22 Employee Benefits Expenses

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Salaries and wages	50201	49901
Contribution to provident and other funds	2471	2425
Staff welfare expenses	5512	3404
Gratuity for the year (Unfunded)	1534	2108
Total	**59717**	**57839**

Note 23 Other Expenses

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Professional Charges to Doctors	98,343	93,711
Power, Fuel and Water Charges	13614	12196
Outsource: House Keeping Expenses	14422	14525
: Food And Beverages	3501	3812
: Others	192	187
Rent	1843	2205
Repairs to Machinery	15164	7318
Repairs to Other Assets	1454	1282
Office Maintenance	429	311
Insurance	977	614
Rates and Taxes	715	592
Printing and Stationery	1792	2549
Postage and Telegram	135	89
Advertisement, Publicity and Marketing	6498	5741
Travelling and Conveyance	1392	1162
Security Charges	4342	4241
Legal and Professional Fees	4446	7328
Hiring Charges	2288	1919
Telephone Expenses	1414	1212
Audit Fees	608	488
Donations	10	0
Provision for Expected Credit Loss	13141	2641
Total	**186719**	**164121**

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Auditors Remuneration

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Statutory Audit:	300	300
Tax Audit	75	6
Tax Matters	120	
IND AS Study	0	100
Other Services	0	10
Certification	20	
Goods and Service Tax on above	93	72
Total	**608**	**488**

Operation Leases

The Company has entered into a cancellable operating leases towards two premises and fittings up to 31 Jan 2021. The future lease payments due under the contract are as under

Particulars	As at March 31, 2019	As at March 31, 2018
	Minimum lease payments	
Payable in 12 months	1179	2007
Payable over balance of lease period	1063	2242

The aggregate lease rentals paid / payable are charged as Rent of Rs 1843 (2017: Rs 2205) and the same is disclosed under note 24 to the financial statements

BRAHMAYYA & CO. KAKINADA

BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 24 Earnings per share

Basic Earnings per share (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 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Profit attributable to equity holders	14449	67064
Weighted average number of Equity shares	125,00,000	125,00,000
Earnings per share – Basic and diluted (per share) in Rs.	1	5

Since, the company does not have any dilutive securities, the basic and diluted earnings per share are same.

Note 25 Commitments and Contingent liabilities

a. Contingent liabilities to the extent not provided for

Particulars	As at 31st March 2019	As at 31st March 2018
Guarantees given by banks	300	780
Claims against the company not acknowledged as debt		
(a) MVOP No 90/2017 Motor Accidents Claim	100	100
(b) Appeal in CESTAT of Service tax demand raised against the company vide order no VIZ-EXCUS-002-COM-003-14-15 DT 17/04/2014	9518	9518

b. Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for Rs 550/- (2018: Rs Nil/-)

BRAHMAYYA & CO. KAKINADA

BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 26 Employee Benefits Expenses

(a) Defined Contribution Plans

a. Provident Fund

b. Employees' State Insurance

The Company has recognised following amounts as Expense in the Statement of Profit and Loss :

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Included in Contribution to Provident and Other Funds		
Employer's Contribution to Provident Fund	2471	2425
Included in Staff Welfare Expenses		
Premium paid in respect of Employees' State Insurance	1383	1411

(b) Defined Benefit Plans

a. Compensated Absences : (Included in Salaries and Wages)

Compensated benefits is payable to all the eligible employees of the Company on any type of separation from the Company on the accumalted leaves. Benefits would be paid at the time of separation based on last drawn basic salary.

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Expenses charged to Statement of Profit and Loss	-25	357

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

b. Gratuity :

The Company has a unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 as amended.

The plan exposes the Company to actuarial risks such as Interest rate risk, Liquidity risk, Salary escalation risk, Demographic risk and Regulatory risk.

The following table set out the funded status of the gratuity and the amounts recognized in the Company's financial statements as at 31st March 2019:

Particulars	As at 31st March 2019	As at 31st March 2018
Change in benefit obligation		
Benefit Obligation at the beginning of the year	7679	6676
Current Service Cost	1526	1574
Interest Cost	593	534
Benefits Paid	-585	0
Actuarial (gain) / loss	-963	-1106
Benefit Obligation at the end of the year	**8249**	**7679**
Non-current liability	8068	7450
Current liability	181	229

Expenses recognised in the statement of profit and loss for the year

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Current service cost	1526	1574
Past Service cost	0	0
Interest cost on benefit obligation	593	534
Total expenses included in employee benefits expense	**2119**	**2108**

Recognised in other comprehensive income for the year

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Changes in financial assumptiopns	-963	-1106
Experience variance (i.e.Actual experience Vs assumptions)	0	0
Return on plant assets, excluding amount recognised in net interest expense	0	0
Recognised in other comprehensive income	**-963**	**-1106**

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

The principal financial assumptions used in the valuation:

Particulars	As at 31st March 2019	As at 31st March 2018
Discount rate (per annum)	0	0
Salary growth rate (per annum)	0	0

Demographic Assumptions

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Mortality Rate (% of IALM 06-08)	1	1
Withdrawal rates, based on age: (per annum)	0	0

*** Table of sample mortality rates from Indian Assured Lives Mortality 2006-08**

Age	Male	Female
20 years	0	0
25 years	0	0
30 years	0	0
35 years	0	0
40 years	0	0
45 years	0	0
50 years	0	0
55 years	0	0
60 years	0	0
65 years	0	0
70 years	0	0

2. Senstivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count. Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Defined Benefit Obligation (Base)	**8249**	**7679**

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Discount Rate (-/+1%)		
Decrease	9285	8646
Increase	7377	6867
(% change compared to base due to sensitivity)		
Decrease	0	0
Increase	0	0
Salary Growth Rate (-/+1%)		
Decrease	6805	6297
Increase	10012	9379
(% change compared to base due to sensitivity)		
Decrease	0	0
Increase	0	0
Attrition Rate (-/+1%)		
Decrease	7054	6495
Increase	9318	8735
(% change compared to base due to sensitivity)		
Decrease	0	0
Increase	0	0
Mortality Rate (-/+1%)		
Decrease	8223	7654
Increase	8275	7703
(% change compared to base due to sensitivity)		
Decrease	0	0
Increase	0	0

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

Maturity profile of defined benefit obligation

Particulars	for the year ended 31st March, 2019	for the year ended 31st March, 2018
Weighted average duration (based on discounted cashflow)	20.65 years	21.32 years
Within the next 12 months (next annual reporting period)	0	62
Between 2 and 5 years	0	77
Between 6 and 10 years	33	132
Beyond 10 years	8216	7407

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BALANCE SHEET AS AT 31ST MARCH 2019

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR '000 unless otherwise stated)

Note 27 Details of Related Party Transactions during the year ended March 2019

Name of related parties	Nature of Balance/Transactions	*As at March 31st,2019*	*As at March 31st,2018*
Apollo Hospitals Enterprises Limited, Chennai	Share Capital	125000	125000
Apollo Hospitals Enterprises Limited, Chennai	Payable as at Year end	141213	173512
Apollo Hospitals Enterprises Limited, Chennai	Medicine purchases during the year	78639	73366
Apollo Hospitals Enterprises Limited, Chennai	Purchase of capital goods	0	1000
Apollo Hospitals Enterprises Limited, Chennai	Services availed	1706	3562
Apollo Hospitals Enterprises Limited, Chennai	Reimbusement of Expenses	973	1084
Apollo Hospitals Enterprises Limited, Chennai	Income -Commision on Pharmacy	2365	1874
Apollo Hospitals Enterprises Limited, Chennai	Revenue from Operations	47	31
Medsmart Logistics Private Limited	Material Purchases	5331	4960
Medsmart Logistics Private Limited	Payable as at Year end	1573	2462
Family Health Plan Insurance TPA Ltd	Receivables at the year end	5027	1491
Family Health Plan Insurance TPA Ltd	TPA Fees	9530	5874
Apollo Munich Health Insurance Company Ltd	Receivables at the year end	41	85
Apollo Munich Health Insurance Company Ltd	TPA Fees received	1980	961
Apollo Teleradiology Pvt Ltd	Services received	155	66
Apollo Teleradiology Pvt Ltd	Payable as at Year end	0	0
Apollo Dialysis Pvt Ltd	Services Rendered	300	
Apollo Dialysis Pvt Ltd	Receivables at the year end	300	0

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Note 28 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2019, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Note 29 Financial Instruments - Fair Value & Financial Risk Management

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

29.1 Financial Instruments by category

Particulars	Heirarchy	Carrying amounts	
		As at March 31, 2019	As at March 31, 2018
Financial assets measured at amortised cost			
Other financial assets (note 6)	Level 2	1551	1551
Trade receivables (note 9)	Level 2	158359	128219
Cash and Cash Equivalents (note 10)	Level 2	29795	27290
Other Bank Balances (note 11)	Level 2	11857	29106
Other financial assets (note 12)	Level 2	686	634
Total financial assets		**202248**	**186801**
Financial liabilities measured at amortised cost			
Trade payables (note 17)	Level 2	0	0
Other financial liabilities (note 18)	Level 2	3516	2610
Total financial liabilities		**3516**	**2610**

Carrying amounts of cash and cash equivalents, trade receivables, trade payables, other financial assets and liabilities as at 31st March, 2019 and 31st March, 2018 approximate their fair values because of their short term nature.

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29.2 Financial Risk Management

29.2.1 Objective

The Company's financial liabilities comprise mainly of trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

In the course of its business, the Company is exposed primarily to a number of different financial risks arising from natural business exposure as well as its use of financial instruments including market risks (relating to interest rates and foreign currency exchange rate) , credit risk and liquidity risk. The exposure to these risks and the companies risk management have been summarised as below :

Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy. The Company is exposed to the following significant market risks:

Based on the nature of busiess the company and economic environment in which it operates the company is not exposed to any of the market risks.

29.3 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, when appropriate, as a means of mitigating the risk of financial loss from default. The company regularly monitors its counterparty limits by reviewing the outstanding balance and ageing of the same.

Possible Credit Risk	Credit Risk Management
Credit risk relating to trade receivables	The trade receivables mainly comprises of receivables from Insurance companies, Corporate customers ad Government undertaings. The Insurancce companies are required to maintain minimum reservve levels and the Corporate customers are enterprises with high credit ratings. Accordingly, the company's exposure to credit risk in relation to trae receivables is considered low. Beffore accepting any new credit customer, the Company uses an internal credit screeing system to assess the potential customer's credit quality and defines credit limits by customer, Limits and scoring attributed to customers are reviwed annually. The oustanding with the customers are reviewed periodically.
Credit risk relating to bank balances and deposits	Company holds bank balances and deposits with reputed and credit worthy Government /other institutions within the approved exposure limits of each bank

The company has a credit policy that is designed to ensure that consistent processes are in place to measure and control credit risk. Credit risk is considered as a part of the risk-reward balance of doing business. On entering into any business contract, the extent to the arrangement exposes the Company to credit risk is considered.

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29.4 Liquidity Risk Management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company invests its surplus funds in bank deposits which are highly liquid and carry no or low market risk. The Company manages liquity risk by matching the maturity profiles of financial assets and financial liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2019:

Particulars	Carrying amount	Contractual cash flows	On demand or Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
Non interest bearing financial assets						
Other financial assets Non Current (note 6)				-	-	-
Trade receivables (note 9)	139904	139904	139904	-	-	-
Cash and Cash Equivalents (note 10)	29795	29795	29795	-	-	-
Other Bank Balances (note 11)	11857	11857	11857	-	-	-
Other financial assets - Current (note 12)	686	686	686	-	-	-
	182241	**182241**	**182241**	-	-	-
Non interest bearing financial liabilities						
Trade payables (note 17)	-	-	-	-	-	-
Other financial liabilities (note 18)	3517	3517	3517	-	-	-
	3517	**3517**	**3517**	-	-	-

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(All amounts are in INR '000 unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March, 2018:

Particulars	Carrying amount	Contractual cash flows	On demand or Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
Non interest bearing financial assets						
Other financial assets (note 6)	1551	1551	1551	-	-	-
Trade receivables (note 9)	128219	128219	128219	-	-	-
Cash and Cash Equivalents (note 10)	27290	27290	27290	-	-	-
Other Bank Balances (note 11)	29106	29106	29106	-	-	-
Other financial assets (note 12)	634	634	634	-	-	-
	186801	**186801**	**186801**	-	-	-
Non interest bearing financial liabilities						
Trade payables (note 17)	-	-	-	-	-	-
Other financial liabilities (note 18)	2611	2611	2611	-	-	-
	2611	**2611**	**2611**	-	-	-

The company is not availing any financing facilities

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<u>Note 30 Segment information</u>

The reportable segments has been provided in the Consolidated Financial Statements of the Holding Company (Apollo Hospitals Enterprise Limited) and therefore no separate disclosure on segment information is given in these financial statements which constitute a single operating segment.

31. The chairman of holding company has been identified as being the Chief Operating Decision Maker(CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. For management purposes, the Company comprises of only one operating segment - The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high quality hospital services on cost-effective basis .

Note 32 Standards issued recently

1 Amendment to Ind AS 19:

This amendment relates to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

Amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling The company does not expect any impact from this amendment.

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2 Amendment to Ind AS 116:

Ind AS 116 will replace the existing leases standard Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

The standard permits two possible methods of transition:

a) **Full retrospective** – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

b) **Modified retrospective** – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as

➢ Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application (or)

➢ An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The company estimates no major impact due to this amendment.

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Notes to financial statements for the year ended March 31, 2019

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Amendment to Ind AS 12:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in statement of profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It clarifies the following:

A. The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty

B. The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount

C. Entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 109:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments. According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

The company does not expect this amendment to have any impact on its financial statements

Amendment to Ind AS 23:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

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Amendment to Ind AS 111:
The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company does not expect any impact from this amendment.

Amendment to Ind AS 28:
The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures and accordingly will not have any impact.

Amendment to Ind AS 103:
The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The company does not expect any impact from this amendment.

Note 33 Sundry Debtors, Creditors and Other current assets and liabilities are subject to confirmation and hence taken at book values as on the closing date of the Balance Sheet.

Note 34 Paise has been rounded off to nearest Rupee and Previous year's figures have been regrouped where necessary

As per our report of even date
for M/s. Brahmayya & Co.,
Chartered Accountants
Firm's Registration No : 000513S

BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
FIRM No: 000513S
KAKINADA-533 003

E S H Mohan
Partner
Membership No: 28134

For and on behalf of the Board of Directors

Director
Dr. H.P

Director
VSK