



P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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INDEPENDENT AUDITOR'S REPORT

To the Members of Virinchi Healthcare Private limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Virinchi Healthcare Private limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.





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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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further 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 purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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'; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:





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- i. The Company has no pending litigations on its financial position in its notes to financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2017.
- iv. The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 28 to the financial statement.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No : 007257S

A. Krishna Rao
Partner
Membership No. 020085



Place: Hyderabad
Date : 21st May, 2017



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Annexure 'A' to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Virinchi Healthcare Private limited on the financial statements for the year ended 31st March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The company has taken the land on lease for a term of 30 years.
- ii. The Physical verification of Inventory has been conducted at reasonable interval by the Management during the Year. There were no discrepancies noticed on Physical verification of Inventory as compared to Books Records and have been appropriately dealt with in the Books of Accounts.
- 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. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the companies Act 2013 in respect of loan and investment made and guarantees and securities provided by it.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The Cost records as specified under section 148(1) of the Companies Act 2013 is not prescribed to the company.
- vii. (a) According to the information and explanations given to us and based on the books of accounts of the company examined by us, the company is regular in depositing the undisputed statutory dues, Income-tax, and other statutory dues, as applicable, with the appropriate authorities in India ;

(b) There were no undisputed amounts payable in respect of Income-tax, and other statutory dues in arrears as at 31st March 2017 for a period of more than 6 months from the date they became payable.

(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax and other statutory dues, which have not been deposited on account of any disputes.





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- viii. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks or governments or dues to debenture holder as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- 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. The Company has not paid/provided managerial remuneration during the year. Hence the requisite approvals mandated by the provisions of section 197 read with schedule V is not required.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related parties transactions have been disclosed in the financial statements as required under Accounting Standard - 18 and related parties disclosure specified under section 133 of the Act, read with Rule 7 of the companies (accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.





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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. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No 007257S

A. Krishna Rao
Partner
Membership No. 020085



Place: Hyderabad
Date : 21st May, 2017



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Annexure 'B' to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of **Virinchi Healthcare Private limited** ('the company') as on 31st march 2017 in conjunction with our audit of 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 Act.

Auditor's 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 audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act 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 ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed 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 risk 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 and the company's internal financial control system over financial reporting.





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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 these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, 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 principles, and that receipts and expenditures of the company are being made only in accordance with authorization 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 Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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 March 31st, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No 007257S

A. Krishna Rao
Partner
Membership No. 020085



Place: Hyderabad
Date : 21st May, 2017

VIRINCHI HEALTH CARE PVT LTD
BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	NOTE NO	As At 31/03/2017	As At 31/03/2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	3,01,00,000	3,00,00,000
(b) Reserves and Surplus	2	21,37,57,864	29,89,77,100
(2) Non-Current Liabilities			
(a) Long Term Borrowings	3	99,11,78,824	76,41,20,465
(b) Deferred Tax Liability		3,16,50,331	-
(c) Long Term Provisions	4	19,85,883	-
(3) Current Liabilities			
(a) Short Term Borrowings	5	7,64,91,078	-
(a) Trade Payables	6	4,87,35,535	-
(b) Short Term Provisions	7	4,12,24,744	54,58,187
Total		1,43,51,24,259	1,09,85,55,752
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
Tangible Assets	8	1,22,25,11,957	27,00,79,867
Intangible Assets	8	3,53,043	-
(b) Capital Work In Progress	8	-	43,74,24,014
(c) Other Non Current Assets	9	20,48,467	4,40,360
(d) Long Term Loans and Advances	10	4,29,56,800	4,12,19,200
(2) Current Assets			
(a) Cash and Cash Equivalents	11	3,58,94,769	12,71,98,122
(b) Inventory		7,66,48,238	-
(b) Trade Receivables	12	97,66,636	-
(c) Short Term Loans and Advances	13	4,19,69,872	22,18,22,371
(d) Other Current Assets	14	29,74,478	3,71,818
Total		1,43,51,24,259	1,09,85,55,752

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the financial statements

As per Our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No. 007257S

For and on behalf of the Board

Virinchi Healthcare Pvt Ltd

A Krishna Rao

Partner

Membership No. 020085



M. Santhi Priya

Director

DIN: 03114319



K Sri Kalyan

Director

DIN: 03137506

PLACE : HYDERABAD

DATE : 21ST MAY 2017

VIRINCHI HEALTHCARE PVT LTD
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st Mar 2017

Particulars	Note No	Year Ended 31/03/2017 Rs.	Year Ended 31/03/2016 Rs.
Revenue from operations	15	25,08,91,024	-
Other Income	16	29,38,701	-
Total Revenue		25,38,29,725	-
Expenses:			
Purchases	17	10,76,69,854	-
Changes in Inventory		(7,66,48,238)	-
Employee Benefit Expenses	18	7,20,10,381	-
Other Operating Expenses	19	5,13,32,751	-
Administrative Expenses	20	7,19,80,603	22,900
Finance Cost	21	3,79,67,841	-
Depreciation	8	4,30,85,438	-
Total Expenses		30,73,98,630	22,900
Profit Before Tax		(5,35,68,905)	(22,900)
Tax expense:			
(a) Current tax		-	-
(b) Deferred tax Liability/(Asset)		3,16,50,331	-
Profit/(Loss) for the Year		(8,52,19,236)	(22,900)
Earning per equity share:			
(1) Basic		(28)	
(2) Diluted		(28)	

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the financial statements

As per Our Report of Even Date


For P. Murali & Co.,

Chartered Accountants

Firm Registration No. 007257S

For and on behalf of the Board

Virinchi Healthcare Pvt Ltd


A Krishna Rao
Partner
Membership No. 020085




M. Santhi Priya
Director
DIN: 03114319




K Sri Kalyan
Director
DIN: 03137506

PLACE : HYDERABAD
DATE : 21ST MAY 2017

VIRINCHI HEALTHCARE PRIVATE LIMITED

Cash Flow Statement for the Year Ended 31-03-2017

Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
A. Cash Flow from Operating Activities:		
Net Profit/ (Loss) before taxation and extraordinary items	(535.69)	(0.23)
Adjustments for:		
Depreciation	430.85	-
W/o. Expenses	-	-
Interest expenses	379.68	-
Operating Profit before Working Capital Changes	274.84	(0.23)
Working Capital Changes		
Trade and other receivables Including Inventory	874.89	(2,109.14)
Trade and Other payables	1,946.29	49.19
Cash Generated from Operations	3,096.03	(2,060.18)
Interest paid	379.68	-
Taxation for the year	316.50	-
Cash flow before extraordinary items		
Extraordinary items	-	-
Net Cash from Operating Activities	2,399.85	(2,060.18)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(5,584.47)	(7,010.77)
Investment	-	-
Net Cash used in Investing Activities	(5,584.47)	(7,010.77)
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	1.00	3,289.00
Net Proceeds from Long Term Borrowings	2,270.58	6,947.54
Net Cash used in Financing Activities	2,271.58	10,236.54
Net increase in cash and cash equivalents	(913.03)	1,165.59
Cash and Cash equivalents as at 01.04.2016	1,271.98	106.39
Cash and Cash equivalents as at 31.03.2017	358.95	1,271.98

As per Our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No. 007257S



A Krishna Rao

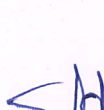
Partner

Membership No. 020085



For and on behalf of the Board

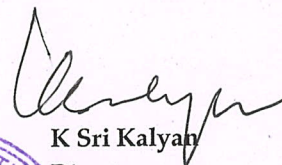
Virinchi Healthcare Private Limited



M Santhi Priya

Director

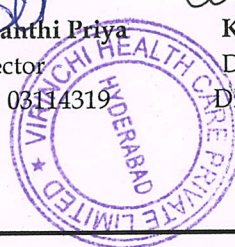
DIN: 03134319



K Sri Kalyan

Director

DIN: 03137506



PLACE : HYDERABAD

DATE : 21ST MAY 2017

NOTE NO.1 SHARE CAPITAL

S.NO.	PARTICULARS	AS AT 31/03/2017		AS AT 31/03/2016	
		No. of Shares	Rs	No. of Shares	Rs
a	Share Capital				
	Authorised	32,50,000	3,25,00,000	30,00,000	3,00,00,000
	Issued, Subscribed and Paid Up Share capital	30,10,000	3,01,00,000	30,00,000	3,00,00,000
	Total Equity Share capital	30,10,000	3,01,00,000	30,00,000	3,00,00,000
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares		Number of Shares	
	Equity Shares of Rs.10Each, fully paid up :				
	At the Beginning		30,00,000		10,000
	Issued During the Year		10,000		29,90,000
	At the end		30,10,000		30,00,000
c	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding		% of Share Holding	
	Equity Shares of Rs. 10 each Held By M/s. Virinchi Ltd (Current Year: 30,10,000, Previous Year : 30,00,000)	100%		100%	



NOTE NO. 2: RESERVES AND SURPLUS

S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	a) Securities Premium Reserve		
	As at the commencement of the year	29,90,00,000	-
	Add: Additions during the year	-	29,90,00,000
		29,90,00,000	29,90,00,000
	b) Surplus :		
	i) Opening Balance - Profit and Loss Account	(22,900)	-
Add: Transfer from Profit & Loss Account	(8,52,19,236)	(22,900)	
	(8,52,42,136)	(22,900)	
	Total Reserves and Surplus	21,37,57,864	29,89,77,100

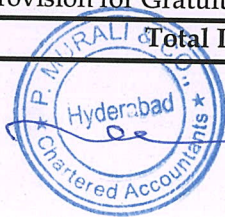
NOTE NO. 3 : LONG TERM BORROWINGS

S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	Long Term Borrowings		
	Secured		
	a) Term Loans:		
	From Banks		
	M/s. Canara Bank, IF Branch, Hyderabad	28,79,99,468	28,73,17,971
	M/s. Central Bank of India, Koti, Hyderabad	22,24,68,015	19,67,46,012
	M/s. Oriental Bank of Commerce, Ameerpet, Hyderabad	94890012	9,28,02,317
	M/s. Lakshmi Vilas Bank, Marredpally, Secunderabad	8,10,01,301	7,91,98,500
	Less: Principal Repayable in next 12 Months	(2,37,36,000)	-
	(Hypothecation of Machinery such as Medical equipment, Furniture and Fixtures, Office Equipment, Air Conditioners, Collateral Security of Land and Buildings, Personal Guarantee of Promoters of Holding Companies and Corporate guarantee of Holding company) (Collateral property and Corporate Guarantee details given in Note 30)		
	Reliance Term Loans	3,51,59,149	-
	Less: Principal Repayable in next 12 Months	(1,16,91,279)	
(Hypothecation of Medical equipment and personal guarantee of promoters of holding company)			
b) Other Loans and Advances			
Un-Secured Loans from related parties	30,50,88,158	10,80,55,665	
	Total Long Term Borrowings	99,11,78,824	76,41,20,465

Current maturities of long term debts. See note no 5

NOTE NO. 4 : LONG TERM PROVISIONS

S.NO.	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	a) Provisions for employee benefits		
	- Provision for Gratuity	19,85,883	-
	Total Long Term Provisions	19,85,883	-



Handwritten signature and a circular stamp of P. Miral & Co. Chartered Accountants, Hyderabad.

NOTE NO. 5 : SHORT TERM BORROWINGS

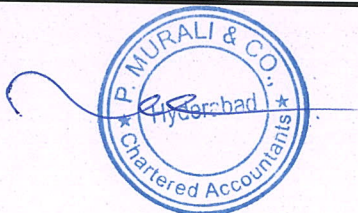
S.NO.	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
	a) Loans repayable on demand		
	From Banks		
	Secured		
	(Hypothecation against stock and trade receivables)	4,10,63,799	-
	Current maturities of long term debts:		
	Consortium Bank	2,37,36,000	-
	Equipment Finance	1,16,91,279	-
	Total Short Term Borrowings	7,64,91,078	-

NOTE NO. 6 : TRADE PAYABLES

S.NO.	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	a) Trade Payables	4,87,35,535	-
	Total Trade Payables	4,87,35,535	-

NOTE NO. 7 SHORT TERM PROVISIONS

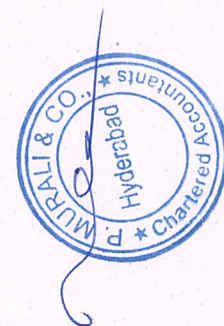
S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	a) Provisions For Expenses		
	Salaries Payable	1,10,45,285	19,46,669
	Rent Payable	22,86,648	6,87,257
	Audit Fee	78,750	22,900
	Electricity Charges Payable	23,24,771	-
	Telephone Charges Payable	46,833	-
	Consultancy Charges Payable	1,13,33,215	9,22,500
	Interest Charges Payable	74,64,488	-
	b) Others		
	Statutory Liabilities		
	PT Payable	1,26,850	-
	PF Payable	37,48,430	-
	Luxury Tax	85,468	-
	ESI	2,25,598	-
	TDS	24,58,408	18,78,861
	Total Short Term Provisions	4,12,24,744	54,58,187



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NOTE NO. 8 : FIXED ASSETS SCHEDULE

Sl. No.	Particulars	Gross Block				Depreciation/Amortization			Net Block as on 31.03.2017	Net Block as on 31.03.2016
		As on 01.04.2016	Additions during the year	Transfers	As on 31.03.2017	Dep. As on 01.04.2016	Dep. For the year 2016-17	Total Depreciation		
1	Building	-	75,10,73,938		75,10,73,938	-	1,14,84,955	1,14,84,955	73,95,88,983	-
2	Electrical Equipment	4,54,37,579	4,08,34,306		8,62,71,885	-	37,11,379	37,11,379	8,25,60,506	4,54,37,579
3	Furniture & Fixtures	7,63,07,962	3,66,43,719		11,29,51,681	-	49,68,484	49,68,484	10,79,83,197	7,63,07,962
4	Hospital Equipment	14,37,59,167	15,39,85,322		29,77,44,489	-	2,11,74,327	2,11,74,327	27,65,70,162	14,37,59,167
5	Plant & Machinery	15,35,500	87,77,037		1,03,12,537	-	8,98,514	8,98,514	94,14,023	15,35,500
6	Office Equipment	29,74,519	10,34,973		40,09,492	-	3,53,982	3,53,982	36,55,510	29,74,519
7	Vehicles	65,140	31,40,194		65,140	-	5,115	5,115	60,025	65,140
8	Computer Hardware		31,40,194		31,40,194	-	4,60,644	4,60,644	26,79,550	-
9	Computer Software		3,81,081		3,81,081	-	28,038	28,038	3,53,043	-
	TOTAL	27,00,79,867	99,58,70,571	-	1,26,59,50,438	-	4,30,85,438	4,30,85,438	1,22,28,65,000	27,00,79,867
10	Capital Work in Progress	43,74,24,014		43,74,24,014	-	-	-	-	-	43,74,24,014
	Total	70,75,03,881	99,58,70,571	43,74,24,014	1,26,59,50,438	-	4,30,85,438	4,30,85,438	1,22,28,65,000	70,75,03,880



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NOTE NO. 9 OTHER NON CURRENT ASSETS

S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	Unamortised Expenses	20,48,467	4,40,360
	Total Other Non Current Assets	20,48,467	4,40,360

NOTE NO. 10 LONG TERM LOANS AND ADVANCES

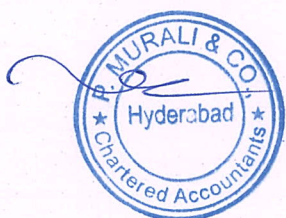
S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	Deposit Rent Deposit	4,29,56,800	4,12,19,200
	Total Long Term Loans and Advances	4,29,56,800	4,12,19,200

NOTE NO. 11 : CASH AND CASH EQUIVALENTS

S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	a) Balances with banks : Current Accounts	8,97,410	3,08,72,819
	b) Cash on hand	7,46,788	9,653
	Sub Total	16,44,198	3,08,82,472
II	Other Bank Balances On Deposit Accounts 12 Months from date of deposit	3,42,50,570	9,63,15,650
	Sub Total	3,42,50,570	9,63,15,650
	Total Cash and Cash Equivalents	3,58,94,769	12,71,98,122

NOTE NO. 12 : TRADE RECEIVABLES

S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Other Receivables: Unsecured, Considered Good	97,66,636	-
	Total Trade Receivables	97,66,636	-



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NOTE NO. 13 : SHORT TERM LOANS AND ADVANCES			
S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
I	Unsecured		
	Other Loans and Advances	4,19,69,872	22,18,22,371
	Total Short Term Loans and Advances	4,19,69,872	22,18,22,371

NOTE NO.14 : OTHER CURRENT ASSETS			
S.NO.	PARTICULARS	AS AT 31/03/2017	AS AT 31/03/2016
		Rs.	Rs.
	Salary and Travel Advances	1,28,018	-
	Prepaid Insurance	32,993	-
	Other Receivables (TDS)	27,34,038	3,71,818
	Vat Input Credit	79,428	-
	Total Other Current Assets	29,74,477	3,71,818

NOTE NO. 15 : REVENUE FROM OPERATIONS			
S.NO.	Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
	Revenue from Operations		
	(a) Revenue from Services	20,34,77,160	-
	(b) Pharmacy Sale	4,74,13,864	-
	Total Revenue from Operations	25,08,91,024	-

NOTE NO. 16 : OTHER INCOME			
S.NO.	Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
	Interest Income	29,38,701	-
	Total Revenue from Operations	29,38,701	-

NOTE NO. 17 : PURCHASE OF STOCK IN TRADE			
S.NO.	Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
	Pharmacy Purchases	10,76,69,854	-
	Total Trade Purchases	10,76,69,854	-



NOTE NO. 18 : EMLOYEE BENEFIT EXPENSES

S.NO.	Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
	(a) Salaries & Wages	5,42,45,460	-
	(b) Contribution to Employeecs	90,05,451	-
	(c) Staff Welfare Exp	87,59,470	-
	Total Employee Benefit Expenses	7,20,10,381	-

NOTE NO. 19 : OTHER OPERATING EXPENSES

S.NO.	Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
	(a) Power & Fuel	2,58,84,900	-
	(b) Rent	2,39,85,426	-
	(c) Repairs and other Maintenance	7,57,063	-
	(d) Insurance	6,19,112	-
	(e) Payment to Auditors:		
	(i) As Auditor	86,250	22,900
	Total Other Operating Expenses	5,13,32,751	5,13,32,751

NOTE NO. 20 : ADMINSTRATIVE EXPENSES

S.NO.	Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
	(a) Telephone, Postage and Others	68,61,448	-
	(b) Marketing and Business Promotion Expenses	25,40,791	-
	(c) Travelling Expenses	33,50,996	-
	(d) Office Maintenance	29,95,472	-
	(e) Printing & Stationery Expenses	43,158	-
	(f) Rates & Taxes	80,58,394	-
	(g) Consultancy Charges	4,81,30,344	-
	Total Administrative Expenses	7,19,80,603	-

NOTE NO. 21 : FINANCE COST

S.NO.	Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
	Finance Cost	3,79,67,841	-
	Total Finance Cost	3,79,67,841	-



A. SIGNIFICANT ACCOUNTING POLICIES:

1. General:

- These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, exception for certain tangible assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current and noncurrent as per the companies' normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current - noncurrent classification of assets and liabilities.

- Use of Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

2. Cash and Cash Equivalents

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

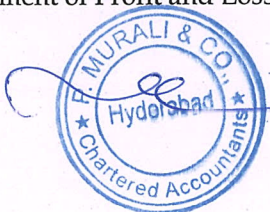
3. Tangible and Intangible Assets

i) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment, if any. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Direct costs are capitalized until fixed assets are ready for use.

ii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.



iii) Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

4. Depreciation and Amortization:

- i. Effective 1st April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of The Companies Act 1956.
- ii. Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.

5. Revenue Recognition:

- i) Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts, payments to doctors. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment.
- ii) Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and exclusive of VAT wherever applicable.
- iii) Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.
- iv) Dividend income is recognised as and when the owner's right to receive payment is established.

6. Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

Cost of overseas investment comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

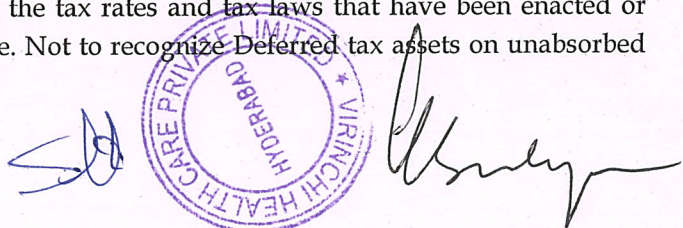
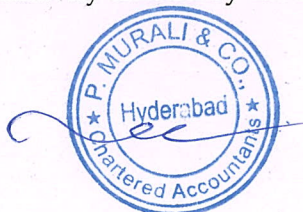
7. Earnings per Share

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

8. Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

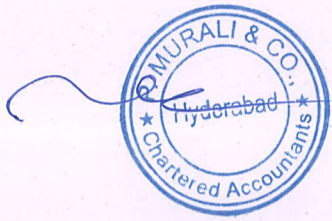
To provide deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Not to recognize Deferred tax assets on unabsorbed



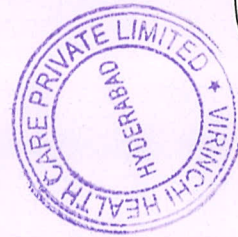
depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

9. Provisions, Contingent Liabilities and Contingent Assets

The company creates the provisions where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made for the amount of the obligation. A disclosure for contingent liability will be made when there is a possible obligation or present obligation that may, but probably, will not required the outflow of resources. Where, there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosures will be made.



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NOTE 22**Directors Remuneration****(Rs)**

Particulars	As at 31/03/2017	As at 31/03/2016
Directors remuneration	NIL	NIL

NOTE 23:

Particulars	As at 31/03/2017	As at 31/03/2016
Auditors remuneration	86,250	22,900

NOTE 24: Earning per Share

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

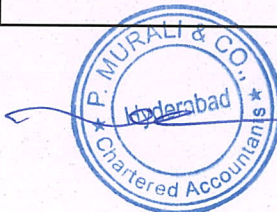
Particulars	2016-17	2015-16
Profit available for the equity share holders	(8,52,19,236)	(22,900)
No. of equity shares outstanding for EPS-Basic	30,10,000	30,00,000
No. of equity shares outstanding of EPS-Diluted	30,10,000	30,00,000
Basic	(28.31)	(0.01)
Diluted	(28.31)	(0.01)

NOTE 25:

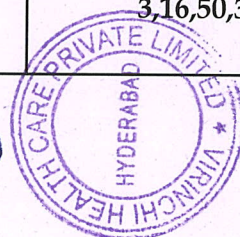
There are no dues to SSI Units outstanding for more than 45 days.

NOTE 26:**Deferred Tax Asset/ Liability:**

Particulars.	As at 31.3.2017	As at 31.3.2016
a) Opening Balance	-	-
<u>ADD:</u> Deferred tax liability	3,16,50,331	-
Total	3,16,50,331	-



Sd/-



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NOTE 27:

Related Party Transactions.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

a) Key Management Personnel:

S.NO.	NAME	Designation
1	SANTHI PRIYA MYANA	Director
2	SRI KALYAN KOMPELLA	Director

The followings are the Related Party Transactions:

Particulars	Nature of transaction	Current year (Rs)	Previous year (Rs)
Related parties	Unsecured loans	30,50,88,158	10,80,55,665

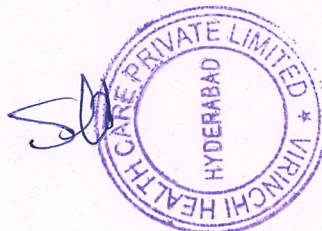
NOTE: 28:

Disclosure on specified bank notes:

During the year, the company has specified bank notes (SBNs) or the other denomination notes as defined in the MCA notification, G.S.R 308(E), dated 30th March 2017. The details of SBNs held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 th November 2016	-	19,03,500	19,03,500
ADD: Permitted receipts	-	1,11,00,192	1,11,00,192
LESS: Permitted payments	-	9,00,000	9,00,000
LESS: Amount deposited in banks	-	1,08,47,000	1,08,47,000
Closing cash in hand as on 30 th December 2016	-	12,56,692	12,56,692

(RS)



NOTE 29:

Confirmations were not obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.

NOTE:30

Details of collateral security, Corporate guarantee and Personal Guarantee for Long term borrowings (ref : Note 3) :

- 7 Acres 36 Guntas of freehold Industrial Land located at sy No'103 Lakshmakkapally, Mulugu Mandal, Medak District in the name of M/s. Vivo Biotech Ltd
- 3 Acres 39 guntas of freehold industrial land located at SyNo,104 - Lakshmakkapally, Mulugu Mandal, Medak District in the name of M/s Vivo Bio tech Ltd
- 7Acres 5 Guntas of freehold industrial land located at syNo.159, Janwada Village, Shankerpally Mandal, Ranga Reddy District in the name of Mr. Viswanath Kompella
- Plot No. 76 & 77, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally. Secunderabad-26 in the Name of Mr.Viswanath Kompella
- Plot No. 78, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally. Secunderabad-26 in the Name of Mr.Viswanath Kompella
- Plot No. 88 Balamrai Co-operative Housing Society, Mahendra Hills. East Marredpally. Secunderabad 26, in the Name of Mr.Viswanath Kompella
- Open non-agricultural land admeasuring 2 Acres 31 Guntas at S.No 438 P, Devar Yamjal, Hakimpet, Shameerpet Mandal, R.R Dist in the name of Virinchi Limited.
- Commercial Flat admeasuring 27,100 Sq.ft, Flat No 308-A, Ashoka Metropolitan(Virinchi Hospitals), Road No.1,Opp: Road No.12, Banjara Hills, Hyderabad, in the name of M/s.Virinchi Limited.
- Residential House, land admeasuring 324.44 Sq.Yards at Plot No 227, Balamrai Society, Mahendra Hills, West Maredpally, Secunderabad, in the name of M/s. Iragavarapu Constructions Pvt Ltd.
- Open Plot admeasuring 400 Sq.Yards at Plot No.7B, S.No.522, Ashoka Colony, Kapra, Keesara Mandal, R.R.District, in the name of Smt.Madhavi latha Kompella.

Corporate Guarantee: M/s.Virinchi Limited
M/s.Vivo Bio Tech Limited

Personal Guarantee: Mr. Viswanath Kompella
Mrs. Madhavi Latha Kompella

NOTE 31:

Previous year's figures have been regrouped wherever necessary.



Note 32:

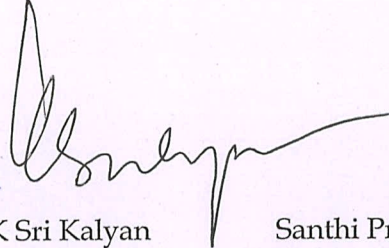
The figures have been rounded off to the nearest rupee.

As per our report of even date
For P. Murali & Co.,
Chartered Accountants
Firm No: 007257S

For and on behalf of the Board of Directors
Virinchi Healthcare Private Limited



A. Krishna Rao
Partner
Membership No. 020085



K Sri Kalyan
Director



Santhi Priya Myana
Director



Place: Hyderabad
Date: 21/05/2017