



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

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

## INDEPENDENT AUDITOR'S REPORT

To the Members of VIRINCHI HEALTH CARE PVT LTD

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of M/s. VIRINCHI HEALTH CARE PVT LTD ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including other Comprehensive Income) and Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "Ind AS Financial Statement")

### 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under. 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 Ind AS 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 Ind AS 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.





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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements:

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including Ind AS of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flow and changes in the equity 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 (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.






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- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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:
- i. The Company does not have pending litigations which would impact on its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March 2018.

For P C N & Associates.,  
(Formerly known as Chandra Babu Naidu & Co.,)  
Chartered Accountants  
FRN: 016016S

  
Chandra Babu M  
Partner  
M.No. 227849



Place: Hyderabad  
Date: 30-05-2018.



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Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of VIRINCHI HEALTH CARE PVT LTD on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2018, 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) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, 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 guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.
- 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 Central Government has not prescribed the maintenance of cost records under section 148(1) of The Companies Act, 2013.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax and other material statutory dues, as applicable, with the appropriate authorities in India ;





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(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax and other material statutory dues in arrears as at 31<sup>st</sup> March 2018 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 or any other material statutory dues, which have not been deposited on account of any disputes.

- viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any monies 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 or provided managerial Remuneration during the year consideration, hence this clause is not applicable.
- 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 Ind AS - 24 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 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 C N & Associates.,**  
**(Formerly known as Chandra Babu Naidu & Co.,)**  
**Chartered Accountants**  
**FRN: 016016S**

**Chandra Babu M**  
**Partner**  
**M.No. 227849**



**Place: Hyderabad**  
**Date: 30-05-2018.**



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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 HEALTH CARE PVT LTD** ('the company') as of 31<sup>st</sup> march 2018 in conjunction with our audit of Ind AS 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





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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.

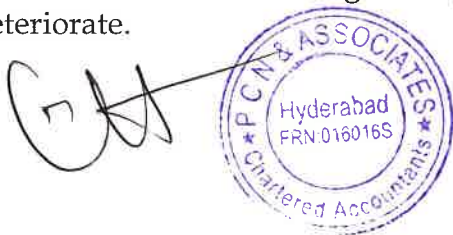
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

### **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 Ind AS 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 Ind AS 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 deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.







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## Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For P C N & Associates.,  
(Formerly known as Chandra Babu Naidu & Co.,)  
Chartered Accountants  
FRN: 016016S

Chandra Babu M  
Partner  
M.No. 227849



Place: Hyderabad  
Date: 30-05-2018.

**VIRINCHI HEALTH CARE PVT LTD**

**BALANCE SHEET AS AT 31st Mar 2018**

Amount in Rs.

PARTICULARS	NOTE NO	As At 31/03/2018	As At 31/03/2017	As At 01/04/2016
<b>1) NON CURRENT ASSETS</b>				
Property, Plant and Equipment	1	1,29,61,78,478	1,22,25,11,958	70,75,03,881
Intangible Assets		3,33,267	3,53,043	
Financial Assets				
Long Term Loans and Advances	2	4,29,56,800	4,29,56,800	4,12,19,200
Other Non Current Assets	3	61,23,395	20,48,467	4,40,360
<b>2) CURRENT ASSETS</b>				
Inventory		8,96,52,153	7,66,48,238	-
Financial Assets				
Trade Receivables	4	5,24,99,424	97,66,636	-
Cash and Cash Equivalents	5	4,05,02,345	3,58,94,769	12,71,98,122
Short Term Loans and Advances	6	2,74,67,670	4,19,69,872	22,18,22,371
Other Current Assets	7	1,89,81,159	29,74,477	3,71,818
<b>Total Assets</b>		<b>1,57,46,94,691</b>	<b>1,43,51,24,259</b>	<b>1,09,85,55,752</b>
<b>EQUITY AND LIABILITIES</b>				
Equity				
Share Capital	8	5,43,59,780	3,01,00,000	3,00,00,000
Other Equity	9	35,50,87,233	21,37,57,864	29,89,77,100
<b>(1) Non-Current Liabilities</b>				
Financial Liabilities				
Long Term Borrowings	10	86,61,19,477	99,11,78,824	76,41,20,465
Long Term Provisions	11	54,99,326	19,85,883	-
Deferred Tax Liability	12	6,91,82,280	3,16,50,331	-
<b>(2) Current Liabilities</b>				
Financial Liabilities				
Short Term Borrowings	13	8,51,76,801	4,10,63,799	-
Other Current Liabilities	14	4,93,61,198	3,54,27,279	-
Trade Payables	15	2,77,76,323	4,87,35,535	-
Short Term Provisions	16	6,18,02,272	4,12,24,744	54,58,187
<b>Total Liabilities</b>		<b>1,57,46,94,691</b>	<b>1,43,51,24,259</b>	<b>1,09,85,55,752</b>

AS PER OUR REPORT OF EVEN DATE

For P C N & Associates.,

(Formerly known as Chandra Babu Naidu & Co.,)

Chartered Accountants

FRN: 0160165

Chandra Babu M  
Partner

M.No. 227849

Place: Hyderabad

Date: 30-05-2018.



K Sri Kalyan  
DIRECTOR  
DIN: 03137506

SANTHI PRIYA MYANA  
DIRECTOR  
DIN: 03114319

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
VIRINCHI HEALTH CARE PVT LTD

**M/s. VIRINCHI HEALTHCARE PVT LTD**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2018**

Particulars	Note No	Year Ended 31/03/2018	Year Ended 31/03/2017
		Rs.	Rs.
Revenue from operations	17	67,35,36,966	25,08,91,024
Other Income	18	14,05,446	29,38,701
<b>Total Revenue</b>		<b>67,49,42,412</b>	<b>25,38,29,725</b>
Expenses:			
Purchases	19	12,88,46,967	10,76,69,854
Changes in Inventory		(1,30,03,925)	(7,66,48,238)
Employee Benefit Expenses	20	16,17,88,120	7,20,10,381
Depreciation	1	6,74,86,451	4,30,85,438
Amortisation Expenses		28,190	-
Finance Cost	21	9,58,32,181	3,79,67,841
Administrative Expenses and Other Operating Expenses	22	29,77,00,910	12,33,13,354
<b>Total Expenses</b>		<b>73,86,78,894</b>	<b>30,70,90,630</b>
<b>Profit Before Tax</b>		<b>(6,37,36,482)</b>	<b>(5,35,68,905)</b>
Tax expense:			
Current Tax		-	-
Deferred tax Liability/(Asset)		3,75,31,949	3,16,50,331
<b>Profit/(Loss) for the period</b>		<b>(10,12,68,431)</b>	<b>(8,52,19,236)</b>
<b>Other Comprehensive (losses) / Income</b>			
(A) Items that will be reclassified subsequently to profit and loss		-	-
(B) Items that will not be reclassified subsequently to profit and loss		-	-
<b>TOTAL OTHER COMPREHENSIVE (LOSSES) / INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(10,12,68,431)</b>	<b>(8,52,19,236)</b>
Earning per equity share:			
(1) Basic		(27.17)	(28.31)
(2) Diluted		(27.17)	(28.31)

AS PER OUR REPORT OF EVEN DATE  
 For P C N & Associates.,  
 (Formerly known as Chandra Babu Naidu & Co.,)  
 Chartered Accountants  
 FRN: 016016S

Chandra Babu M  
 Partner  
 M.No. 227849



FOR AND ON BEHALF OF THE BOARD OF  
 DIRECTORS OF  
 VIRINCHI HEALTHCARE PVT LTD

K Sri Kalyan  
 DIRECTOR  
 DIN: 03137506

SANTHI PRIYA MYANA  
 DIRECTOR  
 DIN: 03114319

PLACE : HYDERABAD  
 DATE : 30TH MAY 2018

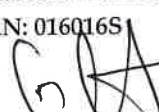
**M/s. VIRINCHI HEALTHCARE PRIVATE LIMITED**

**Cash Flow Statement for the Year Ended 31-03-2018**

Particulars	Current Year Amount in RS.	Previous Year Amount in RS.
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/ (Loss) before taxation and extraordinary items	(6,37,36,482)	(5,35,68,905)
<b>Adjustments for:</b>		
Depreciation	6,74,86,451	4,30,85,438
W/o. Expenses	-	-
Interest expenses	9,58,32,181	3,79,67,841
Operating Profit before Working Capital Changes	9,95,82,150	2,74,84,375
<b>Working Capital Changes</b>		
Trade and other receivables Including Inventory	(6,13,16,112)	8,74,89,259
Trade and Other payables	9,87,10,630	19,46,29,384
<b>Cash Generated from Operations</b>	<b>13,69,76,669</b>	<b>30,96,03,018</b>
Interest paid	9,58,32,181	3,79,67,841
Taxation for the year	3,75,31,949	3,16,50,331
<b>Cash flow before extraordinary items</b>		
Extraordinary Items		
<b>Net Cash from Operating Activities</b>	<b>36,12,538</b>	<b>23,99,84,846</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(14,11,33,196)	(55,84,46,557)
Investment		
<b>Net Cash used in Investing Activities</b>	<b>(14,11,33,196)</b>	<b>(55,84,46,557)</b>
<b>C. Cash Flow From Financial Activities:</b>		
Proceeds from Equity Shares	26,68,57,580	1,00,000
Net Proceeds from Long Term Borrowings	(12,17,29,347)	22,70,58,359
<b>Net Cash used in Financing Activities</b>	<b>14,21,28,233</b>	<b>22,71,58,359</b>
Net increase in cash and cash equivalents	46,07,575	(9,13,03,352)
Cash and Cash equivalents as at 01.04.2017	3,58,94,770	12,71,98,122
<b>Cash and Cash equivalents as at 31.03.2018</b>	<b>4,05,02,345</b>	<b>3,58,94,770</b>

AS PER OUR REPORT OF EVEN DATE  
For P C N & Associates.,  
(Formerly known as Chandra Babu Naidu & Co.,)

Chartered Accountants  
FRN: 016016S


  
Chandra Babu M  
Partner  
M.No. 227849



FOR AND ON BEHALF OF THE BOARD OF  
DIRECTORS OF

VIRINCHI HEALTHCARE PRIVATE LIMITED

  
K SRI KALYAN  
DIRECTOR  
DIN: 03137506

  
SANTHI PRIYA MYANA  
DIRECTOR  
DIN: 03114319

Place: Hyderabad  
Date: 30-05-2018.

Note: 1

FIXED ASSETS SCHEDULE									
Sl. No.	Particulars	Gross Block		Depreciation/Amortization			Net Block as on 31.03.2018	Net Block as on 31.03.2017	
		As on 01.04.2017	Additions during the 31.03.2018	Dep. As on 01.04.2017	Dep. For the year 2017-18	Total Depreciation			
1	Building	75,10,73,938	9,03,23,073	1,14,84,955	2,49,27,369	3,64,12,324	80,49,84,687	73,95,88,983	
2	Electrical Equipment	8,62,71,885	23,33,935	37,11,379	69,46,947	1,06,58,326	7,79,47,494	8,25,60,506	
3	Furniture & Fixtures	11,29,51,681	7,47,118	49,68,484	88,72,458	1,38,40,942	9,98,57,857	10,79,83,197	
4	Hospital Equipment	29,77,44,489	4,64,23,625	2,11,74,327	2,31,26,624	4,43,00,951	29,98,67,164	27,65,70,162	
5	Plant & Machinery	1,03,12,537	10,01,200	8,98,514	17,39,454	26,37,968	86,75,769	94,14,023	
6	Office Equipment	40,09,492	2,03,479	3,53,982	7,90,510	11,44,492	30,68,479	36,55,510	
7	Vehicles	65,140	-	5,115	10,314	15,429	49,711	60,025	
8	Computer Hardware	31,40,194	54,250	4,60,644	10,06,483	14,67,127	17,27,317	26,79,550	
9	Computer Software	3,81,081	46,516	28,038	66,292	94,330	3,33,267	3,53,043	
	<b>TOTAL</b>	<b>1,26,59,50,438</b>	<b>14,11,33,196</b>	<b>4,30,85,438</b>	<b>6,74,86,451</b>	<b>11,05,71,889</b>	<b>1,29,65,11,745</b>	<b>1,22,28,65,000</b>	
	Previous year figures	70,75,03,881	99,58,70,571	-	4,30,85,438	4,30,85,438	1,22,28,65,000	70,75,03,880	

*(Signature)*



*(Signature)*

Note No. 2 Long Term Loans And Advances

PARTICULARS	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
Rent Deposit	4,29,56,800	4,29,56,800	4,12,19,200
<b>Total Long Term Loans and Advances</b>	<b>4,29,56,800</b>	<b>4,29,56,800</b>	<b>4,12,19,200</b>

Note No. 3 Other Non Current Assets

PARTICULARS	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
Unamortised Expenses	61,23,395	20,48,467	
<b>Total Other Non Current Assets</b>	<b>61,23,395</b>	<b>20,48,467</b>	<b>-</b>

Note No. 4 Trade Receivables

PARTICULARS	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
Unsecured, Considered Good	5,24,99,424	97,66,636	
<b>Total Trade Receivables</b>	<b>5,24,99,424</b>	<b>97,66,636</b>	<b>-</b>

Note No. 5 Cash and Cash Equivalents

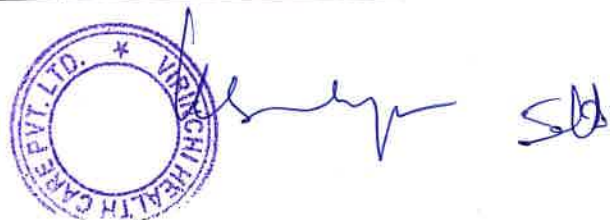
PARTICULARS	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
a) Balances with banks - Current Accounts	5,97,112	9,07,410	3,08,72,819
b) Cash on hand	15,27,419	7,41,788	9,653
Sub Total	<b>21,24,531</b>	<b>16,44,198</b>	<b>3,08,82,472</b>
Other Bank Balances On Deposit Accounts 12 Months from date of deposit	3,83,77,815	3,42,50,570	9,63,15,650
Sub Total	<b>3,83,77,815</b>	<b>3,42,50,570</b>	<b>9,63,15,650</b>
<b>Total Cash and Cash Equivalents</b>	<b>4,05,02,345</b>	<b>3,58,94,769</b>	<b>12,71,98,122</b>

Note No. 6 Short Term Loans and Advances

PARTICULARS	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
Unsecured			
Other Loans and Advances	2,74,67,670	4,19,69,872	21,88,22,334
Interest receivable			30,00,037
<b>Total Short Term Loans and Advances</b>	<b>2,74,67,670</b>	<b>4,19,69,872</b>	<b>21,88,22,334</b>

Note No. 7 Other Current Assets

PARTICULARS	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
Salary and Travel Advances	-	1,28,018	
Prepaid Insurance	-	32,993	
Other Receivables (TDS)	87,06,821	27,34,038	3,71,818
VAT/GST	1,02,74,339	79,428	
<b>Total Other Current Assets</b>	<b>1,89,81,159</b>	<b>29,74,477</b>	<b>3,71,818</b>



Note No. 8 Share Capital

PARTICULARS	As at 31/03/2018		AS AT 31/03/2017		AS AT 01/04/2016	
	No. of Shares	Rs	No. of Shares	Rs	No. of Shares	Rs
Share Capital						
Authorized, Issued, Subscribed & Fully Paid Up						
Total Equity Share capital	54,35,578	5,43,59,780	30,10,000	3,01,00,000	30,00,000	3,00,00,000
A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:						
Equity Shares of Rs.10 Each, Fully paid up :						
At the Beginning	30,10,000		30,00,000		3,00,000	
Issued During the year	24,25,578	5,43,59,780	10,000		-	
At the end	54,35,578		30,10,000		3,00,000	
company:						
Equity Shares of Rs. 10 each Held By M/s. Virinchi Ltd						
						100%



*(Signature)*



*(Signature)*

Note No. 9 Reserves and Surplus

PARTICULARS	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
<b>a) Securities Premium Reserve</b>			
As at the commencement of the year	29,90,00,000	29,90,00,000	29,90,00,000
Add: Additions during the year	24,25,97,800	-	-
	54,15,97,800	29,90,00,000	29,90,00,000
<b>b) Surplus :</b>			
i) Opening Balance - Profit and Loss Account	(8,52,42,136)	(22,900)	(22,900)
Add: Transfer from Profit & Loss Account	(10,12,68,431)	(8,52,19,236)	-
	(18,65,10,567)	(8,52,42,136)	(22,900)
<b>Total Reserves and Surplus</b>	<b>35,50,87,233</b>	<b>21,37,57,864</b>	<b>29,89,77,100</b>

Note No. 10 Long Term Borrowings

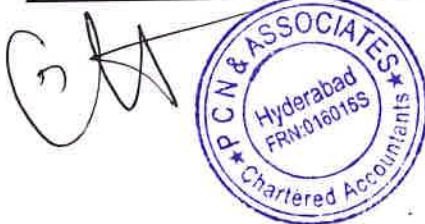
PARTICULARS	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
<b>Long Term Borrowings</b>			
<b>Secured</b>			
<b>a) Term Loans:</b>			
<b>From Banks</b>			
M/s. Canara Bank, IF Branch, Hyderabad	26,99,80,000	28,79,99,468	28,73,17,971
M/s. Central Bank of India, Koti, Hyderabad	21,48,36,176	22,24,68,015	19,67,46,012
M/s. Lakshmi Vilas Bank, Marredpally, Secunderabad	7,68,39,375	8,10,01,301	7,91,98,500
M/s. Oriental Bank of Commerce, Ameerpet, Hyderabad	9,17,46,048	9,18,90,012	9,78,07,317
Less: Principal Repayable in next 12 Months	(4,75,25,544)	(2,57,56,000)	
(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 Notes)	3,39,24,605	2,34,67,870	
Equipment Loans			
<b>b) Other Loans and Advances</b>			
Un-Secured Loans	22,66,48,817	30,50,88,158	10,80,55,665
<b>Total Long Term Borrowings</b>	<b>86,64,49,477</b>	<b>99,11,78,824</b>	<b>76,41,20,465</b>

Note No. 11 Long Term Provisions

Particulars	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
Provisions for employee benefits - Provision for Gratuity	54,99,326	19,85,883	
<b>Total Long Term Provisions</b>	<b>54,99,326</b>	<b>19,85,883</b>	<b>-</b>

Note No. 12 Deferred Tax Liability

Particulars	As At 31/03/2018 Rs.	AS AT 31/03/2017 Rs.	AS AT 01/04/2016 Rs.
Opening Deferred Tax Liability	3,16,50,331		
Add: Deferred Tax Liability for the Year	3,75,31,949	3,16,50,331	
<b>Total Deferred Tax Liability</b>	<b>6,91,82,280</b>	<b>3,16,50,331</b>	<b>-</b>



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Note No. 13 Short Term Borrowings

Particulars	As At 31/03/2018	AS AT 31/03/2017	AS AT 01/04/2016
	Rs.	Rs.	Rs.
<b>Loans repayable on demand</b>			
<b>From Banks</b>			
Secured	8,51,76,801	4,10,63,799	-
M/s Central Bank of India			
M/s. Canara Bank			
<b>Total Short Term Borrowings</b>	<b>8,51,76,801</b>	<b>4,10,63,799</b>	<b>-</b>

Note No. 14 Other Current liabilities

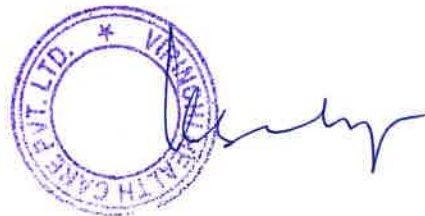
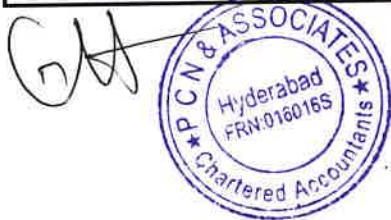
Particulars	As At 31/03/2018	AS AT 31/03/2017	AS AT 01/04/2016
	Rs.	Rs.	Rs.
<b>Term Loan repayable in next 12 months</b>			
Consortium Bank	3,34,10,000	2,37,36,000	
Equipment Finance	1,41,15,544	1,16,91,279	
<b>Unsecured</b>	18,35,654	-	-
<b>Total Other Current Liabilities</b>	<b>4,93,61,198</b>	<b>3,54,27,279</b>	<b>-</b>

Note No. 15 Trade Payables

Particulars	As At 31/03/2018	AS AT 31/03/2017	AS AT 01/04/2016
	Rs.	Rs.	Rs.
Trade Payables	2,77,76,323	4,87,35,535	-
<b>Total Trade Payables</b>	<b>2,77,76,323</b>	<b>4,87,35,535</b>	<b>-</b>

Note No. 16 Short Term Provisions

PARTICULARS	As At 31/03/2018	AS AT 31/03/2017	AS AT 01/04/2016
	Rs.	Rs.	Rs.
<b>a) Provisions For Expenses</b>			
Salaries Payable	1,98,33,855	1,10,45,285	19,46,669
Interest Payable	7,34,586	22,86,648	6,87,257
Audit Fee	81,000	78,750	22,900
Electricity Charges Payable	26,48,509	23,24,771	-
Telephone Charges Payable	1,07,954	46,833	-
Consultancy Charges Payable	1,36,21,939	1,13,33,215	9,22,500
Interest Charges Payable	67,54,290	74,64,488	-
<b>b) Others</b>			
Statutory Liabilities	1,80,20,139	66,44,754	18,78,861
<b>Total Short Term Provisions</b>	<b>6,18,02,272</b>	<b>4,12,24,744</b>	<b>54,58,187</b>



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## NOTE NO. 17 : REVENUE FROM OPERATIONS

Amount in Rs.

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Revenue from Operations		
(a) Revenue from Services	53,47,42,168	20,34,77,160
(b) Pharmacy Sale	13,87,94,798	4,74,13,864
<b>Total Revenue from Operations</b>	<b>67,35,36,966</b>	<b>25,08,91,024</b>

## NOTE NO. 18 : OTHER INCOME

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
(a) Interest Income	14,05,446	29,38,701
<b>Total Other Income</b>	<b>14,05,446</b>	<b>29,38,701</b>

## NOTE NO. 19 : PURCHASE OF STOCK IN TRADE

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Pharmacy Purchases	12,88,46,967	10,76,69,854
<b>Total Purchases</b>	<b>12,88,46,967</b>	<b>10,76,69,854</b>

## NOTE NO. 20 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
(a) Salaries & Wages	14,32,42,100	5,42,45,460
(b) Contribution to Employees	1,58,17,741	90,05,451
(c) Staff Welfare Exp	27,28,279	87,59,470
<b>Total Employee Benefit Expenses</b>	<b>16,17,88,120</b>	<b>7,20,10,381</b>

## NOTE NO. 21 : FINANCE COST

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Finance Cost	9,58,32,181	3,79,67,841
<b>Total Finance Cost</b>	<b>9,58,32,181</b>	<b>3,79,67,841</b>

## NOTE NO. 22 : ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
(a) Power & Fuel	3,08,44,869	2,58,84,900
(b) Rent	7,46,81,392	2,39,85,426
(c) Repairs and other Maintenance	37,86,933	7,57,063
(d) Insurance	4,59,893	6,19,112
(e) Professional Fee	15,22,93,304	4,81,30,344
(f) Telephone, Postage and Others	14,87,914	68,61,448
(g) Marketing and Business Promotion Expenses	34,41,965	25,40,791
(h) Travelling and Accommodation Expenses	47,09,557	33,50,996
(i) Office Maintenance	1,71,77,288	29,95,472
(j) Printing & Stationery Expenses	44,57,909	43,158
(k) Rates & Taxes	42,52,385	80,58,394
(l) Payment to Auditors:		
(i) As Auditor	1,07,500	86,250
<b>Total Administrative and Other Operating Expenses</b>	<b>29,77,00,910</b>	<b>12,33,13,354</b>



**1. Directors Remuneration****(Amount in Rs.)**

Particulars	As at 31/3/2018	As at 31/03/2017
Directors Remuneration	NIL	NIL

**2. Auditors Remuneration**

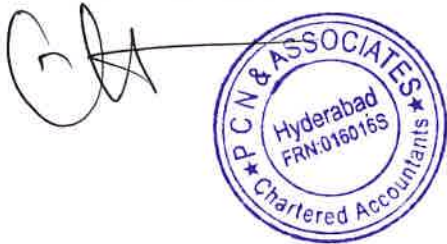
Particulars	As at 31/3/2018	As at 31/03/2017
Auditors remuneration	1,07,500	86,250

**3. 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	2017-18	2016-17
Profit available for the equity share holders	(10,12,68,431)	(8,52,19,236)
No. of equity shares outstanding for EPS Basic	37,27,823	30,10,000
No, of equity shares outstanding, of EPS-Diluted	37,27,823	30,10,000
Basic	(27.17)	(28.31)
Diluted	(27.17)	(28.31)

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



## 5. Deferred tax liability

(Amount in Rs.)

Particulars	As at 31/3/2018	As at 31/03/2017
a) Opening Balance	3,16,50,331	0
ADD. Deferred tax Liability	3,75,31,949	3,16,50,331
Total	6,91,82,280	3,16,50,331

## 6. Related Party Transactions.

All related transaction 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 the 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

## b) Outstanding Balance of related parties for the year ended

Particulars	Nature of transaction	Current year (Rs)	Previous year (Rs)
Related parties	Unsecured loans	22,66,48,817	30,50,88,158

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

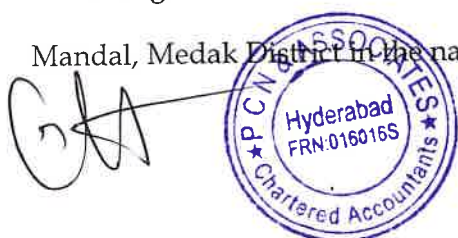
8. Details of collateral security, corporate guarantee and Personal Guarantee for Long term Borrowings :

- 7 Acres 36 Guntas of freehold industrial land located at SY No103 Lakshmakkapally, Mulugu

Mandal, Medak District in the name of M/S.Vivo Biotech Ltd

- 3 Acres 39 Guntas of freehold industrial land located at SY No104 Lakshmakkapally, Mulugu

Mandal, Medak District in the name of M/S.Vivo Biotech Ltd



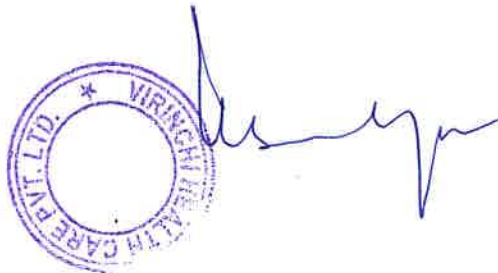
- 7 Acres 5 Guntas of freehold industrial land located at syNo.159, Janwada Village, Shankerpally Mandal, Ranga Reddy District in the name of Mr. Viswanath Kompella
- Plot No. 76& 77, Balamrai Co-operative Housing Society , Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath 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, DevarYamjal ,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.12, Banjara Hills , Hyderabad , in the name of M/S , Virinchi Limited
- Residential House land admeasuring 400 Sq Yards at Plot no.7B, S.NO 227, Balamrai Society , Mahendra Hills, West Marredpally, Secunderabad. in the name of M/s Iravavarapu Constructions Pvt Ltd.
- Open Plot admeasuring 400Sq Yards at Plot No 522, Ashoka Colony, Kapra,Keesara Mandal,R.R District , in the name of Smt. Madhavi latha Kompella

**Corporate Guarantee: M/S. Virinchi Limited**

M/s. Vivo Biotech limited

**Personal guarantee : Mr. VISWANATH KOMPPELLA**

**Mr's. MADHAVI LATHA KOMPPELLA**



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9. Previous year's figures have been regrouped wherever necessary.
10. The figures have been rounded off to the nearest rupee.

As per our report of even date  
For P C N & Associates.,  
(Formerly known as Chandra Babu Naidu & Co.,)  
Chartered Accountants  
FRN: 016016S



Chandra Babu M  
Partner  
M.No. 227849

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

Handwritten signature of Sri Kalyan and a circular blue stamp for Virinchi Healthcare Private Limited, Hyderabad, FRN: 03137506.

Sri Kalyan  
Director  
DIN: 03137506

Handwritten signature of Santhi Priya Myana and a circular blue stamp for Virinchi Healthcare Private Limited, Hyderabad, FRN: 03114319.

Santhi Priya Myana  
Director  
DIN: 03114319

Place: Hyderabad  
Date: 30-05-2018.

## VIRINCHI HEALTH CARE PVT LTD

Notes and other explanatory information to financial statements for the year ended March 31, 2018

### 1. Basis of preparation

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

#### (i) Compliance with Ind AS

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

#### (ii) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale - measured at fair value less cost to sell; and
- Defined benefit plans - plan assets measured at fair value;

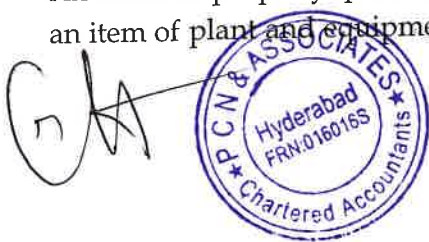
### 1.1 Summary of significant accounting policies

#### I. Significant Accounting Estimates and Judgments

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

#### II. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable



that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

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

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

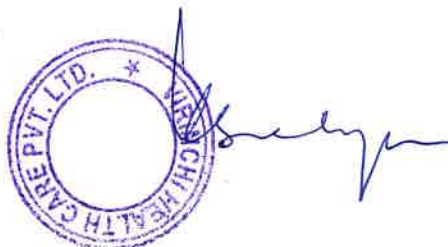
Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

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



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### *Depreciation*

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

Plant and Machinery	1 to 25
Buildings	8 to 60
Computers and equipment	3 to 6
Furniture & fixtures	10 to 15
Vehicles	8 to 10
Office equipment	5 to 15

Depreciation of the mine properties is calculated on the unit of production method. The unit of production method results in depreciation charge proportional to the depletion of the economically viable mineral reserves.

Leasehold Assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

### **III. Intangible Assets**

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

### **IV. Financial Assets**

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



**Initial recognition:**

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

**Subsequent Measurement:**

**(i) Financial assets measured at amortised cost:**

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

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

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

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

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI.

Fair Value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends are recognised in other comprehensive income (OCI).





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

re measured at fair value through profit or loss if it does not meet classification as measured at amortised cost or at fair value through profit or loss. All fair value changes are recognised in the statement

**Financial Assets:**

re tested for impairment based on the expected credit losses.

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analysis is performed at each reporting date. The expected credit loss of the asset are estimated by adopting the simplified approach matrix which is based on historical loss rates reflecting current economic conditions. In this approach assets are classified on the basis of similar credit characteristics such as industry, customer credit status and other factors which are relevant to estimate the expected credit loss from these assets.

Financial assets

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

Financial assets

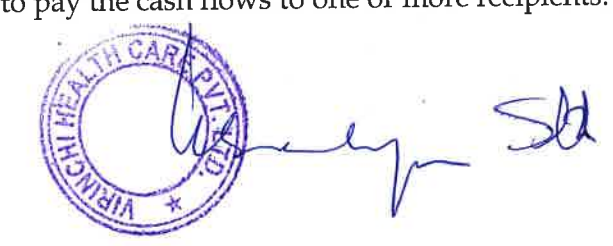
is derecognized only when:

1) The company has transferred the rights to receive cash flows from the financial

2) The contractual right to receive cash flows from financial asset is expired or

3) The contractual rights to receive the cash flows of the financial asset, but the contractual obligation to pay the cash flows to one or more recipients.





Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

#### V. (ii) Impairment of Non-Financial Assets

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

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

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

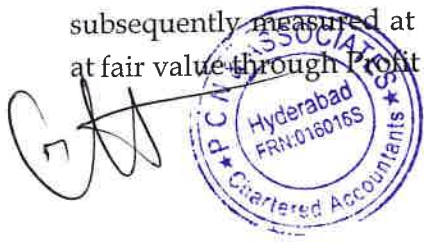
#### VI. Inventories

Construction materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### VII. Cash and Cash equivalents

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



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## VIII. Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale or subsequent gain on re-measurement are recognized into statement of Profit & Loss Account. Gains are not recognized in excess of any cumulative impairment losses.

## IX. Share Capital

Equity shares are classified as equity.

## X. Financial Liabilities

### *Initial recognition and measurement*

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

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

### *Subsequent measurement - at amortised cost*

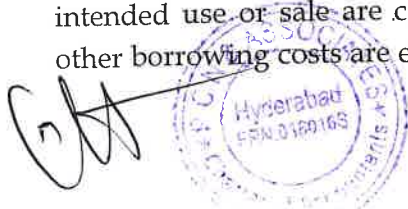
After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de recognised, and through the amortization process.

### *De recognition*

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

## XI. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist



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of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

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

## XII. Employee Benefits

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

## XIII. Income Taxes

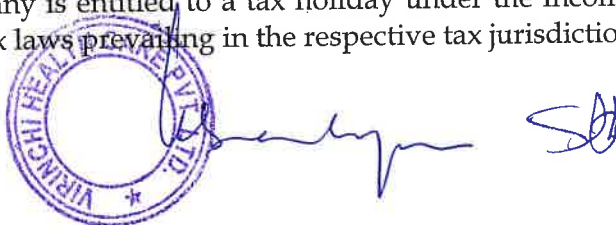
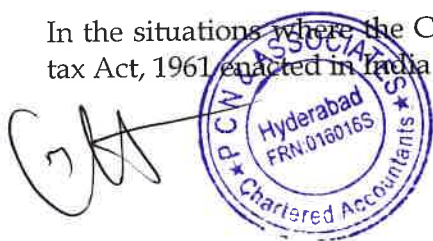
Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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

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

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

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions



where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

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

#### XIV. Leases

##### *As a lessee*

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

##### *As a lessor*

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are classified in the balance sheet based on their nature.



***Lease-hold land:***

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

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

**XV. Provisions , Contingent Liabilities and Contingent Assets**

***Provisions***

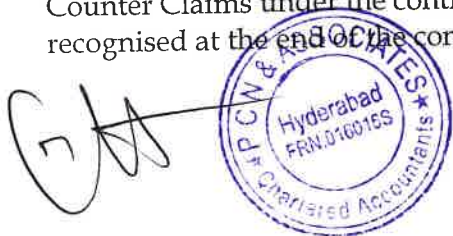
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

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

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

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims / Counter Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.



### *Contingent Liabilities*

Contingent liability is disclosed in case of

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

### *Contingent Assets*

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

## **XVI. Fair Value Measurements**

Company uses the following hierarchy when determining fair values:

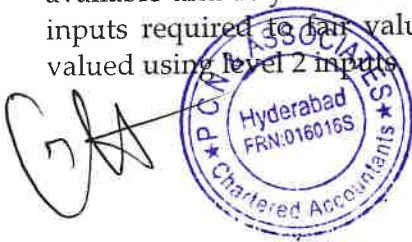
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and,

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs.





If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

## **XVII. Revenue Recognition**

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects GST, service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

### *Sale of Goods*

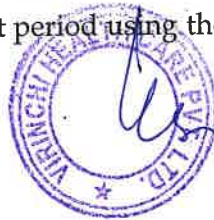
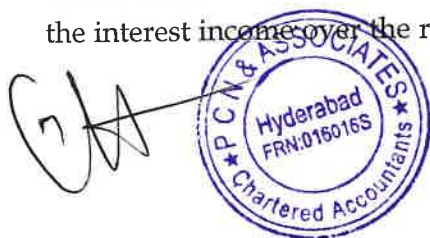
Revenue from the sale of goods are recognized when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is considered fixed and generally title has passed.

### *Insurance Claims*

Insurance claims are recognized on acceptance / receipt of the claim.

### *Interest*

Revenue is recognized as the interest accrues, using the effective interest method. This is the method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is



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the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Dividends*

Dividends are recognised in profit or loss only when the right to receive payment is established.

### **XVIII. Foreign Currency Transactions**

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

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

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

### **XIX. Minimum Alternative Tax (MAT)**

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

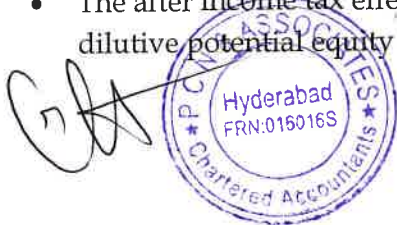
### **XX. Earnings per Share**

Basic earnings per share are calculated by dividing:

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

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

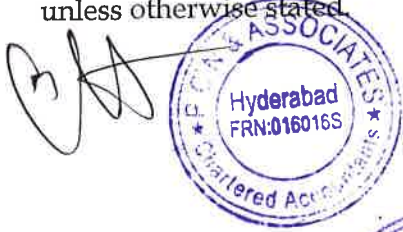
- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares



- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**XXI. Rounding of amounts**

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



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