ANNUAL REPORT
2018-19

SHALBY®
MULTI-SPECIALTY
HOSPITALS

25 Years of Redefining Healthcare

Corporate Information

Board of Directors

Dr. Vikram Shah
Chairman & Managing Director

CA Shyamal Joshi
Non-Executive Director

Dr. Ashok Bhatia
Non-Executive Director

Dr. Umesh Menon
Independent Director

Mr. Tej Malhotra
Independent Director

CA Sujana Shah
Independent Director

Audit and Risk Management Committee

Dr. Umesh Menon, Chairman

CA Shyamal Joshi, Member

Mr. Tej Malhotra, Member

CA Sujana Shah, Member

Nomination and Remuneration Committee

Dr. Umesh Menon, Chairman

CA Shyamal Joshi, Member

CA Sujana Shah, Member

Stakeholder Relationship Committee

CA Shyamal Joshi, Chairman

Dr. Umesh Menon, Member

Dr. Vikram Shah, Member

Corporate Social Responsibility Committee

Dr. Umesh Menon, Chairman

CA Shyamal Joshi, Member

CA Sujana Shah, Member

Chief Financial Officer

CA Prahlad Rai Inani

Company Secretary

Mr. Jayesh Patel

Statutory Auditors

T. R. Chadha & Co.
Chartered Accountants

Internal Auditors

PricewaterhouseCoopers Pvt. Ltd.

Bankers

HDFC Bank Limited

IDFC First Bank Limited

Kotak Mahindra Bank Limited

Yes Bank

Registrar & Transfer Agent

Karvy Fintech Private Limited
Karvy Selenium, Tower B,
Plot 31 – 32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032

Registered & Corporate Office

Shalby Limited
Shalby Hospitals
Opp. Karnavati Club,
S. G. Highway,
Ahmedabad – 380 015
CIN: L85110GJ2004PLC044667

Contents

Corporate Overview

Statutory Reports

Financial Statements

View or download this report at www.shalby.org/investors/ Annual Reports

Forward-looking statements/ Cautionary statement

In this annual report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

25 Years of Redefining Healthcare

To be able to stretch and strive for what you believe in and have the conviction and courage to take the road less traversed; that is what separates the outperformers from the ordinary.

25 YEARS OF EXPERT HEALTHCARE

Till date, we have conducted more than 1,00,000 surgeries and provided healthcare services for over 15,00,000 patients across various specialty segments.

At Shalby, we are led by our purpose of bringing quality healthcare within the reach of the common man. Over the course of our journey, we have remained steadfast to our commitment of redefining healthcare through our growing network of multi-specialty hospitals, providing world-class yet affordable services in tertiary and quaternary specialties. We are also reaching out to patients across the country through our outpatient clinics. Our innovative business expansion model has proved successful in international markets as well, enabling us to bring our specialty services to patients far and wide.

It is a matter of great pride that we are recognised today among the most reputed healthcare providers in the country. We have earned leadership status in the orthopaedic specialty segment, with our ground-breaking innovations and cutting-edge treatments in joint replacement, completely transforming patient recovery and experience. Till date, we have conducted more than 1,00,000 surgeries and provided healthcare services for over 15,00,000+ patients across various specialty segments.

Innovation and medical expertise have been our greatest strengths enabling us to redefine our patient care. While being highly experienced and qualified, our healthcare professionals are also people of passion and compassion. We recognise that technology can be a game-changer in making operations more efficient; this encourages us to be at the forefront of adopting state-of-the-art medical equipment and embracing the latest software solutions. We adhere to stringent service standards as they are critical to our industry. At the heart of our successful business model are our core values that have always defined us and our steadfast culture that promotes the highest quality healthcare services.

Shalby's achievements have been commendable also in terms of sustained financial performance. We have significantly scaled up our revenue while optimising our capital investments and operational expenditure. Our ongoing pursuit of operational excellence with financial discipline has enabled us to transform into a cash positive company pairing down the debt of the last four years.

Moving ahead, implementing our unique business model, we are poised to tap into the huge healthcare opportunity, bringing transformative treatments at affordable cost to patients. We are expanding our services into super specialty areas where the high demand is unmet and urgent healthcare needs to be provided. We are also enhancing our presence across India, especially in Tier 1 and Tier 2 cities where we see a considerable gap in availability of quality services.

Our strong balance sheet will be a strategic lever towards making Shalby one of the most exciting growth stories in the healthcare service sector.

We have been successful in changing the face of healthcare in the country. However, our journey has only just begun. Guided by the firm belief that quality healthcare must be made affordable, we remain passionate and perseverant to further our commitment of redefining healthcare. We will resolutely work towards making healthcare better for everyone.

25 Years of Redefining Healthcare

About Shalby

Established in 1994, Shalby Limited (Shalby) is one of India's leading multi-specialty hospital chain. Over the past 25 years, we have grown from a single hospital into one of India's most trusted and respected healthcare company by providing high-quality yet affordable healthcare services.

Shalby is internationally recognised for its strength in orthopaedics procedures such as complex joint replacement surgeries and revision cases and commands the market leadership position in India in this niche domain. We have also forayed into tertiary and quaternary specialties like cardiology, neurology, oncology, bariatrics, liver and renal transplants to serve the growing needs of our patients.

Our expansive network of multi-specialty hospitals across different states in India are underpinned by our team of dedicated healthcare professionals. To strengthen healthcare accessibility, we also run outpatient clinics in India and across the world. Our international footprint includes countries such as Kenya, Tanzania, Rwanda, Uganda, UAE, Bangladesh, Cambodia, Jakarta, Oman, Uzbekistan, Nepal, among others.

Inspiring us on our journey

Vision

Exceeding expectation from health.

Mission

Leveraging global leadership in joint replacement to establish multi-specialty care across geographies.

Values

We value all human life placed in our hands and are constantly working towards meeting the expectations of our customers and stakeholders by raising the standards of our service deliverables.

Accreditations

National Accreditation Board of Hospitals & Healthcare Providers (NABH) certified

One of the few hospitals in India to receive this prestigious certification

National Accreditation Board for Testing and Calibration Laboratories (NABL) recognised

State-of-the-art laboratory technology and equipment for testing a wide range of conditions

SHALBY in numbers

25
Years of experience

11
Multi-specialty hospitals

37
Outpatient clinics

1,00,000+
Joint replacement surgeries till date

15%
Market share of joint replacement surgeries in India, highest among all the private healthcare players

15,00,000 +
Patients provided healthcare services till date

36
Cities across 11 states in India (hospitals/outpatient clinics)

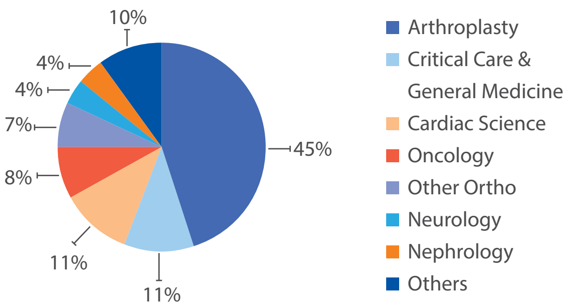
500+
Doctors

31%
12-year CAGR Revenue

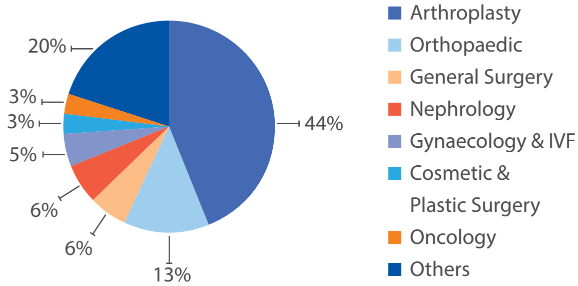
36%
12-year CAGR EBITDA

Zero
Net Debt

REVENUE MIX

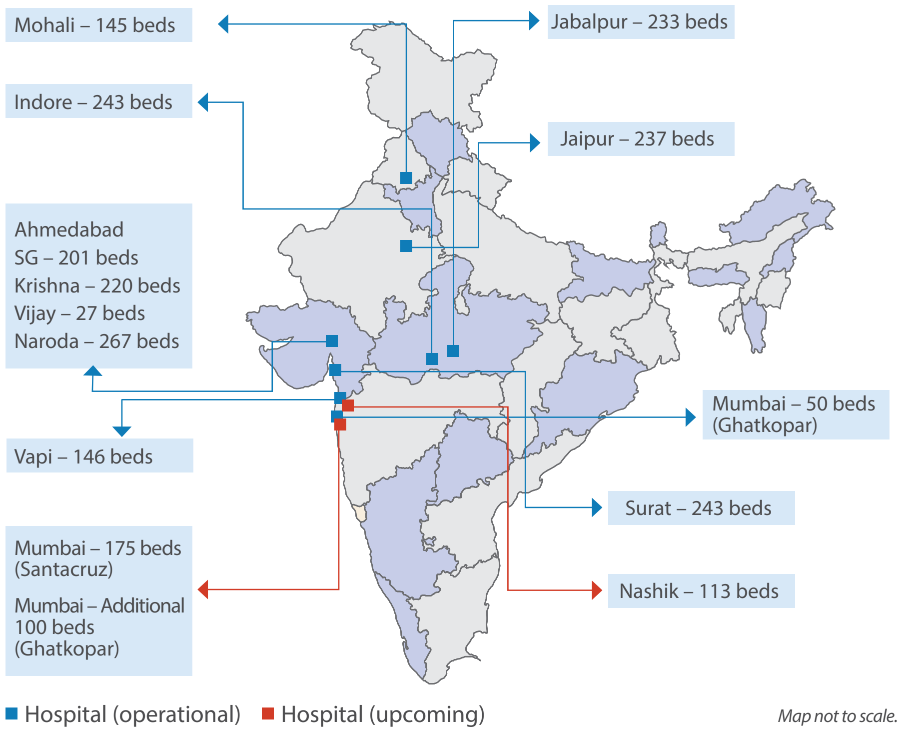


SURGERY COUNT



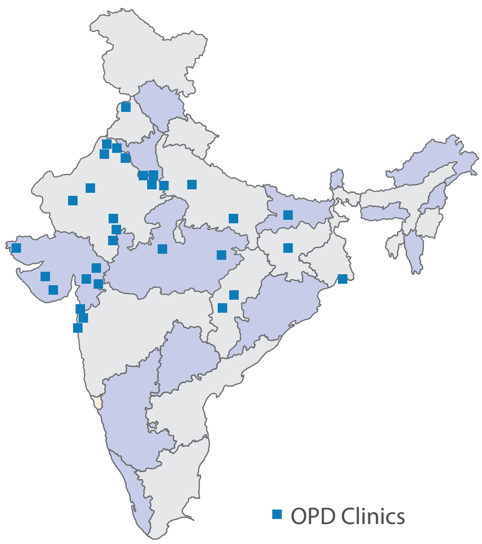
Our Growing Network

Network of Hospitals in India with bed capacity



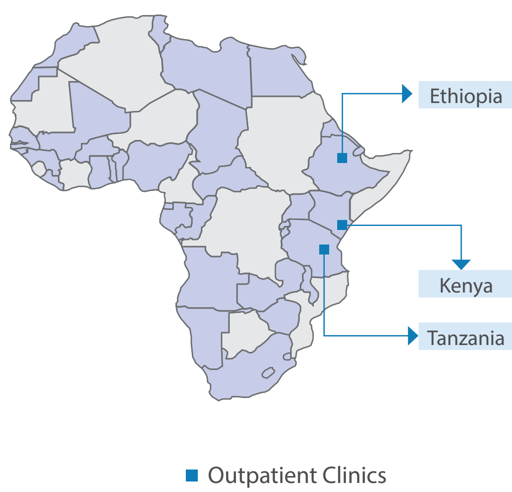
Map not to scale. For illustrative purposes only.

Network of Outpatient Clinics in India



International Footprint

Presence in Africa



Map not to scale. For illustrative purposes only.

Awards & Accolades

We are proud of the recognition we have earned for our performance. During the year under review, we continued to receive several awards and accolades from multiple government and non-governmental bodies for our outstanding services.

Shalby was presented with '**THE BEST HOSPITAL FOR MEDICAL TOURISM IN GUJARAT AWARD – 2019**'. We received the award at the hands of Mr. Kaushik J. Patel, Hon'ble Revenue Minister, Government of Gujarat and Mr. Amit Thaker, Director, Tourism Corporation of Gujarat Limited. Shalby has been receiving the Medical Tourism Awards for 3 years consecutively.

Times of India **"MAN OF THE YEAR AWARD"** for outstanding contributions in the field of Orthopaedics. The coveted Certificate of appreciation was presented to Dr. Vikram Shah by Shri Nitin Patel, Hon'ble Chief Minister of Gujarat at a function held in Ahmedabad on June 20, 2018.

Shalby won the '**MEDICAL VALUE TRAVEL SPECIALIST HOSPITAL AWARD 2018**', in the category 'Orthopaedics - Joint Replacement', instituted by Ministry of Commerce & Industry, Government of India and FICCI.

Shalby was conferred with the '**BEST IT-ENABLED HOSPITALS IN GUJARAT AWARD 2019**'. The award instituted by TECHPLUS MEDIA is aimed at fostering digital inclusion in work processes.

The Visionary behind Shalby

"Doesn't everyone deserve access to the highest quality healthcare?"

A simple question that led visionary Dr. Vikram Shah to transform healthcare in India with a unique model.

Dr. Vikram Shah

The most defining moment of this journey came in 2011, when Dr. Shah pioneered the '0 technique', which reduced surgical time from 2.5 hours to 22 minutes and a patient's hospital stay from 15 to 3 days.

Shalby's success in redefining healthcare is rooted in the passion and vision of our founder, Dr. Vikram Shah. A renowned orthopaedic surgeon, Dr. Shah pursued his education at prestigious universities in the UK and Europe. Channelising his medical knowledge and dream of providing healthcare services through setting up hospitals, Dr. Shah is one of the youngest entrepreneurs in the healthcare business. He has been the Chairman and Managing Director of the Company since its inception and also heads the Orthopaedic Department at Shalby Hospitals.

Dr. Shah's quest to provide high quality yet affordable healthcare services commenced with the setting up of a six-bedded hospital at Ahmedabad in 1994. The journey has only gained momentum from then on, with multispecialty hospitals being established or acquired by Shalby at regular intervals, under his vision, guidance and leadership.

The most defining moment of this journey came in 2011, when Dr. Shah pioneered the '0 technique', which reduced surgical time from 2.5 hours to 22 minutes and a patient's hospital stay from 15 to 3 days. He also invented the OS Needle, which is a thick bore reverse cutting needle used in attaching soft tissues to the bone. This OS Needle can be easily attached with the easily available vicryl thread. Prior to this innovation, surgeons had to use complicated soft tissue procedures that had a very high failure rate. This stellar feat of Dr. Shah forms the cornerstone of Shalby's reputation and strength in joint replacement surgery.

Apart from being at the helm at Shalby Hospitals, Dr. Shah is currently a part of the joint international faculty for development of new joints by Zimmer Inc., USA. In FY 2010-11, he was the founder President of Indian Society of Hip & Knee Surgeons (ISHKS). His contributions to healthcare have been widely acknowledged by the medical community and beyond.

Times Group 'Man of the Year' Award

For outstanding contributions in the field of orthopaedic with 1,00,000 joint replacement surgeries at Shalby Group of Hospitals (2018)

Recognised by Rotary International

For pathbreaking services in the field of Joint Replacement and Orthopaedic Surgery for 15 years (2009)

Double Helical Award

For the innovation of the '0 Technique' (2017)

Recognised by Ahmedabad Medical Association

For outstanding work in the medical field (2005)

Hercules Award

Conferred by the Gujarat Innovation Society (2014)

Dr. B. C. Roy International Award

For Joint Replacement Surgery (2003)

Nilkanth Patang Nagar Pratibha Award

Conferred by AMC and Dharmadev Infrastructure (2012)

Chairman & Managing Director's Message

Dear Shareholders,
At Shalby, we are committed to deliver quality healthcare at affordable costs. We have honoured that promise every day since we set up our first hospital. As Shalby celebrates 25 years of redefining healthcare, it is my pleasure and privilege to share this message with you.

In India, where issues of accessibility and affordability have unfortunately deprived millions from availing the healthcare they need, our aim has always been to plug this gap. Aligned with this goal, we have delivered comprehensive healthcare services, especially in Tier 1 & 2 cities, at par with international standards but at an affordable cost. Our healthcare facilities have also carved a position of immense pride in India's medical tourism map, attracting patients from different parts of the world. We have achieved these feats through innovative solutions and the adoption of the world's best technologies.

Our concerted efforts towards redefining healthcare have cemented our reputation as India's leading multi-specialty hospital chain. Shalby has also established global leadership position in the niche segment of orthopaedics. The delivery of exceptional patient outcome in joint replacement surgery, by revolutionising the operation procedure and dramatically reducing the patient recovery time, further stand as a testament towards our commitment to redefining healthcare.

Indian healthcare industry

The healthcare industry in India has grown rapidly in recent years driven by higher investments by the private sector. With a plethora of opportunities available and liberalised FDI policies, global players, too, continue to show growing interest in investing in Indian healthcare.

The increased focus of the Government has also provided a fillip to the sector. To achieve the ambitious goal of universal health coverage, the Government has pledged to increase the public expenditure on healthcare from 1.1% to 2.5% GDP in the next four years and 5% in the following five years. The budgetary allocation for the health sector for FY 2019-20 fiscal stood at ₹61,398 crore, the highest in the last two financial years and a 16% increase over the previous year's allocation of ₹54,302.50 crore. Previously, under the New Health Policy 2017, the Government expressed its commitment to plug gaps in service for its 1.2 billion people through 'strategic purchasing' of care from private facilities and clinics. This is being undertaken to improve not only the access but also the affordability and quality of service.

Another important Government intervention towards reshaping healthcare services is the launch of Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY). The largest Government-funded healthcare programme in the world, PMJAY seeks to provide free and cashless insurance coverage of up to ₹ 5 lakh per family per year to over 10 crore poor and vulnerable families for secondary and tertiary care hospitalisation at the empanelled public and private hospitals. With the Government changing its role from a provider to a payer, there lies considerable potential of higher demand for private healthcare services.

The robust growth of the private healthcare insurance space in India has also increased the demand for quality healthcare services. The sector has been witnessing a strong growth of 20% per annum with considerable promise of further growth and penetration as disposable incomes increase. This expansion of health insurance coverage in India augurs well for our healthcare industry.

The year in review

While the healthcare industry has historically enjoyed healthy growth, the last two years have been an aberration. Several factors, such as the advent of the Goods and Services Tax, the cap on prices of cardiac stents, knee implants and oncology drugs by the National Pharmaceutical Pricing Authority (NPPA), and stiff regulatory action by certain states, have negatively impacted the profitability of the sector. Besides muted performance in FY 2018-19, the industry also witnessed market consolidation with tightening of the regulatory environment.

Even amidst these market challenges, Shalby delivered outstanding performance. Our unique business model, which is focussed on optimising capex and operating expenses, enabled us to achieve higher return ratios than the industry trend. Our revenues stood at ₹ 4,709 Million in FY 2018-19 from ₹ 3,942 Million in the previous year, an increase of 19.4%, as occupancy grew by 23.3%. Both in-patient and out-patient counts recorded a substantial increase over the previous year, reflecting the continued growing trust for our services. Throughout these accomplishments, we remained focussed on our core purpose: providing access to the highest quality yet affordable medical care. In doing so, we continued to redefine healthcare services and partner the national vision of universal health coverage.

Looking ahead with optimism

Industry dynamics, including the growing demand for affordable healthcare, advancements in medical treatments, higher penetration of health insurance, rising affluence of the middle-class, the rising incidences of lifestyle diseases, and the increased role of Government in healthcare investment space, will continue to underpin long-term growth in demand for healthcare services. Our growing locational footprint and strong brand value, positions us well to capitalise on the unfolding industry prospects.

Major Shalby Hospitals, are NABH accredited, the highest benchmark standard for hospital quality in India. Our best-in-class hospital infrastructure, dedicated team of doctors and surgeons, and skilled support staff will continue to ensure delivery of the highest quality care. Our specialists collaborate, share knowledge and adopt a multidisciplinary approach to deliver comprehensive care. The deployment of sophisticated equipment and advanced technology solutions also position us well to promote better patient outcomes. We have well-documented processes to ensure quality healthcare is unfailingly delivered and maintain strict adherence to global standards. This firm approach to process documentation will also enable us to scale seamlessly.

The greatest opportunity for us, particularly, lies in the segment of orthopaedic surgeries. Our established leadership and unmatched expertise in the realm of joint replacements have been a strong catalyst for growth during the past years. We are highly optimistic that the future holds even more promise as we leverage this differentiated position and experience to address the growing prevalence of osteoarthritis among India's population. We are also confident of seizing opportunities in other areas of orthopaedics such as spine, ortho-trauma and arthroscopy.

Expanding our vision beyond orthopaedics, we have strategically forayed into other emerging categories such as oncology, neurology, organ transplants, nephrology and cardiology, among others. Our strong patient proposition of quality healthcare at affordable prices will, once again, drive the demand for our services, to create a strong foundation for the next phase of our growth. As India seeks to emerge as one of the most preferred healthcare destinations for foreigners, we are also upbeat about capturing opportunities in the medical healthcare space led by our proven track record in complex surgeries.

We have already commenced the chapter of digital transformation at our hospitals aligned with our vision to achieve a high level of process automation and emerge as a leading smart hospital. Our low-cost and fast scalable business model will be a critical strength for keeping pace with the external dynamics. At the same time, our strong financials, with our net cash position and an unleveraged balance sheet, allow for organic and inorganic investments. Currently, we have a planned capex of ₹ 1,750 Million for our upcoming facilities in Nashik and Mumbai.

Conclusion

As we look ahead, we have excellent visibility on our growth and are excited about our future. I would like to take this opportunity to extend my deepest gratitude to each and every doctor, nurse and healthcare and medical professional, and all of our employees who have supported our most important priority – to provide highest quality patient care. The entire team is committed and passionate about what we are doing, and it is our passion that is at the heart of our perfection and performance. I'm proud of our accomplishments and assure you that we will continue working towards redefining healthcare services and building long-term value for our shareholders.

Dr. Vikram Shah

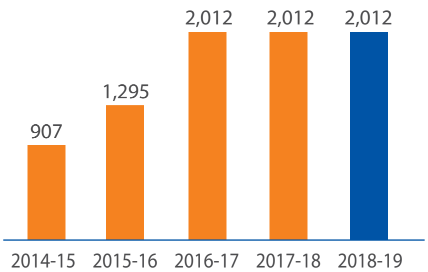
Chairman and Managing Director

SHALBY MULTI-SPECIALTY HOSPITALS

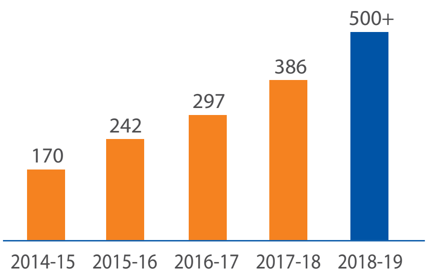
The Year in Numbers

Operational Highlights

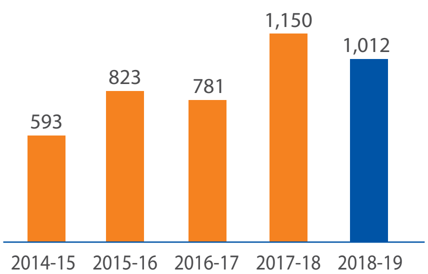
Bed Capacity (Nos.) *



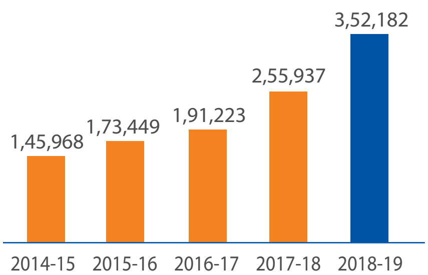
Total Doctors



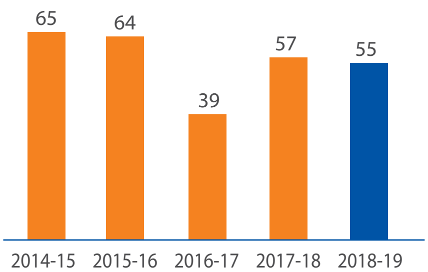
Operational Bed (Nos.)



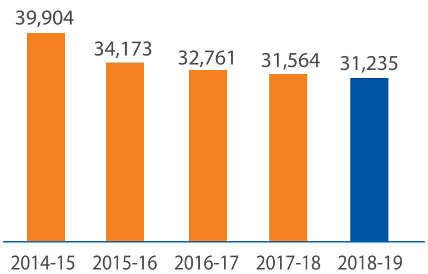
Patients Treated



Bed Utilisation (%)



Average Revenue Per Operating Bed (ARPOB) (₹)

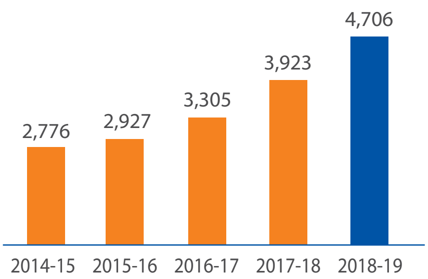


**Maximum number of beds according to structure of the hospital*

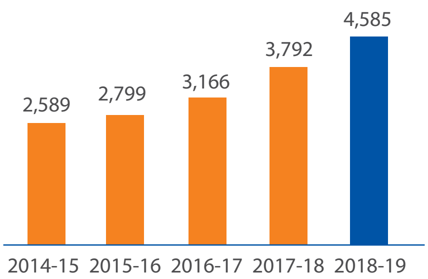
25 Years of Redefining Healthcare

Financial Highlights#

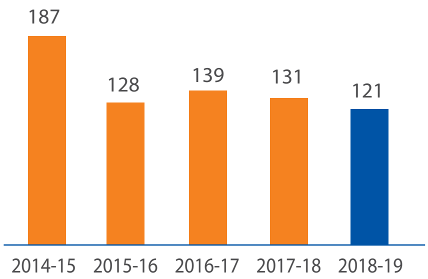
Total Revenue (₹ in Million)



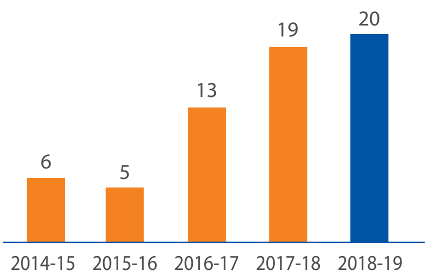
Domestic Revenue (₹ in Million)



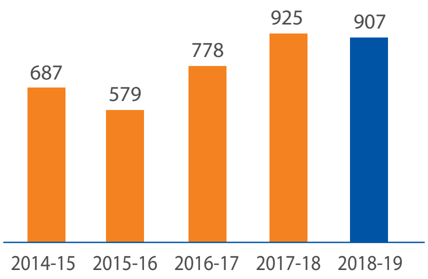
International Revenue (₹ in Million)



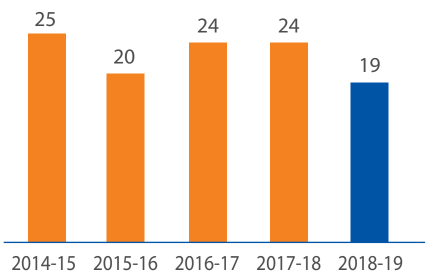
Revenue Growth (%)



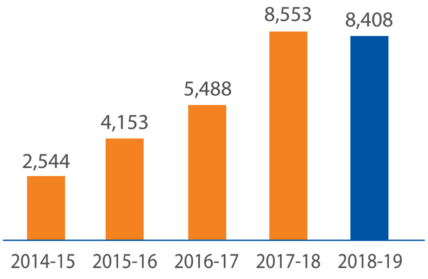
EBIDTA (₹ in Million)



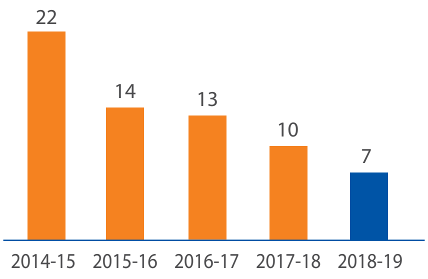
EBIDTA Margin (%)



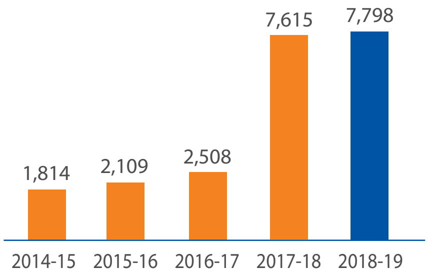
Capital Employed (₹ in Million)



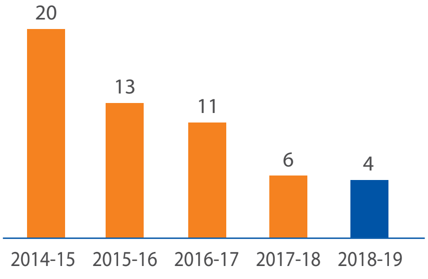
RoCE (%)



Net Worth (₹ in Million)



RoE (%)



#*Based on consolidated financials*

Redefining Healthcare with Brand Shalby

We take great pride in our impeccable reputation and remain dedicated to upholding this brand strength by serving our patients in the best possible way.

In healthcare, probably more than anywhere else, people seek a trusted brand. Building trust among patients and communities requires consistent delivery of quality services, day after day, year after year. By always staying true to our promise of quality services at affordable price, we have earned an impeccable reputation in the healthcare space. Today, Brand Shalby, instils trust and reassurance. Our patients know that when they visit any of our hospitals or centres, they will benefit from our patient-focussed approach.

In the orthopaedics space, Brand Shalby has become synonymous with Joint Replacement Surgery, illustrating the high recognition and respect we have gained in this specialty. Our prominent brand name enables us to build a relationship with not only our patients, but also our staff, doctors and the larger community as well. We have been able to attract best medical talent as well as retain them with our strong brand reputation. We are leveraging our brand strength to successfully build our offerings into newer specialties and expand our presence. This increases our opportunity to serve more patients and also generate higher growth and returns for our investors.

The Cornerstone Of Our Reputation

Professionalism

Our medical team consists of highly qualified and experienced healthcare professionals from diverse specialities and are extremely passionate about what they do. Led by our founder, Dr. Vikram Shah, the team demonstrates ideal practices and holdes the highest ethical values. The professionalism and patient-focussed approach of our team enables us to enhance patient satisfaction.

Strong governance

We have maintained strict and effective control over our practices and processes for the benefit of our patients and other stakeholders. For maintaining the quality standard and setting the benchmark to match the best of global standards, we proactively ensure the maintenance of all equipment, adopt strong internal checks and controls. As part of clinical governance, clinical audits are conducted for the patients treated at our facilities and used as a powerful tool to improve the quality of our services. Our practices are constantly reviewed, and systems continually improved upon to enable us to excel at meeting the healthcare needs of our patients. Our Code of Ethics is updated every year and all members of the administrative hierarchy are required to adhere strictly to the rules.

Timely services

We always act in a timely and agile manner while dealing with our patients, especially those that require emergency services. Strong internal controls further ensure addressal of patient's needs in a responsible and responsive manner.

ELITE values

Our core values of Excellence, Learning, Integrity, Teamwork and Empathy, summarised in the acronym 'ELITE', underpin our services. These values are ingrained in the hearts and minds of every Shalbyte.

Shalby's ELITE Concept

EXCELLENCE

We work with an intention to achieve excellence in every aspect of our endeavours.

LEARNING

We keep raising our standards on a regular basis that helps us evolve. We welcome changes and embrace every opportunity to achieve our goals.

INTEGRITY

We believe in performing the right way even when no one is watching.

TEAMWORK

We jointly work towards one objective – patient satisfaction regardless of teams/departments.

EMPATHY

We do everything possible to satisfy our patients' needs. Focussing on patient-centricity, their well-being, safety, comfort and happiness is our primary goal.

Redefining Healthcare through Unique Delivery Model

High-quality and affordability were considered contradictory in healthcare. Till we challenged it with our business model.

Since our founding, our mission has been to address patient needs by providing access to high-quality services in a patient-friendly, cost-effective setting. We have successfully pioneered a unique healthcare model to help deliver on our promise. In a capital-intensive industry, we stand distinct by successfully operating on an asset-light model. Our average cost per bed is one of the lowest among private hospitals in India. By keeping both capital investment and operating expenses low without compromising on quality; by generating sustainable returns for single hospitals and even as we scale up; by carving out success and positioning ourself for the long-term; we have proved that high-quality and affordability can go hand in hand. Our patients have been our biggest brand ambassadors, reinforcing the superiority of our healthcare services.

Features of our Unique Model

Optimal use of real estate

We typically go for a rectangular plot of land for hospital construction, which results in minimum wastage of land while adhering to regulatory requirements. Our emphasis on rectangular land selection also enables us to save on land-related overhead costs.

In-house planning teams

The architectural layout and interior design of a hospital is fundamentally different and more complex than most real estate constructions. Proper space management is essential to meet the varied hospital requirements – facilities for treatment and medical tests, reception area, waiting lounge, infection control, lighting conditions, patient safety and convenience, among others. At Shalby, we have an in-house team of competent architects and designers to develop the exteriors and interiors in a way that makes effective use of the available space. Common areas and vacant spaces have been optimised to ensure high bed count as well as patient comfort and safety. The learning and experience of our inhouse team proves invaluable for setting up hospitals matching the same standards across our network, thereby facilitating easy scale-up. Our in-house team also gives us a cost advantage as we do not have to avail the expensive services of external consultants.

Efficient equipment planning

The range of medical equipment required at a hospital is vast and forms a substantial part of the capex investment. Leveraging the rich industry experience of our management team, we develop rigorous sourcing approaches for the type and quantum of heavy medical equipment

and medical instrument to be procured at our hospitals. The judicious purchase of the best quality and cost-effective equipment as per the timely requirements of the hospital optimises our capital expenditure.

Higher OT to bed ratio

Our in-house design team ensures optimisation of the size of the operation theatre rooms, enabling us to construct more OT rooms on a single floor (8 OTs for every 200 beds) than industry players (4 OTs for every 200 beds). We can thus perform more surgeries as compared to peers for the same number of beds. At the same time, our patient turnaround time is among the lowest in the industry, with an average length of stay (ALOS) of 2.7 days. While lower length of stay benefits patients, it also helps us to realise one of the highest Average Revenue Per Operating Bed (ARPOB) in the industry.

Lean procurement practices

Centralised purchases for all our hospitals facilitate economies of scale through better prices, discounts and terms of payment. Our sound procurement practices enable us to save on capital costs, achieve operational efficiencies and also keep future cost escalations under control.

Gradual ramp-up of bed capacity

We follow a judicious method of gradual ramping up of hospital bed strength. This enables us to keep our operational cost low and achieve faster break-even at the EBITDA level.

Innovative strategy for expansion

Besides owning and operating multi-specialty hospitals, we also operate and expand our business through the following models:

- **Operate and Manage (Revenue sharing model):** Under this arrangement, Shalby operates and manages third-party hospitals on a pure revenue sharing basis without any minimum gurantee/fixed rental, by adopting an asset-light model. While the land is owned by the third-party, our Company is flexible for investment in building, medical equipment, furniture, fixtures, and other fittings in the hospital. Further, we meet the staffing requirements through employees and consultants of our Company.
- **Hospital Management Contracts:** Under this arrangement, Shalby enters into hospital management contracts with third-party hospitals where we are paid management fee by the concerned hospital. We provide all the expertise and technical know-how for operating the hospital.
- **Outpatient Clinics:** Besides operating hospitals, we also offer our services to patients through our outpatient clinics. We have been operating such outpatient clinics for over 15 years.

The adoption of these varied asset-light models of foraying into new geographies enables us to drive higher revenue, expand faster and increase brand awareness in these markets without any major capital expenditure.

Further, this policy of first testing the waters before committing to capital investments for setting up our own hospitals, enables us to mitigate the capital risk associated with business expansion. Also, with our established operations and brand recall, we are able to reduce our advertising expenditure, incurring costs lower than what is normally associated with building and growing a brand. Finally, with an entrenched market and brand presence, we are able to ramp up operations at a much faster rate and reach break-even quickly.

Our patients have been our biggest brand ambassadors, reinforcing the superiority of our healthcare services.

Numbers that endorse the efficiency of our strategy

30%

Higher bed count for given floor space

Compared to other industry players, without compromising on the number of rooms

8

OTs for every 200 beds

Compared to the industry average of 4 OTs for every 200 beds

4.15

Days of ALOS

2.7 days of ALOS with Day-care Procedure

Lower capex of

₹40-50 lakh per bed

Compared to capex of ₹75 lakh and above per bed at other corporate hospitals

10-15%

Lower cost of operations

Compared to other industry players

Redefining Healthcare through our Capabilities

We have transformed treatments, patient recovery and patient care through innovation, expertise and by imbibing state-of-the-art technologies.

Leading the way in joint replacement

Shalby has been synonymous with innovative approaches to expert healthcare. We are especially renowned in the niche segment of orthopaedics, with our founder, Dr. Vikram Shah pioneering the use of '0 Technique' in joint replacement surgery. He introduced laminar air flow and body exhaust systems in the OT for the first time, to perform knee joint replacement surgery in India. He established the first Indian hospital with a 'Class 100' operation theatre, making knee replacement surgeries much safer and more successful. Today, Shalby Hospital is considered as the Best Knee Replacement Centre in India.

Redefining patient experience through '0 Technique'

- Number of hours spent in surgery reduced from 2.5 hours to ~20-22 minutes
- Risk of exposure to infection lowered
- Number of days stay in the hospital for post-surgery recovery reduced from 15-20 days to ~3 days
- Medication expenses brought down
- Far less blood loss from surgery

Redefining patient experience

Mr. Rama Ramesh
New Zealand - Total Knee Replacement

"'I underwent keyhole surgeries for my knee pain in 2003 and 2015. However, in the last couple of months, the pain on both my knees aggravated, restricting movements. My family members in India also suggested Shalby as the best institution for the treatment of my condition. Following the advice from trustworthy sources, we reached Shalby, Ahmedabad on June 4, 2018. Team Shalby was quick to get all my tests done and my bilateral knee surgeries were planned on the same day. I started walking from the very next day in the hospital corridors. My experience at Shalby Hospitals, Ahmedabad has been like a homecoming again."

Expertise across specialties

At Shalby, we have a team of experienced, well-qualified and dedicated doctors working together across specialties, who are led by internationally renowned surgeon Dr. Vikram Shah. Our doctors have an average of over 9 years of medical experience. They have demonstrated remarkable capabilities, skills and mindset, to deliver positive patient outcomes, even for highly complex cases. At the same time, they ensure that, the personal touch is very important to make a positive difference in the lives of our patients and redefine how healthcare should be delivered.

Our focus remains to provide a positive and enriching work environment for our team. This leads to high retention rates and will also allow us to continue to effectively recruit new doctors to support our pipeline of upcoming hospitals and expansion of facilities.

Advanced healthcare equipment and technologies

At Shalby, we use state-of-the-art equipment and technologies to assist doctors in their practice and treat patients effectively and efficiently. Our facilities are equipped with high-end machines, including MRI, CT, linear acceleration machines, digital X-rays, intra-operative neuro-monitoring systems, BMD machines, catheterisation laboratories, ultrasound machines, holmium lasers, thulium lasers and intra-operative neuro-monitoring systems among others.

We are also at the forefront of using new technologies to enhance the quality of patient care and improve internal efficiencies. Recognising the potential of digital solutions in transforming healthcare, we have embarked upon a massive business transformation programme using information technology. Our aim is to achieve a high level of automation at our facilities and across our systems and processes. We are also undertaking revamping of our existing IT infrastructure to make them best-in-class, aligned with our vision to be a leading smart hospital. We are in the process of implementing a new Hospital Information System (HIS), which has automated clinical, electronic medical records (EMR), administrative and inventory functions. The adoption of HIS will enable us to further optimise our operational efficiency and costs. Next in line in terms of IT upgrade is implementation of Enterprise Resource Planning (ERP) solution from leading provider SAP HANA. Once completed, it will provide us with actionable insights for better business decisions.

Our recent surgical breakthroughs

- Huge ovarian mass removed from an 11-year-old.
- Successfully carried out surgery on 5-month-old suffering from Pulmonary Atresia.
- Shalby cancer surgery team successfully performed complicated Esophageal surgery via minimally invasive keyhole technique instead of open chest surgery.
- Gall Bladder operation successfully carried out on 84-year-old to cure gall bladder cancer.
- Blockage in a vein supplying blood to liver removed via rare surgery.

Transforming Patient Care with the use of Latest Medical Equipment

CT Scan 128 slice

BMD – Bone Mineral Density

USG – Ultra sonography

X-Ray

MRI scanning

OPG – Ortho Pentogram

Redefining Patient Outcomes

Mr. John Murigu

Kenya-Kidney Transplant

I was introduced to Shalby Hospitals by Dr. Kamal Goplani, who diagnosed me at Ahmedabad and found that both my kidneys had collapsed. I was extremely sick, with no hope of living. He recommended Transplant. On July 30, 2016, Dr. Kamal Golpani arranged for our admission to Shalby Hospitals - SG Highway. On July 31, 2016, I and my son Michael (The Kidney Donor) were admitted for transplant. By God's grace, it was highly successful. We are completely healed and living a normal life. My entire family will always remember and pray for Shalby Hospitals daily. God Bless Shalby Hospitals. God Bless all the doctors of Shalby Hospitals.

Mrs. Fidelis Karingu

Kenya-Cancer Care

I wasn't experiencing any pain and it made me think that I wasn't sick. With great persuasion, my daughter managed to take me to a hospital in Kenya where the doctor did an endoscopy and suggested the probability of a cancerous tumour. However, no biopsy was done to confirm this assumption. I, thereafter, established contact with Shalby Hospitals, and the tests conducted here confirmed the presence of cancer. My first course of chemotherapy was administered by Dr. Bhavesh Parekh on June 12, 2018 and the second one on July 2, 2018. The next line of treatment will be decided after a Pet scan. There is significant improvement in my health since the time we got admitted here.

Mrs. Seham Suliman

Sudan-Spine Surgery

I was operated twice for spine surgery in Sudan, but the surgeries did not help me. I came to Shalby with severe pain in leg and back, unable to walk or stand for long. Post the surgery, I started walking from the second day and now I cover a comfortable distance every day, including climbing the stairs. With this comfort level, I am sure this is going to be the last leg of fixation required for my spine. Back in Sudan, I will tell all my colleagues to visit Shalby Multispecialty Hospitals for treatment of any kind of health condition.

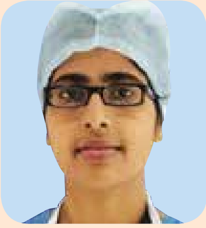
Employees Speak

It would be easy for us to tell you what life is like at Shalby and why it is such a great work environment, but we thought it would be better to let some of our employees share their thoughts.

Mr. Devi Darshan

Cathlab Technician - Shalby Mohali

I was working in a small, single-unit private hospital that didn't have a lot of growth prospects for me. Shalby's acquisition of this private hospital gave me the opportunity to set up our department once again, with much better facilities and new technology. This has also been the catalyst behind our strong team bonding. At Shalby, not only did I get to pursue my chosen career path, but I also got the chance to promote Brand Shalby through various medical and marketing camps. The exciting experiences and meeting up with new people broadened my horizons. I have learnt and grown both professionally and personally. Now it is more than 12 years that I have been associated with Shalby Hospitals, which is like a home to me.



Ms. Grace Joseph

Staff Nurse - Shalby Indore

I joined Shalby Hospitals Indore in August 2015. These past four years have been the greatest learning experience of my career. At the time of my joining, I was new to the industry but received constant support from my seniors and subordinates. Working here has been like being a part of a big family where I received motivation, assistance and ample exposure befitted for my holistic growth. In today's competitive scenario, organisations like these are rare where employees are absorbed and accepted in the system with such ease. My good work is always appreciated, and my lacunas are always observed and rectified. I feel obliged to be a part of this proud institution and look forward to a long-term association.

Mr. Basant Rathi

Senior Manager-Finance & Accounts - Shalby Surat

Being one of the earliest employees to be recruited at Shalby Surat since its establishment, I have had the privilege to begin my career in healthcare by working with some of the finest and renowned professionals of the industry. One of the best things about being here is that I am working in a listed company with a supportive team. This provides me with the experience of corporate and unit method of functioning in a single organisation, which is a rare combination for a Chartered Accountant. People often share their medical problems with me because of my association with Shalby Hospitals; I feel blessed when I can recommend them quality care. As an organisation, Shalby adds significant value to each employee, helping each individual to reach his or her highest potential. Our working style is very economical and dynamic and because of which we are growing faster than our competitors. I am proud to be a part of the Shalby family.

Dr. Ankur Mahindroo

Assistant General Manager-Corporate Development-Corporate

I joined Shalby straight after college. My stupendous growth here from an ordinary physiotherapist to AGM-Marketing and Promotion is what exemplifies my journey of more than 20 years. Each new day comes with lots of learning, be it in terms of new technology, to clinical advancement or patient care, to offer the best services to our patients. On the professional front, people admire the fact that I am associated with Shalby for the past 20 years and am a physiotherapist helping in promoting the services of the hospital. My tenure helps me to win over patient's confidence. I attribute my long association to no one else but my mentor, Dr. Vikram Shah and Dr. Bharat Gajjar. The way Dr. Vikram Shah has nurtured his employees is the reason behind their undying loyalty and unwavering association with the brand.

Ready to Redefine the next 25 years

We are determined to further our commitment of high-quality, affordable healthcare services by strengthening our presence across more specialty areas and expanding our healthcare network.

The healthcare sector in India offers huge opportunities for growth. Growing health awareness, increased government healthcare expenditure, deeper insurance penetration and higher incidence of chronic diseases due to shift in lifestyles are driving increased spends on healthcare services. Steady GDP growth leading to rising income levels and greater purchasing capacity are also strong growth drivers for the healthcare industry.

Ayushman Bharat

The flagship programme of Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana is the biggest step taken by the Indian Government and is well aligned with the concept of universal health coverage. It provides cover to over 100 million economically deprived families by insuring each family a sum of ₹ 5 lakh per year for secondary and tertiary care hospitalisation. This is expected to create a win-win situation, providing the much-needed impetus to the healthcare industry. The corporate hospitals can look forward to catering to the needs of a large section of the population for whom healthcare will no longer remain an out-of-pocket (OOP) expenditure.

Rising ageing population

As per the United Nations Population Fund, India's elderly population, aged above 60 years, is estimated to reach 300 million by 2050. Elderly people are highly susceptible to degenerative diseases due to ageing of the brain, socio-economic factors, and physical health problems, among others. The expanding elderly population along with the growing average life expectancy is increasing the demand for healthcare services.

High incidence of disease burden

Though India's population is 16% of the world's population, it has a disproportionately high share of global disease burden of approximately 21%. The burden of communicable diseases is coupled with one of the fastest growing incidences of non-communicable disease, mental illness and trauma. According to the WHO, nearly 63% of deaths in India are attributed to non-communicable diseases. Chronic conditions such as diabetes, heart disease and musculoskeletal disorders that are related to lifestyles, and are exacerbated by longer lifespans, remain the biggest challenges on the healthcare front. Cardiovascular and chronic respiratory diseases account for 38% of the total deaths. Besides, cancer is the second leading cause of death in India with millions of people getting diagnosed with cancer each year.

High potential for orthopaedic market

Osteoarthritis is the most frequent joint disease with a prevalence of 22%-39% in India. Rapid ageing, greater life expectancy, lack of exercise as well as altered lifestyles are driving the incidence of osteoarthritis amongst Indians. This has accelerated the demand for joint replacement surgeries, arthroscopy as well as paediatric orthopaedics.

Going ahead, Indians are expected to be 15 times more prone to suffer from knee arthritis than their western counterparts. The increasing number of patients is estimated to boost the knee replacement market in India. Besides, recent technological advancements such as improved implantations, minimal invasive surgeries and the use of computers have been considerably augmenting growth in the knee replacement market.

Medical Tourism: Treatment and major surgeries at Indian facilities cost 20% of what it costs in the developed nations, making India a major destination for Medical Value Treatment. With extremely skilled and experienced doctors having high success rate, India is expected to draw growing revenues from medical tourism. Most of the neighbouring developing nations lack similar expertise creating a steady influx of the cost-aware international patient in the subcontinent. The process for medical tourists to India has also been made easier with the e-tourist visa regime which has now been expanded to include medical visits as well. According to the Ministry of Tourism, India's medical tourism industry is projected to touch US$ 9 billion by 2020.

Shalby is ready for tomorrow

As the demand for advanced treatments increases, we are well-positioned to capitalise on these growth prospects. Our best-in-class hospital infrastructure with state-of-the-art equipment is in place at key locations across the country. We have the potential to almost double the operational beds at these locations without any major capital expenditure.

At the same time, we are growing our healthcare network through building of new hospitals and establishing outpatient clinics at third-party hospitals. For the insured rural population, we shall extend our philosophy of 'Healthcare at Doorstep'. We shall reach out to tap-in the rural sector instead of waiting for them to visit the urban healthcare centres. Our robust OPD centres coupled with OPD camps allow us to create a market for ourselves where our hospitals are not yet established. As an expansion scheme, this makes the rural market receptive towards us.

We have already taken big strides in the area of medical tourism, with our services being acknowledged by government bodies and well-received by overseas patients. With our proven track record of performing complex surgeries with a high success rate and strong brand name, we are at a vantage point to tap the huge opportunity that medical tourism offers.

While our niche segment of joint replacement surgery offers immense opportunity, we have also synergistically forayed into new areas. Our growing expertise in the fast-growing segments such as Oncology, Cardiac, Bariatric and Neurology, among others, will enable us to scale new growth horizons. Our unleveraged balance sheet also puts us in a strong place to pursue organic as well as inorganic growth. Finally, we have earned the trust of people through 25 years of healthcare excellence and we will continue to build on this promise.

Our best-in-class hospital infrastructure with state-of-the-art equipment is in place at key locations across the country. We have the potential to almost double the operational beds at these locations without any major capital expenditure.

Department of Orthopaedics

Further solidifying core strength in orthopaedics and leveraging it for expansion.

Overview

Orthopaedics is the branch of medicine that treats the ailments of the musculoskeletal system of the human body. It deals with the diseases of the complex system of bones, the spine, ligaments, tendons and their allied muscles and nerves, which together are responsible for our locomotion and posture.

India statistics

An increasingly sedentary lifestyle is resulting in an exceptional rise in musculoskeletal disorders, which leads to a massive growth in the orthopaedic market. Indians and Asians are 15% more susceptible to develop orthopaedic disorders compared to Americans. More than 15 crore Indians suffer from knee problems, out of which 4 crore patients need total knee replacement. In contrast, in China, about 6.5 crore people are prone to knee problems - less than half the number in India. Knee arthritis is expected to emerge as the fourth most common cause of physical disability in India in the next decade.

As per industry reports, in the United States, having a population of ~300 Million, nearly 8 lakh knee replacements are performed every year. India has a similar affording population, hence, direct potential for the segment is to grow to 8 lakh knee replacement surgeries. Due to lack of proper infrastructure and awareness, only around 1,75,000 knee surgery operations were performed in 2017. Additionally, given the population of India, the figure should cross more than a crore per year in the segment of knee surgeries alone. Hence, there is huge potential to scale the market size for orthopaedic surgeries in India.

Another factor that works in favour of the segment is that due to technology improvements, the cost to the patient for the surgery has not substantially changed over the past 25 years. On the other hand, the purchasing power of the middle-class in India has increased over this same period of time. With greater affordability, more people will be able to avail arthroplasty treatments.

Knee Replacement Surgery in India

CAGR of 32% in the last 23 years

2017 – 1,75,000 surgeries

2010 – 54,000 surgeries

2000 – 6,000 surgeries

1994 – 300 surgeries

Shalby's approach

Shalby Hospitals is one of the biggest and globally known tertiary centres for Orthopaedics, including all types of polytrauma cases, revision cases and paediatric orthopaedics. We have a senior and skillful team of doctors who are well-supported by best surgical, medical and ICU units to give best patient outcome and results.

We conducted over 8,760 arthroplasty surgeries during the year. (Count of rare surgery, high-end and complex surgery for spine, ortho trauma arthroscopy stood at 2,526) Shalby continued to maintain a market share of 15%, the highest among all private players in India. Arthroplasty continues to be the highest contributor to our revenue with 45% share.

The government has announced that under the Mukhyamantri Amrutam Yojana and Ayushman Bharat, total knee replacement surgeries are to become free in the state of Gujarat which will benefit Shalby, being market leader. This will benefit about 2 crore citizens in the state.

Shalby Cancer and Research Institute

Gaining trust by fostering clinical experience and insight sharing about complex cases through videoconferencing by experts across all facilities, as well as using minimally invasive techniques for cancer surgery.

Overview

Cancer refers to the group of diseases which are characterised by an uncontrolled cell growth and division to produce abnormal cells. These cells in turn, affect adjacent cells and continues to quickly spread throughout the body to other organs by a process termed as metastasis. Oncology - the treatment of cancer, involves steps to kill the cancerous cells and stop metastasis.

Shalby's approach

Our oncology department adopts a multi-disciplinary team approach to all types of cancer. The Shalby Cancer Tumour Board discusses amongst its members via videoconferencing about the complexities of the cases they had to deal with, thus creating a common information pool.

Dr. Purvish Parekh is the group adviser of our oncology team. He was a head of the department in Tata Memorial and he is one of the leading Doctor in Oncology in India. Under Dr. Parekh's efficient guidance, our cancer experts evaluate and treat all types and stages of head and neck cancers, from early lesions to the rarest and most challenging cases. We aim to make our oncology institute a world-class multi-functionary centre catering to national and international patients.

During the year, our Cancer and Research Institute conducted 568 surgeries, with patients from several countries visiting our institute for treatment.

Modern radiosurgery facilities in use at Shalby

- Varian Trilogy with FFF Technology
- Linear Accelerator
- True Beam Trilogy Radiation Machine

India statistics

2.25 Million
People suffering from cancer in India

>11 Lakh
New cancer patients registered every year

7,84,821
Total cancer deaths in 2018

7.37% Male
Risk of dying of cancer before the age of 75

6.28% Female
Risk of dying of cancer before the age of 75

Department of GI, Hepatobiliary and Bariatric Surgery

Liver Diseases and Liver Transplant Centre

Specialising in transplants, encouraging and carrying out live donation liver transplants successfully. For General surgery, minimally invasive techniques are used to minimise pain and blood loss.

Overview

An increasingly sedentary lifestyle is resulting in the rapid rise of obesity which invites an array of other diseases. Bariatric surgery is a type of weight-loss surgery which enhances weight loss by making changes to the digestive system.

Transplant cases are increasing at a high growth rate in India today. At the end stages of organ failure, it is organ transplants which can provide the hope of cure or life to patients. Organ transplants can be from live donors, organ banks or cadaveric, i.e. where the donor is in a brain-dead state. More than 80% of transplantations in the world are cadaveric in nature. Organ donation is the process of donating organs or biological tissue to a living recipient, who is in need of a transplant. It is a sensitive issue and has strict legal bindings as well. However, a few myths must be clarified that - when a person is declared to be brain-dead, then there is no possibility of her/his recovery, unlike when a person is in coma. It is only after repeatedly confirming that doctors declare a person to be brain-dead. Further donated organs are surgically removed and stored without disfiguring the body at all.

General surgery is a discipline of surgery which is based on the combined knowledge about anatomy, physiology, metabolism, immunology, nutrition, pathology, wound healing, shock and resuscitation, intensive care, and neoplasia, which are common to all surgical specialties. It is often recommended to patients when medication is not effective enough for cure.

India statistics

India has taken big strides in the field of Liver transplant. However, patients might need to wait for long for their names to appear on the list of receivers from cadaveric donors, since only 500 such donations are made on an average against the need of about one lakh per year. Living Donor Liver Transplants prove to be a boon in this regard and currently account for 80% of the liver transplants.

Shalby's approach

The Shalby Centre for Liver Disease and Transplantation (SCLDT) under the able guidance of highly experienced doctors like - Dr. Anand Khakhar (Recipient of the Dr. B.C. Roy National Award) and Dr. Vinay Kumaran has moved from strength to strength, excelling in both cadaveric and living liver donor transplants.

During the year, Shalby announced the opening of a Centre for Liver Disease and Transplant (CLTD) at the SG Shalby facility in Ahmedabad, where 13 successful liver transplants were performed. The total number of Hepatobiliary surgeries conducted in the year was 180. Liver transplant facility is also ready at Shalby, Mohali. Transplants are being used as an effective and permanent cure for our liver cancer patients as well.

During the year, we conducted 1,168 general surgeries. We have recently initiated Video Assisted Thoracic Surgery (VATS) to minimise surgical complications and reduce pain. Minimally invasive laparoscopic techniques lie at the forefront of our services. Techniques like the Keyhole Surgery or Pinhole Surgery are modern surgical techniques carried out by making relatively small incisions of around 0.5cm to 1.5cm instead of the traditional open surgeries. It reduces the post-operative pain and blood loss thus also diminishing the risk of needing a blood transfusion. It also increases the chances of survival in critical cases where an open surgery can be quite risky.

Department of Cardiac Sciences

Comprehensive heart treatment with an inclusive approach, bringing in the best of Cardiology, Cardiothoracic Vascular Surgery and Cardiac Rehabilitation.

Overview

The human heart has always incited curiosity. While its tireless functioning sustains our life, disorders and ailments if not treated in time often prove fatal leading to complications, even immediate death in some cases. Cardiology is the specialty branch of medicine that studies and specialises in the diagnosis and treatment of the cardiovascular disorders.

India statistics

Diseases of the cardiac system continue to plague India at large, with an ever-increasing trend, making Cardiovascular Diseases (CVDs) the largest factor behind mortality around 25% in the Non-Communicable Diseases segment. Heart attack ischaemic heart disease and heart failure account for above 80% of heart diseases.

Shalby's approach

We take an all-inclusive approach towards treating cardiac disorders at Shalby, bringing together the best resources, proficiency and capabilities of Cardiology, Cardiothoracic and Vascular Surgery as well as Cardiac Rehabilitation. Advanced technology and procedures find the best cures for our patients.

Technology - Advanced Cardiac Cath Labs, Dedicated Cardiac Operation Theatres, Fraction Flow Rate (FFR), External Counter Pulsation for Refractory Cardiac Failure Patients, Cardiac Electrophysiology for managing Cardiac Rhythm Abnormalities, Non-invasive Cardiology Programme with Stress Test, 2D Echo, Tilt Table Testing, Slice Dual Source CT scan for CT Coronary Angiography and Nuclear Medicine department, Advanced Dual Source Cardiac CAT Scan and ECMO.

Procedures - Interventional Cardiology, Congenital Heart Disease Clinic, Heart Failure Clinic, Coronary Angioplasty including Primary Angioplasty in Myocardial Infarction (PAMI), Complex Interventions (IVVS and OCT imaging), Pacemaker, CRT & AICD implantation, EP Study and RF Ablation, Peripheral Interventions (including renal carotid and interventional procedures like Device Closures, Balloon Valvuloplasty and Embolisation.

Diagnostic tests - ECG (EKG), Cardiac Catheterisation Lab, 2D Echo, TMT, TEE CT-angio.

During the year, our Cardiac Sciences Department conducted more than 6,000 procedure which consisted > 1,000 major cases.

Cardiac Growth Story in India

CAGR of 29% in last 30 years

- **2014 – 2,00,000 surgeries and 8,00,000 angioplasties**
- **2004 – 50,000 surgeries**
- **1994 – 5,000 surgeries**
- **1984 – 500 surgeries**

Shalby has signed agreement with Gleneagles Global Health City, Chennai for Heart and Lung Transplant Programme. Under its effect, both the entities will share common knowledge pool and further establish world-class cardiac facilities at all the hospitals of Shalby, which will thus allow quality cardiac care to permeate into the Tier 2 and Tier 3 cities of western and central India.

Department of Neurosciences

Bringing micro neurosurgery to the forefront for eradicating complex tumours.

Overview

The medical specialty field related to the central and peripheral nervous systems is called neurology. According to WHO, there are over 600 diseases of the nervous system. Common neurological disorders include - Dementia, Epilepsy, Headache Disorders, Multiple Sclerosis, Neuroinfections, Neurological Disorders associated with Malnutrition, Degenerative Spine Diseases, Trigeminal Neuralgia, Stroke, Traumatic brain injuries, etc. Neurological disorders have been on the rise due to the following factors:

- An increase in Traumatic Brain Injuries (TBI) from Road Traffic Accidents (RTA)
- An increase in the incidence of age-related dementia
- An increase in the incidence of strokes

Neurological disorders affect all groups, they are clinical, economic and public health issues mandating immediate attention.

India statistics

It is estimated that for the current population of India of 1.36 billion, there are over 30 million people who suffer from neurological disorders. There is need for more neurologists in India as the current ratio of one neurologist for 12,50,000 population is very low. Hence, the market scope is immense for expansion and it is crucial to fill up this gap.

Shalby's approach

Chronic conditions like Trigeminal Neuralgia which require lifelong medication are being cured at Shalby with Micro-Neurosurgery. We have also eradicated complex tumours without any damage to the brain or any other part. Complex tumours in elderly patients have also been treated successfully. World-class treatment is being provided to patients by our expert medical team. Our treatment is made more effective due to the availability of world-class equipment like:

- High speed drill (Metronics technology)
- CUSA – Cavitron Ultrasonic Surgical Aspirator
- Neuro Endoscope
- IONM – Intra Operative Neuro Monitor (SSEP monitoring)
- Intraventricular SOL Meningioma
- Large AVM L1 HP Grade IIIB (AVM – Anterivenous Malformation)
- Dumbell shaped Donsal (D4-D6) spinal tumour - Neurofibroma extending into thorax operated both components in single sitting with laminectomy and thorocotomy (T-shaped incision and approach)
- Atypical para saggital meningioma
- Giant Lf MCA aneurysm with Big ICH (young patient)

During the year, the Department of Neuroscience at Shalby conducted 396 surgeries.

Spreading awareness

Neurological disorders can at times lead to stigma, so it is crucial to spread awareness about the clinical nature of the ailment and encourage people to opt for treatment. During the year, we held the 'Spine Conclave' in Ahmedabad for spreading awareness on Knowledge Driven Spine Management.

Department of Paediatrics and Neonatology

Dedicated paediatrics and neonatology unit run by highly qualified and trained paediatricians who have thorough experience of treating a wide range of paediatrics and neonatal issues.

Overview

Children require special medical treatment that is different from the adults. Paediatrics is a branch of medicine focussed on providing special care and attention for the health and wellbeing of children. It offers treatment for diseases and associated disorders with astute observation and well-timed interventions. The invention of vaccines has proved to be the most effective medical intervention for paediatrics, saving the lives of millions of children across the globe.

Neonatology is a fast-developing and highly specialised branch which deals with not only the normal babies but also premature babies with low birth weight (less than 2.5 kg).

India statistics

- Infant Mortality Rate (IMR) in 2016 at all India level was 34 to 1,000 live births, a substantial reduction from 46 in 2011
- 18% of infants had a low birth weight of less than 2.5 kg
- 28% of children had mild anaemia, 29% had moderate anaemia, and 2% had severe anaemia in FY 2015-16
- Only 27% of newborns had a first postnatal check within the first 2 days after birth
- The percentage of children aged 12-23 months who have received all basic vaccinations increased from 44% in FY 2005-06 to 62% in FY 2015-16

Significant strides have been made in increasing life expectancy and reducing some of the common killers associated with child mortality. Major progress has been made on reducing malaria, tuberculosis, polio and the spread of HIV/AIDS. However, more focussed efforts are needed to fully eradicate a wide range of diseases and address many other persistent and emerging health issues.

Shalby's approach

The Department of Paediatrics at Shalby provides comprehensive care for children of all ages. Our services include regular outpatient department (OPD), vaccination OPD, admission facility and 24-hour emergency care. We have a Paediatric Orthopaedic Department bearing thorough expertise in traumatic, congenital, and developmental deformities of extremities and spine in children. Paediatric Neurology and Paediatric Cardiology units are also among the many other facilities that we provide. Our child-friendly environment and approach, along with our modern facilities and the expert skills of our specialists, has made Shalby a trusted hospital for paediatric surgery, vaccinations and child health-related treatment.

We also have a well-equipped and established Neonatology unit specialising in neonatal ventilation and management of extremely low birth weight babies. The Neonatal Department along with Obstetrics unit and Gynaecology unit provide ante-natal care as well as post-natal care.

Advanced Services by Shalby Paediatrics & Neonatology Department

- World-class management of acute childhood diseases
- Diagnosis and management of chronic childhood disorders
- Daily Vaccination Services
- Paediatric Neurology
- Paediatric Orthopaedic
- Paediatric Cardiology
- Fully Equipped Neonatal Department

Dental and Cosmetics Implantology

Redefining dentistry as a specialty and using technically advanced bariatric measures like Intra Gastric Balloon Therapy to treat morbid obesity.

Overview

Dentistry is the field of medicine which deals with the study, treatment and prevention of the diseases of the oral cavity. Oral health perceptions are often marred by misleading notions among Indians. More than 50% of the Indian population suffer from some kind of dental problem. Among them dental caries, tooth decay, and gum disease are major problems. However, most take oral health issues much more casually when compared to general health, hence only a few of them realise that they have a problem and go visit a dental clinic for treatment. This has led to an overall poor oral health quality in India which requires immediate attention.

Cosmetic surgery is a selective field of plastic surgery which chiefly focusses on enhancing a patient's appearance, rather than addressing medical issues. It is performed in cases where patient opts to undergo surgery or invasive medical procedures to modify their physical appearance. Cosmetic surgeries have been on the rise and India is becoming a destination for the same for patients from across the globe.

India statistics

The cosmetics surgery segment is still in the nascent stage. Oral diseases, on the other hand, are a major public health concern for the country. More than 95% Indians suffer from gum diseases and around 16% of dental disorders are periodontal in nature. The increased prevalence of dental diseases can be accounted to the rapidly changing nutrition patterns in the country and poor dental habits.

Shalby's approach

The Centre of Dental Cosmetology and Implantology at Shalby has emerged as a leading specialty segment. During the year, the Centre conducted 632 procedures.

The following services are performed at the Centre - Prophylaxis, Sealant placement, Caries detection, Restorative dentistry, Periodontics, Dental implants, Immediate and partial dentures, Root Canal Treatment, Laser dentistry, Paediatric dentistry, Cosmetic dentistry, Teeth whitening, Dental crowns and bridges, Orthodontic treatment and Sedation dentistry.

We also follow a combination of Cosmetic Surgery, Non-Surgical Cosmetic Treatment and Laser Treatment to achieve the best outcome for the patient. The services offered include - liposuction, Abdominoplasty (tummy tuck), Arm lift, Surgical body contouring after drastic weight loss, Breast enlargement, Breast Lift, Breast Reduction, Chest Enlargement in men, Blepharoplasty (Eyelid lift), BOTOX, Fat injection of face, Acne scar reduction, Face lift, Dermafiller - soft tissue augmentation and laser hair removal. In order to effectively reduce morbid obesity, we are currently using Intra-Gastric Balloon therapy.

A state-of-the-art power-assisted liposuction machine was recently installed at our Indore hospital.

Department of Nephrology & Urology

Kidney Diseases and Kidney Transplant Centre

Providing the highest standards of care using ultramodern Holmium Laser Treatment.

Overview

Nephrology is a specialty field concerned with kidney physiology, kidney disease, the treatment of kidney disorders and renal replacement therapy. Systemic disorders which affect the kidney like diabetes or autoimmune disorders and systemic problems which result from kidney disorders also fall within the scope of its study.

Urology refers to the discipline that studies, diagnoses and treats male and female urinary tract disorders and the male reproductive system. Urological diseases or conditions include urinary tract infections, kidney stones, bladder control problems, and prostate problems. Some urologic conditions last only a short time, while others are long-lasting. Urological treatment has come a long way today from its humble start chiefly owing to immense innovation in this regard. However, urological disorders are also on the rise primarily owing to an altered lifestyle.

India statistics

Chronic kidney diseases rank eighth under the non-communicable diseases as the cause of mortality in India. According to the Chronic Kidney Disease (CKD) Registry, prevalence of significant kidney disease (stage three and above; Glomerular Filtration Rate less than 60 ml/minute) afflicts 6% of the people in India. Some of the most common causes of kidney disorders are hypertension, diabetes, obesity, smoking and use of over-the-counter painkillers. As per the recent Indian Council of Medical Research data, prevalence of diabetes in Indian adult population has risen to 7.1% and in urban population the prevalence is as high as 28%. The reported prevalence of hypertension in the adult population today is 17% (14.8% from rural and 21.4% from urban belt). With rising prevalence of these diseases in India, the incidence of chronic kidney disease is expected to rise.

The prevalence of end-stage renal disease requiring transplantation in India is estimated to be between 151 and 232 per million population. If an average of these figures is taken, it is estimated that almost 2,20,000 people require kidney transplantation in India. Against this, currently, approximately 7,500 kidney transplantations are performed at 250 kidney transplant centres in India. Of these, 90% come from living donors and 10% from deceased donors.

With the rise in kidney disorders, the market for urology and nephrology is expected to expand further.

Shalby's approach

Our nephrology department provides modern facilities like Haemodialysis: Dialysis unit with 9 beds (separate machines for HBsAG and HCV positive patients), Peritoneal Dialysis, CRRT Kidney transplant (Live Related/ Cadaveric). The CRRT machine has been recently installed for patients suffering from acute kidney disorders as well as for cardiac patients who cannot be dialysed on regular machines.

In urology, our team of experts use the ultra-modern Holmium Laser Treatment, which provides the highest standards of care for diseases like:

- Benign prostatic hyperplasia (HoLEP)
- Laser Endopyelotomy
- Ureteric Stricture Disease
- Urethral Stricture Disease
- Tumours of bladder, ureter and kidneys
- Bladder Neck Incision
- Incision of posterior urethral valve
- Temporary and permanent dialysis catheter insertion
- Renal Biopsy
- Number of dialysis sessions

The surgery count in nephrology and kidney transplant stood at 1,278 and 18 respectively during the year. We have performed over 100 transplant.

Redefining Healthcare by Investing in Our People

At Shalby, our best asset has been our dedicated and loyal workforce. Be it our doctors, nurses, paramedical or managerial staff, we value everyone's contribution towards serving our patients.

The entire workforce is a firm believer in Shalby's ELITE values, which makes each member a part of our purpose-driven journey towards constantly exceeding patient expectations. The HR function aims to build a culture of continuous learning to drive executional excellence.

Onboard @ SHALBY

We make the new chapter in the lives of our employees a little more rewarding as they get welcomed into the family amidst cheers from their families and friends. 'Know Your Consultant' or the KYC is our way of welcoming new members to the Shalby family. Once in the family, they take part in our planned induction sessions before beginning with their assigned jobs. The induction sessions last up to 2 days for non-clinical staff and 3 days for clinical staff, where they are briefed about the organisational culture, SOP's and other prevalent company policies.

Clarity and Transparency

The HR Team has designed three crucial documents which serve as the blueprint for all recruitment processes and employee relationships. They provide a greater employer-employee transparency and keeps all levels of communication open. The HR team does continuous internal assessments via different scorecards to improve their respective functionalities.

Job Description (JD) Manual

The manual clearly states the job roles for all defined posts at Shalby. It enables employees to know what is expected of them and the organisation benefits from their streamlined efficiencies.

Manpower Dimension

It is a comprehensive document prepared and continuously updated by the HR team. It gives an idea about the exact staffing needs of each unit by providing predictive cost analysis ratios, such that there is neither a crunch nor surplus.

The HR Policy Manual

This well-structured manual consists of the Code of Conduct and transaction processes. It helps to exercise internal control and avoid discrepancies.

Empowering our Team

We constantly provide our employees opportunities for learning and growth. Our educational wing, the Shalby Academy, provides them the opportunity to further hone their skills and advance their career. To assess the engagement level of our employees, we conduct employee motivation survey across all our units using the GallupQ12 Questionnaire, a leading workplace methodology. The results get assimilated and necessary changes are brought so as to foster overall improvement.

We constantly provide our employees opportunities for learning and growth. Our educational wing, the Shalby Academy, provides them the opportunity to further hone their skills and advance their career.

Connect and Communicate

ELITE

The quarterly employee newsletter of Shalby - ELITE was launched to show our regard and appreciation of the accomplishments of our employees who exceeded expectations.

RoaR

'Roadmap Redefining'- a strategic meet for the CAOs and Marketing Teams across all our units. The purpose of RoaR was to echo the vision of the management to all employees in order to attain organisational goals.

SNEH

The nursing staff, across all our hospitals, is trained in accordance to standardised rules and norms. SNEH (Shalby Nursing Excellence Handbook) instructs and guides our nurses in the same.

Reward and Retain

When our employees walk the extra mile for us, we too step forward to acknowledge them. Unlike most other players, at Shalby, we have a non-restrictive hiring process. Maintaining the perfect balance between personal and professional life is a sensitive issue today. In order to extend our support, we allow members from the same family to get employed at Shalby units. The experience is also fulfilling for us as it leads to greater loyalty and continuity of values, which ultimately gives us a better competitive edge.

Engage. Invigorate.

The holistic well-being of our employees is of prime significance to us, as we understand the boon of an energised workforce who can function as goodwill ambassadors of the brand. We cherish our moments of celebration of major festivities where our employees wholeheartedly participate to make the events memorable. Be it social issues or cultural festivals, our employees have always volunteered to participate in events like Nursing Day, Independence Day, Organ Donation Week, Power Saving Week Diwali, Lohri, Makar Sankranti, Women's Day, Republic Day, Father's Day etc.

We cherish moments of celebration of major festivals where our employees wholeheartedly participate to make the events memorable.

Redefining Support to the Healthcare Industry

As a respected healthcare company, we recognise our responsibility in extending support to the industry. We proactively work with aspiring healthcare professionals to transform the talent ecosystem.

The acute talent crunch in the Indian healthcare industry has always been a big challenge leading to underperformance of the sector. Not only is the number of doctors insufficient, but there is also a major deficit in the number of trained nurses and paramedical staff in most Indian hospitals. In order to overcome this constraint, Shalby runs its own training institute, Shalby Academy. The Academy offers paramedical as well as management programmes. It is affiliated with IIPH University, ILAMED, National Paramedical Council IIPH University, Gandhinagar, ILAMED, National Paramedical Council, AIMS, Gujarat University

Paramedical Programmes

Offered to aspiring nurses and paramedical staff. Skill training is imparted as part of this course. The programmes have been designed with the objective of making medical education more competent and at par with the changing healthcare requirements.

Management Programmes

Offered to graduates looking to work in the healthcare industry as well as professionals who are already working in hospitals, clinics, pharmacy, healthcare start-ups and equipment companies.

The educational wing of Shalby Hospitals not only benefits the applicants, by increasing their employability, but also benefits the industry as a whole. We also stand to gain as we have access to a ready talent pool, which in turn ensures our hospitals are adequately and appropriately staffed. As the clinical staff has the most interactions with the patient as well as the family, having a highly efficient staff gives our patients the best of experiences during their stay at Shalby.

During the year, the Shalby Academy entered into several agreements as shared below:

Agreement with Ahmedabad Institute of Medical Sciences for jointly running paramedical programmes affiliated with Gujarat University. Shalby Hospitals will run various paramedical courses by teaching and training paramedical students pan India, across Shalbyunits.

Agreement with Berkeley Health Education Pvt. Ltd. Initiatives for conducting several programmes in the healthcare sector where Berkeley will organise the courses and Shalby will impart practical training to nurses, paramedical staff and doctors.

375

Number of internship students completing the Shalby Academy Programme in FY 2018-19

Corporate Social Responsibility

Touching lives, where the need lies

Being active members of the healthcare industry, we understand the problems faced at the grassroot level by local communities, who find little access to proper and quality healthcare services.

Our CSR initiative focuses on activities which are executed in accordance with our philosophy of bringing healthcare to every doorstep. CSR is not limited to the area around our units only, but is spread over varying geographies keeping in mind the societal needs.

KEY THRUST AREAS

- Promoting Preventive Healthcare - through awareness programmes, health check-ups, free or concessional Medical Camps, provision of medicine & treatment facilities, providing pre-natal & post-natal healthcare facilities, prevention of female foeticide through awareness creation, awareness programmes about osteoarthritis, knee replacement and programmes for preventing other diseases and building immunity.

- Primary Healthcare - We aspire to deliver primary healthcare support through diagnosis and treatments, special programmes for pain and palliative care, promoting preventive healthcare, organising sanitation drives and medical camps. Setting up projects aimed at eradicating malnutrition in women and children.

- Supporting financially weak through subsidies - Projects, programmes or activities aimed at improving the health and hygiene of the socially or economically weaker sections, families in the below poverty line (BPL) by providing free or subsidised medicine, clinical laboratory facilities, free or concessional treatments at hospitals, setting up of medical and diagnostic camps.

- Imparting vocational training and promoting education - Educational programmes or vocational skills which are profession-specific and enhanced employment avenues are provided with the aim of creating technically skilled and trained individuals.

- Care for the elderly - Keeping in mind the special and sensitive attention, the elderly require, Shalby is working on planned actions towards the setting up of old-age homes, day care facilities, medical aids and arranging requisite funding for the same.

Board of Directors

Dr. Vikram Shah
Chairman and Managing Director

Dr. Vikram Shah, aged 56 years, is the Chairman and Managing Director of our Company with over 25 years of experience in the medical industry. He holds a Bachelor's degree in medicine and surgery as well as a Master's degree in orthopaedic surgery from B. J. Medical College, Ahmedabad. He is pioneer of our Company who has been conferred with the 'Hercules Award for Innovation of 0 Technology in Knee Surgery' by the Gujarat Innovation Society in 2014 and the 'Pathbreaking Services in the Field of Joint Replacement and Orthopaedic Surgery Award' by Rotary International in 2009. He has been the recipient of the Double Helical National Health Award 2017 for his outstanding record in Knee replacement surgery with his innovative '0 Technique'. Recognised for his outstanding contribution in the field of orthopaedics on completion of 1,00,000 joint replacement surgeries, he received the 'Times Man of the Year' Award by Times of India Group in 2018. He has also been conferred with 'Luminary Award' by Divya Bhaskar Group for his contribution in the field of orthopaedics.

CA Shyamal Joshi
Non-Executive Director

CA Shyamal Joshi, aged 70 years, is a Non-Executive and Non-Independent Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University. He is also a member of the Institute of Chartered Accountants of India. He has been associated with our Company since 2010. He has vast experience in various areas including corporate strategy and fund raising. Currently, he holds the position of Director in various other companies.

Dr. Umesh Menon (Ph.D.)
Independent Director

Dr. Umesh Menon, aged 48 years, is an Independent Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University, a Master's degree in Commerce from Gujarat University and a Master's degree in Business Administration with Specialisation in Finance from B. K. School of Business Management, Ahmedabad. He is also a Fellow member of the Institute of Cost Accountants of India. He has been conferred with the Doctorate (PhD) in Management degree from Calorx Teachers' University of Ahmedabad. He has rich experience in the areas of finance and cost accounting. He is currently on the Board of Directors of Varis Management Services Private Limited. He is a regular Visiting Faculty at Emirates Foundation and an International Expert & Trainer for United Nations Industrial Development Organisation.

Mr. Tej Malhotra

Independent Director

Mr. Tej Malhotra, aged 69 years, is an Independent Director of our Company. He holds a Bachelor's degree in Mechanical Engineering from Sambalpur University, Odisha. He has over four decades of experience in industries both in India and abroad. Previously, he held the positions of Senior Executive Director at GHCL Limited; Technical Director at Idea Soda Ash and Calcium Chloride Company of Saudi Arabia and Executive Engineer (Mechanical) at Hindustan Copper Limited. He has been awarded the 'Bhartiya Udyog Ratan' award by the Indian Economic Development and Research Association, the 'Bhartiya Gaurav' award by World Economic Progress Society and 'Darbari Seth Award 2009' by the Alkali Manufacturers of India for best managed soda-ash plant. Currently, he is the working as President of RSPL Limited for the purpose of setting up a mega project of soda-ash in Dwarka (Gujarat).

Dr. Ashok Bhatia (Ph.D.)

Non-Executive Director

Dr. Ashok Bhatia, aged 65 years, is a Non-Executive and Non-Independent Director of our Company. He holds a Bachelor's degree in Science from Punjab University, a Master's degree in Business Administration with a Specialisation in Marketing and Doctorate in Business Administration in Talent Management from the Adam Smith University, United States of America. He has more than 40 years of professional experience. In the past, he was associated with Cadila Healthcare Limited as President, Emerging Markets. Currently, he is an external consultant of McKinsey & Co and a visiting faculty at IIM Ahmedabad, IIM Rohtak and IIT Gandhinagar.

CA Sujana Shah

Independent Director

CA Sujana Shah, aged 41 years, is a graduate in Commerce from Gujarat University and a member of the Institute of Chartered Accountants of India. She is a practicing Chartered Accountant and has vast experience of over 18 years in the fields of finance, accounts, audit, direct and indirect taxes, banking, treasury, etc. Presently, she is a partner of V. R. Shah & Associates. She has also been the statutory and internal auditor of some of the most reputed public banks of India.

STATUTORY REPORTS AND FINANCIAL STATEMENTS

25 Years of Redefining Healthcare

Management Discussion & Analysis

INDUSTRY OVERVIEW

Indian Healthcare Industry

Healthcare has become one of India's largest sectors – both in terms of revenue and employment. It is projected to become a US$ 280 billion industry by 2020 and US$ 372 billion by 2022, with rising income levels, greater health awareness, increased precedence of lifestyle diseases and improved access to insurance being the key contributors to growth. The healthcare industry in India emerged as the 4th largest employer. The hospital industry, which roughly accounts for 80% of the healthcare market, is expected to grow by a CAGR of 16-17% to reach ₹ 8.6 trillion (US$ 132.84 billion) by 2022.

Nonetheless, healthcare in India has always posed questions around accessibility and affordability for a majority of its population. While deprivation to healthcare services for a large part of the population remains the primary challenge, access to the right doctors, facilities, treatment and medication, on the other hand, is limited to a few metropolitan cities.

The healthcare industry in India has grown exponentially in the recent years due to increased investment and expenditure from public and private investors. Presently, the increasing incidences of lifestyle diseases, growing demand for affordable healthcare, rising disposable incomes, emergence of modern technologies such as telemedicine, and greater penetration of health insurance are the significant driving forces. Additionally, availability and advancement of modern healthcare facilities have also contributed towards the betterment of healthcare services industry in India.

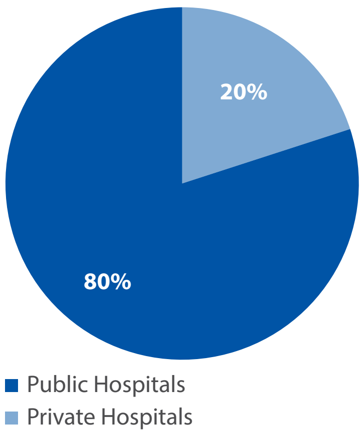
(Source: IBEF)

Participation from the Private Sector

The healthcare market broadly includes Hospitals, Pharmaceuticals, Diagnostics, Medical Devices, Medical Insurance and Telemedicine. Hospitals comprise the largest segment and play a major role in delivering healthcare services in India. The services offered under hospitals reach the population through two routes - public and private. According to World Economic Forum (WEF) report, India is expected to add about 140 million middle-income and 21 million high-income households by 2030. The rising prosperity of many Indian households is prompting demand for high-quality medical care and increasing private sector participation. The private sector has been on a steady growth path. It has emerged as a vibrant force in India's healthcare industry and accounts for 74% of India's total healthcare expenditure. The presence of world-class hospitals and skilled medical professionals have strengthened India's position as a preferred destination for medical tourism.

Private hospitals have been thriving with the emergence of a more prosperous middle-class demanding good quality healthcare. Today, private healthcare players offer better and efficient tertiary and quaternary treatments, with advanced healthcare facilities and infrastructure and highly skilled and expert professionals, which the government hospitals generally lack. Under-staffed and under-financed public hospitals are compelling patients to visit private practitioners and hospitals. Public-private partnerships (PPP) have the potential for setting higher benchmarks for quality health services. The PPP framework will better enable the private sector to participate in and contribute to the Government's agenda and provide services at subsidised rates.

Share in the Total Healthcare Market



(Source: IBEF)

Government Initiatives

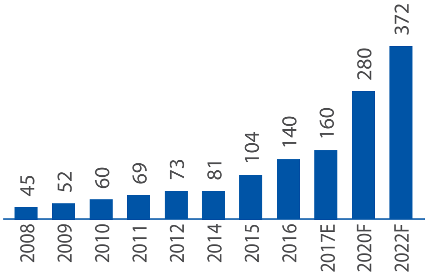
The Indian healthcare sector is going through exciting times. The Government has been sharply focussing on the development of the healthcare sector and is committed to increase public spending on healthcare from 1.15% of India's GDP currently to 2.5% by 2025. During the Union Budget Speech 2019-20, it approved the continuation of the National Health Mission with a budget of ₹ 31,745 crore (US$ 4.4 billion). The policy is a sharp turn towards embracing the private sector in its aim to achieve universal health coverage. With this, the Government seeks to plug gaps in service for its 1.2 billion people through "strategic purchasing" of care from private facilities. The aim behind this is to not only improve access, but also affordability and quality of service. There is an urgent need for healthcare services to become more accessible and affordable and cater to the diverse masses with the right push from the Government.

The launch of Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana is the largest government funded healthcare programme, targeting more than 500 million beneficiaries. This path-breaking initiative which aims to address healthcare holistically, was allocated ₹ 6,400 crore (US$ 887.04 million) in the Budget 2019-20. Under this scheme, free and cashless insurance coverage of up to ₹ 5 lakh per family per year will be provided to over 10 crore poor and vulnerable families for secondary and tertiary care hospitalisation at the empanelled public and private hospitals.

Other notable schemes include the launch of Mission Indradhanush, to improve the coverage of immunisation in the country; National Health Protection Scheme, to provide the much-needed protection to the most under-privileged sections; and the creation of 1.5 lakh Health & Wellness Centres to bring quality and affordable healthcare closer to people. Further, support in the form of tax incentives and other subsidies is expected to give a significant fillip to the healthcare industry, besides encouraging employment. These positive developments are expected to bolster expansion and growth of the industry as a whole. With a vast array of opportunities and supportive foreign investment policies, global players too have elicited continued interest in entering Indian healthcare.

Healthcare Sector Growth Trend (in Bn)

CAGR: 16.28%



(Source: Frost and Sullivan, LSI Financial Services, Deloitte, Aranca Research)

Healthcare Delivery in India

India is severely under-indexed in healthcare delivery infrastructure. According to a global health report by the World Health Organisation (WHO), India's per capita healthcare spending (as proportion of GDP), and specifically public spending, is among the lowest per capita in the world.

Despite the rapid advancement of the healthcare landscape in India, the sector continues to grapple with myriad challenges. A large population and low overall healthcare and public spending have led to skewed access to healthcare across the country. Recognising the vital role of healthcare in achieving economic development, it is imperative for India to invest in an efficient and universal healthcare system to drive progress. India also has fewer hospitals bed and doctors than both US and China. Against the World Health Organisation's (WHO) recommendation of 3.5 beds per 1,000 people, India has a very low hospital bed density of 0.9 per 1,000 people. As against this, the US and China has 2.8 beds and 3.5 beds, respectively. By 2025, India will need an additional 3 million beds to achieve this target.

The country also has the lowest number of doctors per 1,000 people, given the vast and growing population. Estimates suggest that India will require 2.07 million doctors by 2030, to be able to achieve a doctor-to-population ratio of 1:1,000, as promulgated by WHO. These statistics portray the huge healthcare infrastructure gap, pointing out challenges as well as opportunities for the sector. Being a long gestation investment, healthcare requires enormous capital to create scale and reach.

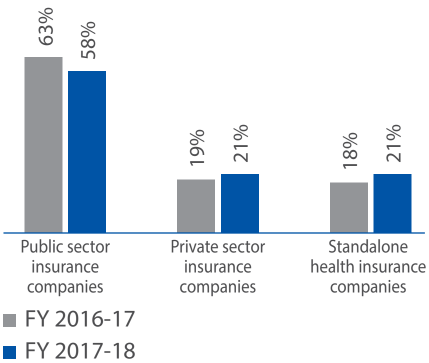
(Source: IBEF Report, Frost & Sullivan reports)

Health Insurance Industry

India has a huge population of uninsured residents. Even among the emerging markets, India is one of the least insured countries, with a health insurance penetration rate of only 20%, according to the Ernst & Young report. The low penetration indicates ample headroom for growth in the segment. The cost of treatment has been on the rise in India, leading to inequity in access to healthcare services. One of the world's highest rates of out-of-pocket spending in healthcare and burden of new diseases is fuelling demand for health insurance coverage. Currently, many companies offer health insurance coverage to their employees, driving market penetration of insurance players.

With the advent of private and standalone health insurance providers, the awareness and penetration of health insurance has been on an upward trend. According to the Insurance Regulatory and Development Authority of India (IRDA), market share of public sector insurers declined marginally from 63% in FY 2016-17 to 58% during FY 2017-18. On the other hand, the share of private sector and standalone health insurers grew by 2% and 3%, respectively, during the same year. Private health insurance players are increasingly developing innovative solutions and products to encourage more Indians to purchase health insurance. They are also moving beyond mere hospitalisation coverage to more comprehensive policies that can incentivise wellness and promote preventive care.

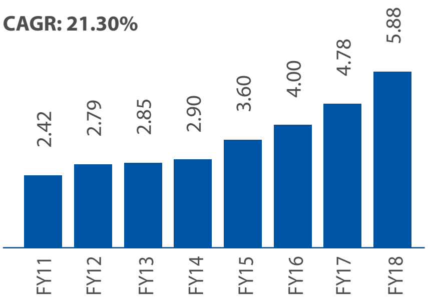
Segment-wise Market Share (%)



(Source: IRDA Annual Report FY 2017-18)

Notably, the gross healthcare premiums collected in India stood at US$ 5.88 billion at the end of FY 2017-18, witnessing a CAGR of 21% during the period FY 2011-2018. The health insurance industry has abundant scope to expand aggressively in India, backed by a continued rise in the demand for quality and affordable healthcare services, shift in the disease profile and increased awareness. Educating India's population and explaining them the benefits of preventive care is likely to enhance the value proposition and augment the market penetration of health insurance in the country.

Health Insurance Premium Collection



(Source: IBEF)

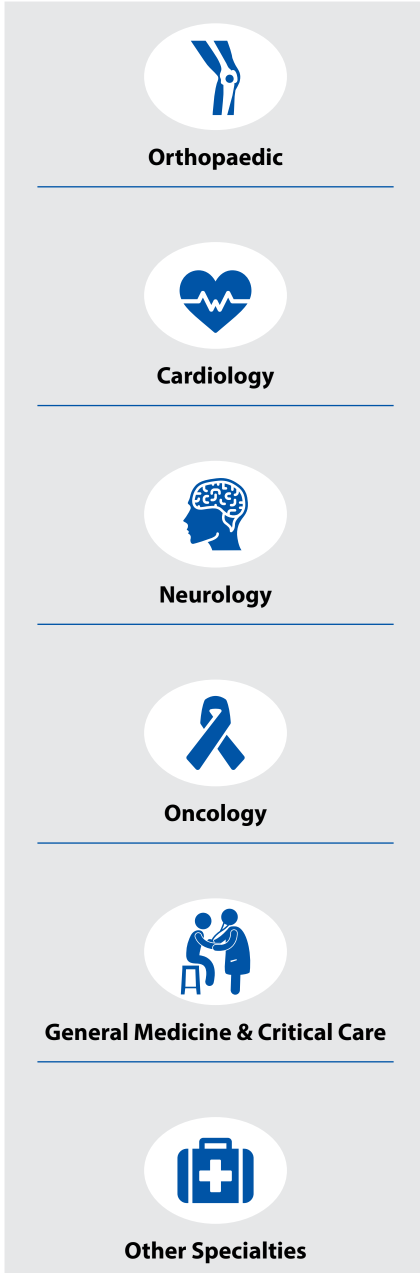
The National Health Protection Scheme implemented by the Government to extend the scope of public health cover to the society's poorer sections augurs well for India's health insurance sector. Moreover, with easing of the regulatory regime and policy changes, IRDA has been a key catalyst in the growth of health insurance industry in India.

COMPANY OVERVIEW

Shalby Hospitals was founded by the iconic orthopaedic surgeon, Dr. Vikram Shah in 1994 at Ahmedabad in the state of Gujarat. From a humble beginning of one multi-specialty hospital in 2007, Shalby has today snowballed to become a leading chain of multi-specialty hospitals pan-India in two and half decades. It is one of the leading providers of quality and affordable healthcare services across the world and a pioneer in the field of joint replacements in India. The Company is committed towards delivering world-class healthcare services to patients in well-equipped facilities through the use of advanced technology and a highly skilled team of healthcare specialists, doctors and nurses.

Shalby has a deep presence in western, central and Northern India with a network of 11 multi-specialty hospitals. Of these, 4 are located in Ahmedabad and 1 each at Vapi, Surat, Indore, Jabalpur, Mohali, Jaipur and Mumbai. It also has 34 out-patient clinics across 29 cities in India. Internationally, too, it has established a strong presence in Africa, Bangladesh and Cambodia with multiple out-patient clinics extending expert healthcare and wellness services to these countries. Over the years, the Company has embarked on its journey of becoming a comprehensive healthcare service provider, with a strategic focus on providing tertiary and quaternary healthcare services.

Healthcare Services catered to:



Key Competitive Strengths:

Leadership in Joint Replacement:
Since inception, Shalby has been enjoying an impeccable reputation in the Arthroplasty segment, with over 8,760 Arthroplasty surgeries performed during FY 2018-19. Additionally, it commands a 15% market share in the joint replacement surgeries conducted by private healthcare hospitals, and nearly 5% market share in the overall joint replacement surgeries performed in India.

Trusted Brand:
Shalby has been successful in cementing its position as a trusted and preferred brand in the healthcare sector, particularly in the orthopaedic segment. Leveraging modern technologies and best-in-class infrastructure, the Company has a long-standing experience in providing quality services to patients of all age groups and across diversified locations. In FY 2018-19, Shalby was equipped with 2,012 beds and provided healthcare services to over 3,52,182 patients.

Unique Business Model:
Judicious capital expenditure in land acquisition, intelligent interior designs, efficient utilisation of available floor area, and the equipment sourcing strategy have enabled the Company to optimise its capex and opex and also increase its bed count significantly. The Company is driven by its strategy of delivering healthcare services through out-patient clinics before foraying into a prospective market, as well as prudent financial planning. These factors have led to relatively faster break-evens and higher return ratios.

Dedicated Medical Team:
Shalby has established a repute for its in-house team of professional and skilled doctors, surgeons and support staff with rich industry experience and in-depth domain expertise, who have been instrumental in driving the Company's success. Further, astute focus on a full-time doctor model reduces the Company's dependence on visiting doctors and enhances its operational efficiency.

REVIEW OF FINANCIAL PERFORMANCE

During FY 2018-19, the Company's consolidated revenue stood at ₹ 4,705.86 Million, registering a growth of 21% from ₹ 3,880.04 in FY 2017-18. Profit Before Tax (PBT) stood at ₹ 503.88 Million compared to ₹ 537.29 Million in FY 2017-18. Profit After Tax (PAT) of the Company declined to ₹ 316.54 Million from ₹ 391.70 Million in the previous year. This was mainly on account of higher depreciation, higher employee cost and increase in payments to Doctors and Consultants.

During the year, the Company repaid ₹ 526.39 Million worth loans and the outstanding balance stood at ₹ 708.24 Million.

OPERATIONAL HIGHLIGHTS

Particulars	31.03.2019	31.03.2018
Bed capacity (Nos.)	2,012	2,012
Operational beds (Nos.)	1,102	1,150
Average Length of Stay (Days)	2.69#	3.7
Occupancy (Beds)	413	335
In-patient Count (Nos.)	55,985	32,967
Out-patient Count (Nos.)	2,96,197	2,22,970
Surgeries Count	19,908	17,554
ARPOB (₹)	31,235	**31,564**

4.15 days without day-care procedures

OPPORTUNITIES

Lifestyle diseases on the rise

Increased incidences of lifestyle diseases serve as a growth opportunity for the healthcare sector. Sedentary lifestyles, lack of physical activity, nutritional deficiency, long working hours, increase in stress levels, higher consumption of tobacco and alcohol and soaring pollution levels are some of the harmful and negative trends arising due to increasing urbanisation and modern lifestyles. More importantly, changing lifestyles today are giving rise to alarming levels of non-communicable diseases (NCDs) such as cardiovascular diseases, cancer, high blood pressure, diabetes, among others. According to the WHO, nearly 63% of deaths in India are attributed to NCDs. Cardiovascular and chronic respiratory diseases account for 38% of the total deaths. Besides, cancer is the second leading cause of death in India with Millions of people getting diagnosed with cancer each year. Higher incidence of lifestyle related ailments has contributed to the demand for better healthcare. Moreover, spike in disposable incomes and growing awareness is fuelling demand for quality healthcare services.

Orthopaedics – An Evolving Market

The Indian orthopaedic market has tremendous potential for growth. In India, a large chunk of the population is suffering from arthritis. Expanding incidence of obesity, osteoarthritis and osteoporosis further compounds the problem. Osteoarthritis is the most frequent joint disease with a prevalence of 22%-39% in India. Rapid ageing, greater life expectancy, lack of exercise as well as altered lifestyles are some key drivers for the ubiquity of osteoarthritis amongst Indians. This has accelerated the demand for joint replacement surgeries, arthroscopy as well as paediatric orthopaedics.

Indians are expected to be 15 times more prone to suffer from knee arthritis than the Western population. The increasing number of patients, whether young or elderly, followed by the mounting number of surgeries is estimated to boost the knee replacement market in India. Besides, recent technological advancements such as improved implantations, minimal invasive surgeries and the use of computers has been considerably augmenting growth in the knee replacement market.

Rising Ageing Population

According to the United Nations Population Fund, India's elderly population, aged above 60 years, is estimated to reach 300 Million by 2050. Further, elderly people are highly susceptible to degenerative diseases due to ageing of the brain, socio-economic factors, and physical health problems, among others. The expanding elderly population along with the growing average life expectancy is increasingly leading to an elevated demand for healthcare services in India.

Medical Tourism

Today, medical tourism is a key driver brightening the growth prospects of India's healthcare market. India offers quality and cost-effective care in world-class, accredited hospitals with supremely talented English-speaking medical professionals. It is well positioned to catapult its share in the global medical tourism market. Treatment for major surgeries in India costs nearly 20% of that in the developed countries. Low treatment costs, high success rates, skilled doctors and nurses and rapid adoption of advanced technology makes India an attractive and leading destination for the cost-conscious international medical patient. Most of the developing nations lack advanced medical facilities, resulting into a dramatic rise of medical tourists into the country.

The e-tourist visa regime has now been expanded to include medical visits as well. By 2017, the number of Foreign Tourist Arrivals (FTA) in India on medical visa stood at over 4 lakhs. According to the Ministry of Tourism, India's medical tourism industry is projected to touch US$ 9 billion by 2020, aided by advanced facilities, skilled doctors, low-cost treatments and also traditional medical offerings, such as Ayurveda and yoga. Medical tourism particularly from Sub-Saharan countries is envisaged to witness a healthy growth of nearly 20%.

SEGMENT WISE PERFORMANCE

Segments/ Specialties	Contribution to Total Revenue FY 2018-19
Arthroplasty	45%
Cardiac Sciences	11%
General Medicine & Critical Care	11%
Oncology	8%
Others Orthopaedics	7%
Neurology	**4%**

RISKS AND CHALLENGES

The following is a summary of the key risks faced by Shalby and its strategies to mitigate these risks:

1. Regulatory Environment

The healthcare industry is subject to extensive regulatory and legal requirements. In the present scenario, the primary challenge is that of compliance, adherence to procedures and meeting the expectations of patients. The cost of treatment at private hospitals is often challenged by patients. In addition to this, regulatory headwinds such as price caps on knee implants and stents, demonetisation and higher incidence of GST have been impacting the sector. These burgeoning regulatory interventions pose a huge financial burden on hospitals and require frequent adjustments to business plans.

Risk Mitigation: Regulations, legislation and complex practices may impact the Company's operations. It is thus focussed on cost optimisation and enhancing operational efficiencies to insulate itself from the expected changes in the Government policies.

2. Lack of Skilled Professionals

Availability of skilled and qualified professionals is imperative to deliver quality healthcare services in India. Despite being one of the major employment generators in India, the healthcare sector faces a severe shortage of trained and competent healthcare specialists, physicians, doctors, nurses and paramedics. Besides, a majority of the healthcare professionals happen to be concentrated around the urban areas, thus leaving the rural areas undeserved. Workforce shortages impact the growth prospects of the industry going forward.

3. Risk Mitigation

The 'Shalby Academy' offers outstanding educational programmes for paramedical students and other healthcare professionals under the expert guidance of industry stalwarts like Dr. Vikram Shah and other eminent professors. The Academy empowers them to be highly efficient in healthcare delivery and to tackle complex surgeries. Upon the completion of these courses, the Company often trains and absorbs them in its own hospitals. As a result, none of Shalby's hospitals face the risk of talent crunch at any point of time.

4. Capital Intensive

The healthcare sector is highly capital-intensive owing to the mounting costs of land and building, construction costs, as well as significant licenses and approval costs. Besides, considerable expenditure is also utilised in procuring and maintaining the medical equipment and technology and hiring efficient medical practitioners. All these factors collectively heighten the basic cost of setting up and running a hospital and lower the returns on investment.

Risk Mitigation: The Company's distinctive strategy differentiates it from large healthcare organisations and enables it to reach its break-even faster than its peers. Optimal utilisation of real estate, in-house architects and designers for construction, and brilliant utilities planning has led to a huge cost advantage for Shalby. Further, systematic sourcing of medical equipment at competitive rates has also resulted in substantially lower operational costs.

5. Concentration Risk

About 6 of the total of 11 hospitals owned by Shalby are located in the state of Gujarat, which limits its presence to one geographical area and poses a concentration risk.

Risk Mitigation: To mitigate this risk, the Company has been expanding its presence in multiple locations by setting up hospitals in other States too. This is aimed to reduce its dependence on old and mature hospitals and also increase market share. To broaden its reach, Shalby has set up 6 new hospitals across diverse locations in India in the past years, with an aggregate capacity of 1,368 beds.

STRATEGY

The robust business model and expansion strategy of the Company have been key enablers in driving its success.

Emphasis on Specialised, asset-light growth in India

At Shalby, focus has always been on creating a market for its services before venturing into a particular geography. Though its wide reach of out-patient clinics across India, Shalby is able to develop a hub and spoke model in which out-patient clinics supports as a feeder as well as provides convenience to the patients for post operative care. This gives the Company a broad sense of viability of opening a multi-specialty hospital in any given region. After creating a strong brand recall, it sets up a multi-specialty hospital in an already established market. This expansion model has enabled the Company to scale its operations sharply at marginally lower costs.

Our Asset-light Business Model

Own and operate multi-specialty hospitals

Operate and manage multi-specialty hospitals on revenue sharing business without any minimum guarantee

Hospital Management Contracts

Run out-patient clinics independently or on revenue sharing basis with third-party entities

Cost Optimisation

Maximising the operating efficiency and profitability has been a key component of the Company's growth strategy. A combination of various initiatives such as prudent utilisation of real estate, customised building construction, intelligent use of floor space and optimising procurement costs has resulted in significant cost savings and increase in the number of beds. As against ₹ 75 lakh to ₹ 1.5 Crore capex incurred per bed for other private hospitals, Shalby has managed to achieve an impressive capex of ₹ 40-50 lakh per bed aided by its unique strategy.

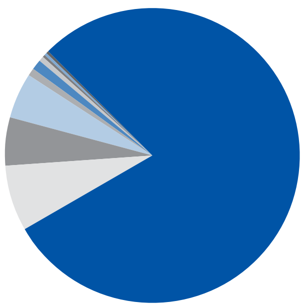
OUTLOOK

Shalby is coming up with two new facilities in Nashik and Mumbai (Santacruz) apart from expansion of existing facility in Mumbai (Ghatkopar). This will add 388 beds to the existing total bed capacities. Estimated capital expenditure for Nashik facility is ₹ 250 Million and ₹ 1,500 Million for Mumbai (Santacruz) facility.

The Company is looking forward to expand its foot -prints in Tier 1 & 2 cities where the demand supply gap is substantial.

Historically, the Company has grown better than industry average and the Company is committed to outperform the industries average growth in coming years.

Shareholding as on March 31, 2019



- Promoter Individuals **79.41%**
- Resident Individuals **7.00%**
- Foreign Portfolio - Corp **5.54%**
- Bodies Corporates **4.85%**
- Employee Trusts **0.94%**
- HUF **0.55%**
- Alternative Investment Fund **0.91%**
- Non Resident Indians **0.31%**
- Mutual Funds **0.30%**
- Non Resident Indian Non Repatriable **0.12%**
- Banks **0.05%**

REGULATIONS AND SAFETY

Shalby believes that a truly sustainable and responsive business is essential for its success. Being in the healthcare sector, the Company's core corporate objectives are adhering to the ever-increasing and stringent rules and regulations, minimising environmental impact and exceeding patients' expectations from health. The Company has distinct procedures to ensure compliance with the requirements laid down by the prescribed authorities, reduce waste generation at hospitals, and maintain quality and safety standards. Besides, the Company also places emphasis on following radiation surveillance procedures and maintenance of records, as required under various laws. Global accreditations received from the National Accreditation Board for Testing and Calibration Laboratories (NABL) bear testament to the Company's strong corporate ethos and governance practices.

INTERNAL CONTROL

The Company has an adequate and well-established internal control framework commensurate with the size and complexity of its business operations. The management is committed to ensuring the effectiveness of the internal control system, which provides reasonable assurance on compliance with applicable laws and regulations, safeguarding of assets, reliability and accuracy of financial reporting and prevention of fraud and errors. Its accounting policies ensure that the transactions are recorded in accordance with the Indian Accounting Standard (Ind-AS). The Internal Audit Committee periodically reviews the key findings and provides strategic guidance.

During FY 2018-19, all the internal controls were tested and no material discrepancy in the system or processes was observed.

HUMAN RESOURCES

Shalby believes that employees are the strength of an organisation and one of the key drivers of its success. In a rapidly changing environment, the Company's ability to engage its employees with the organisation's culture and core objectives will give it a competitive edge.

Keeping this in mind, the Company has pioneered several initiatives and programmes. Human Resource is a critical function at Shalby, effectively delivered through a robust team of dedicated professionals. Its HR strategy endeavours to foster a strong performance-driven culture among its employees which promotes customer-centricity, learning, accountability and ownership. Smooth functioning of any hospital involves formulating standard policies and procedures at all levels. The Company has a uniform HR policy which ensures greater transparency and effective communication of organisation's performance standards and practices to its employees.

The Company believes in nurturing and retaining the right talent besides acquiring it to build a dynamic workforce that ensure its long-term success. Its 'Know Your Consultant' initiative, popularly known as KYC Meet, aims to integrate the new employees with the organisation's culture through well-planned induction sessions. The Job Description (JD) manual of the Company provides clarity on new roles and enables HR team to appoint new employees. Further, its well-defined talent recruitment process has significantly reduced the turnaround time for recruitment. It also ensures maintenance of adequate staff at all times resulting in improved patient care service.

Shalby's Learning and Development team organises regular training programmes to upskill the employees and enhance their capabilities resulting in better performance. Various engagement programmes in the form of celebration of important festivities are conducted to boost employee morale and develop a highly engaged workforce.

Numerous employee communication channels such as employee newsletter ELITE, social media platforms, periodic townhall meetings, workstation briefings were introduced by Shalby to disseminate vital information and enhance employee connect. During the year, the HR department facilitated a strategic meet named 'Roadmap Redefining' abridged as 'RoaR Meet' for resonating management's vision to all the departments in order to achieve the cherished organisation goals.

The Company is committed to excelling in its activities and performance. In adherence to this, it has introduced two performance metrics- HR Scorecard and Unit Scorecards to assess the performance of each of its business division unitsfacilitating them to maintain their levels of excellence.

As a fast-growing organisation in the healthcare sector, the Company provides a congenial work environment ensuring job stability, proper work-life balance and career growth opportunities for its workforce. It promotes a culture of diversity and inclusion at work. This has led to minimising the attrition rates and increasing the motivation levels of employees. All its efforts to make the Company an 'Employer of Choice' has yielded positive results.

The Company is now embarking on a journey of technological transformation of HR function with the adoption of best-in-class platforms for effective management of the processes and providing excellent career experience to its employees.

INFORMATION TECHNOLOGY

Recognising the increasing importance of Digital Healthcare Service Delivery, Shalby has embarked upon a massive Business Transformation Programme leveraging Information Technology. This programme is aligned to the Company's vision of becoming a leading smart hospital and taking digital technologies and automation to new heights. With technology-enabled hospital services, the Company aims to enhance quality of patient care and safety, streamline operations, improve efficiencies, facilitate process standardisation and drive growth.

Towards this objective, the Company has devised a robust IT strategy. It will enable creation of a standardised and seamless integrated platform which will lead to Shalby emerging as a smart hospital delivering automated services in line with the best industry standards. Its implementation encompasses four broad areas:

- New Hospital Information System (HIS) from SRIT for having electronic medical records
- Implementation of SAP ERP
- IRevamping IT infrastructure to cater to the growing needs
- Recruitment of experienced Chief Information Officer (CIO)

Shalby has embarked upon implementation of HIS solution called Renaissance Health Enterprise Suite (RHES) from the software company SRIT post extensive market research and due diligence of several products. This system will be integrated with the existing Lab Information System (LIS) and Picture Archival and Communication System (PACS) and is scheduled for launch by the end of October 2019. Post implementation, the new solution will be leveraged for providing all the patient-facing operational and clinical services, including patient registration, appointment scheduling, admission, discharge, transfers, billing, bed and ward management, doctor and nurse workbench, online patient portal, among others. With its web-based interface, this solution is expected to bring into reality the delivery ofdigitised multi-hospital/ location services.

The Company has envisaged adopting the leading ERP solution SAP S/4HANA of German-based company SAP. The modules planned to be implemented are Financial Accounting and Controlling (FICO), Material Management (MM), Business Planning Consolidation and Business Objects (BI). It will be merged with the HIS solution and streamline the accounting and purchase processes with minimal reconciliation across the organisation. In addition, it will provide useful information to the management for better decision-making. This new system is expected to come into force by April 2020.

The Company's entire IT infrastructure covering servers, networking, storage, cabling, power supply and client machines is undergoing a revamp to facilitate smooth functioning of the HIS and ERP solutions. The infrastructure is being transformed to the latest and the best-in-class systems.

Shalby has appointed Mr. Ishaq Quadri, the healthcare veteran as CIO to oversee the adoption of the Company's digitisation programmes and solutions. Mr. Ishaq Quadri is renowned for leading the successful implementation of technology at Kerala Institute of Medical Sciences, a leading chain of hospitals based in Trivandrum.

Directors' Report

Dear Members,

Your Directors have immense pleasure in presenting the Fifteenth Annual Report on business and operations of the Company and audited financial statements for the financial year ended March 31, 2019.

FINANCIAL RESULTS

[₹ in Million]

Particulars	Standalone		Consolidated	
	2018-19	**2017-18***	**2018-19**	**2017-18***
Income from Healthcare Services	4611.06	3802.86	4609.51	3779.94
Other Income	97.45	96.30	96.35	100.10
Total Expenditure	4201.26	3349.61	4201.98	3342.75
Profit before Interest Depreciation and Tax	**908.69**	**886.47**	**907.11**	**880.66**
Finance Cost	71.40	112.59	71.50	114.81
Depreciation/Amortization	330.04	224.32	331.73	228.56
Profit Before Tax	**507.25**	**549.56**	**503.88**	**537.29**
Provision for Taxation (Inclusive of provision for deferred tax)	186.23	144.86	187.33	145.59
Profit After Tax	**321.01**	**404.69**	**316.55**	**391.70**
Other comprehensive income	0.73	2.74	0.74	2.81
Total Comprehensive income	**321.75**	**407.42**	**317.30**	**394.51**
Opening Balance In Retained Earnings	2043.03	1700.04	1895.84	1619.48
Amount available for appropriation	**2364.78**	**2043.03**	**2213.19**	**1895.84**

* The Company has restated its financials for previous and earlier years due to prior period errors and restated figures have been given to make it comparable with the figures for the year under review. Refer detailed note no. 43 to the notes to the Standalone Financial Statements for restatements.

PERFORMANCE OVERVIEW

During the year under review, the income from healthcare services of the Company increased to ₹ 4611.06 million as compared to ₹ 3802.86 million in the previous year, registering a growth of 21.25%. The EBITDA for the year under review is ₹ 908.69 million against previous year of ₹ 886.47 million registering growth of 2.51%. Your Company has earned Profit after tax of ₹ 321.01 million against ₹ 404.69 million in the previous year.

During the year under review, the consolidated income from healthcare services increased to ₹ 4609.51 million as compared to ₹ 3779.94 million in the previous year, registering a growth of 21.95%. The consolidated EBITDA exhibited a growth in of 3.01% in Fiscal 2019 rising to ₹ 907.11 million from ₹ 880.66 million in the previous financial year.

Consolidated Profit Margins:

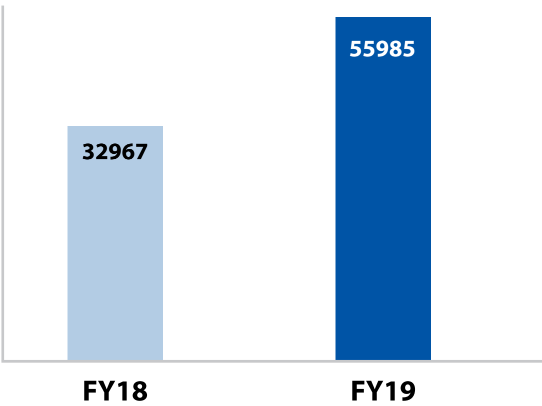
Profit before tax (PBT) for Fiscal 2019 declined to ₹ 503.88 million as compared to ₹ 537.29 million in the previous year due to higher depreciation, higher employee cost and increase in payments to Doctors and Consultants. Profit after tax (PAT) stood at ₹ 316.55 million against ₹ 391.70 million in the previous year. PAT margin decreased to 6.73% in Fiscal 2019 as compared to 10.1% in the previous year due to above mentioned reasons and higher effective tax rate.

Consolidated Earnings per Share:

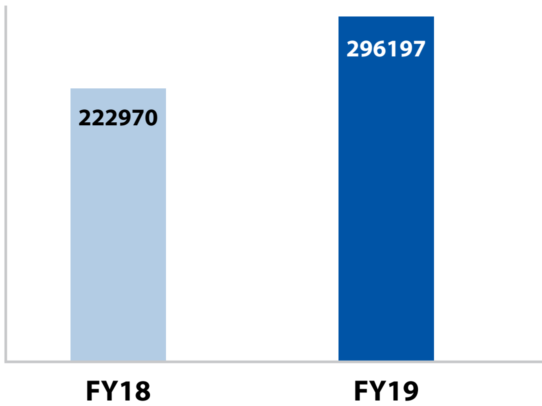
The EPS of the Company increased from ₹ 2.47 in the previous year to ₹ 2.93 in Fiscal 2019.

OPERATIONAL PERFORMANCE

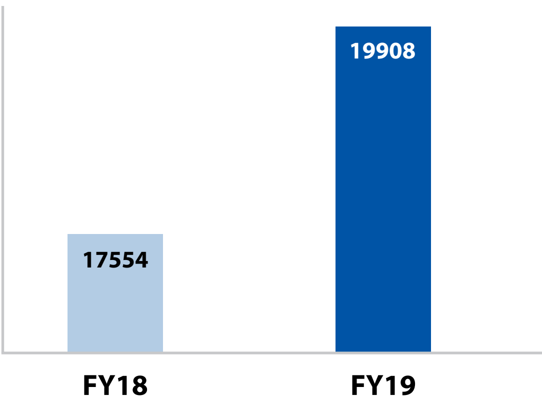
In-Patient Volume



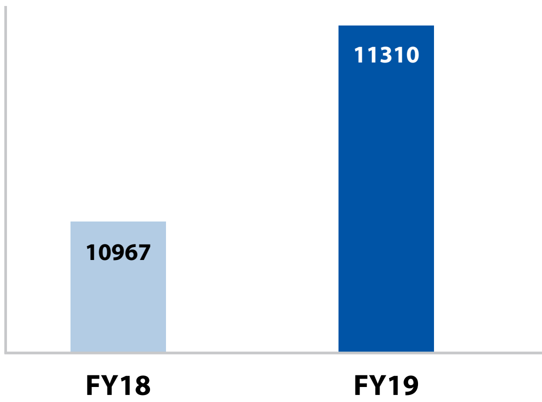
Out-Patient Volume



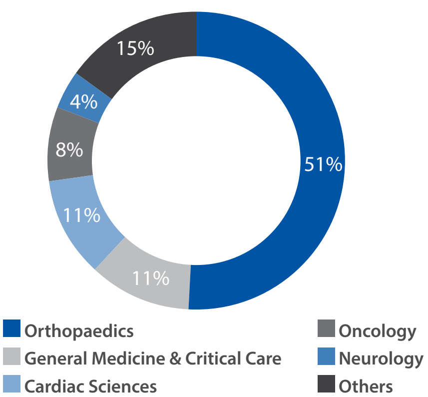
Surgery Count



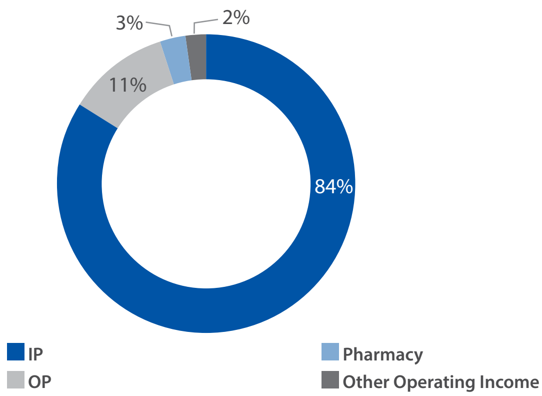
Orthopaedic Surgery



Revenue Mix Top 5 Specialities FY 19



Break-up of operating income FY 19



DIVIDEND

The Board of Directors has recommended a dividend of ₹ 0.50 per equity share (5% on the face value of ₹ 10 each) on the paid up share capital of the Company for financial year ended on March 31, 2019 amounting to ₹ 54.00 million, which if declared, at the ensuing Annual General meeting scheduled on August 26, 2019, will be paid to those shareholders whose names appear in the Register of members as at closing hours of business on August 19, 2019 ('Record date'). In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories viz., NSDL and CDSL for this purpose.

The Register of Members and Share Transfer Books will remain closed from Tuesday, August 20, 2019 to Monday, August 26, 2019 (both days inclusive).

BUSINESS AND STRATEGY

Nashik Project: The Company had entered into definitive agreement (O & M Agreement) with Samruddhi Hospital P. Ltd in the year 2014 to operate and manage the hospital for a period of 30 years. Currently, the construction of hospital building is underway and it is expected that your Company may receive possession of ready to use 113 bedded hospital later part of FY 2019-20. Under this arrangement, Samruddhi will construct the hospital building and hand over to your Company ready to use building to manage the hospital and your Company will invest estimated capex of ₹ 250 Million thereto.

Mumbai Project: The Company is under process to set up 175 bedded hospital in the heart of Mumbai, Santacruz, to be equipped with state of the art equipment and technology. The existing structure in place is an old building over 60 years which needs to demolished completely and your Company together with counterpart is in the process of demolition of existing structure at place to commence new building construction. It is expected that necessary permission for demolition of existing structure will be received very soon, thereafter your Company will start the construction and complete the new hospital building by October 2022 after investing estimated capex of ₹ 1500 Million and we estimate to start the operations there in later part of FY 2023.

Vadodara Project: Due to disagreement between the Company and the other party on commercial terms, the definitive agreement has not been signed and therefore the Board of Directors of the Company has cancelled the said project.

The Company is looking forward to expand its foot prints in Tier 1 & 2 cities where the demand supply gap is substantial. Historically, the Company has grown better than industry average and your Company is committed to outperform the industries average growth in coming years.

Enhancement of information technology infrastructure:

Your Company has embarked upon a massive Business Transformation Programme leveraging Information Technology to give best in digital healthcare service delivery. This programme is aligned to the Company's vision of becoming a leading smart hospital and taking digital technologies and automation to new heights. With technology-enabled hospital services, the Company aims to enhance quality of patient care and safety, streamline operations, improve efficiencies, facilitate process standardisation and drive growth. Members are requested to refer Management Discussion and Analysis section for detailed information on enhancement of information technology infrastructure in the Company.

CREDIT RATING

During the year under review, the credit rating on term loans and fund based facilities has been upgraded from [ICRA A-] (pronounced as ICRA A minus) to [ICRA A] (pronounced as ICRA A) and the outlook on the long term rating to "Positive" from "Stable". This rating indicates adequate degree of safety regarding timely servicing of financial obligations and low credit risk.

UTILIZATION OF IPO PROCEEDS & LISTING

During the year FY 2017-18, the Company had completed its initial public offering of 20,354,838 equity shares of ₹ 10 each at price of ₹ 248 per equity share (including premium of ₹ 238 per share) comprising of fresh issue of 19,354,838 equity shares amounting to ₹ 4800 million and offer for sale of 1,000,000 equity shares amounting to ₹ 248 million aggregating to ₹ 5048 million. The said equity shares got listed on National Stock Exchange Limited and BSE Limited effective from December 15, 2017. The proceeds of the issue were proposed to be utilized for repayment or prepayment in full, or in part of certain loans availed by our Company, purchase of medical equipment for existing, recently set up and upcoming hospitals, purchase of interiors, furniture, and allied infrastructure for upcoming hospitals and General corporate purposes. Out of the IPO proceeds of ₹ 4800 million, your Company has utilized ₹ 3873.91 million as per objects of the offer and unutilized amount of ₹ 690.37 million has been temporarily invested in the fixed deposits with scheduled commercial Bank. Your Company has appointed HDFC Bank Limited as Monitoring agency in terms of regulation 16 of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended, to monitor the utilization of IPO proceeds and Company has obtained monitoring reports from the Monitoring agency from time to time and filed the same with both exchanges where equity shares of the Company are listed. The said reports issued by Monitoring agency together with statement of utilization of issue proceeds prepared pursuant to regulation 32 of SEBI(LODR) Regulation, 2009 are available at https://www.shalby.org/investors under Statement of Utilization / Deviation or Variation – IPO Proceeds. There has been no deviation in the utilization of net IPO proceeds from the initial Public offer as stated in the prospectus. However the utilization is not as per timeline that was originally proposed in the offer documents. There is a delay in utilization of IPO proceeds which is within the extended timeline provided in the offer documents.

The attention of the members is invited that only 15.13% of IPO proceeds have remained unutilized. The Board of Directors of the Company intends to utilize the unutilized net IPO proceeds for the new objects and in the manner as set out in the explanatory statement annexed to notice of ensuing annual general meeting and recommends the members to consider and approve the same.

SHARE CAPITAL

During the year under review, there is no change in the share capital of the Company. The authorised share capital of the Company stands at ₹ 1,177.50 million divided into 117,750,000 equity shares of ₹ 10 each. The issued, subscribed & paid up share capital of the Company stands at ₹ 1080.10 million divided into 10,80,09,770 equity shares of ₹ 10 each.

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT ON PERFORMANCE OF SUBSIDIARIES

Your Company has four subsidiary companies viz. Vrundavan Shalby Hospitals Limited, Shalby (Kenya) Limited, Shalby International Limited (earlier known as Shalby Pune Limited) Yogeshwar Healthcare Limited and Griffin Mediquip LLP. In accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements form part of this Annual Report which shall also be laid before the ensuing Annual General Meeting of the Company. The Standalone and Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. A report on the performance and financial position of each of the subsidiaries and LLP as per the Companies Act, 2013 is provided as Annexure A which forms part of this Report. The financial statements of the Company and subsidiary companies shall be available for inspection by any shareholder(s) during working hours at the Company's registered office and that of the respective subsidiary companies concerned. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available at Annual Reports section of https://www.shalby.org/investors

AWARDS & RECOGNITIONS

During the Fiscal, your company has been awarded with the "Medical Value Travel Specialist Hospital Award 2018" in the category-"Orthopedics-Joint Replacement" instituted by Ministry of Commerce & Industry, Government of India and FICCI. In January 2019 Shalby Limited was conferred with "The Best Hospital for Medical Tourism in Gujarat" Award by Tourism Corporation of Gujarat Limited.

ANNUAL RETURN

The Annual return of the Company for FY 2017-18 has been placed on the website of the Company and available at https://www.shalby.org/investors/ Annual Return. The Company will also place annual return-Form No MGT-7 for FY 2018-19 on completion of ensuing annual general meeting of shareholders of the Company. The extract of Annual Return –MGT-9 as on March 31, 2019 is enclosed as Annexure - B herewith.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

Particulars of loans given, investments made, guarantees given and securities provided in the notes to the standalone financial statements forming part of this annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY U/S 188 OF THE COMPANIES ACT, 2013

Most of the related party transactions that were entered into during the financial year were on arm's length basis, however, few transactions were not at arm's length basis and your Company has, accordingly taken approval of audit committee, Board of Directors and shareholders whenever applicable. Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for their review and approval.

During the year under review, there were no material transactions with related parties in terms of regulation 23 of SEBI Listing Regulations. The details of the related party transactions are provided in the Annexure - C (AOC - 2) pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014. Your directors draw the attention of members to the notes to the financial statements which set out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENT AND RESIGNATION

During the year under review, Dr. Darshini Shah [DIN: 00013903], Non-Executive Director resigned from the Board of Directors of the Company with effect from May 7, 2018. The Board, upon recommendation by Nomination and remuneration Committee, appointed Mrs Sujana Shah as an Additional Director in the category of Non-Executive Independent Director for a period of 5 years with effect from May 7, 2018, whose appointment has been ratified by the members in 14th Annual General meeting. Mr. Ravi Bhandari ceased to be CEO of the Company w.e.f. June 30, 2018.

As on March 31, 2019, Dr. Vikram Shah, Chairman & Managing Director, Mr Prahlad Rai Inani, Chief Financial Officer and Mr Jayesh Patel, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013. There is no change in Key Managerial Personnel during the year under review except Mr Prahlad Rai Inani who has joined as Chief Financial Officer in place of erstwhile CFO Mr Shantilal Kothari w.e.f. August 13, 2018.

DIRECTORS RETIRING BY ROTATION

In terms of section 152 of the Companies Act, 2013, Mr Ashok Bhatia (DIN: 02090239), being the longest in the office shall retire at the ensuing Annual General Meeting and being eligible for reappointment, offers himself for re-appointment.

A brief resume of Director being re-appointed along with the nature of his expertise, his shareholding in the Company and other details as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended as an annexure to the Notice of the ensuing Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair their ability to discharge their duties with an objective independent judgment and without any external influence.

BOARD MEETINGS

The Board met four times during the year under review, on May 7, 2018, August 13, 2018, October 25, 2018 and January 28, 2019. The numbers of meetings and its attendance have been provided in the Report of Corporate Governance.

COMMITTEES

The Company has various committees which have been formed in compliance of provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are in compliance with the provisions of relevant statutes. During the year, the Board had dissolved IPO committee as their objectives have been achieved.

The Board has at present following committees.

i. Audit and Risk Management Committee

ii. Stakeholder Relationship Committee

iii. Nomination and Remuneration Committee

iv. Corporate Social Responsibility Committee

v. Management Committee

The terms of reference of Audit & Risk management committee, Nomination and remuneration committee and stakeholder relationship committee has been amended in order to incorporate amendment made in SEBI(LODR) Regulations, 2015. The details with respect to the compositions, powers, roles, terms of reference, numbers of meetings along with their attendance etc. of respective Committees are provided in detail in the 'Report on Corporate Governance' which forms part of this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS1 and SS2) issued by the Institute of Companies Secretaries of India relating to Meetings of the Board, its Committees and meeting of shareholders which are made mandatory.

POLICY ON APPOINTMENT AND REMUNERATION TO DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL

Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed briefly in the Corporate Governance Report, which forms part of this Report. Your Company's Policy on remuneration for the Directors', Key Managerial Personnel and other employees and Company's policy on Directors' appointment including criteria for determining qualifications, positive attributes, independence of a director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013. The policy has been modified effective from April 1, 2019 to carry out changes made by SEBI (LODR) (Amendment) Regulations, 2018. The revised policy is available at https://www.shalby.org/wp-content/uploads/2018/01/Nomination-Remueration-Policy_final.pdf

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company upholds the standards of governance and is compliant with the provisions of Corporate Governance as stipulated under SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The Report on Corporate Governance for FY 2018-19, as per Regulation 34(3) read with Schedule V of the SEBI (LODR), Regulations, 2015 forms a part of this Annual Report. The Certificate from Practicing Company Secretary confirming the compliance with the conditions of corporate governance as stipulated by Regulation 34(3) of SEBI (LODR), Regulations, 2015 is annexed to this Report.

In compliance with Corporate Governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto and the same is available at https://www.shalby.org/wp-content/uploads/2018/01/Code-of-Conduct-for-Directors-Senior-Management.pdf

In terms of regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report on the Company's financial and operational performance, industry trends, business outlook and Initiatives and other material changes with respect to the Company and its subsidiaries, wherever applicable and CMD/CFO Certificates thereto, are presented in separate section which forms part of the Annual Report.

PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEE

The criteria for performance evaluation and the statement indicating the manner in which formal annual evaluation has been made by the Board are given in the 'Report on Corporate Governance', which forms part of this Annual Report.

Pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, Board committees and individual directors in the manner prescribed in Performance Evaluation Policy, which is available at https://www.shalby.org/wp-content/uploads/2018/01/Performance-Evaluation-Policy-for-BOD.pdf

DEPOSITS

During the year, the Company has not accepted any fixed deposits from the public as per provisions of section 73 to 76 of the Companies Act, 2013 and Rules made there under. Hence, the disclosures as required under Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013, your Directors hereby confirm that:

a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirement set out under Schedule III to the Act have been followed and there are no material departures from the same;

b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) they had prepared the annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

(A) Conservation of Energy:

The operations of the Company are not energy-intensive. However, significant measures are being taken to reduce the energy consumption by using energy efficient equipment.

- Phasing out of CFL lamps to LED lights
- Introduction of timer based operation of air handling units to reduce power consumption
- Energy optimisation practices implemented in transformer operation
- VFD installation for AHU motor in a phased manner
- All lifts and OT AHUs are operated with VFD panels

- For recently commissioned units, building orientation has been so designed that helps to maximise use of Day Light and to reduce heat gain in order to reduce energy consumption.
- For recently commissioned units, the building is being constructed by using structural steel to reduce embedded energy and also to reduce the impact of construction activities to the neighborhood and environment.
- The glass used for facade in a number of facilities is double glased and is energy efficient low emissivity type which helps in reducing solar beat gain coefficient while improving the visibility.
- Rain water harvesting system installed at our green field recently completed projects to conserve natural resources

  There would not be a material financial implication of these measures as energy costs comprise a very small portion of your company's total expenses.

(B) Technology absorption:

I. The effort made towards technology absorption;

Over the years, your Company has brought into the country the best technology available in healthcare to serve the patients better and to bring healthcare of international standard within the reach of every individual.

In order to promote indigenous technology absorption, the following equipment has been installed at our various units;

a) Blood bank equipment including Deep freezer, Blood bank refrigerator, Platelet agitator/ incubator, Blood collection monitor and tube sealer, Donor couch compofuge

b) X-ray system;

c) Dialysis machine;

d) Ventilator;

e) CT scanning machines;

f) MRI scanning machines;

g) Ultrasound systems; and

h) Linac systems.

II. The benefit accrued due to this is primarily cost reduction from import substitution considering the impact of exchange rate fluctuation and revision of customs duty tariffs. The performance and quality of these equipments have been found to be quite satisfactory.

The details of latest medical equipment/machinery imported and installed at various units of Shalby are set out below:

Technology absorption, adaption and innovation	Benefits	Imported technology from
Dialysis Machine	Haemodialysis machine which achieves the extracorporeal removal of waste products such as creatinine and urea and free water from the blood when the kidneys are in a state of kidney failure.	Germany
Ventilator	It is designed to move breathable air into and out of the lungs, to provide artificial controlled breathing for a patient who is physically unable to breathe, or breathing insufficiently. Used in Intensive care units	Sweden
EMG/NCV machine	It machine is used to measure neuro signals and nervous system of the patient	Japan
Headlight for OT	It is used during Surgery in OT in order to provide extra light at low temperature for Doctor's comfort.	USA
Central Monitoring system	Connected Central Monitor system with all patients' standalone monitors in order to monitor parameters in doctor's surveillance	Japan
Patient Monitor	To monitor patient's parameters - SPO2, ECG, NIBP, Temperature, Respiration, CVP, BP, ETCO2 & Anesthesia Gas Monitor	Japan
Defibrillator without pacing Biphasic	It is used to survive patient from cardiac arrest by DC shock treatment.	Japan
Gatroscope / Colonoscope / ERCP SCOPE / BRONCHOSCOPE	It is used in non surgical procedure used to examine patient's digestive tract	Japan

Technology absorption, adaption and innovation	Benefits	Imported technology from
Manual Rotary Microtome Leica	Microtome is used in microscopy, allowing for the preparation of samples for observation under transmitted light or electron radiation.	Germany
Software & Hardware Upgradation for CT Valumatry	Installed for better image & analysis of Liver transplant patient	Germany

Apart from above, various other small equipment imported from overseas, which are installed at various units of Shalby.

III. The expenditure incurred on Research and Development

NIL

(C) Foreign exchange earnings and expenditure:

[₹ in Million]

Particulars	2018-2019	2017-2018
Earnings in Foreign Currency	111.57	134.75
CIF Value of Imports	-	26.84
Expenses in Foreign Currency	9.06	11.84

PARTICULARS OF EMPLOYEES & REMUNERATION

The details regarding ratio of remuneration of each director to the median employee's remuneration and other details as required in section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended herewith as Annexure - D.

The statement containing information as per provision of Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in separate annexure forming part of this report. However, Annual Report is being sent without the said annexure. In terms of provisions of section 136 of the Companies Act, 2013, the said annexure is open for inspection at the registered office of the Company during the office hours. Any member interested in obtaining the copy of the same may write to the Company Secretary at the Registered Office of the Company.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has adopted policies and procedures 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 disclosures. The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and it devices and adopts improved controls wherever necessary.

RISK MANAGEMENT

At Shalby Limited, risks are measured, estimated and controlled with the objective to mitigate adverse impact. Your company's fundamental approach to risk management includes, anticipate, identify and measure the risk. Your company has in place a mechanism to monitor and mitigate various risks associated with the business. The Company has adopted a risk management policy which inter alia, sets out our approach towards risk assessment, risk management and risk monitoring, which is periodically reviewed by the Board. The said policy is available at https://www.shalby.org/wp-content/uploads/2018/12/Risk-Management-Policy_Final.pdf

VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report genuine concerns to the management regarding instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or mismanagement, if any. Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for strict confidentiality, adequate safeguards against victimisation of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee, in appropriate cases. The functioning of vigil mechanism is reviewed by the Audit and Risk Management

Committee from time to time. None of the Whistle blowers has been denied access to the Audit and Risk Management Committee of the Board pertaining to whistle blower policy. The said Vigil Mechanism and Whistle-Blower Policy is available at https://www.shalby.org/wp-content/uploads/2018/01/Vigil-Mechanism-and-Whistle-blower_policy-1.pdf

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Act, your Company has constituted a CSR Committee, which comprises Mr. Umesh Menon, Chairman, Mr. Shyamal Joshi and Mrs. Sujana Shah as its members as on March 31, 2019. The Company has also framed a CSR Policy in compliance with the provisions of the Act which is available at https://www.shalby.org/wp-content/uploads/2018/12/Corporate-Social-Responsibility-CSR-Policy.pdf The Annual Report on CSR activities outlining geographical areas for CSR activities, composition of CSR committee, amount of CSR fund to be expended etc is annexed herewith as Annexure - E.

OTHER DISCLOSURES AND INFORMATION

1. **Anti-sexual Harassment of Women at workplace**

   Your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace under the provisions of Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act 2013 and rules framed thereunder. The Company has anti Sexual harassment Committee to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there was one complaint received which was investigated and resolved and there were no complaints pending at March 31, 2019.

2. **Significant or Material Orders passed by the Authority**

   No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its future operations.

3. **Material changes and commitments affecting financial position**

   There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year under review and to the date of this report.

AUDITORS

Statutory auditor & auditors' report

Pursuant to Section 139 of the Companies Act, 2013, M/s. T. R. Chadha & Co., LLP, Chartered Accountants has been appointed as Statutory Auditors of the Company, for a period of 5 consecutive years who holds the office from the conclusion of 14th AGM till the conclusion of 19th AGM.

The said Statutory auditors have confirmed that they have not incurred any of the disqualification as mentioned in section 141(3) of the Companies Act, 2013 and the Rules framed thereunder.

During the year, the Auditors had not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

The Statutory Auditor's comment on your company's account for the year ended March 31, 2019 are self-explanatory in nature and do not require any explanation. The Auditors Report does not contain any qualification or adverse remarks.

Internal auditor

During the year under review, M/s. PriceWaterHouse Coopers Pvt. Ltd. was appointed as Internal Auditors to conduct internal audit as per agreed scope of works pursuant to the provision of section 138 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. They were re-appointed as Internal Auditor for FY 2019-20 to conduct internal audit of the functional activities of the Company.

Cost auditors and cost records

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, M/s. Borad Sanjay B & Associates has been appointed as Cost Auditors by the Board of Directors on the recommendation of Audit Committee, for audit of cost records for the year ended on March 31, 2019 and their remuneration was ratified by members at the 14th Annual General meeting of the Company.

Your Company has received consent along with confirmation from M/s. Borad Sanjay B & Associates that the appointment is in accordance with the applicable provisions of the Act and Rules framed thereunder and they do not hold any disqualification under section 139, 148 and 141 of the Companies Act, 2013 for their appointment for FY 2019-20. The Board of Directors of the Company re-appointed M/s. Borad Sanjay B & Associates for audit of cost records for the year ended on March 31, 2020 at a remuneration of ₹ 100,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred, if any, in connection with the cost audit. The Board of Directors of the Company recommended the members for their ratification.

The Company has maintained cost account and records as specified by Central Government under Section 148(1) of the Act, read with Rule 8 of Companies (Accounts) Rule, 2014.

Secretarial auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Mr Shambhu J. Bhikadia, Practicing Company Secretary (PCS Registration no. 3894) to conduct the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report for the FY 2018-19 does not contain any qualification, reservation, or adverse remarks and is annexed to this Report as Annexure - F. Your Company has also obtained certificate from the secretarial auditor certifying that none of the directors on our Company has been debarred or disqualified from being continuing as directors of the Company by SEBI, Ministry of Corporate Affairs or such similar statutory authority.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their sincere appreciation for the wholehearted support and contribution made by all Doctors and their team, bankers, Government Authorities, auditors and shareholders during the year under review. Your Directors express their deep sense of appreciation and extend their sincere thanks to every employee at all level for their dedicated services and look forward their continued support.

CAUTIONARY STATEMENT

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of the Board of Directors

Dr. Vikram I. Shah
Chairman & Managing Director
DIN : 00011653

Date : May 25, 2019
Place : Ahmedabad

Annexure A

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in million)

Sr. No.	Particulars	Vrundavan Shalby Hospitals Limited	Shalby (Kenya) Limited	Shalby International Limited	Yogeshwar Healthcare Limited	Griffin Mediquip LLP
1	Date from which it became subsidiary	August 12, 2011	June 9, 2011	September 5, 2012	October 11, 2012	July 23, 2012
2	Financial year ended	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
3	Country	India	Kenya	India	India	India
4	i) Reporting currency	INR	KHS	INR	INR	INR
	ii) Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1.00	0.69	1.00	1.00	1.00
5	Share Capital/partner capital	18.00	0.06	0.50	7.35	25.15
6	Reserves & Surplus	50.35	(2.68)	(0.39)	0.98	2.39
7	Total Assets	68.71	1.86	0.18	9.24	149.36
8	Total Liabilities	0.36	4.47	0.07	0.09	121.81
9	Investment	-	-	-	-	-
10	Turnover including other Income	1.08	0.72	-	0.44	332.35
11	Profit/(Loss) before Taxation	(1.45)	(1.68)	(0.05)	(1.26)	3.49
12	Provision for Taxation	-	(0.44)	-	-	1.10
13	Profit/(Loss) after Taxation and write back	(1.45)	(1.24)	(0.05)	(1.26)	2.39
14	Other Comprehensive income	-	-	-	-	-
15	Total Comprehensive Income net of tax	(1.45)	(1.24)	(0.05)	(1.26)	2.39
16	Proposed Dividend (including Dividend Distribution Tax thereon)	-	-	-	-	-
17	% of shareholding	100.00	100.00	100.00	94.68	95.00

Part "B": Associates and Joint Ventures : NIL

Note

(a) There are no subsidiaries which are yet to commence operations.

(b) There are no subsidiaries which have been liquidated or sold during the year.

For and on behalf of the Board

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place: Ahmedabad
Date: May 25, 2019

Annexure – B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L85110GJ2004PLC044667
2	Registration Date	August 30, 2004
3	Name of the Company	Shalby Limited
4	Category/ Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
5	Address of the Registered office and Contact Details	Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380 015 Tel No: +91 79 40203000 Email : companysecretary@shalby.in
6	Whether listed Company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited “Karvy Selenium”, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500032, Telangana Tel No: +91 40 67162222 Email : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turn over of the company shall be stated:-

Sr.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Healthcare Services	86	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Yogeshwar Healthcare Ltd. 319, Green City, Ghuma, Ahmedabad 380058	U85110GJ1997PLC032486	Subsidiary	94.68	2(87)(ii)
2	Vrundavan Shalby Hospitals Ltd. Vrundavan Shalby Hospitals, Karaswada, Mapusa Goa 403507	U85110GA1995PLC001851	Subsidiary	100.00	2(87)(ii)
3	Shalby International Ltd. Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015	U65923GJ2012PLC071824	Subsidiary	100.00	2(87)(ii)
4	Shalby (Kenya) Ltd. Plot No. 1870/1/210, The Pride Rock No. 6, DonyoSabuk Avenue, Off General Mathenge Drive, Nairobi.	CPR/2011/4958900	Subsidiary	100.00	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2018)				No. of Shares held at the end of the year (as on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters/ Promoter Group									
1. Indian									
a) Individual/ HUF	54,227,900	-	54,227,900	50.21	54,227,900	-	54,227,900	50.21	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	31,545,448	-	31,545,448	29.20	31,545,448	-	31,545,448	29.20	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	85,773,348	-	85,773,348	79.41	85,773,348	-	85,773,348	79.41	-
2. Foreign									
a) NRI / Individual	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FII	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	85,773,348	-	85,773,348	79.41	85,773,348	-	85,773,348	79.41	-
B. Public Shareholding									
1. Institutions									
a) Mutual Fund	421,260	-	421,260	0.39	322,244	-	322,244	0.30	(0.09)
b) Venture Capital Fund	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	1,458,901	-	1,458,901	1.35	979,787	-	979,787	0.91	(0.44)
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	6,781,384	-	6,781,384	6.28	5,985,112	-	5,985,112	5.54	(0.74)
f) Financial Institution / Banks	54,360	-	54,360	0.05	56,706	-	56,706	0.05	0.00
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
i) Any other	22	-	22	0.00	72	-	72	0.00	0.00
Sub-Total (B)(1)	8,715,927	-	8,715,927	8.07	7,343,921	-	7,343,921	6.80	(1.27)
2. Central Government / State Government(s) / President of India	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2018)				No. of Shares held at the end of the year (as on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
3. Non- Institution									
a) Individuals Shareholders holding nominal share capital									
i. upto ₹ 1 lakh	5,353,591	603	5,354,194	4.96	5,737,447	603	5,738,050	5.31	0.35
ii. in excess of ₹ 1 lakh	1,538,188	-	1,538,188	1.42	1,820,466	-	1,820,466	1.68	0.26
b) NBFCs Registered with RBI	500	-	500	0.00	550	-	550	0.00	0.00
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (Holding DRs)	-	-	-	-	-	-	-	-	-
e) Any other									
- Trust	190	-	190	0.00	255	-	255	0.00	0.00
- Non Resident Indians	132,932	41,341	174,273	0.16	442,024	21,643	463,667	0.43	0.27
- Clearing Members	114,844	-	114,844	0.11	16,383	-	16,383	0.02	(0.10)
- Directors	7,516	-	7,516	0.01	8,061	-	8,061	0.01	0.00
- Bodies Corporate	4,902,773	-	4,902,773	4.54	5,243,318	-	5,243,318	4.85	0.31
- H U F	407,767	-	407,767	0.38	591,501	-	591,501	0.55	0.17
Sub-Total (B)(2)	**12,458,301**	**41,944**	**12,500,245**	**11.58**	**13,860,005**	**22,246**	**13,882,251**	**12.85**	**1.26**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**21,174,228**	**41,944**	**21,216,172**	**19.64**	**21,203,926**	**22,246**	**21,226,172**	**19.65**	**0.01**
C1. Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
C2. Non Promoter non public shareholding*	**1,020,250**	-	**1,020,250**	**0.94**	**1,010,250**	-	**1,010,250**	**0.94**	**0.00**
Grand Total (A+B+C)	**107,967,826**	**41,944**	**108,009,770**	**100.00**	**107,987,524**	**22,246**	**108,009,770**	**100.00**	-

* Shares held by Shalby Medicos Trust through Mr. Viral Shah, trustee, which was constituted for the benefit of doctors of the Company.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2018)			Share holding at the end of the year (as on March 31, 2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dr. Vikram Shah*	51,062,625	47.28	-	51,062,625	47.28	-	-
2	Dr. Darshini Shah	3,012,500	2.79	-	3,012,500	2.79	-	-
3	Mr. Shanay Shah	137,525	0.13	-	137,525	0.13	-	-
4	M/s Zodiac Mediquip Limited	31,545,448	29.21	-	31,545,448	29.21	-	-
5	Kairav Kirit Shah	15,000	0.01	-	15,000	0.01	-	-
6	Kirit Chimanlal Shah	250	Negligible	-	250	Negligible	-	-
	Total	**85,773,348**	**79.41**	-	**85,773,348**	**79.41**	-	-

* Dr. Vikram Shah is holding 43,327,132 equity shares as a Trustee of Shah Family Trust and balance 7,735,493 equity shares in his individual capacity as at March 31, 2019

iii. Change in Promoters' Shareholding

Sr.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)		Transactions during the year			Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
	No change							

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)		Transactions during the year			Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
1	Goldman Sachs India Limited	3,376,366	3.13%	31 Mar 2019	-	Closing	3,376,366	3.13%
2	Kotak Funds – India Midcap Fund	1,650,000	1.53%	-	-	-	1,650,000	1.53%
				13 Apr 2018	(65,797)	Sold	1,584,203	1.47%
				20 Apr 2018	(298,132)	Sold	1,286,071	1.19%
				27 Apr 2018	(5,834)	Sold	1,280,237	1.19%
				11 May 2018	(6,197)	Sold	1,274,040	1.18%
				10 Aug 2018	(12,000)	Sold	1,262,040	1.69%
				9 Nov 2018	(12,040)	Sold	1,250,000	1.16%
				8 Mar 2019	(2,372)	Sold	1,247,628	1.16%
				31 Mar 2019	-	Closing	1,247,628	1.16%
3	Viral Shah*	1,020,250	0.94%	29 Mar 2019	(10,000)	Transfer	1,010,250	0.94%
				31 Mar 2019	-	Closing	1,010,250	0.94%
4	Indgrowth Capital Fund I	979,787	0.91%	31 Mar 2019	-	Closing	979,787	0.91%
5	HSBC Global Investment Funds – Indian Equity	962,400	0.89%	14 Sep 2018	(16,032)	Sold	946,368	0.88%
				19 Oct 2018	(14,437)	Sold	931,931	0.86%
				2 Nov 2018	(7,814)	Sold	924,117	0.86%
				14 Dec 2018	(5,191)	Sold	918,926	0.85%
				31 Mar 2019	-	Closing	918,926	0.85%
6	Aakarshan Tracom Pvt. Ltd (2 folios)	764,000	0.71%	31 Mar 2019	-	Closing	764,000	0.71%
7	Edelweiss Custodial Services Limited (4 folios)	57,021	0.05%	6 Apr 2018	29,354	Purchased	86,375	0.08%
				13 Apr 2018	667	Purchased	87,042	0.08%
				13 Apr 2018	(5,477)	Sold	81,565	0.08%
				20 Apr 2018	(4,290)	Sold	77,275	0.07%
				27 Apr 2018	15,350	Purchased	92625	0.09%
				4 May 2018	115	Purchased	92,740	0.09%
				4 May 2018	(9,973)	Sold	82,767	0.08%
				11 May 2018	2,606	Purchased	85,373	0.08%
				18 May 2018	45,395	Purchased	130,768	0.12%
				18 May 2018	(177)	Sold	130,591	0.12%
				25 May 2018	47,550	Purchased	178,141	0.16%
				1 Jun 2018	(46,630)	Sold	131,511	0.12%
				8 Jun 2018	3,160	Purchased	134,671	0.12%
				8 Jun 2018	(372)	Sold	134,299	0.12%
				15 Jun 2018	3128	Purchased	137,427	0.13%
				15 Jun 2018	(228)	Sold	137,199	0.13%

Sr.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)		Transactions during the year			Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
				22 Jun 2018	2,953	Purchased	140,152	0.13%
				29 Jun 2018	(5,825)	Sold	134,327	0.12%
				6 Jul 2018	13,204	Purchased	147,531	0.14%
				13 Jul 2018	1,859	Purchased	149,390	0.14%
				13 Jul 2018	(21)	Sold	149,369	0.14%
				20 Jul 2018	144	Purchased	149,513	0.14%
				20 Jul 2018	(2394)	Sold	147,119	0.14%
				27 Jul 2018	3,765	Purchased	150,884	0.14%
				27 Jul 2018	(144)	Sold	150,740	0.14%
				3 Aug 2018	55	Purchased	150,795	0.14%
				3 Aug 2018	(10,085)	Sold	140,710	0.13%
				10 Aug 2018	39,044	Purchased	179,754	0.17%
				10 Aug 2018	(168)	Sold	179,586	0.17%
				17 Aug 2018	33,582	Purchased	213,168	0.20%
				24 Aug 2018	(67,193)	Sold	145,975	0.14%
				31 Aug 2019	2,960	Purchased	148,935	0.14%
				7 Sep 2018	(1,754)	Sold	147,181	0.14%
				14 Sep 2018	(5148)	Sold	142,033	0.13%
				21 Sep 2018	4,020	Purchased	146,053	0.14%
				28 Sep 2018	25,355	Purchased	171,408	0.16%
				29 Sep 2018	(209)	Sold	171,199	0.16%
				5 Oct 2018	37	Purchased	171,236	0.15%
				5 Oct 2018	(9,929)	Sold	161,307	0.15%
				12 Oct 2018	20,297	Purchased	181,604	0.17%
				12 Oct 2018	(560)	Sold	181,044	0.17%
				19 Oct 2018	3,992	Purchased	185,036	0.17%
				26 Oct 2018	2,519	Purchased	187,555	0.17%
				2 Nov 2018	(454)	Sold	187,101	0.17%
				9 Nov 2018	970	Purchased	188,071	0.17%
				16 Nov 2018	86,707	Purchased	274,778	0.25%
				23 Nov 2018	105,785	Purchased	380,563	0.35%
				23 Nov 2018	(336)	Sold	380,227	0.35%
				30 Nov 2018	656	Purchased	380,883	0.35%
				30 Nov 2018	(857)	Sold	380,026	0.35%
				7 Dec 2018	9,159	Purchased	389,185	0.36%
				14 Dec 2018	(4,110)	Sold	385,075	0.36%
				21 Dec 2018	52,000	Purchased	437,075	0.40%
				28 Dec 2018	(5,922)	Sold	431,153	0.40%
				31 Dec 2018	545	Purchased	431,698	0.40%
				4 Jan 2019	34	Purchased	431,732	0.40%
				4 Jan 2019	(309)	Sold	431,423	0.40%
				11 Jan 2019	31,012	Purchased	462,435	0.43%
				18 Jan 2019	621	Purchased	463,056	0.43%
				25 Jan 2019	1,526	Purchased	464,582	0.43%
				25 Jan 2019	(49)	Sold	464,533	0.43
				1 Feb 2019	75,054	Purchased	539,587	0.50%
				1 Feb 2019	(377)	Sold	539,210	0.50%
				8 Feb 2019	52,049	Purchased	591,259	0.55%

Sr.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)		Transactions during the year			Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
				8 Feb 2019	(1,745)	Sold	589,514	0.55%
				15 Feb 2019	(50)	Sold	589,464	0.55%
				22 Feb 2019	(6,657)	Sold	582,807	0.54%
				1 Mar 2019	1,961	Purchased	584,788	0.54%
				1 Mar 2019	(20)	Sold	584,768	0.54%
				8 Mar 2019	117,980	Purchased	702,748	0.65%
				8 Mar 2019	(1,329)	Sold	701,419	0.65%
				15 Mar 2019	(2,580)	Sold	698,839	0.65%
				22 Mar 2019	27,771	Purchased	726,610	0.67%
				29 Mar 2019	4,909	Purchased	731,519	0.68%
				31 Mar 2019	-	Closing	731,519	0.68%
8	Reliance Nippon Life Insurance Co. Ltd.	701,890	0.65%	6 Apr 2018	41,321	Purchased	743,211	0.69%
				13Apr 2018	(20,464)	Sold	722,747	0.67%
				20Apr 2018	(58,220)	Sold	664,527	0.62%
				27Apr 2018	(2,829)	Sold	661,698	0.61%
				4May 2018	(2,637)	Sold	659,061	0.61%
				11 May 2018	(41,219)	Sold	617,842	0.57%
				18 May 2018	(95,314)	Sold	522,528	0.48%
				25 May 2018	(77,202)	Sold	445,326	0.41%
				1 Jun 2018	(19,191)	Sold	426,135	0.39%
				8Jun 2018	219	Purchased	426,354	0.39%
				15Jun 2018	823	Purchased	427,177	0.40%
				22Jun 2018	(8,343)	Sold	418,834	0.39%
				29Jun 2018	(37,006)	Sold	381,828	0.35%
				6 July 2018	(8,332)	Sold	373,496	0.35%
				13 July 2018	(13,158)	Sold	360,338	0.33%
				20 July 2018	(60,062)	Sold	300,276	0.28%
				27 July 2018	(62,851)	Sold	237,425	0.22%
				03 Aug 2018	(147,007)	Sold	90,418	0.08%
				10 Aug 2018	(90,418)	Sold	0	0.00%
				31Mar 2019	-	Closing	0	0.00%
9	Kunvarji Fincorp Pvt. Ltd.	502,585	0.47%	6 Apr 2018	10,722	Purchased	513,307	0.48%
				13 Apr 2018	(1,222)	Sold	512,085	0.47%
				20 Apr 2018	2,500	Purchased	514,585	0.48%
				27 Apr 2018	(40,000)	Sold	474,585	0.44%
				4 May 2018	1420	Purchased	476,005	0.44%
				11 May 2018	10,415	Purchased	486,420	0.45%
				25 May 2018	80	Purchased	486,500	0.45%
				15 Jun 2018	(7,000)	Sold	479,500	0.44%
				22 Jun 2018	(25,500)	Sold	454,000	0.42%
				29 Jun 2018	(44,500)	Sold	409,500	0.38%
				6 July 2018	(145,500)	Sold	264,000	0.24%
				13 July 2018	(99,500)	Sold	164,500	0.15%
				20 July 2018	(63,600)	Sold	100,900	0.09%
				03 Aug 2018	(53,000)	Sold	47,900	0.04%
				10 Aug 2018	(45,400)	Sold	2,500	0.00%
				5 Oct 2018	76,000	Purchased	78,500	0.07%
				19 Oct 2018	40,400	Purchased	118,900	0.11%

Sr.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)		Transactions during the year			Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
				26 Oct 2018	(2,500)	Sold	116,400	0.11%
				14 Dec 2018	(40,000)	Sold	76,400	0.07%
				21 Dec 2018	70,300	Purchased	146,700	0.14%
				29 Mar 2019	(116,700)	Sold	30,000	0.03%
				31 Mar 2019	-	Closing	30,000	0.03%
10	IIFL India Growth Fund	403,260	0.37	18 May 2018	(70,826)	Sold	332,434	0.31%
				1 Jun 2018	(90,811)	Sold	241,623	0.22%
				8 Jun 2018	(72,961)	Sold	168,662	0.16%
				15 Jun 2018	(28,450)	Sold	140,212	0.13%
				3 Aug 2018	(140,212)	Sold	0	0.00%
				31 Mar 2019	-	Closing	0	0.00%
11	Perpetual Enterprise LLP	382,000	0.35%	6 Apr 2018	22,000	Purchased	404,000	0.37%
				29 Jun 2018	947	Purchased	404,947	0.37%
				6 Jul 2018	13,053	Purchased	418,000	0.39%
				20 Jul 2018	100,000	Purchased	518,000	0.48%
				31 Mar 2019	-	Closing	518000	0.48%
12	ICICI Prudential Pharma Healthcare and Diagnostics (P.H.D) Fund	-	-	7 Sep 2018	195,698	Purchased	195,698	0.18%
				21 Sep 2018	4,673	Purchased	200,371	0.19%
				28 Sep 2018	104,846	Purchased	305,217	0.28%
				19 Oct 2018	5,898	Purchased	311,115	0.29%
				2 Nov 2018	11,129	Purchased	322,244	0.30%
				31 Mar 2019	-	Closing	322,244	0.30%
13	Surya Laxmi Contractors LLP	266000	0.25%	31 Aug 2018	38,200	Purchased	304,200	0.28%
				31 Mar 2019	-	Closing	304,200	0.28%

* Shares held by Shalby Medicos Trust , through Mr. Viral Shah-Trustee, Constituted by Company for the benefit of doctors associated / to be associated with our Company through subsisting valid contract of consultation for their services rendered in connection with our Company's business

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of Directors and KMP	Shareholding at the beginning of the year (as on 01/04/2018)		Shareholding at the end of the year (as on 31/03/2019)	
		No. of equity shares	% of Shareholding	No. of equity shares	% of Shareholding
1 (a)	Dr. Vikram Shah				
	At the beginning of the year	7,735,493	7.16		
	Change during the year	-	-		
	At the end of the year			**7,735,493**	**7.16**
1 (b)	Dr. Vikram I Shah, Trustee of Shah Family Trust	-	-		
	At the beginning of the year	43,327,132	40.11		
	Change during the year	-	-		
	At the end of the year			**43,327,132**	**40.11**
	Grand Total at the end of Year			**51,062,625**	**47.28**
2	Mr. Shyamal Joshi				
	At the beginning of the year	2,006	Negligible		
	Change during the year	-	-		
	At the end of the year			**2,006**	**Negligible**

Sr. No.	For each of Directors and KMP	Shareholding at the beginning of the year (as on 01/04/2018)		Shareholding at the end of the year (as on 31/03/2019)	
		No. of equity shares	% of Shareholding	No. of equity shares	% of Shareholding
3	Mr. Umesh Menon				
	At the beginning of the year	2,000	Negligible		
	Change during the year	-	-		
	At the end of the year			**2,000**	**Negligible**
4	Mr. Tej Malhotra				
	At the beginning of the year	1,755	Negligible		
	Change during the year	-	-		
	At the end of the year			**1,755**	**Negligible**
5	Mr. Ashok Bhatia				
	At the beginning of the year	1,755	Negligible		
	Change during the year (Purchased)	545	Negligible		
	At the end of the year			**2,300**	**Negligible**
6	Mrs. Sujana Shah				
	At the beginning of the year	-	-		
	Change during the year	-	-	-	-
	At the end of the year			**-**	**-**
7	Mr. Prahlad Rai Inani				
	At the beginning of the year	-	-		
	Change during the year	-	-		
	At the end of the year			**-**	**-**
8	Mr. Jayesh Patel				
	At the beginning of the year	6,928	0.01		
	Change during the year	-	-		
	At the end of the year			**6,928**	**0.01**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Millions)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1. Principal Amount	1,137.07	-	-	1,137.07
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	5.49	-	-	5.49
Total (1+2+3)	**1,142.56**	**-**	**-**	**1,142.56**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	431.34	-	-	431.34
Net Change	-431.34	-	-	-431.34
Indebtedness at the end of the financial year				
1. Principal Amount	708.24	-	-	708.24
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	2.98	-	-	2.98
Total (1+2+3)	**711.22**	**-**	**-**	**711.22**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

B. Remuneration to other directors: NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ In Million)

	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	CFO^	CS	Total
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2.38	4.79	1.81	8.98
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	2.38	4.79	1.81	8.98

* Mr. Ravi Bhandari, CEO has left the Company w.e.f. closing of business hours on June 30, 2018.

^ Mr. Prahlad Rai Inani joined the Company w.e.f. May 17, 2018 and appointed as CFO w.e.f. August 13, 2018, in place of Mr. S L Kothari and Mr. Kothari had drawn salary of ₹ 2.37 million upto August 17, 2018 and the same has not been included in above table.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			Nil		
Compounding					
B. Directors					
Penalty					
Punishment			Nil		
Compounding					
C. Directors					
Penalty					
Punishment			Nil		
Compounding					

For and on behalf of the Board

Dr. Vikram Shah
Chairman and Managing Director
(DIN: 0011653)

Place: Ahmedabad
Date: May 25, 2019

Annexure C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of material contracts or arrangement or transactions not at arm's length basis for FY 2018-19

1. Details of contracts or arrangements or transactions not at arm's length basis								
Sr.	**Name(s) of the related party and nature of relationship**	**Nature of contracts/ arrangements/ transactions**	**Duration of the contracts/ arrangements/ transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Justification for entering into such contracts or arrangements or transactions**	**Date(s) of approval by the Board**	**Amount paid as advances, if any:**	**Date on which the Ordinary resolution was passed in general meeting as required under first proviso to section 188**
1	Dr. Vikram I Shah, Chairman & Managing Director of the Company	Lease Agreement	10 Years	The land on which SG Shalby is situated leased to the Company by Dr Vikram Shah for a period of ten years ending February 28, 2027 at a monthly lease rental of ₹ 5 lacs plus taxes etc.	As Shalby Limited is the flagship company of the group and largely responsible for the value attributed to the group, the Individual Promoter, Dr Vikram Shah, decided to extend the leasehold to the Company for a consideration that may be lower than the arm's length price for comparable leased properties.	20/12/2016	NA	06/02/2017
2	Shalby Orthopedic Hospital & Research Centre, Dr Vikram Shah is a partner of Shalby Orthopaedic Hospital and Research Centre, and is a director and key managerial person of the Company.	Lease Agreement	10 Years	Shalby Orthopaedic Hospital and Research Centre has leased the land and building to the Company for a period of ten years ending on February 28, 2027 at a monthly lease rental of ₹ 50,000 plus taxes etc.	As Shalby Limited is the flagship company of the group and largely responsible for the value attributed to the group, the Individual Promoters, being partners of Shalby Orthopaedic Hospital and Research Centre, decided to extend the leasehold to the Company for a consideration that may be lower than the arm's length price for comparable leased properties.	20/12/2016	NA	06/02/2017
3	Dr. Vikram I Shah, Chairman & Managing Director of the Company	Lease Agreement	30 Years	Higher of: (a) A guaranteed minimum monthly rental of ₹ 100,000; and (b) A revenue sharing of 2.5% of the gross revenue received and / or generated by Shalby Naroda, and booked on the credit side of profit and loss accounts, in the books of accounts of the Company.	Dr Vikram Shah and Mr Uday Bhatt have leased the land on which Shalby Naroda is situated to the Company for a period of thirty years. As Shalby Limited is the flagship company of the group and largely responsible for the value attributed to the group, the Individual Promoter, Dr Vikram Shah, decided to extend the leasehold to the Company for a consideration that may be lower than the arm's length price for comparable leased properties.	20/12/2016	NA	06/02/2017

2. Details of material contracts or arrangement or transactions at arm's length basis for FY 2018-19

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the Contracts or arrangements or transactions including value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date on which Ordinary resolution was passed in general meeting u/s 188(1)
Professional fees							
1	Dr. Vikram I Shah, KMP	Professional Fees	10 Years w.e.f. 05/02/2014	Professional fee reduced w.e.f 01/04/2018 for a limited period of 3 years and payable 1) Arthroplasty: 5% of IPD collection (Surgery fees) net off discount and 20% of Ward fees; 80% OPD fees Collected 2) Other than Arthroplasty: 20% of the PF posting amount and ward fees 20% of fees. During FY 2018-19 Professional Fees paid amounting to ₹ 16.66 million. Professional fees w.e.f. 01/04/2021 will be paid as per Supplementary Agreement dated 28/01/2016 to Original agreement dated 05/02/2014 for remaining period of tenure.	07/05/2018	NA	NA
2	Dr. Darshini V. Shah, Relative of KMP	Professional Fees	10 Years w.e.f. 05/02/2014	Professional fee reduced w.e.f. 01/04/2018 for remaining period of tenure and payable 1) For SG Shalby 50% of total dental Income & 2) For Vijay and Krishna Shalby unit:s 30% of dental income. During FY 2018-19 Professional Fees paid amounting to ₹ 16.77 million.	07/05/2018	NA	NA
Commission							
1	Zodiac Mediquip Limited, Promoter Company	Commission	2 Years upto 31/03/2020	Commission amounting to ₹ 0.22 million paid	07/05/2018	NA	NA
Rent Expenses/Income							
1	Zodiac Mediquip Limited, Promoter Company	Guest House expenses	2 Years upto 31/03/2020	Rent amounting to ₹ 1.30 million.	09/01/2018	NA	NA
2	Yogeshwar Healthcare Limited, Subsidiary Company	Rent / Deposite	5 Years upto 31/03/2019	Rent ₹ 0.26 million and ₹ 1.2 million given as Deposit	19/02/2014	NA	NA
3	Griffin Mediquip LLP Subsidiary	Rent Income	11 Months with auto renewal	Rendering Services amounting to ₹ 0.08 million	09/01/2018	NA	NA
4	Slaney Healthcare Private Limited, Group Company	Rent Income	Ongoing	Rendering Services amounting to ₹ 0.21 million	09/01/2018	NA	NA
Purchase or sale of Medical, Material and Consumables							
1	Griffin Mediquip LLP, Subsidiary	Purchase of medical material and consumables	Ongoing	Purchase of medical material and consumables value is ₹ 362.61 million	05/01/2016	NA	NA
2	Slaney Healthcare P. Ltd, Group Company	Purchase of medical material and consumables	Ongoing	Purchase of medical material and consumables value is ₹ 0.11 million	09/01/2018	NA	NA
3	Vrundavan Shalby Hospitals Ltd Subsidiary	Purchase of capital goods	one time	Purchase of capital goods of ₹ 0.56 million	09/01/2018	NA	NA
Appointment to any office or place of profit							
1	Mr. Shanay Shah, Relative of KMP	Appointment to the office/place of profit	3 years	Appointment as Director(Designated) -Internal Business for 3 years wef October 10, 2016 on a monthly remuneration of ₹ 0.4 million	05/09/2016	NA	29/09/2016

For and on behalf of the board
Dr. Vikram I. Shah
Chairman and Managing Director
(DIN: 00011653)

Place : Ahmedabad
Date : May 25, 2019

Annexure D

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr.	Particulars	Details
1.	Median Remuneration of employees for FY 2018-19	₹ 1.37 lakhs (₹1.17 for FY 2017-18)
2.	Ratio of remuneration of each director to the median remuneration of employees of the company for FY 2018-19	Ratio
	a. Dr. Vikram Shah	N.A., since not drawing remuneration
	b. Mr. Shyamal Joshi	N.A., since not drawing remuneration
	c. Mr. Ashok Bhatia	N.A., since not drawing remuneration
	d. Mr. Umesh Menon	N.A., since not drawing remuneration
	e. Mr. Tej Malhotra	N.A., since not drawing remuneration
	f. Mrs. Sujana Shah	N.A., since not drawing remuneration
3.	Percentage increase in remuneration of each director, CFO, CEO & CS in financial year 2018-19	
	Directors	
	a. Dr. Vikram Shah	N.A.
	b. Mr. Shyamal Joshi	N.A.
	c. Mr. Umesh Menon	N.A.
	d. Mr. Tej Malhotra	N.A.
	e. Mr. Ashok Bhatia	N.A.
	f. Mrs. Sujana Shah	N.A.
	Key Managerial Personnel	
	a. Mr. Prahlad Inani, CFO	N.A. as appointed during the year.
	b. Mr. Jayesh Patel, CS	15.42%
4	Percentage increase in median remuneration of employees in the financial year	16.95%
5.	Number of permanent employees on roll of the company as on March 31, 2019	2,448
6.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 6.83%. None of the directors was in receipt of remuneration during FY 2018-19 except sitting fees
7.	It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.	

Note : The amount of sitting fees paid to each director has not been considered as a part of remuneration hereinabove. The details of sitting fees paid to directors is available in corporate Governance Report.

For and on behalf of Board of Directors

Dr. Vikram I. Shah
Chairman and Managing Director
(DIN: 00011653)

Place : Ahmedabad
Date : May 25, 2019

Annexure E

CSR Annual Report for financial year 2018-19

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around units, but also in other geographies based on the needs of the communities / societies. The CSR Policy prepared in compliance with the companies Act, 2013 in available at https://www.shalby.org/wp-content/uploads/2018/12/Corporate-Social-Responsibility-CSR-Policy.pdf

   The major focus areas where special Community Development programs would be run are:

   - Promoting Health care including Preventive Health care through awareness programs, health check-ups, free or concessional Medical Camps, provision of medicine & treatment facilities, providing pre natal & post natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.
   - Healthcare we aspire to deliver facilities to communities and other sections of the society in the form of primary health care support through diagnosis and treatments, promoting preventive healthcare, building awareness about sanitation and medical camps, creating awareness through various programs, etc.
   - The company may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections, families in the below poverty line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, setting up of medical and diagnostic camps, projects or programs aimed at eradicating poverty or malnutrition of women and children, pain and palliative care etc.
   - Employment enhancing vocational skill development programs and promoting education.
   - Company may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid.

2. **The composition of the CSR committee:**

   The composition of the members of the Corporate Social Responsibility Committee is as follows:

   1. Mr. Umesh Menon, Chairman
   2. Mr. Shyamal Joshi, Member
   3. Mrs. Sujana Shah, Member

3. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** ₹ 502.22 Million

4. **Prescribed CSR Expenditure (2% of ₹ 502.22 Million):** ₹ 10.04 Million

5. **Details of CSR spent during the financial year:**

   a) Total amount to be spent for the financial year: ₹ 10.04 Million

   b) Amount unspent: ₹ 10.04 Million

   c) Manner in which the amount spent during the financial year:

(₹ in Million)

1	2	3	4	5	6	7	8
Sr. No.	**CSR Project or Activity Identified**	**Sector in which the project is covered**	**Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads**	**Cumulative expenditure upto to the reporting period.**	**Amount spent: Direct or through implementing agency**
1	Activities mentioned above	-	-	10.04	-	-	-
	Total	**-**	**-**	**10.04**	**-**	**-**	**-**

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

The Company has spent ₹ 1.62 Million out of total CSR expenditure of ₹ 2.00 Million in FY 2014-15. Thereafter, the Board has decided to spend CSR fund to establish and maintain Old Age Homes for underprivileged class. This CSR project requires huge investment in Capex and it is therefore, the company proposes to accumulate CSR Corpus to a sizeable amount and then undertake such capital intensive project.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

For and on behalf of the CSR Committee and the Board

	Umesh Menon	**Dr. Vikram Shah**
	Chairman of CSR	Chairman and
May 25, 2019	Committee	Managing Director
Ahmedabad	(DIN: 00086971)	(DIN: 00011653)

Annexure F

FORM NO. MR-3

Secretarial Audit Report

(For the financial year ended 31st March, 2019)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
Members

SHALBY LIMITED
Opp: Karnawati Club,
Sarkhej Gandhinagar Highway,
Nr. Prahladnagar Gardern
Ahmedabad-380015
Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHALBY LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions as applicable to the Company during the period of audit:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

(e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the company during the Audit Period)

VI. Other Laws those are applicable specifically to the Company :

1. **INDUSTRY SPECIFIC REGULATIONS**
   (i) Indian Medical Council Act, 1956 ("IMC Act").
   (ii) Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 ("IMC Regulations")
   (iii) Drugs and Cosmetic Act, 1940.
   (iv) Narcotic Drugs and Psychotropic Substances Act, 1985
   (v) Pharmacy Act, 1948
   (vi) Clinical Establishments (Registration & Regulation) Act, 2010
   (vii) Ethical Guidelines for Biomedical Research on Human participants, 2006
   (viii) Transplantation of Human Organs Act, 1994
   (ix) Atomic Energy Act, 1962
   (x) Atomic Energy (Radiation Protection) Rules, 2004
   (xi) Safety Code for Medical Diagnostic X-Ray Equipment and Installation, 2001
   (xii) Radiation Surveillance Procedures for Medical Application of Radiation 1989
   (xiii) Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994
   (xiv) Medical Termination of Pregnancy Act, 1971
   (xv) Consumer Protection Act, 1986
   (xvi) Madhya Pradesh Upcharyagriha Tatha Rujopchar Sambandhi Sthapnaye (Registrikaran tatha Anugyapan) Adhiniyam, 1973 ("MP Nursing Home Act")
   (xvii) The Gujarat emergency Medical Services Act. 2007

2. **FOOD SAFETY REGULATIONS**
   (i) Food Safety and Standards Act, 2006

3. **ENVIRONMENT REGULATIONS**
   (i) Environment (Protection) Act, 1986
   (ii) Water (Prevention and Control of Pollution) Act, 1974
   (iii) Water (Prevention and Control of Pollution) Cess Act, 1977
   (iv) Air (Prevention and Control of Pollution) Act, 1981
   (v) Biomedical Waste Management Rules, 2016
   (vi) Hazardous and other Wastes (Management and Transboundry Movement) Rules, 2016

I have also examined compliance with the applicable Clauses of the Following:

1. Secretarial Standard issued by The Institute of Company Secretaries of India;
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered in to by the Company with Stock exchange (s).

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period no events/actions have been occurred, which have a major bearing on company's affairs in pursuance of the above referred Laws, Rules, regulations, guidelines, Standards, etc.:

(Shambhu J. Bhikadia)
Place: Ahmadabad ACS No.8024
Date: May 25, 2019 C P No.:3894

This Report is to be read with our letter of even date which is annexed as Appendix A and Forms an integral part of this report.

APPENDIX- A

To,
The Members
SHALBY LIMITED
Opp: Karnawati Club,
Sarkhej Gandhinagar Highway,
Nr. Prahladnagar Gardern
Ahmedabad-380015

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(Shambhu J. Bhikadia)
ACS No.8024
C P No.:3894

Place: Ahmadabad
Date: May 25, 2019

Corporate Governance Report

Shalby Philosophy on Corporate Governance

Shalby Limited is committed to good corporate governance which promotes long term interest of various stakeholders, strengthens the Board, enhances the accountability and helps to build public trust in the Company.

A good governance process provides transparency of corporate policies and decision making process and also strengthens internal systems and helps in building relationship with all stakeholders. We at Shalby believe in being transparent and we commit ourselves to adherence of good governance practices at all times, as it generates goodwill among our clients and shareholders and helps the company to grow.

A report on Corporate Governance, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable is outlined below.

A. Board of Directors

I. Composition of the Board

The Company has balanced and diverse Board of Directors ('the Board'). The Board comprises of appropriate mix of Executive, Non-Executive and Independent Directors as required under Companies Act, 2013 ('the Act') and Listing Regulations to maintain the independence of the Board and to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities. As on March 31, 2019, the Board of Directors comprises of six directors, out of which five are Non-Executive Directors and one is Executive Director (Promoter Director). Out of five Non-Executive Directors, three are Independent Directors (including one woman independent director) and two are Non-Promoter Directors. The Board structure is in compliance with Regulation 17 of Listing Regulations.

During the under review, Dr. Darshini Shah resigned as director w.e.f. May 7, 2018 from the Board and Mrs. Sujana Shah appointed as additional Independent Director for the period of 5 years w.e.f. May 7, 2018 whose appointment has been ratified by members in their annual general meeting held on September 17, 2018.

As on March 31, 2019, our Company's Non-Executive Director, Mr. Shyamal Joshi is a Non-Executive Independent director in Nila Infrastructure Ltd, a listed Company apart from our Company. None of our other directors are Director in any other listed Companies. Further none of the Directors of the Company is acting as a Whole Time Director / Managing Director of any listed Company. None of the directors of the Company is an Independent Director in more than 7 listed companies.

None of the Directors of Company is a Member of more than 10 Committees and no Director is the Chairperson of more than 5 committees across all the public companies in which (s)he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors. For the purpose of determination of limit, Chairmanship and Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered. The details of directorship and other details are set out below;

Sr	Name & DIN	Category	Age in years	Date of Initial appointment	No. of Director-ships including this listed entity^	No. of Membership and Chairmanship of committees including this listed entity*		No. of equity shares held
						Member-ship	Chairman-ship	
1	Dr. Vikram Shah DIN: 00011653	Executive Chairman & Managing Director (Promoter)	56	30/08/2004	2	1	0	51,062,625&
2	Mr. Shyamal Joshi DIN: 00005766	Non-Executive (Non-Promoter)	69	01/06/2010	6	2	2	2,006
3	Mr. Umesh Menon DIN: 00086971	Non-Executive Independent	48	20/12/2016	3	1	1	2,000
4	Mr. Tej Malhotra DIN: 00122419	Non-Executive Independent	68	23/02/2017	1	1	0	1,755

Sr	Name & DIN	Category	Age in years	Date of Initial appointment	No. of Director-ships including this listed entity^	No. of Membership and Chairmanship of committees including this listed entity*		No. of equity shares held
						Member-ship	Chairman-ship	
5	Mr. Ashok Bhatia DIN: 02090239	Non-Executive (Non-Promoter)	65	23/10/2017	2	0	0	2,300
6	Mrs. Sujana Shah DIN: 08100410	Non-Executive Independent	41	07/05/2018	1	1	0	Nil

^ including private and foreign companies

* Represents Chairmanship / Membership of Audit Committee and Stakeholder Relationship Committees of public companies only

& Dr. Vikram Shah is holding 43,327,132 equity shares constituting 40.11% of the paid up capital of the Company on behalf of Shah Family Trust and balance 7,735,493 equity shares constituting 7.16% in his individual capacity

There is no inter-se relationship between the Board members. The terms of appointment of independent directors are not due for re-appointment.

Disclosure of skill-sets of Board

The diverse skill-sets of board members are important in today's dynamic and complex world. A group of directors with varied skill-sets and experience is critical for providing comprehensive guidance and direction to the Company. In terms of Schedule V of SEBI (LODR) Regulations, 2015, the details of skill-sets or competence identified by the Board of Directors as required to run its business effectively and efficiently are set out below;

Skill-sets required
Industry knowledge & experience
Project effective management
Marketing, Strategy & patient satisfaction
Cost analysis
Account & Finance
Information technology
Talent management & Leadership
Compliance & risk

The Board of Directors confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

II. Meetings of Board of Directors

During the year, four meetings of the Board of Directors were held on May 7, 2018, August 13, 2018, October 25, 2018 and January 28, 2019 and the maximum gap between any two consecutive board meetings was less than one hundred and twenty days. The required quorum was present for each of the meetings. The agenda papers along with the notes thereon, other supporting documents and all information as required under Regulation 17(7) of Listing Regulations were circulated in advance to the Board Members, except unpublished price sensitive information which may be provided at a shorter notice.

Details of Directors' attendance in Board Meetings held during the financial year 2018-19 and last Annual General Meeting are set out below;

Name of Director	No. of Board Meeting held and attended	Status of attendance at the last AGM
Dr. Vikram Shah	4/4	Yes
Mr. Shyamal Joshi	4/3	Yes
Mr. Umesh Menon	4/4	Yes
Mr. Tej Malhotra	4/4	Yes
Mr. Ashok Bhatia	4/4	Yes
Mrs. Sujana Shah	4/3	Yes

III. Separate Meeting of Independent Director

As required under Regulation 25(3) of the Listing Regulations read with Schedule IV of the Companies Act, 2013, all the Independent Directors of the Company, met once during the year on January 28, 2019 without the attendance of Non-Independent Directors and members of the management.

The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the performance of Chairman of the Company based on the views of Non-Executive Directors. The Board of Directors also discussed about the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

IV. Familiarization Program to Independent Directors

The Company has familiarization program for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The policy on familiarization program for independent directors and details of familiarization program imparted during FY 2018-19 are available on the Company's website at https://www.shalby.org/wp-content/uploads/2018/12/Director-Familiarisation-Policy.pdf and https://www.shalby.org/wp-content/uploads/2018/01/Details-of-Familiarization-Program-imparted-to-IDs.pdf respectively.

V. Review of Compliance Report by the Board

The Board regularly reviews the Compliance Report pertaining to all laws and licenses applicable to the Company for smooth functioning and also to assess the steps taken by the Company to rectify instances of non-compliances.

VI. Selection and appointment of Directors and their Remuneration

The Company has adopted Nomination and Remuneration & Board Diversity Policy which, inter alia, deals with the manner of selection of Board of Directors, payment of remuneration to Directors, Senior Managerial personnel, KMPs and other employees.

VII. Confirmation as to directors being debarred or disqualified by statutory authority

The Board of Directors of the Company confirmed that none of our directors has been debarred or disqualified by Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or such statutory authority from being appointed or continuing as directors of the Company and Company has obtained a certificate from Practicing Company Secretary certifying that none of directors of our Company has been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI/MCA or such statutory authority.

VIII. Remuneration of Directors & Service Contract, Notice period and Severance Fees

I. Remuneration

The details of remuneration, perquisites and sitting fees paid to the Directors for the financial year 2018-19 are as under.

(₹ in million)

Name of Director	Category	Salary	Perquisites	Sitting fees^	Total
Dr. Vikram Shah	Executive Chairman & Managing Director	Nil*	Nil	Nil	Nil
Mr. Shyamal Joshi	Non-Executive	Nil	Nil	0.33	0.33
Mr. Umesh Menon	Non-Executive & Independent Director	Nil	Nil	0.45	0.45
Mr. Tej Malhotra	Non-Executive & Independent Director	Nil	Nil	0.33	0.33
Mr. Ashok Bhatia	Non-Executive	Nil	Nil	0.25	0.25
Mrs. Sujana Shah	Non-Executive & Independent Director	Nil	Nil	0.25	0.25
Total		**Nil**	**Nil**	**1.60**	**1.60**

^ Sitting fees includes payment for Board-level committee meetings

* Dr. Vikram Shah does not draw remuneration in his capacity as Managing Director. However, as per consultancy agreement entered into with him by the Company, he is entitled for Professional Fees and he was paid the professional fees ₹ 16.66 million during financial year 2018-19.

II. Criteria for payment to Non-Executive / Independent Directors

The criteria of making payment to the Non-Executive Directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or outlook of the Company but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas such as technology, corporate strategy, finance and other corporate functions. The Company seeks their expert advice on various matters in general management, strategy, business planning, finance, science, technology or intellectual property. Non-Executive Director and Independent Directors are paid sitting fees of ₹ 50,000/- for attending each meeting of the Board and ₹ 25,000/- for attending each meeting of Audit & Risk Management Committee, Nomination & Remuneration

Committee, Stakeholder Relationship Committee, CSR Committee and Independent Directors.

III. Service Contracts, notice period, severance fees

Dr. Vikram Shah was appointed as the Managing Director of our Company, w.e.f. March 27, 2015, for a period of five years. However, he does not draw any remuneration as Managing Director but the Company has executed agreement with him on February 5, 2014 for availing his professional services for a period of 10 years with lock-in period of 5 years and he will be paid Professional fees as per revised agreed terms.

The professional fees payable to Dr. Vikram Shah has been reduced effective from April 1, 2018 for a period of 3 years ending on March 31, 2021. He will be paid thereafter as per said agreement.

There is no other pecuniary relationship or transactions of non-executive directors vis-à-vis the Company. The Company does not have any stock option scheme.

No severance fees is payable to any director of the Company.

B. Audit & Risk Management Committee

I. Composition and its attendance

The Audit and Risk Management Committee comprises of four members with three Independent Directors and one Non-Executive Director as on March 31, 2019. The Committee was reconstituted by inclusion of Mrs. Sujana Shah as a member of the Committee in place of Mr. Ashok Bhatia w.e.f. May 7, 2018.

The Committee met four times during the year i.e. on May 7, 2018, August 13, 2018, October 25, 2018 and January 28, 2019. The Composition of the Committee as on March 31, 2019 and its attendance for meetings held during the year is set out below;

Name of member	Category	Status	No. of meeting held and attended
Mr. Umesh Menon	Non-Executive & Independent Director	Chairman	4 / 4
Mr. Shyamal Joshi	Non-Executive Director	Member	4 / 3
Mr. Tej Malhotra	Non-Executive & Independent Director	Member	4 / 4
Mrs. Sujana Shah*	Non-Executive & Independent Director	Member	3 / 2

* Mrs. Sujana Shah appointed w.e.f. May 7, 2018 in place of Mr. Ashok Bhatia

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 17, 2018.

II. Invitees to the Committee

The CFO and Internal Auditors are regular invitees to the Committee meetings. The Committee also invites other officials / executives, where it considers appropriate, to attend meetings. The Company Secretary is the Secretary to the Committee.

The Committee has reviewed management discussion and analysis of financial condition and results of operations, statement of significant related party transactions as submitted by the management and other information as mentioned in Part C of Schedule II of Listing Regulations.

III. Terms of Reference

The Audit and Risk Management Committee review the matters falling under terms of reference and addresses larger issues that could be vital concern to the Company. The Committee constituted by the Board in terms of Section 177 of the Act, meets the requirement of provisions of Companies Act, 2013 as well as of the Listing Regulations. The powers, role and terms of reference of Committee include the matters as specified under the Act and Listing Regulations. The terms of reference of the Committee, broadly includes matters pertaining to review of financial reporting process, review of financial results and related information, approval and disclosures of related party transaction, adequacy of internal control systems, appointment and remuneration of Auditors, adequacy of disclosures, review of changes, if any, in accounting policies & practices, compliance with listing and other legal requirements relating to financial statements, review of utilization of loans and/or advances from / investment in its subsidiaries exceeding ₹ 100 crore or 10% of the asset size of subsidiary, implementing & monitoring system and process for compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, reviewing adequacy of the functioning of system and processes for internal control w.r.t. SEBI PIT Regulations, reviewing the compliances with the provisions of SEBI PIT Regulations at least once in a financial year, Risk Management framework and other relevant matters.

C. Nomination and Remuneration Committee

I. Composition and its attendance

The Nomination and Remuneration Committee comprises of three members with two Independent Directors and one Non-Executive Director as on March 31, 2019. The

Committee was reconstituted by inclusion of Mrs. Sujana Shah as a member of the Committee in place of Mr. Ashok Bhatia w.e.f. May 7, 2018.

The Committee met two times on May 7, 2018 and August 13, 2018 during the year. The Composition of Committee as on March 31, 2019 and its attendance for meetings held during the year is set out below:

Name of member	Category	Status	No. of meeting held and attended
Mr. Umesh Menon	Non-Executive & Independent Director	Chairman	2 / 2
Mr. Shyamal Joshi	Non-Executive Director	Member	2 / 1
Mrs. Sujana Shah*	Non-Executive & Independent Director	Member	1 / 1

* Mrs. Sujana Shah appointed w.e.f. May 7, 2018 in place of Mr. Ashok Bhatia

II. Terms of Reference

The powers, role and terms of reference of Committee include the matters as specified under the Act and Listing Regulations. The broad terms of reference of the Committee include formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees, formulation of criteria for evaluation of independent director, identification and assessing the person who are qualified to become directors, recommending remuneration payable to Senior Management, monitoring and reviewing various human resource and compensation matters.

III. Performance Evaluation

The Company policy provides for the manner, mode and unique questionnaires to evaluate performance of the Board, Committees, Independent Directors and Non-Independent Directors. The criteria for the performance evaluation of the Directors includes (a) Attendance of each Director (b) participation in meaningful discussion (c) Effectiveness of the decision taken based on deliberations (d) Preparedness of each Director (e) Conduct and behavior of each Director etc. The evaluation process includes review, discussion and feedback from the directors in reference to set criteria and questions.

Evaluation of Performance of the Board, its Committees, every Independent Director and Non-Independent Directors, for the Financial Year 2018-19, has been carried out in the manner and process as per the policy in this respect. The Directors are satisfied with the performance and evaluation.

D. Stakeholder's Relationship Committee

The Stakeholders' Relationship Committee, oversees, inter-alia, expeditious redressal of shareholders' grievance such as issues involving transfer and transmission of shares, issue of duplicate certificates, recording dematerialization/ rematerialization, non-receipt of refund, annual report etc.

I. Composition and its attendance

The Committee comprises of three directors as on March 31, 2019, out of which Chairman is Non-Executive Director. The committee met two times on May 7, 2018 and October 25, 2018 during the year under review. The composition of the Committee as on March 31, 2019 and its attendance is set out below;

Name of member	Category	Status	No. of meeting held and attended
Mr. Shyamal Joshi	Non-Executive Director	Chairman	2 / 2
Mr. Umesh Menon	Non-Executive & Independent Director	Member	2 / 2
Dr. Vikram Shah	Executive Director	Member	2 / 2

II. Particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year

M/s. Karvy Fintech Private Limited (earlier known as Karvy Computershare Pvt. Ltd.), Hyderabad is acting as the Share Transfer Agent of the Company to carry out the share transfer and other related work. Mr. Jayesh Patel, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of the Listing Regulations. The Share Transfer Agent has timely resolved/attended all the complaints and no complaint or grievance remained unattended/ unresolved at the end of the year. Details of the complaints received and resolved during the year ended March 31, 2019 are set out below;

Particulars	No. of complaints
Opening as on April 1, 2018	0
Received during the year	12
Resolved during the year	12
Pending as at March 31, 2019	0

E. Corporate Social Responsibility Committee (CSR Committee)

As required under Section 135 of the Companies Act 2013, the Company has constituted CSR Committee of Directors inter-alia to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on the activities in line with objectives given in CSR policy, monitor the CSR policy and other matters as may be referred by the Board of Directors.

I. Composition and its attendance

The Committee comprises of three directors as on March 31, 2019 out of which Chairman is Non-Executive and Independent Director. The committee was reconstituted by inclusion of Mrs. Sujana Shah w.e.f. May 7, 2018 in place of Dr. Darshini Shah. The composition of the committee and its attendance is set out below;

Name of member	Category	Status	No. of meeting held and attended
Mr. Umesh Menon	Non-Executive Director	Chairman	1 / 1
Mr. Shyamal Joshi	Non-Executive & Independent Director	Member	1 / 1
Mrs. Sujana Shah	Non-Executive & Independent Director	Member	0 / 0

* Mrs. Sujana Shah appointed w.e.f. May 7, 2018 in place of Dr. Darshini Shah.

F. Other Committees

In addition to the above referred committees, the Board has also constituted management committees of Directors to look into various routine business matters.

G. General Body Meetings

i. Annual General Meeting

During the preceding three years, the Company's Annual General Meetings were held at the Registered office of the Company at Shalby Hospitals, Opp. Karnavati Club, S. G. Highway, Ahmedabad 380 015, Gujarat except last AGM which was held at the Ahemedabad Management Association, ATIRA campus, Ahmedabad-380015.

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Year ended	Date & time	Special resolutions passed
31/03/2018	17/09/2018 at 9:30 a.m.	None
31/03/2017	28/08/2017 at 4:00 p.m.	None
31/03/2016	29/09/2016 at 3:00 p.m.	Appointment of Mr. Shanay Shah to an office or place of profit

ii. Details of Special Resolution passed through postal ballot:

No special resolution was passed through postal ballot during the Financial Year ended March 31, 2019. A special resolution is proposed in the ensuing Annual General meeting for variation in the terms of the objects of Initial public offering of equity shares of the Company.

H. Disclosures

i. Management Discussion Analysis

The Annual Report contains detailed report on Management Discussion and Analysis.

ii. Related Party Transactions

Most of the related party transactions that were entered into during the financial year were on arm's length basis, however, few transactions were not at arm's length basis and your Company has, accordingly taken approval of audit committee, Board of Directors and shareholders whenever applicable. Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for their review and approval.

During the year under review, there were no material transactions with related parties in terms of regulation 23 of Listing Regulations. The details of the related party transactions are provided in the Annexure - C (AOC -2) to the Directors' Report.

The Company has formulated policy for determining 'material' subsidiaries and policy on dealing with Related Party Transactions. The said policies are hosted on the Company's website at https://www.shalby.org/wp-content/uploads/2018/01/Material-Subsidiary-Policy.pdf and https://www.shalby.org/wp-content/uploads/2018/01/Related-Party-Transaction-Policy2.pdf respectively. The Company does not have any Material Subsidiary Company.

iii. Accounting Treatment

The Company has followed accounting treatment as prescribed in Indian Accounting Standard applicable to the Company.

iv. Compliance by the Company

The Company has complied with all the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and other SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during any time in the past.

v. Whistle Blower Policy / Vigil Mechanism

The Company has a Whistle-Blower Policy for establishing a vigil mechanism to report genuine concerns regarding unethical behavior and mismanagement, if any. No employee of the Company was denied access to the Audit Committee. Details relating to vigil mechanism are also mentioned in the Board's Report. The Whistle-Blower Policy is available on the website of the Company at https://www.shalby.org/wp-content/uploads/2018/01/Vigil-Mechanism-and-Whistle-blower_policy-1.pdf

vi. Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to foreign exchange risk to some extent as portion of revenue of the Company is generated from international operations in Middle East and Africa. Further Company also purchased some of its medical equipment from foreign manufacturers. For mitigating the foreign exchange risk, Company has entered into Cross-currency Interest Rate SWAP agreement with the bank. The Company does not enter into any derivative instruments for trading or speculative purposes.

vii. Compliance with Mandatory and Discretionary requirements

The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations and also followed non-mandatory requirements relating to financial statements with unmodified audit opinion / without qualification and direct reporting by internal auditor to Audit Committee etc.

viii. Utilization of proceeds from public issue, rights issue, preferential issue etc.

The Company has raised an amount of ₹ 4800 million. through Initial Public Offer("IPO") in December 2017 vide Prospectus dated December 11, 2017. As required under Reg. 16 of SEBI (Issue and Capital Disclosure Requirements), Regulations 2009, Company has appointed HDFC Bank Limited as Monitoring Agency for monitoring of utilization of net proceeds of the Public offer.

The details of utilization of the issue proceeds are provided in the notes to the Accounts. During the year under review, the company has not deviated in utilizing the net proceeds of IPO. The Board of Directors subsequent to the year under review, has intended and proposed to vary in terms of object of Initial public offering of the Company and recommended the members for their approval.

ix. Unclaimed Dividends and Unclaimed Shares

The company has not declared any dividend on equity shares in previous years and hence there is no requirement to transfer the unpaid or unclaimed dividend on due date to the Investor Education and Protection Fund administered by the Central Government Pursuant to Section 124 and 125 of Companies Act, 2013.

The company does not have any unclaimed shares as on March 31, 2019 and hence company is not required to transfer unclaimed shares pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Rules, 2016 as notified from time to time.

x. CMD & CFO Certification

The CMD and CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under regulation 17(8) of the SEBI Listing Regulations for the financial year ended March 31, 2019.

xi. Amount of fees paid to Statutory auditors

Your Company has paid total fees of ₹ 1.95 million for all services rendered by statutory auditors of the Company. The subsidiaries of your Company have paid fees of ₹ 0.13 million. to statutory auditors.

xii. Anti Sexual Harassment policy at workplace

Your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace under the provisions of Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act 2013 and rules framed thereunder. The Company has anti Sexual harassment Committee in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there was one complaint received which were investigated and resolved and there were no complaints pending as at March 31, 2019.

xiii. Credit Ratings

Your directors are pleased to inform you that during the year under review, the long term credit rating of the Company has been upgraded to "ICRA A" from ICRA A- and the outlook on the long term rating has been revised to "Positive" from "Stable" by ICRA Limited.

The rating A indicates adequate degree of safety regarding timely servicing of financial obligations and low credit risk.

xiv. Legal Entity Identifier Code

The Reserve Bank of India has mandated, vide its circular dated November 2, 2017, existing large corporate borrower having total exposure of ₹ 50 cr. and above to obtain Legal Entity Identifier Code (LEI). The borrower, who fails to obtain LEI code as applicable, will not be granted renewal or enhancement of credit facilities by banks. Your company has obtained LEI code in accordance with said RBI circular.

I. Means of Communication

a. **Newspapers:** The extracts of quarterly and Annual financial results of the Company are generally published in leading daily newspaper in India viz. Financial Express and Economic Times (English and Gujarati editions).

b. **Disclosure to Stock Exchanges:** The Company also timely disseminate on the website of Stock Exchanges, all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

c. **Website of the Company:** The Company's website www.shalby.org contains a separate dedicated section "Investors" where information for shareholders is available. Quarterly and Annual Financial results, disclosures and filing with the stock exchanges, official press releases, presentations to analysts and institutional investors and other general information about the Company are available in Investors' section on the Company's website.

d. **Annual Report:** Annual Report containing, inter alia, Board's Report, Auditors' Report, Audited Financial Statements and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The Annual Report of the Company and its subsidiaries are also available on the website of the Company.

J. General Information for Shareholders

a. **Annual General Meeting and Book Closure:**

Date, time and venue of AGM: Monday, August 26, 2019 at 10.00 a.m. at H. T. Parekh Hall, The Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, University Area, Ahmedabad 380015

Book Closure Period: August 20, 2019 to August 26, 2019 (both days inclusive)

b. **Financial Year:** April 1 to March 31

c. **Financial Results:**

First Quarter Results: by August 14

Half Year Results: by November 14

Third Quarter Results: by February 14

Annual Results: by May 30

d. **Listing on Stock Exchanges:** The Company's equity shares are listed on the following Stock Exchanges.

Listed at	Scrip code
National Stock Exchange of India Limited (NSE)	SHALBY
BSE Limited (BSE)	540797
ISIN : INE597J01018	
Company Identification Number (CIN) : L85110GJ2004PLC044667	

e. **Payment of Listing Fees:** The Company has paid annual listing fee for the financial year 2019 -20 to the BSE and NSE within the stipulated time.

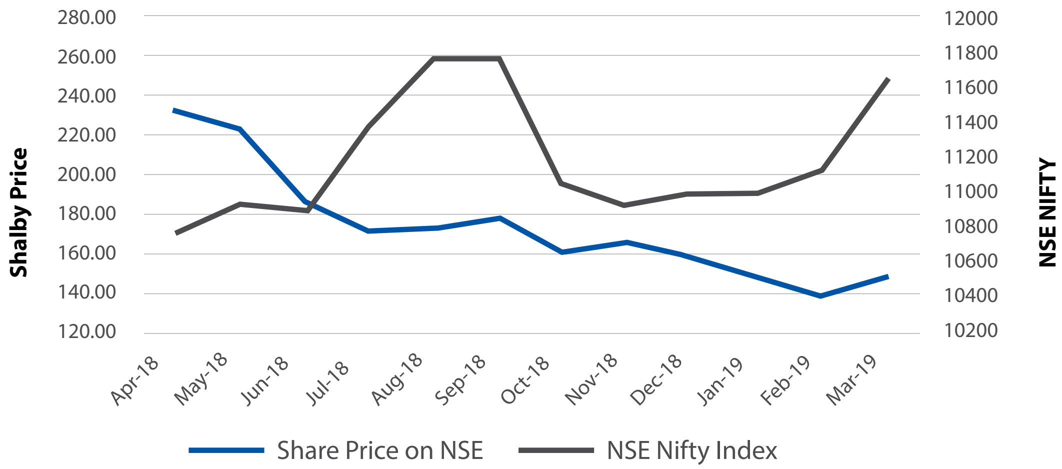
f. **Market Price data:** The monthly high and low market price of equity shares traded on NSE and BSE during FY 2018-19 is set out below;

Month	NSE				BSE			
	Share Price		Nifty Index		Share Price		BSE Sensex	
	High ₹	Low ₹	High	Low	High ₹	Low ₹	High	Low
Apr-18	232.00	207.50	10759.00	10111.30	232.80	208.05	35213.30	32972.56
May-18	222.40	182.60	10929.20	10417.80	225.00	182.75	35993.53	34302.89
Jun-18	186.80	160.80	10893.25	10550.90	186.20	160.55	35877.41	34784.68
Jul-18	170.45	144.00	11366.00	10604.65	174.90	143.65	37644.59	35106.57
Aug-18	171.40	138.10	11760.20	11234.95	171.20	138.45	38989.65	37128.99
Sep-18	177.70	130.55	11751.80	10850.30	177.60	130.00	38934.35	35985.63
Oct-18	161.00	130.05	11035.65	10004.55	161.00	131.00	36616.64	33291.58
Nov-18	165.50	150.65	10922.45	10341.90	166.00	152.80	36389.22	34303.38
Dec-18	158.30	135.80	10985.15	10333.85	157.85	141.20	36554.99	34426.29
Jan-19	149.05	132.65	10987.45	10583.65	150.00	123.00	36701.03	35375.51
Feb-19	138.75	127.65	11118.10	10585.65	139.00	131.00	37172.18	35287.16
Mar-19	147.65	126.65	11630.35	10817.00	147.00	126.00	38748.54	35926.94

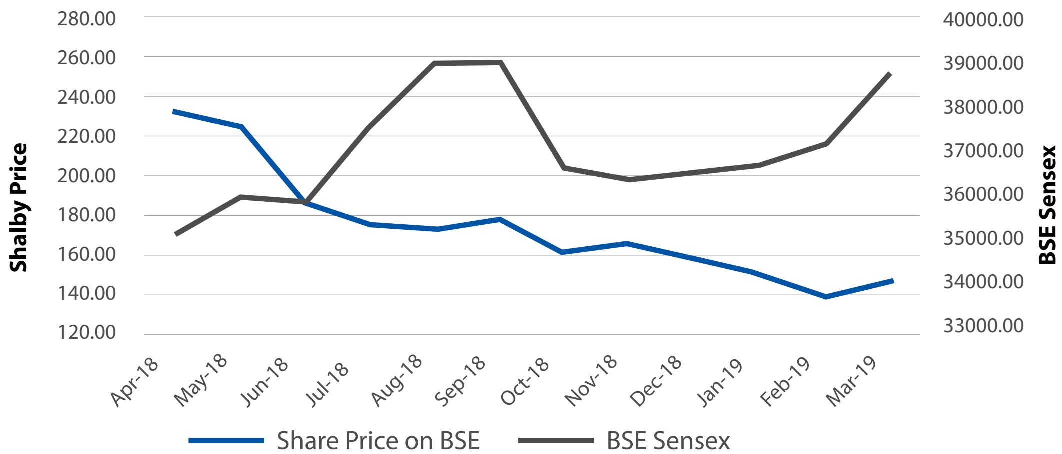
[source: www.bseindia.com & www.nseindia.com]

g) Share price chart vs. NSE Nifty Index and BSE sensex

NSE Share Price vs. NSE Nifty Index



BSE Share Price vs. BSE Sensex



h) Distribution of equity holding as on March 31, 2019

No. of shares of the face value of ₹ 10/- each	Shareholders		Equity Shares	
	Nos.	% of total shareholders	Nos.	% of total shares
Upto 500	56,291	97.53	4,242,311	3.93
501 – 1,000	671	1.16	522,344	0.48
1,001 – 2,000	331	0.57	501,119	0.46
2,001 – 3,000	133	0.23	335,412	0.31
3,001 – 4,000	43	0.07	154,092	0.14
4,001 – 5,000	53	0.09	250,091	0.23
5,001 – 10,000	78	0.14	589,330	0.55
Above 10,000	119	0.21	101,415,071	93.89
Total	**57,719**	**100.00**	**108,009,770**	**100.00**

i) Shareholding Pattern as on March 31, 2019

Sr.	Category	No. of shares held	% of shares held
I	**Promoter and Promoter Group Shareholding**		
	Indian	85,773,348	79.41
II	**Public Shareholding**		
	Institutional		
	Mutual Fund	322,244	0.30
	Foreign Portfolio Investor	5,985,112	5.54
	Financial Institution / Banks	56,706	0.05
	Non-Institutional		
	Individual and HUFs	8,150,017	7.54
	Directors	8,061	0.01
	Bodies Corporate	5,243,318	4.85
	Alternative Investment Fund	979,787	0.91
	NRIs	463,667	0.43
	NBFC Registered with RBI	550	Negligible
	Clearing Members	16,383	0.02
	Trust	255	Negligible
	Others	72	Negligible
III	**Non-Public Non-Promoter Shareholding***	1,010,250	0.94
	Total	**108,009,770**	**100.00**

* Shares are held by Shalby Medicos Trust, through Mr. Viral Shah-Trustee, Constituted by the Company for the benefit of doctors associated / to be associated with our Company through subsisting valid contract of consultation for their services rendered in connection with our Company's business.

j) Lock-in of Equity Shares

As on March 31, 2019, the following equity shares held pre-IPO by promoters were under lock-in as per SEBI (ICDR) Regulation 2009.

No. of equity shares	Lock-in Period
21,601,954	December 13, 2017 to December 16, 2020

k) Share Transfer system: The Company has very negligible shares in physical mode. The Company has appointed M/s. Karvy Fintech Private Ltd (earlier known as Karvy Computershare Pvt. Ltd.) as its Registrar & Transfer Agent. The shares received for transfer are processed within prescribed time line.

a. Dematerialization of Shares & Liquidity

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of the same is provided to respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis, subject to receipt of completed documents in all respects.

As on March 31, 2019, total 99.98% shares were held in dematerialized form. The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

b. Reconciliation of Share Capital Audit

During the year under review, the Reconciliation of Share Capital Audit under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, were carried out by a Practicing Company Secretary for each quarter, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total paid-up, issued and listed capital.

The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued, subscribed and paid-up capital is in agreement with the total number of shares in physical form and dematerialized form held with the depositories. The said Audit Reports for each quarter during financial year 2018-19 have been filed with Stock Exchanges within statutory timeline by end of the each quarter. The said reports are available in the investor section of our website under Announcement tab.

c. Details of Outstanding securities or any convertible instruments:

The Company has no GDRs, ADRs, Warrants, Options or any convertible instrument outstanding as on March 31, 2019.

d. Equity shares under suspense account:

The Company has no equity shares under Suspense Account and hence disclosure relating to the same is not applicable.

e. Our presence

State	Unit	Address
Gujarat	SG Shalby	Shalby Hospitals, Opposite Karnavati Club, SG Highway, Ahmedabad-380015
	Krishna Shalby	Krishna Shalby Hospitals, 319, Green City, Ghuma, Via Bopal, Ahmedabad-380058
	Vijay Shalby	Vijay Shalby Hospital, Vijay Cross Road, Near Fire Station, Navrangpura, Ahmedabad-380009
	Shalby Naroda	Near Haridarshan Cross Road, Naroda, Ahmedabad-382325
	Shalby Vapi	Near Cinepark, Vapi Silvassa Road, Vapi, District Valsad
	Shalby Surat	TP No.12 (Adajan), FP No.29, Near Navgun College, Rander Road, Surat-395009
Madhya Pradesh	Shalby Indore	Race Course Road, ₹ Bhandari Marg, Zanjeerwala Square, Indore
	Shalby Jabalpur	Plot B, Scheme No.5, Ahinsa Chowk, Kanchnar City Road, Vijay Nagar Colony, Jabalpur-482002
Punjab	Shalby Mohali	Silver Oak Hospital, Phase-IX, Sector-63, SAS Nagar, Mohali

State	Unit	Address
Rajasthan	Shalby Jaipur	Gandhipath Road, Sector - 3, F Block, Chitrakoot Scheme, Jaipur, Rajasthan 302021
Maharashtra	Zynova Shalby	Trimurti Arcade, Nr. Sarvodaya Trust, L.B.S. Marg, Ghatkopar (west), Mumbai-400 086

f. **Address for communication**

Registered & Corporate Office: Shalby Hospitals, Opp. Karnavati Club, S. G. Highway, Ahmedabad – 380015. Gujarat, India. Tel. No. +91 79 40203000, Fax: +91 79 40203120, email :companysecretary@shalby.in

Registrar & Transfer Agent: Karvy Fintech P. Ltd. (earlier known as Karvy Computershare Private Limited), Karvy Selenium, Tower B, Plot 31 – 32, Gacchibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana, India, Tel: +91 40 6716 2222, Fax: +91 40 2343 1551, E-mail: einward.ris@karvy.com

K. Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. The Company Secretary is the Compliance Officer for the purpose of this code.

L. Code of Conduct

The Board has laid down the code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.shalby.org. All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the year ended on March 31, 2019 and a declaration to this effect duly signed by Chairman and Managing Director of the Company has been obtained and is reproduced below.

Declaration

All the Board Members and Senior Management Personnel have affirmed the compliance with Code of Conduct for the year ended March 31, 2019, as laid down by the Board of Directors pursuant to Regulation 17(5) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

For **Shalby Limited**

Dr. Vikram Shah
Chairman & Managing Director
(DIN: 00011653)

Place : Ahmedabad
Date : May 25, 2019

M Mobile Application for Shareholders

Members are requested to note that, our Registrar and Share Transfer Agent, KARVY Fintech Private Limited has launched a new mobile application - KPRISM and website https://kprism.karvy.com for online service to shareholders.

Members can download the mobile application, register yourself (onetime) for availing host of services viz., consolidated portfolio view, Dividends status and send requests for change of Address, change / update Bank Mandate. Through the Mobile app, members can download Annual reports, standard forms and keep track of upcoming General Meetings , IPO allotment status and dividend disbursements. The mobile application is available for download from Android Play Store or scan the below QR code.

Logo : KPRISM QR Code : Link : https://kprism.karvy.com/app/

Alternatively visit the link https://kprism.karvy.com/app/ to download the mobile application.

N Company's Recommendations to the Shareholders

The Company has following recommendations to members to mitigate/ avoid risks while dealing with shares and related matters:

1. **Demat your shares**

   Members are requested to demat their physical shares through any of the Depository Participants (DPs) to avoid the problems involved in the physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in shares. Holding shares in demat form helps members to get immediate transfer. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

2. **Register your National Electronic Clearing Service (NECS) Mandate**

   Members are encouraged to register an NECS mandate to Company or registrar and share transfer agent in case of shares held in physical form and ensure that the correct and updated particulars of their bank accounts are registered with the DPs in case of shares held in demat form. This would facilitate in receiving direct credits of dividends etc. from Company and avoiding postal delays and loss in transit.

3. **Encash your Dividends** on time Members who have not registered their bank details with Company or DP are requested to encash their dividend warrants promptly to avoid problems of revalidation/losing your right of claim due to transfer of unclaimed dividends to Investor Education and Protection Fund.

4. **Nominate your shares**

   Members can avail the nomination facility in respect of shares held by them in physical form pursuant to Section 72 of the Act read with relevant rules. Members desiring to avail this facility may send their nomination in the prescribed Form SH. 13 duly filled in, signed and send to the Company or RTA.

For and on behalf of the Board of Directors

Dr. Vikram I. Shah
Chairman & Managing Director
DIN : 00011653

Date : May 25, 2019
Place : Ahmedabad

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To
The Members,
SHALBY LIMITED,

I have examined the compliance of conditions of Corporate Governance by SHALBY LIMITED for the year ended 31st March, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations')

The Compliance of Conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the condition of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

I state that such Compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

SHAMBHU J. BHIKADIA
Practicing Company Secretary
ACS No.:8024
CP No.:3894

Place: Ahmedabad.
Date: May 25, 2019

Independent Auditor's Report

To the Members of Shalby Limited

Report on the Audit of the Standalone Financial Statements

Auditor's Opinion

We have audited the accompanying standalone financial statements of **Shalby Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr	Key Audit Matter	Auditor's Response
1	**Reasonableness of Carrying amount of Investment in 100% subsidiary company classified as "Held for Sale"** Investment in equity shares of 100% owned subsidiary company "Vrundavan Shalby Hospitals Ltd" has been classified as held for sale. The carrying value of investment in equity instruments of such subsidiary company as at March 31, 2019 amounts to ₹131.92 Million. Based on the property valuation report from an independent civil engineer, the management expects to realize the consideration higher than the carrying amount of investment. Management expects the process of sale to be completed within 12 months from March 31, 2019. Refer Notes 16 to the Standalone Financial Statements.	Our procedures in relation to managements evaluation of the asset held for sale include: • Evaluating the independent professional valuer's competence, capabilities and objectivity; • Assessing the valuation methodology used by the independent professional valuer to estimate the fair value of investment classified as held for sale. • Assessing bases and assumptions w.r.t proximity of civic amenities, surface communication, area of land & building, Circle rates, year of construction of building, quality of interior, depreciated value, recent sale deals in nearby area, etc. Based on the audit procedures performed, we found that assumptions made by the management in relation to the valuation were supported by the available evidence.
2	**Evaluation of uncertain tax positions** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 9 to the Standalone Financial Statements.	We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate. We have obtained details of completed tax assessments and demands upto the year ended March 31, 2019 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2019 to evaluate whether any change was required to management's position on these uncertainties. From the evidence obtained and in the context of the financial statements, taken as a whole, we consider the provisions in relation to uncertain tax positions as at March 31, 2019 to be appropriate.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 & 4 of the Order to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   I. The Company has disclosed the impact of pending litigations on its financial position in its standalone 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 were no amounts which were required to be transferred to the investor's education and protection fund by the company.

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N \ N500028
Chartered Accountants

Brijesh Thakkar
Partner
Membership No - 135556

Place : Ahmedabad
Date : May 25, 2019

ANNEXURE 'A' to the Independent Auditors' Report

(Referred to in Paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our Report to the members of Shalby Limited of even date)

(i) Fixed Assets

a. The Company has maintained proper records showing full particulars, including quantative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us andon the basis of our examination of the records of the company provided to us, the title deeds of immovable properties are held in the name of the Company except freehold land and leasehold land aggregate net block amounting to ₹311.48 million acquired pursuant to the schemes of amalgamation in the nature of merger which is pending for registration in the name of the company. Further as per information and explanations given to us all the existing building of the company are either constructed on freehold / leasehold land or acquired pursuant to scheme of amalgamation in the nature of merger.

(ii) Inventories

According to information and explanations given to us, the management of the company has conducted physical verification of Inventory at the year end and no material discrepancies were noticed on such physical verification during the year.

(iii) Loans given

In our opinion and according to the information and explanation given to us during the course of audit, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) of the order is not applicable to the company.

(iv) Compliance of Sec. 185 & 186

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect to the loans, investments, guarantees and securities.

(v) Public Deposit

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) Cost Records

We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.

(vii) Statutory Dues

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at March 31, 2019 other than stated below:

Name of the Statue	Nature of the Dues	Amount Unpaid ₹ in Million	Period to which it relates	Forum where dispute is pending
Sales Tax	Demand Notice issued by Sales Tax Department	50.49	F.Y. 2009-10	Assistant Commissioner of Sales Tax
		61.80	F.Y. 2010-11	
		73.27	F.Y. 2011-12	
		89.80	F.Y. 2012-13	
		98.86	F.Y. 2013-14	
Income Tax	Demand Notice issued by Tax Department	110.85	A.Y. 2013-14	Income Tax Appellate Tribunal
		27.45	A.Y. 2014-15	
		41.42	A.Y. 2015-16	Commissioner of Income Tax
Entry Tax	Demand Notice issued by Commercial Tax Department	6.55	F.Y.2016-17	Assistant Commissioner of Government of Rajasthan
Labour Cess	Demand Notice issued by Labour Department	1.74	F.Y.2015-16 & F.Y.2016-17	Labour Department

(viii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in the repayment of loans and borrowings to the financial institutions and banks during the year.

(ix) According to the information and explanations given to us, the company has raised money by way of initial public offer of equity shares during the previous year. The company has applied the money raised by way of initial public offer of equity shares for the purpose of which they were raised. Company has not taken any new term loan during the year.

(x) To the best of our knowledge and acccording to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the company has not paid / provided for managerial remuneration during the year. Accordingly, the provisions of clause 3 (xi) of the order is not applicable to the company.

(xii) The company is not a Nidhi Company and hence reporting under clause 3 (xii) of the order is not applicable to the company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferencial allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the order is not applicable to the company.

(xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transaction with directors or persons connected to its directors and hence reporting under clause 3 (xv) of the order is not applicable to the company.

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

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N \ N500028
Chartered Accountants

Brijesh Thakkar
Partner
Membership No - 135556

Place : Ahmedabad
Date : May 25, 2019

ANNEXURE 'B' to the Independent Auditors' Report of even date on the IND AS Financial Statements of Shalby Limited

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

We have audited the internal financial controls over financial reporting of Shalby Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

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, 2019, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N \ N500028
Chartered Accountants

Brijesh Thakkar
Partner
Membership No - 135556

Place : Ahmedabad
Date : May 25, 2019

Standalone Balance Sheet

as at March 31, 2019

(₹ in Million)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018 Restated*
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	6,805.18	6,388.48
Capital work-in progress	5	17.36	464.03
Goodwill		81.97	81.97
Intangible Assets	6	3.42	2.94
Intangible assets under development	6	16.12	3.82
Financial Assets			
Investments	7	106.13	86.79
Other Financial Assets	8	26.72	19.37
Income Tax Assets (Net)	9	68.72	97.03
Deferred Tax Assets (Net)	10	18.55	111.56
Other Non-current Assets	11	295.93	284.79
		7,440.10	**7,540.78**
Current assets			
Inventories	12	126.43	118.81
Financial Assets			
Investments	7	134.09	13.54
Trade Receivables	13	813.26	503.84
Cash and Cash Equivalents	14	52.49	108.83
Other Bank Balances	15	693.12	1,042.29
Other Financial Assets	8	68.02	174.51
Other Current Assets	11	98.18	111.06
Assets held for sale	16	131.92	131.92
		2,117.51	**2,204.80**
Total Assets		**9,557.61**	**9,745.59**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,080.10	1,080.10
Other Equity	18	6,860.18	6,572.47
		7,940.28	7,652.57
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	19	569.08	754.42
Other Financial Liabilities	20	5.95	2.36
Provisions	21	15.22	13.71
Other Non-current Liabilities	22	118.85	128.41
		709.10	898.90
Current Liabilities			
Financial Liabilities			
Borrowings	19	-	157.16
Trade Payables	23		
Total Outstanding dues to Micro Enterprise & Small Enterprise		-	-
Total Outstanding dues to Other than Micro Enterprise & Small Enterprise		588.12	493.15
Other Financial Liabilities	20	251.06	489.17
Other Current Liabilities	22	62.55	45.04
Provisions	21	6.50	6.06
Current Tax Liabilities	24	-	3.54
		908.23	**1,194.12**
Total Equity and Liabilities		**9,557.61**	**9,745.59**

* Refer Note 43 for details regarding restatement.

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Million)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018 Restated*
INCOME			
Revenue from Operations	25	4,611.06	3,802.86
Other Income	26	97.45	96.30
Total Income		**4,708.51**	**3,899.16**
EXPENSES			
Operative and other expenses	27	2,752.14	2,171.03
Purchase of Stock-in-trade	28	92.45	82.36
Changes in Inventories	29	(5.12)	(7.21)
Employee Benefits Expense	30	643.46	447.96
Finance Cost	31	71.40	112.59
Depreciation and Amortization	32	330.04	224.32
Other Expenses	33	316.88	318.55
Total Expenses		**4,201.26**	**3,349.61**
Profit before exceptional items and tax		**507.25**	**549.55**
Exceptional Items		-	-
Profit Before Tax		**507.25**	**549.55**
Tax Expense			
Current tax		109.08	112.00
Adjustment of earlier years		17.99	(10.60)
MAT Credit Entitlement		(85.22)	(100.09)
Deferred tax		144.38	143.56
Total Tax Expense		**186.23**	**144.86**
Profit for the year from continuing operations		**321.02**	**404.69**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		1.13	4.19
Income tax effect on above		(0.39)	(1.45)
		0.74	**2.74**
Total Comprehensive Income for the year, net of tax		**321.76**	**407.43**
Earning per Equity Share	34		
Basic		2.97	2.59
Diluted		2.97	2.59

* Refer Note 43 for details regarding restatement.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Standalone Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Million)

Particulars		2018-2019	2017-2018 Restated*
A. Cash flow from Operating Activities			
Profit/(Loss) for the year before taxation		507.25	549.55
Adjustments for			
Depreciation and amortisation		330.04	224.32
Finance cost		71.40	121.34
Interest Income from financial assets measured at amortised cost			
- on fixed deposits with Bank		(62.32)	(26.68)
- on other financial assets		-	(3.99)
- IT refund		(1.36)	-
Loss/gain on sale of property plant & equipment (net)		0.22	-
Provision for doubtful debts		10.18	2.62
OCI Adjustment		1.13	4.19
Operating profit before working capital changes		**856.54**	**871.34**
Adjustments for			
Decrease / (Increase) in Inventories		(7.62)	(42.67)
Decrease / (Increase) in Trade receivables		(319.60)	(226.34)
Decrease / (Increase) in Other Non current financial assets		(7.19)	(0.25)
Decrease / (Increase) in Other current financial asset		65.22	5.07
Decrease / (Increase) in Other non current asset		(11.14)	(292.48)
Decrease / (Increase) in Other current assets		12.88	(63.47)
Increase / (Decrease) in Trade Payables		94.97	80.42
Increase / (Decrease) in Provisions		1.95	(4.09)
Increase / (Decrease) in Other Non current financial liabilities		3.59	23.76
Increase / (Decrease) in Other Non current liabilities		(9.56)	39.64
Increase / (Decrease) in Other current financial liabilities		(235.60)	(123.14)
Increase / (Decrease) in Other current liabilities		17.53	1.51
Cash generated from operations		461.97	269.28
Direct taxes Refund/(paid)		(100.95)	(117.30)
Net Cash from Operating Activities	[A]	**361.02**	**151.98**
B. Cash flow from Investing Activities			
Purchase of fixed property, plant and equipment		(313.08)	(1,300.63)
Goodwill		-	(81.97)
Payment for purchase of investments		(125.58)	(56.16)
Other bank balances		349.17	(1,001.07)
Interest received		89.11	22.01
Net Cash from / (used in) Investing Activities	[B]	**(0.37)**	**(2,417.82)**

Standalone Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Million)

Particulars		2018-2019	2017-2018 Restated*
C. Cash flow from financing activities			
Proceeds from allotment of shares		-	203.28
Proceeds from borrowings - non current		(185.34)	(2,095.84)
Proceeds from borrowings - current		(157.16)	(151.77)
IPO Expenses		(0.58)	(245.20)
Securities premium received on allotment of shares		-	4,681.21
Interest paid		(73.91)	(136.43)
Net cash flow from financial activities	**[C]**	**(416.99)**	**2,255.23**
Net Increase/(Decrease) in cash & cash equivalents	**[A+B+C]**	**(56.34)**	**(10.60)**
Cash and cash equivalents opening		108.83	115.82
Add: On account of Business Combination		-	3.61
Cash and cash equivalents closing		**52.49**	**108.83**
Components of Cash and cash equivalent			
Balances with scheduled banks		24.01	61.67
Fixed Deposits with maturity less than 3 months		1.25	38.90
Cash in hand		6.35	8.25
Overdraft Account		20.88	-
		52.49	**108.83**

Explanatory Notes to Cash Flow Statement

1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Accounting Standard 3 as prescribed by The Institute of Chartered Accountants of India.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current year's presentation.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity share capital

(₹ in Million)

As at April 1, 2017	**874.09**
Issue of Equity Share capital	206.01
As at March 31, 2018	**1,080.10**
Issue of Equity Share capital	-
As at March 31, 2019	**1,080.10**

B. Other equity

(₹ in Million)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total equity
	Securities Premium	Capital Redemption reserve	Retained Earnings	Share Application Money Pending allotment	Other Items of comprehensive Income	
Balance as at April 1, 2017	**3.24**	**5.33**	**1,702.38**	**2.73**	**(2.34)**	**1,711.34**
Profit for the year	-	-	404.69	-	-	404.69
Received during the year	4,681.21	-	-	-	-	4,681.21
Share Issue Expenses (Net of Taxes)	(160.34)	-	-	-	-	(160.34)
Addition during the year	-	-	-	-	-	-
Deduction during the year	-	-	-	(2.73)	-	(2.73)
Prior Period Adjustment	-	-	(64.43)	-	-	(64.43)
Other comprehensive income for the year	-	-	-	-	2.74	2.74
Balance as at March 31, 2018	**4,524.11**	**5.33**	**2,042.64**	**-**	**0.39**	**6,572.47**
Profit for the year	-	-	321.01	-	-	321.01
Received during the year	-	-	-	-	-	-
Share Issue Expenses	(34.03)	-	-	-	-	(34.03)
Addition during the year	-	-	-	-	-	-
Deduction during the year	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	0.73	0.73
Balance as at March 31, 2019	**4,490.08**	**5.33**	**2,363.65**	**-**	**1.13**	**6,860.18**

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
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Dr. Vikram I. Shah
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Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 1: Corporate Information

Shalby Limited (the company) is a company engaged in healthcare delivery space and listed with bourses in India. The registered office of the Company is located at Opposite Karnavati Club, Sarkhej Gandhinagar Highway, Near Prahladnagar Garden, Ahmedabad – 380 015. The company operates as a chain of multi-specialty hospitals across India. The business of the company is to offer tertiary and quaternary healthcare services to patients in various areas of specialization such as orthopedics, complex joint replacements, cardiology, neurology, oncology, renal transplantations etc.

The standalone Ind AS financial statements for the year ended March 31, 2019 were authorized for issue in accordance with resolution passed by the Board of Directors of the company on May 18, 2019.

Note 2: Basis of Preparation & Compliance with Ind AS

The financial statements of the Company as at and for the year ended March 31, 2019 has been prepared in accordance with Indian Accounting standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issued from time to time and other relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

2.1 Basis of Measurement

The Standalone Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

b) The defined benefit asset/liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

c) Assets held for sale measured at fair value less cost to sales

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

2.2 Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The standalone financial statements are presented in Indian Rupees (₹) which is the company's presentation currency, and all the values are rounded to the nearest millions except when otherwise stated.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

2.3 Current and non-Current classification:

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realized or intended to be sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realized within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

An liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Standard issued but not yet effective

Effective from1 April 2019, IND AS 116 shall supercede the existing IND AS 17 and company shall be required to adopt IND AS 116- lease accounting, which shall require the following:

As lessee:

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

Right-of-use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee.

The lease liability is measured in subsequent periods using the effective interest rate method. The right- of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, plant and equipment.

Recognition and measurement exemption is available for low-value assets and short-term leases. Assets of low-value include IT equipment or office furniture. No monetary threshold has been defined for low- value assets. Short-term leases are defined as leases with a lease term of 12 months or less.

If an entity chooses to apply any one of the exemptions, payments are recognised on a straight-line basis or another systematic basis that is more representative of the pattern of the lessee's benefit.

As lessor:

Entities are not required to reassess existing lease contracts but can elect to apply the guidance regarding the definition of a lease only to contracts entered into (or changed) on or after the date of initial application ('grandfathering'). This applies to both contracts that were not previously identified as containing a lease applying Ind AS 17 and those that were previously identified as leases in Ind AS 17.

Full retrospective application is optional.

Lessee can elect to apply the simplified approach and not restate the comparative information. The cumulative effect of applying the standard is recognised as an adjustment to the opening balance of retained earnings at the date of initial application.

The company does not expect the impact of new standard to be material on its retained earnings and to its net income on an ongoing basis.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 3: Critical and Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements.

3.1 Revenue recognition

Revenue from fees charged for inpatient and outpatient hospital / clinical services rendered to insured, Government schemes and corporate patients are subject to approvals from the insurance companies and corporates. Accordingly, the Company estimates the amounts likely to be disallowed by such companies based on past trends and necessary provisions are made.

3.2 Impairment of investments in subsidiaries

The Management reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.3 Useful lives of property, plant and equipment

The Management reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

3.4 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.5 Employee Benefits

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

3.6 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3.7 Allowance for uncollectible trade receivables

Trade receivables, predominantly from Government schemes/ insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

3.8 Impairment of Property, Plant & Equipment

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

3.9 Litigations

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

Note 4: Significant Accounting Policies

4.1 Financial Instruments

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

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

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

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized 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 FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Company is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

4.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

4.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leasehold land with lease term of 99 years or more and renewable with mutual consent are considered as finance leases with perpetual lease term and the same are not amortized with effect from 1st April, 2016.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings*	30 years and 60 years
Plant and Machinery	15 years
Medical Equipment	13 years and 15 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years and 10 years
Servers and Computers	3 years and 6 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which the management expects to use this assets. Hence, the useful life for this asset is different from useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

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

4.4 Intangible assets

Intangible Assets acquired separately

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

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Goodwill generated on business combination is tested for impairment.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is de-recognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Type of Asset	Useful Life
Computer software and data processing software	3 years

4.5 Inventories

Inventories of all medicines, medicare items traded and dealt with by the Company are measured at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT/GST wherever applicable.

Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at the end of the year is valued at cost.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

4.6 Impairment

(a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

4.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are 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. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract 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 the contract. The provision is measured at the present value of the lower of the 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 the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

4.8 Revenue Recognition

Effective April 1 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. Revenue is recognized based on the nature of activity, transfer of control & consideration can be reasonably measured and there exists reasonable certainty of its recoverability. The effect on adoption of Ind AS 115 was insignificant.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(a) Rendering of Services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

Other Services

Income from Clinical trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(b) Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership and control is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates granted upon purchase and are stated net of returns and discounts wherever applicable. Sales are adjusted for Value Added Tax/GST wherever applicable.

(c) Dividend and Interest Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

4.9 Leases

Leases are classified as finance leases whenever the (substantial value of the assets is initially paid as non-refundable lease premium) and terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalized as assets of the Company at their fair value at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet and the lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

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

4.10 Foreign Currency Translation

The functional currency of the Company is the Indian Rupee (₹)

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

(ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

4.11 Borrowing Costs

Borrowing costs include

a) interest expense calculated using the effective interest rate method,

b) finance charges in respect of finance leases, and

c) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

4.12 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

4.13 Employee benefits

(a) Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Post-employment obligations

The Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans

(i) Defined contribution plans

The Company has defined contribution plan for the post-employment benefits namely Provident Fund, Employees Death Linked Insurance and Employee State Insurance and the contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

(ii) Defined benefit plans

The Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurement's of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement's are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

(c) Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

4.14 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

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

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

No DTA is recognized for goodwill arising on business combination.

(iii) Current and deferred tax for the year

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

4.15 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

a) fair values of the assets transferred;

b) liabilities incurred to the former owners of the acquired business;

c) equity interests issued by the Company; and

d) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The company recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

4.16 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

4.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

4.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

4.19 Cash and cash equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

4.20 Segment Reporting

Identification of segments:

Segments are identified in line with Ind AS - 108 "Operating Segments", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 5 : Property, Plant and Equipment

Note 5.1 : As at March 31, 2019

(₹ in Million)

Particulars	Gross carrying amount					Accumulated Depreciation					Net carrying amount
	As at April 1, 2018	Additions	Adjustments: On acquisition	Adjustments: Deduction / Others	As at March 31, 2019	Upto March 31, 2018	For the year	Adjustments: On acquisition	Adjustments: Deduction / Others	Upto March 31, 2019	As at March 31, 2019
Owned Assets											
Free hold land	399.29	-	-	-	399.29	-	-	-	-	-	399.29
Buildings	2,577.81	328.54	-	(3.26)	2,903.09	87.01	64.74	-	-	151.75	2,751.34
Medical Equipments and Surgical Instruments	1,920.18	182.91	-	(5.90)	2,097.19	168.46	146.51	-	(1.98)	312.99	1,784.19
Plant & Machinery	418.95	62.07	-	(0.19)	480.83	33.42	29.37	-	(0.08)	62.72	418.11
Electrical Installation	197.28	5.02	-	-	202.30	11.76	18.76	-	-	30.52	171.79
Office Equipments	68.19	6.52	-	0.01	74.72	19.67	11.72	-	-	31.39	43.33
Computers and Printers	43.66	1.80	-	-	45.46	21.06	9.00	-	-	30.06	15.40
Furnitures and Fixtures	362.26	56.11	-	(0.11)	418.27	20.80	35.85	-	-	56.65	361.62
Vehicles	70.31	4.51	-	(1.07)	73.76	13.21	9.35	-	(1.00)	21.56	52.20
Leasehold Assets											
Land	733.73	106.88	-	-	840.61	27.80	2.80	-	2.09	32.69	807.91
Total	**6,791.66**	**754.36**	**-**	**(10.51)**	**7,535.51**	**403.19**	**328.11**	**-**	**(0.97)**	**730.32**	**6,805.18**
CWIP											**17.36**

Note 5.2 : As at March 31, 2018

(₹ in Million)

Particulars	Gross carrying amount					Accumulated Depreciation					Net carrying amount
	As at April 1, 2017	Additions	Adjustments: On acquisition	Adjustments: Deduction / Others	As at March 31, 2018	Upto March 31, 2017	For the year	Adjustments: On acquisition	Adjustments: Deduction / Others	Upto March 31, 2018	As at March 31, 2018
Owned Assets											
Free hold land	156.87	1.00	241.42	-	399.29	-	-	-	-	-	399.29
Buildings	1,108.54	1,469.32	-	(0.05)	2,577.81	40.68	46.32	-	-	87.01	2,490.80
Medical Equipments and Surgical Instruments	904.48	1,011.42	5.33	(1.05)	1,920.18	66.43	102.02	-	-	168.46	1,751.72
Plant & Machinery	157.73	249.31	15.50	(3.60)	418.95	10.53	19.10	3.79	-	33.42	385.53
Electrical Installation	37.33	159.95	-	-	197.28	5.02	6.74	-	-	11.76	185.53
Office Equipments	27.93	38.35	1.83	0.09	68.19	8.23	10.08	1.34	0.01	19.67	48.52
Computers and Printers	27.92	15.84	-	(0.09)	43.66	9.35	11.72	-	(0.01)	21.06	22.60
Furnitures and Fixtures	85.68	280.75	-	(4.17)	362.26	7.60	13.21	-	-	20.80	341.46
Vehicles	49.61	20.22	0.48	-	70.31	4.90	8.09	0.22	-	13.21	57.10
Leasehold Assets											
Land	729.85	3.88	-	-	733.73	12.82	14.99			27.80	705.92
Total	**3,285.92**	**3,250.04**	**264.56**	**(8.87)**	**6,791.66**	**165.56**	**232.28**	**5.35**	**-**	**403.19**	**6,388.48**
CWIP											**464.03**

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

Note 6 : Intangible Assets
Note 6.1 : As at March 31, 2019

(₹ in Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2018	Additions	Adjustments / Deletions	As at March 31, 2019	Upto March 31, 2018	For the year	Adjustments / Deletions	Upto March 31, 2019	As at March 31, 2019
Softwares	7.16	2.42	-	9.58	4.27	1.91	-	6.18	3.39
Trademark	0.06	-	-	0.06	0.02	0.02	-	0.04	0.03
	7.22	**2.42**	**-**	**9.64**	**4.28**	**1.93**	**-**	**6.22**	**3.42**
Intangible assets under development									**16.12**

Note 6.2 : As at March 31, 2018

(₹ in Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2017	Additions	Adjustments / Deletions	As at March 31, 2018	Upto March 31, 2017	For the year	Adjustments / Deletions	Upto March 31, 2018	As at March 31, 2018
Softwares	4.47	2.68	-	7.16	2.86	1.41	-	4.27	2.89
Trademark		0.06	-	0.06	-	0.02	-	0.02	0.05
	4.47	**2.74**	**-**	**7.22**	**2.86**	**1.42**	**-**	**4.28**	**2.94**
Intangible assets under development									**3.82**

Note 7 : Investments

(₹ in Million)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Non current			
Financial instruments at Cost			
Investment in Subsidiaries	7.1	7.52	7.52
Investment in Limited Liability Partnership	7.1	0.48	0.48
Financial instruments at FVTPL			
Membership		1.10	1.10
Other Equity Investment			
Loan to Vrundavan Shalby Hospitals Ltd (Refer Note:- 7.2)		97.03	77.70
Total (A)		**106.13**	**86.79**
Current			
Financial instruments at Cost			
Investment in Limited Liability Partnership		26.33	13.54
Financial instruments at FVTPL			
Investment In Mutual fund		107.76	-
Total (B)		**134.09**	**13.54**
Total (A) + (B)		**240.21**	**100.33**
Aggregate amount of quoted investments and market value thereof		107.76	-
Aggregate amount of unquoted investments		7.52	7.52

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 7.1 : Details of investment in unquoted equity instruments of subsidiaries (fully paid up)

Name of the subsidiary	Currency	Face Value	Number of Units as at March 31, 2019	Number of Units as at March 31, 2018	Balances as at March 31, 2019 (₹ in Million)	Balances as at March 31, 2018 (₹ in Million)
Equity Instruments						
Shalby (Kenya) Ltd.	KES	1000	100	100	0.06	0.06
Vrundavan Shalby Hospitals Ltd	INR	100	-	-	-	-
Shalby International Limited	INR	10	50,000	50,000	0.50	0.50
Yogeshwar Healthcare Ltd.	INR	10	6,96,251	6,96,251	6.96	6.96
Total (A)					**7.52**	**7.52**
In Capital of Limited Liability Partnership						
Griffin Mediquip LLP	-	-	-	-	0.48	0.48
Total (B)					**0.48**	**0.48**
Total (A+B)					**7.99**	**7.99**

Note 7.2 : Details of Other Equity Investment

In pursuance of agreement executed between the company and Vrundavan Shalby Hospitals Ltd., the outstanding balance as on December, 2017 on account of loans granted to such subsidiary has been classified as convertible loan since the same is convertible into equity at the option of the subsidiary company's management.

Note 8 : Other Financial Assets

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- current		
Security deposits	19.06	16.58
Fixed Deposit with Original Maturity of more than 12 months*	7.42	2.70
Interest accrued but not due on fixed deposit	0.24	0.08
Total (A)	**26.72**	**19.37**
Current		
Notice period recovery receivable (Doctors)	19.86	19.72
Government Grant Receivable	26.48	67.27
Recoverable from Subsidiaries	5.01	10.74
Security deposits	-	29.15
Interest accrued but not due	6.95	33.90
Other Recoverable	9.72	13.73
Total (B)	**68.02**	**174.51**
Total (A) + (B)	**94.73**	**193.88**

*The above fixed deposits with banks are held as margin money against bank guarantee.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 9 : Income Tax Assets (Net)

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance tax	681.19	657.00
Less: Provision for taxation	612.46	559.98
Total	**68.72**	**97.03**

Note 10 : Deferred Tax Assets (Net)

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
Opening balance	111.56	71.61
Adjustment for the current year		
(Charged)/Credited through P/L / OCI	(59.55)	(44.92)
	52.00	**26.70**
DTA related to Share Issue Expenses	(33.46)	84.86
Total	**18.55**	**111.56**

Note 10.1 : Significant components of deferred tax assets are shown in the following table:

(₹ in Million)

Particulars	As at March 31, 2019	(Charged)/ Credited to profit or loss / OCI	As at March 31, 2018	(Charged)/ Credited to profit or loss / OCI
Deferred tax liabilities				
Routed through profit or loss				
Difference of book depreciation and tax depreciation	1,484.55	(54.76)	1,539.31	1,024.86
Total deferred tax liabilities	**1,484.55**	**(54.76)**	**1,539.31**	**1,024.86**
Set-off of deferred tax assets pursuant to set-off provisions :-				
Routed through P/L				
Provision for leave obligation and gratuity	7.59	6.27	1.32	(6.52)
Unabsorbed business loss and depreciation	959.19	(205.41)	1,164.59	886.37
Re-measurement of defined benefit plan	(0.39)	(0.39)	-	-
MAT Credit entitlement	485.31	85.22	400.09	100.09
Total deferred tax assets	**1,451.69**	**(114.32)**	**1,566.01**	**979.95**
DTA related to Share Issue Expenses	51.40	-	84.86	-
Net deferred tax assets	**18.55**	**(59.55)**	**111.56**	**(44.92)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 10.2: The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before taxes from continuing operations	507.25	549.55
	21.55%	21.34%
Current tax expense calculated using MAT tax rate at 21.5488% (Previous year - 21.3416%)	109.31	117.27
Tax effect of amounts which are not deductible / (taxable) in calculating taxable book profit:		
Add: Tax impact on		
Income tax paid / payable	-	-
Expenses not allowable under MAT	2.24	(30.49)
1/5th of opening Ind AS adjustments transferred to retained earnings	(2.25)	10.42
Other comprehensive income/(expense)	0.24	4.19
Less:		
Tax exempt income	0.45	
Income Tax as per normal provisions	**109.08**	**101.40**

Note 10.3 : Income tax expense has been allocated as follows:

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	109.08	101.40
	109.08	**101.40**
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	114.32	(979.95)
(Decrease) / increase in deferred tax liabilities	(54.76)	1,024.86
Deferred Tax recognised in OCI		(1.45)
	59.55	**43.47**
Income tax expense / (income) attributable to continuing operations	**168.64**	**144.86**
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	(0.39)	(1.45)
Income tax expense / (income) recognised in other comprehensive income	**(0.39)**	**(1.45)**

Note 11 : Other Non - current / Current Assets

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Capital advances	295.93	284.79
Total	**295.93**	**284.79**
Current		
Balance with revenue authorities	23.36	29.14
Pre-paid expenses	6.21	6.54
Advance to suppliers	7.42	11.03
Advance to staff and doctors	6.70	3.82
Unbilled revenue (Net)	52.84	58.09
Others	1.65	2.44
Total	**98.18**	**111.06**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 12 : Inventories

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Medicines and Medicare Items	26.57	21.45
Materials and Consumables	91.51	87.59
General Stores	7.05	9.77
Stock in transit	1.31	-
Total	**126.43**	**118.81**

Note 13 : Trade Receivables

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered good	621.73	419.16
Significant Increase in Credit Risk	203.76	87.30
Credit Impaired	8.70	3.79
	834.19	**510.25**
Less: Allowances / Provision for expected credit losses and doubtful debts	(20.93)	(6.41)
	(20.93)	**(6.41)**
Total	**813.26**	**503.84**
Included in the financial statement as follows:		
Non-current	-	-
Current	813.26	503.84
	813.26	**503.84**

Note 14 : Cash and Cash Equivalents

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Bank		
Current accounts	24.01	61.67
Fixed Deposits with maturity less than 3 months	1.25	38.90
Overdraft accounts	20.88	-
Cash on hand	6.35	8.25
Total	**52.49**	**108.83**

*The above fixed deposits with banks are held as margin money against bank guarantee.

Note 15 : Other Bank Balances

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months	693.12	1,042.29
Total	**693.12**	**1,042.29**

*The above fixed deposits with banks are held as margin money against bank guarantee.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 16 : Assets held for sale

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Assets held for sale (Refer note below)	131.92	131.92
Total	**131.92**	**131.92**

Note:

Upon resolution passed by the Board of Directors of Vrundavan Shalby Hospitals Ltd., a subsidiary company, in its meeting held on January 9, 2018, to suspend the entire operations with immediate effect and consider said subsidiary company as non- going entity, the Board of Directors of the Company in its meeting held on Janurary 9, 2018 had decided to sale its investments in equity instruments of said subsidiary company. Therefore, investments in equity instruments of said subsidiary company has been classified as assets held for sale. The carrying value of investment in equity instruments of said subsidiary company as at March 31, 2019 amounts to ₹ 13,19,17,000/-. Based on the circle rates prevailing currently, the management expects to realise the consideration higher than the carrying amount of investments in equity instruments of said subsidiary company. Management expects the process of sale to be completed within 12 months from March 31, 2019.

Note 17 : Equity Share Capital

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
11,77,50,000 (March 31, 2018: 11,77,50,000) Equity Shares of ₹ 10/- each	1,177.50	1,177.50
	1,177.50	**1,177.50**
Issued share capital		
10,80,09,770 (March 31, 2018: 10,80,09,770) Equity Shares of ₹ 10/- each	1,080.10	1,080.10
Subscribed and fully paid up		
10,80,09,770 (March 31, 2018: 10,80,09,770) Equity Shares of ₹ 10/- each fully paid up	1,080.10	1,080.10
	1,080.10	**1,080.10**

Note 17.1 Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

Particulars	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	108.01	87.41
Add: Shares issued for Cash or Right Issue	-	20.60
	108.01	**108.01**
Less: Shares bought back / Redemption	-	-
At the end of the year	**108.01**	**108.01**

Note 17.2 Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

(i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

Note 17.3 Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Shah Family Trust	4,33,27,132	40.11	4,33,27,132	40.11
Dr. Vikram I. Shah	77,35,493	7.16	77,35,493	7.16
Zodiac Mediquip Ltd.	3,15,45,448	29.21	3,15,45,448	29.21

Note 18 : Other Equity

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium	4,490.08	4,524.11
Capital redemption reserve	5.33	5.33
Retained Earnings	2,364.78	2,043.03
Total	**6,860.18**	**6,572.47**

Note 18.1 : Other Equity ...Detailed..

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium		
Balance as per previous financial statements	4,524.11	3.24
Add : Additions during the year	-	4,681.21
Less: Share Issue Expenses (Net of Taxes)	34.03	160.34
Balance at the end of the year	**4,490.08**	**4,524.11**
Capital redemption reserve		
Balance as per previous financial statements	5.33	5.33
Add : Additions during the year	-	-
Balance at the end of the year	**5.33**	**5.33**
Share Application money pending allotment		
Balance as per previous financial statements	-	2.73
Add : Additions during the year	-	-
Less: Allotment during the year	-	(2.73)
Balance at the end of the year	**-**	**-**
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as per previous financial statements	2,043.03	1,700.04
Add : Profit for the year	321.01	404.69
Add / (Less): OCI for the year	0.73	2.74
Add: Opening Reserve (Ind AS Adj Liability)	-	(64.43)
Less: last year Ind AS remeasurements	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-
Balance available for appropriation	**2,364.78**	**2,043.03**
Less: Appropriation		
Transfer to Capital Redemption Reserve (Refer note below)	-	-
Net Surplus / (Deficit)	**2,364.78**	**2,043.03**
Total	**6,860.18**	**6,572.47**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Nature and Purpose of other reserves

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Capital Redemption Reserve: In terms of provisions contained in Section 55 of the Companies Act 2013, the Company has, upon redemption of Preference Shares pursuant to resolution passed at the meeting held on December 20, 2016, transferred the amount equivalent to the face value of Preference Shares from the accumulated profits to Capital Redemption Reserve. This fund can be utilized only for issuing fully paid bonus shares. No dividends can be distributed out of this fund.

Retained Earnings: Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation etc.

Distributions Proposed

Particulars	(₹ in Million)
Proposed dividends on Equity shares:	
Final dividend for the year ended on March 31, 2019: ₹ 0.50 per equity share (March 31, 2018: ₹ Nil per equity share)	54.00
DDT on Final Dividend	11.10
Total Proposed Dividend	**65.11**

Note 19 : Borrowings

(₹ in Million)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Non- current		
Secured loans		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	75.04	72.72
In Indian Currency	317.39	481.35
IDFC Bank	176.65	198.92
Vehicle loans		
Daimler Financial services India Private Limited	-	1.43
Total	**569.08**	**754.42**
Non- current		
Secured		
Bank overdraft		
Kotak Mahindra Bank	-	157.16
Total	**-**	**157.16**
Current maturities of long term debts		
Secured loans		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	36.45	16.25
In Indian Currency	78.13	15.55
IDFC Bank	23.00	-
Buyers' credit	-	190.80
Vehicle loans		
HDFC Bank Limited	-	0.35
ICICI Bank limited	0.15	0.95
Daimler Financial services India Private Limited	1.43	1.59
Total	**139.16**	**225.49**

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

4 Principal Terms and Conditions of borrowings as at March 31, 2019

(a) Secured

(i) Term loans

(₹ in Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	Jabalpur, S.G. Highway	141.58	7.50%	Loans are repayable in 20 equal quarterly installments commencing from February, 2017.	Within 30 days of interest reset date, the Company has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the Company choose to exercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2% p.a. over and above the applicable Interest Rate till such time such default / noncompliance is cured to the Lender`s satisfaction.	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway, Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram I. Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security : Fixed deposit of ₹ 49.04 Crores under lien with HDFC bank.	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
2	HDFC Bank Limited	Jaipur, Indore, Naroda	365.43	7.25%	Loans are repayable in 24 equal quarterly installments commencing from June, 2019.	Within 45 days of interest reset date, the borrower has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. Penalty: Default interest of 2% p.a. over and above the applicable interest Rate till such time such default / non-compliances cured to the Lender's satisfaction.	(i) First paripassu charge by way of equitable mortgage over land & building pertaining to hospital at Jaipur and Indore. (ii) First paripassu charge by way of equitable mortgage over land and building pertaining to hospital at Naroda. (iii) First ranking Security by way of hypothecation of all the present and future tangible movable assets including plant and machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at Jaipur, Indore and Naroda. (iv) Personal guarantee of Director Dr. Vikram I. Shah to the extent of 50 % of Naroda Land offered under security. (v) Second ranking security by way of hypothecation on the entire current asset, operating cash flows, receivables, commissions, revenues of what so ever nature and wherever arising, present and future uncalled capital (if any) present and future, of the company. (vi) Additional Security : Fixed deposit of ₹ 49.04 Crores under lien with HDFC bank."	SBICAP Trustee
3	IDFC Bank	Surat	199.65	F.D rate + 0.7% p.a till Loan is backed by F.D 8.00 + 0.7 = 8.70%	The loan is repayable in 28 structured quarterly installments starting from June 30, 2019 & ending on March 31, 2026.	Except as given in (i) and (ii) below, any prepayment of the loan made by the borrower shall be with a prepayment premium of 2% of the principal amount being prepaid. i) The borrower shall have a right to prepay the loan in full but not in part within 30 days of the reset date without any prepayment premium ii) The borrower shall have to mandatory prepay the loan to the extent of atleast 30% of the outstanding amount from IPO proceeds without any prepayment premium.	i) Hypothecation of Surat facility current assets (including cash flows) and all movable assets including plant and machinery, medical equipment etc. present and future and exclusive mortgage of leasehold rights (of land) together with building. ii) First paripassu hypothecation of SG highway unit receivable and cash flows. Paripassu charge to be shared with HDFC bank term loan sanction amount of ₹ 150 crore. Additional Security : Fixed deposit of ₹ 20 Crores under lien with IDFC bank.	IDFC Bank

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

(ii) Buyer's Credit

(₹ in Million)

Sr. No.	Name of Lender	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	-	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	Pursuant to directions issued by the Reserve Bank of India, the buyers' credit issued by AD Category - I banks are no longer entitled to be rolled over and therefore the entire outstanding amount of buyers' credit are due for repayment within the period of 12 months.	Not Applicable	Security as specified for Sr. No. 1 and 2	HDFC Bank Limited
2	EXIM Bank	-	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	Pursuant to directions issued by the Reserve Bank of India, the buyers' credit issued by AD Category - I banks are no longer entitled to be rolled over and therefore the entire outstanding amount of buyers' credit are due for repayment within the period of 12 months.	Not Applicable	-	EXIM Bank

(iii) Vehicle loans

(₹ in Million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	ICICI Bank Limited	Force Ambulance	0.15	9.69%	Loans are repayable in 36 equal monthly installments commencing from February, 2016.	Prepayment charges: The lessor of the following two options plus applicable taxes: (a) 4% of the outstanding amount of the facility, or any other rate as stipulated by ICICI Bank from time to time. OR (b) The total interest amount outstanding as on the date of prepayment.	The Company hypothecates to and charges in favour of the Bank by way of first and exclusive charge of the Vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.	ICICI Bank Limited
2	Daimler Financial Services India Private Limited	Mercedes Benz	1.43	8.76%	Loans are repayable in 36 equal monthly installments commencing from February, 2017.	Prepayment Charges: NA Penalty: 5% per annum plus applicable taxes or statutory levies, if any	First and exclusive charge of the Vehicle	Daimler Financial Services India Private Limited

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
3	HDFC Bank Limited	Mahindra Bolero	-	9.75%	Loans are repayable in 36 equal monthly installments commencing from March, 2016.	The Company may, prepay the whole or any part of the outstanding of respective Loans (including interest, other dues, fees and charges herein) by giving a notice in writing to that effect. The Company would have to give minimum written notice of 30 days expressing his intention to prepay the loan amount, unless the same is waived in writing by the bank. The prepayment shall take effect only when the actual payment is received by the bank and interest and other charges would be leviable till the end of the month in which prepayment is actually effected. In such an event the Bank will levy prepayment charges as mentioned in the schedule or any rate which is applicable at that time as per Bank`s policy on the dues outstanding. Prepayment charges: No foreclosure allowed within 6 months from the date of availing car loan. 6% of principal outstanding for pre-closures within 1 year from 7th EMI. 5% of principal Outstanding for pre-closures within 13-24 months from 1st EMI. 3% of principal Outstanding for pre-closures post 24 months from 1st EMI.	The Company hypothecates to and charges in favor of the Bank by way of first and exclusive charge of the Vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.	HDFC Bank Limited
4	HDFC Bank Limited	Maruti Eeco	-	9.45%				

(iv) Overdraft Facility

(₹ in Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	Kotak Mahindra Bank Limited	-	(20.88)	9.55%	12 Months	N.A	(1) First pari-passu hypothecation charge to be shared with HDFC bank on all existing and future current assets of Krishna Shalby Hospital belonging to the Company. (2) First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad belonging to the Company.	SBICAP Trustee

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 20 : Other Financial Liabilities

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- Current		
Deposits	5.95	2.36
Total (A)	**5.95**	**2.36**
Current		
Current Maturities of Long Term Borrowings	139.16	225.49
Interest Accrued but not due on Borrowings	2.98	5.49
Creditors for capital goods	57.48	189.24
Retention money	30.73	52.40
Other Payables		
Employees	20.71	16.54
Total (B)	**251.06**	**489.17**
Total (A+B)	**257.02**	**491.53**

Note 21 : Provisions

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- Current		
Provision for employee benefits		
Gratuity	0.12	0.16
Leave obligation	15.10	13.55
Total	**15.22**	**13.71**
Current		
Provision for employee benefits		
Gratuity	3.54	3.65
Leave obligation	2.96	2.40
Total	**6.50**	**6.06**

Note 22 : Other Non-current / Current Liabilities

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- Current		
Government grant (Refer Note below)	137.38	145.89
Less: Released in the statement of Profit and loss	(9.27)	(8.74)
Less Disclosed under current	(9.27)	(8.74)
Total (A)	**118.85**	**128.41**
Current		
Government Grants	9.27	8.74
Advance from customers	18.38	4.00
Statutory Liabilities	34.90	32.28
Total (B)	**62.55**	**45.02**
Total (A+B)	**181.39**	**173.43**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 23 : Trade Payables

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
A) Total Outstanding dues of micro enterprises and small enterprises (Refer note no - 44)	-	-
B) Total Outstanding dues to creditors other than Micro Enterprise & Small Enterprise	588.12	493.15
Total	**588.12**	**493.15**

Note 24 : Current Tax Liabilities

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for tax	-	239.42
Less: Advance Tax	-	235.88
Total	**-**	**3.54**

Note 25 : Revenue from Operations

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Revenue from Contracts with Customers (Refer Note 46)	4,607.83	3,796.56
Other Operating Revenue	3.24	6.29
Total	**4,611.06**	**3,802.86**

Break up of other operating revenue

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Share from Limited Liability Partnership	2.27	5.47
Project Consultancy	0.97	0.82
Total	**3.24**	**6.29**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 26 : Other Income

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Interest Income		
From Banks	62.32	30.06
From Others	-	-
On loan to subsidiary and other companies	-	3.99
On IT refund	1.36	-
On Partner's capital	2.13	-
Others	1.22	0.19
Total (A)	**67.02**	**34.25**
Capital Subsidy	9.25	8.75
Rent	5.45	3.72
Dividend	-	1.01
Liquidated Damages and Penalty Charges	0.18	32.04
Vendor Registration fees	0.08	-
Service Tax Refund Account - Orthotrend	0.09	1.52
Other Non-Operating Income	-	-
Income from sale of License	10.90	-
Sundry balances written back (Net)	0.08	7.35
Miscellaneous	4.38	7.66
Total (B)	**30.42**	**62.06**
Total (A+B)	**97.45**	**96.30**

Note 27 : Operative and Other Expenses

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Materials and Consumables	1,043.29	872.72
Diagnostic Expenses	84.73	69.10
Fees to Doctors and Consultants	1,243.11	898.06
Power, Fuel and Water Charges	126.39	93.31
Housekeeping and Catering	100.90	109.59
Attendants and Securities (Includes service tax)	119.77	98.37
Linen & Uniform	4.20	9.35
Other Operative Expenses	29.76	20.55
Total	**2,752.14**	**2,171.03**

Note 28 : Purchase of Stock-in-trade

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Medicines and Medicare Items	92.45	82.36
Total	**92.45**	**82.36**

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

Note 29 : Changes in Inventories

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Inventory at the end of the year		
Medicine and Medical Items	26.57	21.45
Inventory at the beginning of the year	-	-
Medicine and Medical Items	21.45	14.24
(Increase) / Decrease in stocks	**(5.12)**	**(7.21)**

Note 30 : Employee Benefits Expense

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Salary, Allowances & Bonus	608.85	418.57
Contribution to Provident & other funds	34.36	29.21
Staff Welfare expenses	0.25	0.17
Total	**643.46**	**447.96**

Note 31 : Finance Cost

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Interest		
To Bank	70.50	108.27
To NBFC	-	13.20
Less: Interest subsidy	(9.28)	(9.77)
	61.22	**111.71**
Other Borrowing Cost		
Other ancillary Cost	10.19	0.88
Total	**71.40**	**112.59**

Note 32 : Depreciation and Amortization

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Depreciation expense on property, plant and equipment	328.11	222.90
Amortisation on Intangible assets	1.93	1.42
Total	**330.04**	**224.32**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 33 : Other Expenses

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Advertising and Publicity	68.82	71.23
Auditors' Remuneration	1.95	1.62
Communication	8.13	10.82
Rent, Rates and Taxes	36.24	28.44
Fees and Legal	15.61	15.06
Insurance	3.01	5.75
Stationery and Printing	17.59	24.08
Repairs and Maintenance- Building	3.98	5.14
Repairs and Maintenance- Others	82.92	65.91
Travelling and Conveyance	37.57	46.53
Net loss on foreign exchange fluctuations	-	16.81
Loss on sale of assets	0.22	-
Provision for Bad & Doubtful Debts	10.18	2.62
Provision for bad advance	-	-
Reversal of Excess provision of Income	-	-
Bank charges	10.97	8.77
Miscellaneous Expenses	19.70	15.77
Total	**316.88**	**318.55**
Payment to Auditor		
Statutory Audit Fees	1.36	1.62
Limited Review Fees	0.35	-
Tax Audit Fees	0.24	-
As Auditors	**1.95**	**1.62**

Note 34 : Earning per Equity Share

Particulars	March 31, 2019	March 31, 2018
Profit attributable to Equity shareholders (₹ in Million)	321.01	244.34
[Net of Share Issue Expenses of ₹ Nil (P.Y. ₹ Nil)]		
Number of Equity Shares (in Million)	108.01	108.01
Weighted Average number of Equity Shares (in Million)	108.01	94.36
Basic earning per Share (in ₹)	2.97	2.59
Diluted earning per Share (in ₹)	2.97	2.59

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 35 : Contingent Liabilities and Commitments

(₹ in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
A	**Contingent Liabilities not provided for in respect of**		
(i)	Claim against the company not acknowledged as debt	89.79	59.38
(ii)	Income tax Demand for Assessment Years		
	FY 2010-11	24.61	24.61
	FY 2011-12	13.43	13.43
	FY 2012-13	2.06	2.06
	FY 2013-14	110.85	-
	FY 2014-15	27.45	-
	FY 2015-16	41.42	41.42
(iii)	Bank Guarantee	21.83	43.30
(iv)	Sales Tax Demand including Interest & Penalty for Assessment Years (Based on expert advice received by client)		
	FY 2009-10	52.61	5.42
	FY 2010-11	63.13	2.02
	FY 2011-12	74.91	1.82
	FY 2012-13	91.90	1.96
	FY 2013-14	101.26	2.94
	Entry Tax (Jaipur unit) for Assessment Year 2015-16	6.55	-
	Labour Cess for the period from FY 2014-15 to FY 2016-17	1.74	-
(v)	Tax Deducted at Sources Demand for Assessment Year 2014-15	-	2.63
(vi)	Export Obligation under EPCG Scheme	25.28	18.84
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	34.16	283.42

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 36: Employee Benefits

Note 36.1 Defined contribution plan

The Company has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ in Million)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	21.27	20.18
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	5.37	3.41

Note 36.2 Defined benefit plan

(a) Gratuity

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity

Particulars	Valuation	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.60%	7.60%
Expected rate(s) of salary increase	6.00%	6.00%
Rate of return on plan assets	7.60%	7.60%

Leave Encashment

Particulars	Valuation	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.60%	7.60%
Expected rate(s) of salary increase	6.00%	6.00%

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

The following table sets out the status of the amounts recognised in the balance sheet & movements in the net defined benefit obligation as at March 31, 2019

(₹ in Million)

	Particulars	March 31, 2019		March 31, 2018	
		Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	Changes in the present value of obligation				
1.	Present value of obligation (Opening)	15.75	15.96	11.94	16.87
2.	Interest cost	1.16	1.11	0.82	1.11
3.	Past service cost adjustments/Prior year Charges	-	-	0.45	-
4.	Current service cost	6.51	5.48	4.99	5.09
5.	Curtailment Cost / (Gain)	-	-	-	-
6.	Settlement Cost / (Gain)	-	-	-	-
7.	Benefits paid	(2.72)	(4.50)	(1.09)	(3.60)
8.	Actuarial (Gain) / Loss arising from change in financial assumptions	-	-	(0.66)	(0.47)
9.	Actuarial (Gain) / Loss arising from change in demographic assumptions	-	-	-	-
10.	Actuarial (Gain) / Loss arising from change on account of experience changes	(2.04)	0.01	(0.70)	(3.04)
11.	Present value of obligation (Closing)	18.66	18.06	15.75	15.96
	Changes in the fair value of plan assets				
1.	Present value of plan assets (Opening)	11.94	-	6.15	-
2.	Past contribution / Adjustment to Opening Fund	-	-	-	-
3.	Expected return on plan assets	(0.91)	-	(0.68)	-
4.	Interest Income	1.12	-	0.59	-
5.	Actuarial Gain / (Loss)	-	-	-	-
6.	Employers Contributions	5.57	-	6.97	-
7.	Employees Contributions	-	-	-	-
8.	Benefits paid	(2.72)	-	(1.09)	-
9.	Expense deducted from the fund	-	-	-	-
10.	Fair Value of Plan Assets (Closing)	15.00	-	11.94	-
	Percentage of each category of plan assets to total fair value of plan assets at the year end				
1.	Bank Deposits	-	-	-	-
2.	Debt Instruments	-	-	-	-
3.	Administered by Life Insurance Corporation of India	100%	-	100%	-
4.	Others	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ in Million)

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of funded obligation at the end of the year	18.66	18.06	15.75	15.96
Fair Value of Plan Assets as at the end of the period	15.00	-	11.94	-
Amount not recognised due to asset limit				
Deficit of funded plan	3.66	-	3.81	-
Deficit of unfunded plan	-	18.06	-	15.96
- Current	3.54	2.96	3.65	2.40
- Non-Current	0.12	15.10	0.16	13.56

(₹ in Million)

Expense recognised in the Statement of Profit and Loss	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	6.51	5.48	4.99	5.09
Past Service Cost	-	-	0.45	-
Adjustment to opening fund	-	-	-	-
Net interest Cost	0.04	1.11	0.23	1.11
Net value of remeasurements on the obligation and plan assets	-	0.01	-	(3.51)
Adjustment to Opening Fund	-	-	-	-
(Gains)/Loss on Settlement	-	-	-	-
Total Expenses recognized in the Statement of Profit and Loss #	**6.55**	**6.60**	**5.67**	**2.69**

#Included in 'Salary and Wages' under 'Employee benefits expense'

(₹ in Million)

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Re-measurements during the year due to				
Changes in financial assumptions	-	-	(0.66)	(0.47)
Changes in demographic assumptions	-	-	-	-
Experience adjustments	(2.05)	0.01	(0.70)	(3.04)
Return on plan assets excluding amounts included in interest income	0.92	-	0.68	-
Amount recognised in OCI during the year	**(1.13)**	**0.01**	**(0.68)**	**(3.51)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Gratuity

Impact on defined benefit obligation

Particulars	Change in Assumption			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Discount rate	0.50%	0.50%	Decrease by	4.25%	4.20%	Increase by	3.96%	3.92%
Salary growth rate	0.50%	0.50%	Increase by	3.98%	4.03%	Decrease by	3.82%	3.72%

Leave Encashment

Impact on defined benefit obligation

Particulars	Change in Assumption			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Discount rate	0.50%	0.50%	Decrease by	2.93%	2.94%	Increase by	2.76%	2.78%
Salary growth rate	0.50%	0.50%	Increase by	2.96%	2.97%	Decrease by	2.82%	2.83%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(d) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	in %		₹ in Million	
Insurer managed funds	100.00%	100.00%	15.00	11.94
Total	**100.00%**	**100.00%**	**15.00**	**11.94**

(e) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

The gratuity fund is administered through Life Insurance Corporation of India (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investment is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

(f) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post -employment benefit plan (Gratuity) for the year ending March 31, 2019 is ₹ 3.65 Million.

The weighted average duration of the defined benefit obligation is 10.85 years (2016 - 10.6 years, 2015 - 10.53 years).

The expected maturity analysis of undiscounted post -employment benefit plan (gratuity) is as follows:

(a) Gratuity

(₹ in Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	1.06	2.60%	0.92	2.70%
2nd following year	1.36	3.40%	1.16	3.40%
3rd following year	1.66	4.10%	1.28	3.80%
4th following year	1.93	4.80%	1.55	4.60%
5th following year	1.98	4.90%	1.80	5.40%
Sum of year 6 to 10th	9.89	23.20%	8.81	26.20%

(b) Leave Encashment

(₹ in Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	2.55	8.20%	2.40	8.70%
2nd following year	2.49	8.00%	2.20	7.90%
3rd following year	2.25	7.20%	2.00	7.20%
4th following year	2.08	6.70%	1.80	6.50%
5th following year	1.80	5.80%	1.70	6.10%
Sum of year 6 to 10th	7.55	24.30%	7.41	26.80%

Note 37: Segment Information

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 38: Related Party

1. Related Party Disclosures for the year ended March 31, 2019

(a) Details of Related Parties

Description of Relationship	Sr. No.	Names of Related Parties
Subsidiary companies & LLPs	1	Shalby (Kenya) Limited
	2	Vrundavan Shalby Hospitals Limited
	3	Yogeshwar Healthcare Limited
	4	Shalby International Limited (Earlier known as Shalby Pune Limited)
	5	Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)
Promoter Company	6	Zodiac Mediquip Limited
Key Management Personnel (KMP)	7	Dr. Vikram I. Shah
	8	Mr. Ravi Bhandari (Up to 30/06/2018)
	9	Mr. Shantilal Kothari (Up to 17/08/2018)
	10	Mr. Prahlad Rai Inani (From 17/05/2018)
	11	Mr. Jayesh Patel
	12	Dr. Nishita Shukla
Relatives of KMP	13	Dr. Darshini V. Shah
	14	Mr. Shanay V. Shah
Enterprise over which KMP / Relatives of KMP exercise significant influence through controlling interest (Other Related Party)	15	Uranus Medical Devices Limited
	16	Shalby Orthopedic Hospital and Research Center
	17	Friends of Shalby Foundation
	18	Slaney Healthcare Private Limited

(b) Key management personnel compensation

	(₹ in Million)
Short-term employee benefits	8.44
Termination benefits	0.13
Total Compensation	8.57

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(c) Details of transactions with related parties for the year ended March 31, 2019 in the ordinary course of business:

(₹ in Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Professional Fees										
	Dr. Vikram I. Shah	-	-	-	-	16.71	45.23	-	-	16.71	45.23
	Dr. Darshini V. Shah	-	-	-	-	16.77	22.37	-	-	16.77	22.37
2	Advance towards expenses										
	Shalby International Limited	-	0.02	-	-	-	-	-	-	-	0.02
3	Advance received back										
	Shalby International Limited	-	0.005	-	-	-	-	-	-	-	0.005
4	Advance for material repaid										
	Shalby International Limited	-	-	-	-	-	-	-	-	-	-
5	Advance towards reimbursement of expenditure										
	Vrundavan Shalby Hospitals Limited	-	0.10	-	-	-	-	-	-	-	0.10
6	Advances received back towards Reimbursement of Expenditure										
	Vrundavan Shalby Hospitals Limited	4.45	0.10	-	-	-	-	-	-	4.45	0.10
7	Advances given										
	Vrundavan Shalby Hospitals Limited	5.26	44.25	-	-	-	-	-	-	5.26	44.25
	Yogeshwar Healthcare Limited	0.01	0.59	-	-	-	-	-	-	0.01	0.59
	Shalby International Limited	0.01	-	-	-	-	-	-	-	0.01	-
	Shalby Kenya Limited	0.85	0.19	-	-	-	-	-	-	0.85	0.19
8	Capital Introduced										
	Griffin Mediquip LLP										
	Fixed	-	-	-	-	-	-	-	-	-	-
	Current	8.39	3.77	-	-	-	-	-	-	8.39	3.77
9	Capital withdrawal										
	Griffin Mediquip LLP										
	Current	-	-	-	-	-	-	-	-	-	-
10	Share of Profit/(Loss)										
	Griffin Mediquip LLP	2.27	5.47	-	-	-	-	-	-	2.27	5.47
11	Purchase of medicines, materials and consumables										
	Griffin Mediquip LLP	362.61	374.07	-	-	-	-	-	-	362.61	374.07
	Uranus Medical Devices Limited	-	-	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
12	Rent Expenses										
	Dr. Vikram I. Shah	-	-	-	-	11.25	8.41	-	-	11.25	8.41
	Shalby Orthopedic Hospital and Research Center	-	-	-	-	-	-	0.60	0.62	0.60	0.62
	Yogeshwar Healthcare Limited	0.26	0.26	-	-	-	-	-	-	0.26	0.26
13	Rent Income										
	Griffin Mediquip LLP	0.08	0.07	-	-	-	-	-	-	0.08	0.07
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.21	0.16	0.21	0.16
14	Interest Income										
	Vrundavan Shalby Hospitals Limited	-	4.00	-	-	-	-	-	-	-	4.00
15	Salary										
	Mr. Ravi Bhandari	-	-	-	-	2.17	8.96	-	-	2.17	8.96
	Mr. Shantilal Kothari	-	-	-	-	2.15	5.45	-	-	2.15	5.45
	Mr. Prahlad Rai Inani	-	-	-	-	4.12	-	-	-	4.12	-
	Mr. Shanay V. Shah	-	-	-	-	4.80	4.97	-	-	4.80	4.97
	Mr. Jayesh Patel	-	-	-	-	1.70	1.42	-	-	1.70	1.42
	Dr. Nishita Shukla	-	-	-	-	4.92	3.50	-	-	4.92	3.50
16	Commission Expense										
	Zodiac Mediquip Limited	-	-	0.22	0.15	-	-	-	-	0.22	0.15
17	Guest House Expenses										
	Zodiac Mediquip Limited	-	-	1.30	1.69	-	-	-	-	1.30	1.69
18	Purchase return of medicines, materials and consumables										
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.11	0.35	0.11	0.35
19	Reimbursement of IPO related expenses										
	Dr. Vikram I. Shah	-	-	-	-	-	12.68	-	-	-	12.68
20	Purchase of Capital Goods										
	Griffin Mediquip LLP	-	0.01	-	-	-	-	-	-	-	0.01
	Vrundavan Shalby Hospitals Limited	0.56	-	-	-	-	-	-	-	0.56	-
21	Investment made during the year										
	Vrundavan Shalby Hospitals Limited	-	46.92	-	-	-	-	-	-	-	46.92
22	Interest on Capital										
	Griffin Mediquip LLP	2.13	-	-	-	-	-	-	-	2.13	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(d) Amount due to / from related parties as at March 31, 2019

(₹ in Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Trade Payable										
	Dr. Vikram I. Shah	-	-	-	-	2.66	5.55	-	-	2.66	5.55
	Dr. Darshini V. Shah	-	-	-	-	3.57	5.69	-	-	3.57	5.69
	Uranus Medical Devices Limited	-	-	-	-	-	-	-	0.40	-	0.40
	Friends of Shalby Foundation	-	-	-	-	-	-	0.01	0.01	0.01	0.01
	Griffin Mediquip LLP	146.70	50.40	-	-	-	-	-	-	146.70	50.40
	Zodiac Mediquip Limited	-	-	1.30	-	-	-	-	-	1.30	-
	Vrundavan Shalby Hospitals Limited	-	-	-	-	-	-	-	-	-	-
2	Rent Deposit										
	Yogeshwar Healthcare Limited	-	0.18	-	-	-	-	-	-	-	0.18
3	Investment										
	Yogeshwar Healthcare Limited	6.96	6.96	-	-	-	-	-	-	6.96	6.96
	Shalby Kenya Limited	0.06	0.06	-	-	-	-	-	-	0.06	0.06
	Vrundavan Shalby Hospitals Limited	131.92	131.92	-	-	-	-	-	-	131.92	131.92
	Shalby International Limited	0.50	0.50	-	-	-	-	-	-	0.50	0.50
4	Loans and Advances										
	Yogeshwar Healthcare Limited	0.82	7.41	-	-	-	-	-	-	0.82	7.41
	Shalby International Limited	0.02	0.01	-	-	-	-	-	-	0.02	0.01
	Shalby Kenya Limited	4.17	3.32	-	-	-	-	-	-	4.17	3.32
	Vrundavan Shalby Hospitals Limited	97.82	77.70	-	-	-	-	-	-	97.82	77.70
5	Rent Payable										
	Dr. Vikram I. Shah	-	-	-	-	0.40	0.73	-	-	0.40	0.73
	Zodiac Mediquip Limited	-	-	-	0.15	-	-	-	-	-	0.15
	Shalby Orthopedic Hospital and Research Center	-	-	-	-	-	-	1.07	0.53	1.07	0.53
6	Interest Receivable										
	Vrundavan Shalby Hospitals Limited	-	19.09	-	-	-	-	-	-	-	19.09
7	Other Receivables										
	Shalby International Limited	-	-	-	-	-	-	-	-	-	-
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.70	0.08	0.70	0.08
	Griffin Mediquip LLP	-	-	-	-	-		-		-	-
8	Other Payable										
	Dr. Vikram I. Shah	-	-	-	-	0.03	-	-	-	0.03	-
	Vrundavan Shalby Hospitals Limited	0.78	-	-	-	-	-	-	-	0.78	-
	Slaney Healthcare Private Limited	-	-	-	-	-	-	-	0.40	-	0.40
9	Capital contribution										
	Griffin Mediquip LLP									-	-
	Fixed	0.48	0.48	-	-	-	-	-	-	0.48	0.48
	Current	26.33	13.54	-	-	-	-	-	-	26.33	13.54

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 39: Capital Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Total equity attributable to the equity share holders of the company	7,940.28	7,652.57
As percentage of total capital	**100.47%**	**100.18%**
Current loans and borrowings	139.16	382.65
Non-current loans and borrowings	569.08	754.42
Total loans and borrowings	**708.24**	**1,137.07**
Cash and Bank balances	745.61	1,151.11
Net loans & borrowings	**(37.37)**	**(14.04)**
As a percentage of total capital	-0.47%	-0.18%
Total capital (loans and borrowings and equity)	**7,902.91**	**7,638.53**

Note 40: Fair value measurements

A. Financial instruments by category

(₹ in Million)

	March 31, 2019			March 31, 2018		
	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI
Financial Assets						
Investments*	-	108.86	-	-	1.10	
Trade and other receivables	813.26	-	-	503.84	-	
Cash and cash Equivalents	52.49	-	-	108.83	-	
Other bank balances	693.12	-	-	1,042.29	-	
Other financial assets	94.74	-	-	193.88	-	
Total Financial Assets	**1,653.61**	**108.86**	**-**	**1,848.84**	**1.10**	**-**
Financial Liabilities						
Borrowings	569.08	-	-	911.58		
Trade payables	588.12	-	-	493.15		
Other financial liabilities	257.01	-	-	491.53		
Total Financial Liabilities	**1,414.21**	**-**	**-**	**1,896.26**	**-**	**-**

*Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2019

(₹ in Million)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	107.76	-	-	107.76
- Membership fees	-	-	1.10	1.10

Financial assets measured at fair value at March 31, 2018

(₹ in Million)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Membership fees	-	-	1.10	1.10

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

(i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

D. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets , borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 41: Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.
Price Risk	Investments in mutual funds	Credit ratings	Portfolio diversification and regular monitoring

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured; the company does not hold any collateral or a guarantee as security. The provision details of the trade receivable are provided in Note 15 of the financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

For trade receivables, provision is provided by the company as per the below mentioned policy:

(₹ in Million)

Particulars	Gross carrying amount (₹)	Expected credit losses rate (%)	Expected credit losses (₹)	Carrying amount of trade receivable (₹)
Considered Good				
0 - 6 months	430.25	-	-	430.25
6 months - 1 year	191.48	-	-	191.48
More than 1 year	203.76	6%	12.23	191.53
Total	**825.49**		**12.23**	**813.26**
Considered Doubtful	8.70	100%	8.70	-
Total	**834.19**		**20.93**	**813.26**

Reconciliation of loss allowance provision

Trade receivables

Particulars	₹ in Million
Loss allowance as on March 31, 2018	6.41
Changes in loss allowance	14.52
Loss allowance as on March 31, 2019	20.93

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(b) Liquidity risk

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

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents	52.49	108.83

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2019

(₹ in Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	139.16	373.87	195.21
Other Financial Liabilities	-	5.95	-
	139.16	**379.82**	**195.21**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	588.12	-	-
Other Financial Liabilities	111.90	-	-
	700.02	**-**	**-**
Total	**839.18**	**379.82**	**195.21**

^ Borrowings are disclosed net of processing charges.

As at March 31, 2018

(₹ in Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	225.49	481.73	272.69
Other Financial Liabilities	-	2.36	-
	225.49	**484.09**	**272.69**
Current financial liabilities			
Borrowings from Banks	157.16	-	-
Trade payables	493.15	-	-
Other Financial Liabilities	263.68	-	-
	913.99	**-**	**-**
Total	**1,139.48**	**484.09**	**272.69**

^ Borrowings are disclosed net of processing charges.

(c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(i) Currency Risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of US$, and Euro. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

(Amount in Million)

Financial Assets	As at March 31, 2019		As at March 31, 2018	
	Amount	Amount (₹)	Amount	Amount (₹)
Trade receivables	USD 0.01	0.07	USD 0.12	8.35
Total		**0.07**		**8.35**
Financial liabilities				
Borrowings	USD 1.61	10.99	USD 20.01	130.26
	Euro -	-	Euro 0.77	62.36
Total		**10.99**		**192.62**

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2018 and March 31, 2017 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

(₹ in Million)

Particulars	Profit or Loss			
	March 31, 2019		March 31, 2018	
	Strengthening	Weakening	Strengthening	Weakening
USD (Increase/decrease by 1%)	0.11	(0.11)	1.22	(1.22)
Euro (Increase/decrease by 5%)	-	-	3.12	(3.12)
Total	**0.11**	**(0.11)**	**4.34**	**(4.34)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	1.58	4.32
Floating rate borrowings	670.21	969.12
Total	**671.79**	**973.44**

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Impact on profit – increase in 50 basis points	3.35	12.70
Impact on profit – decrease in 50 basis points	(3.35)	(12.70)

(iii) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

Note 42: Leasing arrangements: The Company being a lessee

Operating lease arrangements

The Company has entered into operating lease arrangements for land and premises. The leases are non-cancellable and are for a period of 5 to 30 years and may be renewed for a further period, based on mutual agreement of the parties.

Payments recognised as an expense in Note 36

(₹ in Million)

	March 31, 2019	March 31, 2018
Minimum lease payments	13.36	1.45

Non-cancellable operating lease commitments

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Not later than 1 year	7.84	1.42
Later than 1 year and not later than 5 years	31.34	1.00
Later than 5 years	-	-
Total	**39.18**	**2.42**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 43: Prior Period Items

Under Ind As 8 "Accounting Policies, Changes in Accounting Estimates and Errors" material prior period error shall be corrected by retrospective restatement. Patient Discount & Other Misc Expenses of ₹ 35.46 Million which pertains to the FY 2017-18 & ₹ 64.43 Million Prior to FY 2017-18 were omitted to be included in the financials of previous years now the same has been rectified in the financials statement of FY 2017-18 by re-stating the required figures with corresponding effect on the other affected line items of those financials statements and effect for the year prior to 2017-18 has been given to opening retained earnings.

Following are the financial items affected due to restatement in the comparative financial results presented hereunder for the matter stated above for the FY 2017-18.

(₹ in Million)

Extract from Balance Sheet	**As at March 31, 2018**	**As at March 31, 2018 (Restated)**
In Statement of assets & liabilities as on March 31, 2018		
Decrease in Trade Receivables	601.49	503.84
Increase in Other Financial Assets	158.94	174.51
Increase in Non-Current Borrowing	749.83	754.42
Increase in Trade Payable	479.93	493.15

Statement of Profit & Loss account (Extract) for the year ended on March 31, 2018

Extract from statement of profit and loss	**As at March 31, 2018**	**As at March 31, 2018 (Restated)**
Decrease in Revenue from Operations	3,855.23	3,802.86
Increase in Other Income	87.12	96.30
Increase in Operative and other expenses	2,169.00	2,171.03
Decrease in Finance Cost	121.34	112.59
Decrease in Other Expenses	319.57	318.55

Extract from statement of change in equity	**As at March 31, 2018**	**As at March 31, 2018 (Restated)**
Decrease in Opening retained earnings	1,711.34	1,646.91
Decrease in Current year net profit	585.01	549.55
Decrease in Closing retained earnings	2,296.35	2,196.46

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

Note 44: Due to Micro, Small and Medium Enterprise and confirmations

(a) Due to Micro, Small and Medium Enterprise

(₹ in Million)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

(b) Confirmations

The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

Note 45: Corporate social Responsibility

(a) Gross amount required to spend by the company:

(₹ in Million)

	March 31, 2019	March 31, 2018
Opening unspent Amount	33.46	24.08
Amount required to be spent	10.04	9.38
Amount spent during the year	-	-
Closing Unspent amount	**43.50**	**33.46**

(b) The amount spent during the period / year on:

Sr. No.	Particulars	In cash / cheque	Yet to be paid in cash / cheque	Total (₹)
(i)	Construction / acquisition of any assets	-	-	-
(ii)	On purposes other than (i) above.	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 46: Revenue from Contract with customers

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

(₹ in Million)

	March 31, 2019	March 31, 2018
Revenue from Sale of Products	133.95	108.17
Revenue from Sale of Services	4,473.88	3,688.40
Total	**4,607.83**	**3,796.56**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segment wise

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Revenue from Sale of Services		
In Patient Discharge		
Domestic	3,763.90	3,096.03
Overseas	120.63	130.07
Out Patient Discharge	489.12	334.53
Diagnostic Services	56.26	53.18
Clinical Trials	4.38	6.79
Training	15.72	37.78
Orthotrend Event	2.70	21.37
Allied Services	19.11	8.65
Spine Conclave Event	2.06	-
Total	**4,473.88**	**3,688.40**
Revenue from Sale of Products		
Medicines & Medicare Items	133.95	108.17
Total	**4,607.83**	**3,796.56**

Contract Asset

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Opening Balance of Contract Asset	58.09	-
Revenue Recognised from the opening balance of contract liability	58.09	-
Current year Contract asset - Carried Forward	52.84	58.09
Closing Balance of Contract Asset	**52.84**	**58.09**

Contract Liability

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Opening Balance of Contract Liability	4.00	7.36
Revenue Recognised from the opening balance of Contract Liability	4.00	7.36
Current year Contract liability - Carried Forward	18.38	4.00
Closing Balance of Contract Liability	**18.38**	**4.00**

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 4.8 of Note No. 4.

Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the next financial year.

There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Company generates revenue from knee replacement surgeries, other indoor and outdoor patient discharges, diagnostic services. clinical trials, trainings and other sales of medicines and medicare items.

Note 47: IPO disclosure

The Company during the financial year 2017-18, has made an Initial Public Offer (IPO) of ₹ 5,048 Million, comprising of fresh issue of ₹ 4,800 Million and offer for sale of ₹ 248 Million by one of the promoters.

The net proceeds of ₹ 4,564.28 Million (net off issue related expenses) have been utilized in the following manner:

(₹ in Million)

Particulars	Funds raised from IPO	Utilized up to March 31, 2019	Unutilized as at March 31, 2019
Repayment of prepayment in full or in part of certain loans availed by the Company	3,000.00	3,000.00	-
Purchase of Medical equipments for existing, recently set up and upcoming hospitals	635.80	147.22	488.58
Purchase of interior, furniture and allied infrastructure for upcoming hospitals	111.84	-	111.84
General Corporate purposes	816.64	726.69	89.95
Net Proceeds of the Issue	**4,564.28**	**3,873.91**	**690.37**
Issue Expenses (net off recovery from promoters)	235.72	232.53	3.19
Gross Proceeds	**4,800.00**	**4,106.44**	**693.56**

*Unutilized amount of net issue proceeds of ₹ 690.37 million have been invested in Fixed Deposit with Scheduled Commercial Bank

Note 48: Un-hedged Foreign Currency Exposure

The company does not enter into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at March 31, 2019 are as under:

(₹ in Million)

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	1.61	2.01	0.01	0.12	10.99	130.26	0.07	8.35
EUR	-	0.77	-	-	-	62.36	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 49: Statement of Management

(a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

Note 50: The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest millions.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Independent Auditor's Report

To The Members of Shalby Limited

Report on the Audit of the Consolidated Financial Statements

Auditor's Opinion

We have audited the accompanying consolidated financial statements of **Shalby Limited** ("the Company"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw your attention to Note 17 with regard to preparation of the Ind AS financial statements of one of the Subsidiary company, i.e. Vrundavan Shalby Hospitals Limited ("Such subsidiary company") on the assumption that the Such subsidiary company is no longer a going concern in view of the resolution passed by the Board of Directors of such subsidiary company on January 9, 2018 resolving to cease the business operations with immediate effect at both the hospitals located at Mapusa and Panjim since the same is financially not viable.

Our opinion is not modified in respect of the said matter.

Other Matters

We did not audit financial statements of one subsidiary, whose Ind AS financial statements reflect total assets of ₹ 1.86 million as at March 31, 2019, total revenue of ₹ 0.72 million and net cash inflow amounting to ₹ 0.15 million for the year ended on that date, as considered in consolidated Ind AS financial statements. This Ind AS financial statements have been audited and have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of clause (i) of sub sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary are based solely on such audited financial Statements.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and Management.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr	Key Audit Matter	Auditor's Response
1	**Reasonableness of Carrying amount of Investment in 100% subsidiary company classified as "Held for Sale"** Investment in equity shares of 100% owned subsidiary company "Vrundavan Shalby Hospitals Ltd" has been classified as held for sale. The carrying value of investment in equity instruments of such subsidiary company as at March 31, 2019 in standalone financial statement amounts to ₹131.92 Million. Based on the property valuation report from an independent civil engineer, the management expects to realize the consideration higher than the carrying amount of investment. Management expects the process of sale to be completed within 12 months from March 31, 2019. Refer Notes 17 to the Consolidated Financial Statements.	Our procedures in relation to managements evaluation of the asset held for sale include: • Evaluating the independent professional valuer's competence, capabilities and objectivity; • Assessing the valuation methodology used by the independent professional valuer to estimate the fair value of investment classified as held for sale. • Assessing bases and assumptions w.r.t proximity of civic amenities, surface communication, area of land & building, Circle rates, year of construction of building, quality of interior, depreciated value, recent sale deals in nearby area, etc. Based on the audit procedures performed, we found that assumptions made by the management in relation to the valuation were supported by the available evidence.
2	**Evaluation of uncertain tax positions** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 10 to the Consolidated Financial Statements.	We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate. We have obtained details of completed tax assessments and demands upto the year ended March 31, 2019 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2019 to evaluate whether any change was required to management's position on these uncertainties. From the evidence obtained and in the context of the financial statements, taken as a whole, we consider the provisions in relation to uncertain tax positions as at March 31, 2019 to be appropriate.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India**.** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The consolidated financial statements disclose impact of pending litigations on consolidated financial position of the Group.

II. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

III. There were no amounts which were required to be transferred to the investor's education and protection fund by the company and its subsidiary companies incorporated in India.

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N \ N500028
Chartered Accountants

Brijesh Thakkar
Partner
Membership No - 135556

Place : Ahmedabad
Date : May 25, 2019

ANNEXURE 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shalby Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of **SHALBY LIMITED** (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 ("the 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India. 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2019, based on the internal control over financial reporting criteria established by the respective companies 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 T R Chadha & Co LLP
Firm's Reg. No-: 006711N \ N500028
Chartered Accountants

Brijesh Thakkar
Partner
Membership No - 135556

Ahmedabad, May 25, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Million)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018 Restated*
ASSETS			
Non-current Assets			
Property, Plant and Equipments	6	6,813.77	6,398.73
Capital Work-in progress	6	17.36	464.03
Goodwill		101.55	101.55
Other Intangible assets	7	3.43	2.96
Intangible asset under development	7	16.12	3.82
Financial Assets			
Investments	8	1.10	1.10
Other Financial Assets	9	26.77	19.42
Income Tax Assets (Net)	10	69.35	104.06
Deferred Tax Assets (Net)	11	20.30	113.35
Other Non-current Assets	12	295.93	284.79
		7,365.68	**7,493.81**
Current assets			
Inventories	13	128.10	120.53
Financial Assets			
Investments	8	107.76	-
Trade receivables	14	813.59	508.80
Cash and cash equivalents	15	53.08	116.69
Other Bank Balances	16	693.12	1,042.29
Other Financial Assets	9	63.01	144.63
Other Current Assets	12	98.49	115.95
		1,957.15	**2,048.89**
Assets classified as held for sale	17	68.73	71.51
		2,025.88	**2,120.40**
Total Assets		**9,391.56**	**9,614.21**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	1,080.10	1,080.10
Other Equity	19	6,717.78	6,434.46
		7,797.88	7,514.56
Non-Controlling Interest		0.51	0.58
		7,798.39	**7,515.14**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	20	569.08	754.42
Other Financial Liabilities	21	5.95	54.76
Provisions	22	15.33	13.71
Other Non-current Liabilities	23	118.84	128.41
		709.20	**951.30**
Current liabilities			
Financial Liabilities			
Borrowings	20	-	157.16
Trade Payables	24		
Total Outstanding dues to Micro Enterprise & Small Enterprise		-	-
Total Outstanding dues to Other than Micro Enterprise & Small Enterprise		562.73	491.67
Other Financial Liabilities	21	251.05	436.76
Other Current liabilities	23	63.33	49.12
Provisions	22	6.50	6.05
Current tax liabilities	25	-	5.04
		883.61	**1,145.80**
Liabilities directly associated with assets classified as held for sale	17	0.36	1.97
		883.97	1,147.77
Total Equity and Liabilities		**9,391.56**	**9,614.21**

* Refer Note 44 for details regarding restatement.

The accompanying notes are an integral part of the Consolidated financial statements.
As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Million)

Particulars	Notes	2018-2019	2017-18 Restated*
INCOME			
Revenue From Operations	26	4,609.51	3,779.94
Other Income	27	96.35	100.10
Total Income		**4,705.86**	**3,880.04**
EXPENSES			
Operative Expenses	28	2,420.45	1,829.94
Purchase of Traded Goods	29	417.11	396.75
Changes in Inventories	30	(5.06)	(8.04)
Employee Benefits Expenses	31	645.97	450.80
Finance Cost	32	71.50	114.81
Depreciation and Amortization	33	331.73	228.56
Other Expenses	34	320.28	329.93
Total Expenses		**4,201.98**	**3,342.75**
Profit before exceptional items and tax		**503.88**	**537.29**
Exceptional Items		-	-
Profit Before Tax		**503.88**	**537.29**
Tax expense	**11**		
Current tax		110.22	114.44
MAT Credit Entitlement		(85.22)	(100.09)
Deferred tax		144.34	141.84
Tax Adjustment of earlier years		17.99	(10.60)
TOTAL TAX EXPENSE		**187.33**	**145.59**
Profit for the year from continuing operations		**316.54**	**391.70**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		1.13	4.19
Tax relating to remeasurement of the defined benefit plans		(0.39)	(1.45)
		0.74	**2.81**
Items that will be reclassified to profit or loss		-	0.07
Income tax effect on above		-	-
Total comprehensive income for the year, net of tax		**317.28**	**394.51**
Profit for the year attributable to			
Shareholders of the Company		316.61	393.78
Non-Controlling Interest		(0.07)	(2.08)
		316.54	**391.70**
Other comprehensive income attributable to			
Shareholders of the Company		0.74	2.81
Non-Controlling Interest		-	-
		0.74	**2.81**
Total comprehensive income for the year attributable to			
Shareholders of the Company		317.35	396.59
Non-Controlling Interest		(0.07)	(2.08)
		317.28	**394.51**
Earning per Equity Share	35		
Basic		2.93	2.47
Diluted		2.93	2.47

* Refer Note 44 for details regarding restatement.

The accompanying notes are an integral part of the Consolidated financial statements.
As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Million)

Particulars		2018-2019	2017-2018
A. Cash flow from operating activities			
Profit/(Loss) for the year before taxation		503.90	537.29
Adjustments for			
Depreciation and amortisation		331.73	228.56
Finance cost		71.40	123.56
Interest Income		(61.52)	(28.40)
Interest on Partners Capital		(0.19)	-
Profit on sale of assets (Net)		0.38	(0.06)
Fixed assets written off		-	1.17
Impairment of Assets		-	7.10
Provision for Bad & Doubtful Debts		10.18	2.62
Loss/gain on sale of property plant & equipment (net)		0.22	-
OCI Adjustment		1.13	-
Foreign Currency Translation Reserve		-	0.07
Operating profit before working capital changes		**857.23**	**871.91**
Adjustments for			
Decrease / (Increase) in Inventories		(7.57)	(43.51)
Decrease / (Increase) in Trade receivables		(421.36)	(220.39)
Decrease / (Increase) in Other Non current financial assets		(7.19)	(210.21)
Decrease / (Increase) in Other current financial asset		65.45	11.37
Decrease / (Increase) in Other non current asset		(11.14)	(82.48)
Decrease / (Increase) in Other current assets		17.18	(77.78)
Decrease / (Increase) in Loan		-	56.15
Increase / (Decrease) in Trade payables		177.40	79.90
Increase / (Decrease) in Provisions		2.05	0.09
Increase / (Decrease) in Other Non current financial liabilities		(2.99)	23.76
Increase / (Decrease) in Other current financial liabilities		(235.59)	(189.32)
Increase / (Decrease) in Other Non current liabilities		(12.91)	39.63
Increase / (Decrease) in Other current liabilities		16.85	5.58
Cash generated from operations		437.40	264.70
Direct taxes Refund/(paid)		(93.94)	(125.35)
Net Cash from Operating Activities	**[A]**	**343.47**	**139.35**
B. Cash flow from investing activities			
Purchase of property, plant and equipment / Intangible assets		(314.94)	(1,383.59)
Other Bank Balance		349.14	(1,001.24)
Payment for purchase of investments		(123.23)	-
Proceeds from Sale of Asset		1.50	-
Interest received		89.13	19.75
Net Cash from / (used in) investing activities	**[B]**	**1.60**	**(2,365.08)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Million)

Particulars		2018-2019	2017-2018
C. Cash flow from financing activities			
Proceeds from issued / allotment of shares		-	203.28
Securities premium received		-	4,681.21
Proceeds from borrowings		(342.25)	(2,286.95)
Payment for acquisition of Non-controlling Interest in Subsidiary Company		-	(46.92)
Capital Introduced By Partners (Net of Withdrawal)		8.39	-
Share Issued Expenditure		(0.58)	(245.20)
Interest paid		(73.91)	(83.24)
Net cash flow from financial activities	**[C]**	**(408.35)**	**2,222.18**
Net Increase/(Decrease) in cash & cash equivalents	**[A+B+C]**	**(63.28)**	**(3.55)**
Cash and cash equivalents opening		117.09	116.97
Add: On account of Business Combination		-	3.67
Cash and cash equivalents closing		**53.81**	**117.09**
Components of Cash and cash equivalent			
Balances with scheduled banks		24.60	69.39
Fixed Deposits with maturity less than 3 months		1.25	38.90
Cash in hand		6.35	8.40
Overdraft account		20.88	-
Cash and cash equivalents classified as held for sale		0.73	0.40
		53.81	**117.09**

Explanatory Notes to Cash Flow Statement

1 The Statement of Cash Flow is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current year's presentation.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity share capital

(₹ in Million)

As at April 1, 2017	**873.55**
Issue of Equity Share capital	206.55
As at March 31, 2018	**1,080.10**
Issue of Equity Share capital	-
As at March 31, 2019	**1,080.10**

B. Other equity

(₹ in Million)

Particulars	Reserves and Surplus								
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Share Application Money Pending allotment	Capital Reserve on Consolidation	Other comprehensive Income	Equity attributable to the shareholders of Company	Non-Controlling Interest	Total Equity
Balance as at April 1, 2017	**3.24**	**5.33**	**1,619.48**	**2.73**	**9.18**	**(2.40)**	**1,639.96**	**(6.22)**	**1,633.74**
Profit for the year	-	-	393.78	-	-	-	393.78	(2.08)	427.15
Received during the year	4,681.21	-	-	-	-	-	4,681.21	-	4,681.21
Share Issue Expenses (Net of Taxes)	(160.34)	-	-	-	-	-	(160.34)	-	(160.34)
Addition during the year	-	-	-	-	-	-	-	-	-
Deduction during the year	-	-	-	(2.73)	-	-	(2.73)	-	(2.73)
Adjustment on acquisition of Non-controlling Interest in Subsidiary Company	-	-	(55.80)	-	-	-	(55.80)	8.88	(46.92)
Prior Period Adjustment			(64.43)				(64.43)		
Other comprehensive income for the year	-	-		-	-	2.81	2.81	-	2.81
Balance as at March 31, 2018	**4,524.11**	**5.33**	**1,893.03**	**-**	**9.18**	**0.41**	**6,434.46**	**0.58**	**6,534.92**
Profit for the year	-	-	316.61	-	-	-	316.61	(0.07)	316.54
Received during the year	-	-	-	-	-	-	-	-	-
Share Issue Expenses (Net of Taxes)	(34.03)	-	-	-	-	-	(34.03)	-	(34.03)
Addition during the year	-	-	-	-	-	-	-	-	-
Deduction during the year	-	-	-	-	-	-	-	-	-
Adjustment on acquisition of Non-controlling Interest in Subsidiary Company	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	0.74	0.74	-	0.74
Balance as at March 31, 2019	**4,490.08**	**5.33**	**2,209.64**	**0.00**	**9.18**	**1.15**	**6,717.78**	**0.51**	**6,818.17**

The accompanying notes are an integral part of the Consolidated financial statements.
As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 1: Corporate Information

Shalby Limited (the Parent Company) is a company engaged in healthcare delivery space and listed with bourses in India. The registered office of the Company is located at Opposite Karnavati Club, Sarkhej Gandhinagar Highway, Near Prahladnagar Garden, Ahmedabad – 380 015. The company operates as a chain of multi-specialty hospitals across India. The business of the company is to offer tertiary and quaternary healthcare services to patients in various areas of specialization such as orthopedics, complex joint replacements, cardiology, neurology, oncology, renal transplantations etc.

Following subsidiary entities have been considered in the preparations of the consolidated financial statements.

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
Shalby Kenya Limited	Kenya	100.00%
Shalby International Limited	India	100.00%
Vrundaban Shalby Hospitals Limited	India	100.00%
Yogeshwar Healthcare Limited	India	94.68%
Griffin Mediquip LLP	India	95.00%

The Consolidated Ind AS financial statements for the year ended March 31, 2019 were authorized for issue in accordance with resolution passed by the Board of Directors of the company on May 25, 2019.

Note 2: Basis of Preparation & Compliance with Ind AS

These consolidated financial statements of the Parent Company as at and for the year ended March 31, 2019 has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issue from time to time and other relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

2.1 Basis of Measurement

The Consolidated Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

b) The defined benefit asset/liability is recognized as the present value of defined benefit obligation less fair value of plan assets.

c) Assets held for sale measured at fair value less cost to sales

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Parent Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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for the year ended March 31, 2019

- Level 3 inputs are unobservable inputs for the assets or liability.

2.2 Functional and Presentation Currency

Items included in the consolidated financial statements of the Parent Company are measured using the currency of the primary economic environment in which the Parent Company operates ("the functional currency"). Indian Rupee is the functional currency of the Parent Company.

The consolidated financial statements are presented in Indian Rupees (₹) which is the Parent company's presentation currency, and all values are rounded to the nearest million, except when otherwise stated.

2.3 Current and non-Current classification:

The Parent Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realized or intended to be sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realized within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Parent Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Parent Company has identified twelve months as its operating cycle.

2.4 Standard issued but not yet effective

Effective from1 April 2019, IND AS 116 shall supersede the existing IND AS 17 and Parent company shall be required to adopt IND AS 116- lease accounting, which shall require the following:

As lessee:

Lease liability is initially recognized and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee.

The lease liability is measured in subsequent periods using the effective interest rate method. The right- of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, plant and equipment.

Recognition and measurement exemption are available for low-value assets and short-term leases. Assets of low-value include IT equipment or office furniture. No monetary threshold has been defined for low- value assets. Short-term leases are defined as leases with a lease term of 12 months or less.

If an entity chooses to apply any one of the exemptions, payments are recognized on a straight-line basis or another systematic basis that is more representative of the pattern of the lessee's benefit.

As lessor:

Entities are not required to reassess existing lease contracts but can elect to apply the guidance regarding the definition of a lease only to contracts entered into (or changed) on or after the date of initial application ('grandfathering'). This

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applies to both contracts that were not previously identified as containing a lease applying Ind AS 17 and those that were previously identified as leases in Ind AS 17.

Full retrospective application is optional.

Lessee can elect to apply the simplified approach and not restate the comparative information. The cumulative effect of applying the standard is recognized as an adjustment to the opening balance of retained earnings at the date of initial application.

The company does not expect the impact of new standard to be material on its retained earnings and to its net income on an ongoing basis.

Note 3: Consolidation of Financial Statements

Note 3.1: Principle of Consolidation

a) The consolidated financial statements relate to Shalby Limited and its subsidiary entities. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

b) The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transaction between group companies are eliminated. Ind AS -12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

c) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March.

d) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

e) Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Parent Company.

f) Consolidated financial statements includes Limited Liability partnership in which Shalby Limited holds pertinent interest are also consolidated with same effects and treatments as given to the corporate subsidiaries in compliance with Indian Accounting Standard 110.

Note 3.2: Consolidation Procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

   (a) Derecognises the assets (including goodwill) and liabilities of the subsidiary;

   (b) Derecognises the carrying amount of any non-controlling interests;

   (c) Derecognises the cumulative translation differences recorded in equity;

   (d) Recognises the fair value of any investment retained;

   (e) Recognises any surplus or deficit in profit or loss, and

   (f) Reclassifies the parent's share of components, previously recognised in OCI, to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e) The notes and the significant accounting policies to the consolidated financial statements are intended to serve as a guide for better understanding of the group's position. In this respect, the company has disclosed such notes and policies, which represent the needed disclosures.

g) In case of foreign subsidiaries, revenue and expenses items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve through Other Comprehensive Income.

Note 4: Critical and Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Group's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1 Revenue recognition

Revenue from fees charged for inpatient and outpatient hospital/clinical services rendered to insured, Government schemes and corporate patients are subject to approvals from the insurance companies and corporates. Accordingly, the Group estimates the amounts likely to be disallowed by such companies based on past trends and necessary provisions are made.

4.2 Impairment of investments in subsidiaries

The Management reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

4.3 Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

4.4 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.5 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making

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assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

4.6 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

4.7 Allowance for uncollectible trade receivables

Trade receivables, predominantly from Government schemes/ insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

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

4.8 Impairment of Property, Plant & Equipment

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

4.9 Litigations

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

Note 5: Significant Accounting Policies

5.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

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

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized 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 Group classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Group is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Group has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Group's Operations. A Change in business occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting

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period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

5.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

5.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leasehold land with lease term of 99 years or more and renewable with mutual consent are considered as finance leases with perpetual lease term and the same are not amortised with effect from 1st April, 2016.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings(*)	30 years and 60 years
Plant and Machinery	15 years
Medical Equipment	13 years and 15 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years and 10 years
Servers and Computers	3 years and 6 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which the management expects to use these assets. Hence, the useful life for this asset is different from useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

In case of overseas subsidiary company i.e. Shalby Kenya Limited Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following rates.

Office Equipment	:	12.50%
Furniture and Fittings	:	12.50%
Computer	:	30.00%

However, the carrying values of fixed assets of aforesaid subsidiary and depreciation thereon being non-significant, the depreciation is not recomputed to fall in line with the method of Depreciation adopted by the Parent Company.

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

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5.4 Intangible assets

Intangible Assets acquired separately

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

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Goodwill generated on business combination is tested for impairment.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is de-recognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Type of Asset	Useful Life
Computer software and data processing software	3 years

5.5 Inventories

Inventories of all medicines, medicare items traded and dealt with by the Group are measured at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business.

Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable.

Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at the end of the year is valued at cost.

5.6 Impairment

(a) Financial assets (other than at fair value)

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

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An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

5.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Group 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. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

5.8 Revenue Recognition

Effective April 1 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. Revenue is recognized based on the nature of activity, transfer of control & consideration can be reasonably measured and there exists reasonable certainty of its recoverability. The effect on adoption of Ind AS 115 was insignificant.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(a) Rendering of Services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

Other Services

Income from Clinical trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(b) Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates granted upon purchase and are stated net of returns and discounts wherever applicable. Sales are adjusted for Value Added Tax/GST wherever applicable.

(c) Dividend and Interest Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will

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

5.9 Leases

Leases are classified as finance leases whenever the (substantial value of the assets is initially paid as non-refundable lease premium) and terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalized as assets of the Company at their fair value at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet and the lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

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

5.10 Foreign Currency Translation

The functional currency of the Group is the Indian Rupee (₹)

Exchange differences on monetary items are recognised in the Consolidated Statement of profit and loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

(ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Group for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Group's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

5.11 Borrowing Costs

Borrowing costs include

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

5.12 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over

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the expected useful lives of the assets concerned. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

5.13 Employee benefits

(a) Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Post-employment obligations

The Parent Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans

(i) Defined contribution plans

The Parent Company has defined contribution plan for the post-employment benefits namely Provident Fund, Employees Death Linked Insurance and Employee State Insurance and the contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

(ii) Defined benefit plans

The Parent Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurements of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

(c) Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2019

5.14 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

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

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

No Deferred tax asset is recognized for goodwill arising on business combination.

(iii) Current and deferred tax for the year

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

5.15 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

(a) fair values of the assets transferred;

(b) liabilities incurred to the former owners of the acquired business;

(c) equity interests issued by the Company; and

(d) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

5.16 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

5.17 Earnings per share

The Parent Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

5.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Parent Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

5.19 Cash and cash equivalent

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

5.20 Segment Reporting

Identification of segments:

Segments are identified in line with Ind AS - 108 "Operating Segments", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

Note 6 : Property, Plant and Equipment

Note 6.1 : As at March 31, 2019

(₹ in Million)

Particulars	Gross carrying amount					Accumulated Depreciation and impairment					Net carrying amount
	As at April 1, 2018	Additions	Adjustments		As at March 31, 2019	Upto March 31, 2018	For the year	Adjustments		Upto March 31, 2019	As at March 31, 2019
			On acquisition	Deduction / Others				On acquisition	Deduction / Others		
Owned Assets											
Free hold land	399.29	-	-	-	399.29	-	-	-	-	-	399.29
Buildings	2,577.81	328.54	-	(3.26)	2,903.09	87.01	64.74	-	-	151.75	2,751.34
Medical Equipments and Surgical Instruments	1,933.87	182.91	-	(5.90)	2,110.88	172.24	148.06	-	(1.98)	318.32	1,792.56
Plant & Machinery	418.95	62.07	-	(0.19)	480.83	33.42	29.37	-	(0.08)	62.71	418.12
Electrical Installation	197.28	5.02	-	-	202.30	11.76	18.76	-	-	30.52	171.78
Office Equipments	68.28	6.52	-	0.01	74.81	19.70	11.73	-	-	31.43	43.38
Computers and Printers	43.67	1.80	-	-	45.47	21.07	9.00	-	-	30.07	15.40
Furnitures and Fixtures	362.94	56.11	-	(0.11)	418.94	21.19	35.96	-	-	57.15	361.79
Vehicles	70.31	4.51	-	(1.07)	73.75	13.21	9.35	-	(1.00)	21.56	52.19
Leasehold Assets											
Land	733.73	106.88	-	-	840.61	27.80	2.80	-	2.09	32.69	807.92
Total	**6,806.13**	**754.36**	**-**	**(10.51)**	**7,549.97**	**407.40**	**329.77**	**-**	**(0.97)**	**736.20**	**6,813.77**
CWIP											**17.36**

Note 6.2 : As at March 31, 2018

(₹ in Million)

Particulars	Gross carrying amount					Accumulated Depreciation and impairment					Net carrying amount
	As at April 1, 2017	Additions	Adjustments		As at March 31, 2018	Upto March 31, 2017	For the year	Adjustments		Upto March 31, 2018	As at March 31, 2018
			On acquisition	Deduction / Others				On acquisition	Deduction / Others		
Owned Assets											
Free hold land	157.22	1.00	241.42	(0.35)	399.29	-	-	-	-	-	399.29
Buildings	1,172.22	1,470.49	-	(64.90)	2,577.81	43.21	47.56	-	(3.76)	87.01	2,490.80
Medical Equipments and Surgical Instruments	928.87	1,011.43	5.33	(11.75)	1,933.88	69.71	104.21	-	(1.67)	172.25	1,761.63
Plant & Machinery	159.43	249.31	15.50	(5.30)	418.94	10.81	19.24	3.79	(0.41)	33.43	385.51
Electrical Installation	39.25	159.95	-	(1.91)	197.29	5.24	6.89	-	(0.38)	11.75	185.54
Office Equipments	28.14	38.35	1.83	(0.04)	68.28	8.28	10.10	1.34	(0.03)	19.69	48.59
Computers and Printers	28.07	15.84	-	(0.23)	43.68	9.38	11.74	-	(0.05)	21.07	22.61
Furnitures and Fixtures	87.86	280.76	-	(5.69)	362.93	7.97	13.52	-	(0.30)	21.19	341.74
Vehicles	50.48	20.22	0.48	(0.87)	70.31	5.12	8.26	0.22	(0.39)	13.21	57.10
Leasehold Assets											
Land	729.85	3.88	-	-	733.73	12.82	14.99	-	-	27.81	705.92
Total	**3,381.39**	**3,251.23**	**264.56**	**(91.04)**	**6,806.14**	**172.54**	**236.51**	**5.35**	**(6.99)**	**407.41**	**6,398.73**
CWIP											**464.03**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 7 : Intangible Assets

Note 7.1 : As at March 31, 2019

(₹ in Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2018	Additions	Adjustments / Deletions	As at March 31, 2019	Upto March 31, 2018	For the year	Adjustments / Deletions	Upto March 31, 2019	As at March 31, 2019
Owned Assets									
Software	7.21	2.42	-	9.63	4.29	1.93	-	6.22	3.41
Trademark	0.06	-	-	0.06	0.02	0.02	-	0.04	0.02
Total	**7.27**	**2.42**	**-**	**9.69**	**4.31**	**1.95**	**-**	**6.26**	**3.43**
CWIP									**16.12**

Note 7.2 : As at March 31, 2018

(₹ in Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2017	Additions	Adjustments / Deletions	As at March 31, 2018	Upto March 31, 2017	For the year	Adjustments / Deletions	Upto March 31, 2018	As at March 31, 2018
Owned Assets									
Software	4.52	2.73	(0.05)	7.20	2.86	1.42	-	4.28	2.92
Trademark		0.06	-	0.06	-	0.02	-	0.02	0.04
Total	**4.52**	**2.79**	**(0.05)**	**7.26**	**2.86**	**1.44**	**-**	**4.30**	**2.96**
CWIP									**3.82**

Note 8 : Investments

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current		
Financial instruments at FVTPL		
Membership	1.10	1.10
Total:	**1.10**	**1.10**
Current		
Financial instruments at amortized cost		
Investment in Mutual Fund	107.76	-
Total	**107.76**	**-**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 9 : Other Financial Assets

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- current		
Security deposits	19.11	16.64
Fixed Deposit with Original Maturity of more than 12 months (*)	7.42	2.70
Interest accrued but not due on fixed deposit	0.24	0.08
	26.77	**19.42**
Current		
Notice period recovery receivable (Doctors)	19.86	19.72
Government Grant Receivable	26.48	67.27
Recoverable from Subsidiaries	-	-
Security deposits	-	29.07
Interest accrued on loans	6.95	14.81
Other Recoverable	9.72	13.76
	63.01	**144.63**
Total	**89.78**	**164.05**

*The above fixed deposits with banks are held as margin money against bank guarantee.

Note 10 : Income Tax Assets (Net)

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance tax	681.81	666.19
Less : Provision for tax	612.46	562.13
Total	**69.35**	**104.06**

Note 11 : Deferred Tax Assets (Net)

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
Opening balance	113.35	71.69
Adjustment for the current year		
(Charged) / Credited through Statement of Profit & Loss	(59.59)	(41.75)
(Charged)/Credited through P/L / OCI	-	**(1.45)**
(Charged) / Credited directly through Reserves	-	-
	53.76	**28.49**
DTA related to Share Issue Expenses	(33.46)	84.86
Total	**20.30**	**113.35**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 11.1 : Significant components of deferred tax assets are shown in the following table:

(₹ in Million)

Particulars	As at March 31, 2019	(Charged)/ Credited to profit or loss / OCI	As at March 31, 2018	(Charged)/ Credited to profit or loss / OCI
Deferred tax liabilities				
Routed through profit or loss				
Difference of book depreciation and tax depreciation	1,484.54	(55.73)	1,540.27	1,025.82
Total deferred tax liabilities	**1,484.54**	**(55.73)**	**1,540.27**	**1,025.82**
Set-off of deferred tax assets pursuant to set-off provisions :-				
Routed through P/L				
Provision for leave obligation and gratuity	7.62	6.30	1.32	(6.52)
Unabsorbed business loss and depreciation	960.90	(205.94)	1,166.84	888.62
Re-measurement of defined benefit plan	(0.39)	(0.39)	-	-
MAT Credit entitlement	485.31	84.71	400.60	100.60
Total deferred tax assets	**1,453.43**	**(115.33)**	**1,568.76**	**982.70**
DTA related to Share Issue Expenses	**51.40**	**-**	**84.86**	**-**
Net deferred tax assets	**20.30**	**(59.60)**	**113.35**	**(43.12)**

Note 11.2: Income tax expense has been allocated as follows:

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	128.21	103.84
	128.21	**103.84**
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	114.85	(981.66)
(Decrease) / increase in deferred tax liabilities	(55.73)	1,024.86
	59.12	43.20
Income tax expense / (income) attributable to continuing operations	**187.33**	**147.04**
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	(0.39)	(1.45)
Income tax expense / (income) recognised in other comprehensive income	**(0.39)**	**(1.45)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 12 : Other Non - current / Current Assets

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Capital advances	295.93	284.79
	295.93	**284.79**
Current		
Balance with excise, customs and other authorities	23.40	29.14
Pre-paid expenses	6.22	6.58
Advance to suppliers	7.68	15.88
Advance to staff and doctors	6.70	3.82
Unbilled revenue (Net)	52.84	58.09
Other recoverable	1.65	2.44
	98.49	**115.95**
Total	**394.42**	**400.74**

Note 13 : Inventories

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Medicines and Medicare Items	28.23	23.17
Materials and Consumables	91.51	87.59
General Stores	7.05	9.77
Stock in transit	1.31	-
Total	**128.10**	**120.53**

Note 14 : Trade Receivables

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered good	622.06	424.12
Significant Increase in Credit Risk	203.76	87.30
Credit Impaired	8.70	3.79
	834.52	**515.21**
Less: Allowance for doubtful debts (including ECL)	(20.93)	(6.41)
Total	**813.59**	**508.80**
Included in the financial statement as follows		
Non-current	-	-
Current	813.59	508.80
Total	**813.59**	**508.80**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 15 : Cash and cash equivalents

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Bank		
Current accounts	24.60	69.39
Fixed Deposits with maturity less than 3 months(*)	1.25	38.90
Overdraft accounts	20.88	-
Cash on hand	6.35	8.40
Total	**53.08**	**116.69**

*The above fixed deposits with banks are held as margin money against bank guarantee.

Note 16 : Other Bank Balances

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months (*)	693.12	1,042.29
Total	**693.12**	**1,042.29**

*The above fixed deposits with banks are held as margin money against bank guarantee.

Note 17 : Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale

17.1 Assets classified as held for sale

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current assets		
Property, Plant and Equipment	80.79	80.79
Intangible assets	0.05	0.05
Less : Accumulated Depreciation and amortisation	(14.05)	(14.05)
	66.79	**66.79**
Current assets		
Cash and cash equivalents	0.73	0.40
Other Bank Balances	0.50	0.48
Trade receivable		
Considered Doubtful	17.45	17.47
Less: Allowance for expected credit loss / Provision for excepted credit losses and doubtful debts	(17.45)	(17.47)
Other Financial Assets	0.03	0.22
Current tax assets (Net)	0.46	3.28
Other Current Assets	0.23	0.33
	1.94	**4.72**
Total	**68.73**	**71.51**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

17.2 Liabilities directly associated with assets classified as held for sale

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Liabilities		
Trade Payables	0.36	1.47
Other Current Liabilities	0.00	0.50
Total	0.36	1.97
Net carrying value	**68.37**	**69.54**

Note:

1. Vrundavan Shalby Hospitals Ltd., a subsidiary company, in an attempt to resume the operations at hospitals, could not find it financial viable and therefore the Board of Directors of the company, vide resolution dated 09th January, 2018, consented to cease the entire operations with immediate effect. Consequent to such resolution, the Ind AS financial statements of the company for the current financial year have been prepared on assumption that the said subsidiary company is non-going concern.

   Further, The Board of Directors of the Parent company in its meeting held on 09th January, 2018 had decided to sale its Investment of said subsidiary company. Therefore, assets and liabilities of said subsidiary company has been classified as assets held for sale. The Net carrying value of assets and liabilities of said subsidiary company as at March 31, 2019 amounts to ₹ 68.37 million. Based on the circle rates prevailing currently, the management expects to realise the consideration higher than the Investment of such subsidiary company. Management expects the process of sale to be completed within 12 months from 31st March, 2019.

Note 18 : Equity Share Capital

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
11,77,50,000 (March 31, 2018: 11,77,50,000) Equity Shares of ₹ 10/- each	1,177.50	1,177.50
	1,177.50	**1,177.50**
Issued share capital		
10,80,09,770 (March 31, 2018: 10,80,09,770) Equity Shares of ₹ 10/- each	1,080.10	1,080.10
Subscribed and fully paid up		
10,80,09,770 (March 31, 2018: 10,80,09,770) Equity Shares of ₹ 10/- each fully paid up	1,080.10	1,080.10
	1,080.10	**1,080.10**

Note 18.1 Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

(Nos. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	108.01	87.41
Add: Shares issued for Cash or Right Issue	-	20.60
	108.01	**108.01**
Less: Shares bought back / Redemption	-	-
At the end of the year	**108.01**	**108.01**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 18.2 Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

(i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

Note 18.3 Details of shareholders holding more than 5% Shares in the company

(in Number)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Shah Family Trust	4,33,27,132	40.11	4,33,27,132	40.11
Dr. Vikram I. Shah	77,35,493	7.16	77,35,493	7.16
Zodiac Mediquip Limited	3,15,45,448	29.21	3,15,45,448	29.21

Note 19 : Other Equity

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium	4,490.08	4,524.11
Capital Redemption Reserve	5.33	5.33
Retained Earnings	2,213.19	1,895.84
Share Application money pending allotment	-	-
Capital Reserve on Consolidation	9.18	9.18
	6,717.78	**6,434.46**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 19.1 : Reconciliation of Other Equity

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium		
Balance as per previous financial statements	4,524.11	3.24
Add : Additions during the year	-	4,681.21
Less: Share Issue Expenses (Net of Taxes)	34.03	160.34
Balance at the end of the year	**4,490.08**	**4,524.11**
Capital Redemption Reserve		
Balance as per previous financial statements	5.33	5.33
Add : Additions during the year	-	-
(Refer Note Below)		
Balance at the end of the year	**5.33**	**5.33**
Retained Earnings		
Balance as per previous financial statements	1,895.84	1,619.48
Add : Profit for the year	316.61	393.78
Add / (Less): OCI for the year	0.74	2.81
Add: Opening Reserve (Ind AS Adj Liability)	-	(64.43)
Less: Adjustment on acquisition of Non-controlling Interest in Subsidiary Company	-	(55.80)
Balance available for appropriation	**2,213.19**	**1,895.84**
Share Application money pending allotment		
Balance as per previous financial statements	-	2.73
Add : Additions during the year	-	-
Less: Allotment during the year	-	2.73
Balance at the end of the year	-	-
Capital Reserve on Consolidation	**9.18**	**9.18**
Total	**6,717.78**	**6,434.46**

Nature and Purpose of other reserves

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Capital Redemption Reserve: In terms of provisions contained in Section 55 of the Companies Act 2013, the Company has, upon redemption of Preference Shares pursuant to resolution passed at the meeting held on 20th December 2016, transferred the amount equivalent to the face value of Preference Shares from the accumulated profits to Capital Redemption Reserve. This fund can be utilized only for issuing fully paid bonus shares. No dividends can be distributed out of this fund.

Retained Earnings: Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation etc.

Distributions Proposed

(₹ in Million)

Particulars	Amount
Proposed dividends on Equity shares:	
Final dividend for the year ended on 31 March 2019: ₹ 0.50 per equity share (31 March 2018: ₹ Nil per equity share)	54.00
DDT on Final Dividend	11.10
Total Proposed Dividend	**65.11**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 20 : Borrowings

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- current		
Secured		
Term loans from bank (Refer Note No. 1 below)		
HDFC Bank Limited		
In Foreign Currency	75.04	72.72
In Indian Currency	317.39	481.35
Bank of Maharashtra	-	-
Exim bank	-	-
IDFC Bank	176.65	198.92
Vehicle loans		
Daimler Financial services India Private Limited	-	1.43
Total	**569.08**	**754.42**
Current		
Secured		
Bank overdraft		
Kotak Mahindra Bank	-	157.16
	-	**157.16**
Total	**569.08**	**911.58**
Current maturities of long term debts		
Secured loans		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	36.45	16.25
In Indian Currency	78.13	15.55
IDFC Bank	23.00	-
Buyers' credit	**-**	**190.80**
Vehicle loans		
HDFC Bank Limited	-	0.35
ICICI Bank limited	0.15	0.95
Daimler Financial services India Private Limited	1.43	1.59
Total	**139.16**	**225.49**

Note 1: The above term loans have been awaited by the Parent Company for the purpose of reimbursement of Capex incurred by hospitals at S. G. Highway and Bopal and for the purpose of Capex at its hospitals at Jabalpur, Jaipur, Naroda, Indore, Surat and Mohali.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

20 Principal Terms and Conditions of borrowings as at March 31, 2019

(a) Secured

(i) Term loans

(₹ in Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	Jabalpur, S.G. Highway	141.58	7.50%	Loans are repayable in 20 equal quarterly installments commencing from February, 2017.	Within 30 days of interest reset date, the Company has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the Company choose to exercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2% p.a. over and above the applicable Interest Rate till such time such default / noncompliance is cured to the Lender's satisfaction.	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway, Ahmedabad-380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram I. Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security: Fixed deposit of ₹ 49.04 Crores under lien with HDFC bank.	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
2	HDFC Bank Limited	Jaipur, Indore, Naroda	365.43	7.25%	Loans are repayable in 24 equal quarterly installments commencing from June, 2019.	Within 45 days of interest reset date, the borrower has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. Penalty: Default interest of 2%p.a. over and above the applicable interest Rate till such time such default / non-compliances cured to the Lender's satisfaction.	(i) First paripassu charge by way of equitable mortgage over land & building pertaining to hospital at Jaipur and Indore. (ii) First paripassu charge by way of equitable mortgage over land and building pertaining to hospital at Naroda. (iii) First ranking Security by way of hypothecation of all the present and future tangible movable assets including plant and machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at Jaipur, Indore and Naroda. (iv) Personal guarantee of Director Dr. Vikram I. Shah to the extent of 50 % of Naroda Land offered under security. (v) Second ranking security by way of hypothecation on the entire current asset, operating cash flows, receivables, commissions, revenues of what so ever nature and wherever arising, present and future uncalled capital (if any) present and future, of the company. (vi) Additional Security : Fixed deposit of ₹ 49.04 Crores under lien with HDFC bank."	SBICAP Trustee
3	IDFC Bank	Surat	199.65	F.D rate + 0.7% p.a till Loan is backed by F.D 8.00 + 0.7 = 8.70%	The loan is repayable in 28 structured quarterly installments starting from June 30, 2019 & ending on March 31, 2026.	Except as given in (i) and (ii) below, any prepayment of the loan made by the borrower shall be with a prepayment premium of 2% of the principal amount being prepaid. i) The borrower shall have a right to prepay the loan in full but not in part within 30 days of the reset date without any prepayment premium ii) The borrower shall have to mandatory prepay the loan to the extent of atleast 30% of the outstanding amount from IPO proceeds without any prepayment premium.	i) Hypothecation of Surat facility current assets (including cash flows) and all movable assets including plant and machinery, medical equipment etc. present and future and exclusive mortgage of leasehold rights (of land) together with building. ii) First paripassu hypothecation of SG highway unit receivable and cash flows. Paripassu charge to be shared with HDFC bank term loan sanction amount of ₹ 150 crore. Additional Security : Fixed deposit of ₹ 20 Crores under lien with IDFC bank.	IDFC Bank

Notes to the Consolidated Financial Statements
for the year ended March 31, 2019

(ii) Buyer's Credit

(₹ in Million)

Sr. No.	Name of Lender	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	-	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	Pursuant to directions issued by the Reserve Bank of India, the buyers' credit issued by AD Category - I banks are no longer entitled to be rolled over and therefore the entire outstanding amount of buyers' credit are due for repayment within the period of 12 months.	Not Applicable	Security as specified for Sr. No. 1 and 2	HDFC Bank Limited
2	EXIM Bank	-	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	Pursuant to directions issued by the Reserve Bank of India, the buyers' credit issued by AD Category - I banks are no longer entitled to be rolled over and therefore the entire outstanding amount of buyers' credit are due for repayment within the period of 12 months.	Not Applicable	-	EXIM Bank

(iii) Vehicle loans

(₹ in Million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	ICICI Bank Limited	Force Ambulance	0.15	9.69%	Loans are repayable in 36 equal monthly installments commencing from February, 2016.	Prepayment charges: The lessor of the following two options plus applicable taxes: (a) 4% of the outstanding amount of the facility, or any other rate as stipulated by ICICI Bank from time to time. OR (b) The total interest amount outstanding as on the date of prepayment.	The Company hypothecates to and charges in favour of the Bank by way of first and exclusive charge of the Vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.	ICICI Bank Limited
2	Daimler Financial Services India Private Limited	Mercedes Benz	1.43	8.76%	Loans are repayable in 36 equal monthly installments commencing from February, 2017.	Prepayment Charges: NA Penalty: 5% per annum plus applicable taxes or statutory levies, if any	First and exclusive charge of the Vehicle	Daimler Financial Services India Private Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
3	HDFC Bank Limited	Mahindra Bolero	-	9.75%	Loans are repayable in 36 equal monthly installments commencing from March, 2016.	The Company may, prepay the whole or any part of the outstanding of respective Loans (including interest, other dues, fees and charges herein) by giving a notice in writing to that effect. The Company would have to give minimum written notice of 30 days expressing his intention to prepay the loan amount, unless the same is waived in writing by the bank. The prepayment shall take effect only when the actual payment is received by the bank and interest and other charges would be leviable till the end of the month in which prepayment is actually effected. In such an event the Bank will levy prepayment charges as mentioned in the schedule or any rate which is applicable at that time as per Bank's policy on the dues outstanding. Prepayment charges: No foreclosure allowed within 6 months from the date of availing car loan. 6% of principal outstanding for pre-closures within 1 year from 7th EMI. 5% of principal Outstanding for pre-closures within 13-24 months from 1st EMI. 3% of principal Outstanding for pre-closures post 24 months from 1st EMI.	The Company hypothecates to and charges in favor of the Bank by way of first and exclusive charge of the Vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.	HDFC Bank Limited
4	HDFC Bank Limited	Maruti Eeco	-	9.45%				

(iv) Overdraft Facility

(₹ in Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2019	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	Kotak Mahindra Bank Limited	-	-20.88	9.55%	12 Months	N.A	(1) First pari-passu hypothecation charge to be shared with HDFC bank on all existing and future current assets of Krishna Shalby Hospital belonging to the Company. (2) First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad belonging to the Company.	SBICAP Trustee

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 21 : Other Financial Liabilities

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- Current		
Deferred leasehold land premium	-	-
Deposit	5.95	2.36
Retention money	-	52.40
	5.95	**54.76**
Current		
Current Maturities of Long Term Borrowings	139.16	225.49
Interest Accrued but not due on Borrowings	2.98	5.49
Creditors for capital goods	57.48	189.24
Deferred leasehold land premium	-	-
Consideration payable	-	-
Book overdraft	-	-
Retention money	30.73	-
Other Payables		
Employees	-	16.54
Others	20.70	-
	251.05	**436.76**
Total	**257.00**	**491.52**

Note 22 : Provisions

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- Current		
Provision for employee benefits		
Gratuity (Net of Plan asset)	0.18	0.16
Gratuity (Unfunded)	-	-
Leave obligation	15.15	13.55
	15.33	**13.71**
Current		
Provision for employee benefits		
Provision for employee benefits		
Gratuity (Net of Plan asset)	3.54	3.65
Gratuity (Unfunded)	-	-
Leave obligation	2.96	2.40
Other Provisions	-	-
	6.50	**6.05**
Total	**21.83**	**19.76**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 23 : Other Non-Current / Current Liabilities

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- Current		
Government Grant (Refer Note Below)	137.38	145.89
Less: Released in the statement of Profit and loss	(9.27)	(8.74)
Less: Amount Disclosed under Current Liabilities	(9.27)	(8.74)
Total (A)	**118.84**	**128.41**
Current		
Government Grants	9.27	8.74
Advance towards Customers	18.38	4.00
Statutory Liabilities	35.68	32.77
Other Payable	-	3.61
Total (B)	**63.33**	**49.12**
Total (A+B)	**182.17**	**177.53**

Note 24 : Trade Payables

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
A) Total Outstanding dues of micro enterprises and small enterprises (Refer note no:-45)	-	-
B) Total Outstanding dues to creditors other than Micro Enterprise & Small Enterprise	562.73	491.66
Total	**562.73**	**491.66**

Note 25 : Current Tax Liabilities (Net)

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Provision for tax	-	241.92
Less: Advance Tax	-	236.88
Total	**-**	**5.04**

Note 26 : Revenue from Operations

(₹ in Million)

Particulars	2018-19	2017-18
Revenue from Contracts with Customers (Refer Note 47)	4,608.54	3,779.12
Other Operating Revenue	0.97	0.82
Total	**4,609.51**	**3,779.94**

Break up of other operating revenue

(₹ in Million)

Particulars	2018-19	2017-18
Capital Subsidy, Project Consultancy	0.97	0.82
Share from Limited Liability Partnership	-	-
Total	**0.97**	**0.82**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 27 : Other Income

(₹ in Million)

Particulars	2018-19	2017-18
Interest Income		
From Banks	62.35	30.07
On IT refund	2.08	-
Others	1.22	0.19
Rent	5.38	3.65
Capital Subsidy	9.25	8.75
Dividend	-	1.01
Liquidated Damages and Penalty Charges	0.18	32.04
Vendor registration fees	0.08	-
Service Tax Refund Account-Orthotrend	0.09	1.52
Profit on sale of assets (Net)	-	0.06
Other Non-Operating Income		
Sundry balances written back (Net)	0.35	14.89
Income from sale of license	10.90	-
Provision no longer required	0.03	0.25
Miscellaneous	4.44	7.67
	15.72	**22.81**
Total	**96.35**	**100.10**

Note 28 : Operative Expenses

(₹ in Million)

Particulars	2018-19	2017-18
Materials and Consumables	710.98	534.22
Diagnostic Expenses	84.73	69.10
Fees to Doctors and Consultants	1,243.48	898.07
Power, Fuel and Water Charges	126.63	94.32
Housekeeping and Catering	100.90	109.59
Attendants and Securities	119.77	98.37
Linen & Uniform	4.20	5.72
Other Operative Expenses	29.76	20.55
Total	**2,420.45**	**1,829.94**

Note 29 : Purchase of Stock-in-trade

(₹ in Million)

Particulars	2018-19	2017-18
Medicines and Medicare Items	417.11	396.75
Total	**417.11**	**396.75**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 30 : Changes in Inventories

(₹ in Million)

Particulars	2018-19	2017-18
Inventory at the end of the year		
Medicine and Medical Items	28.23	23.17
Inventory at the beginning of the year		
Medicine and Medical Items	23.17	15.13
(Increase) / Decrease in stocks:	**(5.06)**	**(8.04)**

Note 31 : Employee Benefits Expense

(₹ in Million)

Particulars	2018-19	2017-18
Salary, Allowances & Bonus	611.33	421.30
Contribution to Provident & other funds	34.37	29.31
Staff Welfare expenses	0.27	0.19
Total	**645.97**	**450.80**

Note 32 : Finance Cost

(₹ in Million)

Particulars	2018-19	2017-18
Interest		
To Bank	70.50	108.27
To NBFC	-	13.20
Others	0.09	2.23
Less: Interest subsidy	(9.28)	(9.77)
	61.31	**113.93**
Other Borrowing Cost		
Other ancillary Cost	10.19	0.88
Total	**71.50**	**114.81**

Note 33 : Depreciation and Amortisation

(₹ in Million)

Particulars	2018-19	2017-18
Depreciation on property, plant and equipment	329.78	227.12
Amortization on intangible assets	1.95	1.44
Total	**331.73**	**228.56**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 34 : Other Expenses

(₹ in Million)

Particulars	2018-19	2017-18
Advertising and Publicity	68.91	71.27
Auditors' Remuneration	2.27	1.83
Communication	8.20	10.90
Rent, Rates and Taxes	36.51	28.70
Fees and Legal	16.11	15.79
Insurance	3.01	5.79
Stationery and Printing	17.61	24.11
Repairs and Maintenance - Building	3.98	5.14
Repairs and Maintenance - Others	83.49	65.97
Travelling and Conveyance	37.59	46.68
Security expenses	0.44	0.56
Impairment of Assets	-	7.10
Fixed Assets written off / discarded	0.60	1.17
Foreign exchange fluctuations (Net)	0.03	16.81
Provision for Bad and Doubtful Debts	10.19	2.62
Bank charges	10.98	8.85
Others Expenses	20.36	16.64
Total	**320.28**	**329.93**
Payment to Auditor		
As Auditors	2.27	1.83

Note 35 : Earning per Share

Particulars	2018-19	2017-18
Profit attributable to equity shareholders of the Company (₹ in Million)	316.61	233.44
[Net of Shares issue expenses of ₹ Nil (P. Y. ₹ 160.34 Million)]		
Number of Equity Shares (In Million)	108.01	108.01
Weighted Average number of Equity Shares (In Million)	108.01	94.36
Basic earning per Share (₹)	2.93	2.47
Diluted earning per Share (₹)	2.93	2.47

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 36 : Contingent Liabilities and Commitments

(₹ in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
A	**Contingent Liabilities not provided for in respect of**		
(i)	Claim against the company not acknowledged as debt	89.79	59.38
(ii)	Income tax Demand for Assessment Years		
	FY 2010-11	24.61	24.61
	FY 2011-12	13.43	13.43
	FY 2012-13	2.06	2.06
	FY 2013-14	110.85	-
	FY 2014-15	27.45	-
	FY 2015-16	41.42	41.42
(iii)	Bank Guarantee	21.83	43.30
(iv)	Sales Tax Demand including Interest & Penalty for Assessment Years (based on expert advice received by client)		
	FY 2009-10	52.61	5.42
	FY 2010-11	63.13	2.02
	FY 2011-12	76.00	1.82
	FY 2012-13	91.90	1.96
	FY 2013-14	103.52	2.94
	Entry Tax (Jaipur unit) for Assessment Year 2015-16	6.55	-
	Labour Cess for the period from 2014-15 to 2016-17	1.74	-
(v)	Tax Deducted at Sources Demand for Assessment Year 2014-15	-	2.63
(vi)	Tax Deducted at Sources Demand for Assessment Year 2015-16	0.05	-
(vii)	Export Obligation under EPCG Scheme	25.28	18.84
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	34.16	283.42

Note 37: Employee Benefits

Note 37.1 Defined contribution plan

The Company has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ in Million)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	21.27	20.18
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	5.37	3.41

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 37.2 Defined benefit plan

(a) Gratuity

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity

Particulars	Valuation	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.60%	7.60%
Expected rate(s) of salary increase	6.00%	6.00%
Rate of return on plan assets	7.60%	7.60%

Leave Encashment

Particulars	Valuation	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.60%	7.60%
Expected rate(s) of salary increase	6.00%	6.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

The following table sets out the status of the amounts recognised in the balance sheet & movements in the net defined benefit obligation as at 31st March, 2019

(₹ in Million)

Particulars		March 31, 2019		March 31, 2018	
		Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	Changes in the present value of obligation				
1.	Present value of obligation (Opening)	15.75	15.96	11.94	16.87
2.	Interest cost	1.16	1.11	0.82	1.11
3.	Past service cost adjustments/Prior year Charges	-	-	0.45	-
4.	Current service cost	6.51	5.48	4.99	5.09
5.	Curtailment Cost / (Gain)	-	-	-	-
6.	Settlement Cost / (Gain)	-	-	-	-
7.	Benefits paid	(2.72)	(4.50)	(1.09)	(3.60)
8.	Actuarial (Gain) / Loss arising from change in financial assumptions	-	-	(0.66)	(0.47)
9.	Actuarial (Gain) / Loss arising from change in demographic assumptions	-	-	-	-
10.	Actuarial (Gain) / Loss arising from change on account of experience changes	(2.04)	0.01	(0.70)	(3.04)
11.	Present value of obligation (Closing)	18.66	18.06	15.75	15.96
	Changes in the fair value of plan assets				
1.	Present value of plan assets (Opening)	11.94	-	6.15	-
2.	Past contribution / Adjustment to Opening Fund	-	-	-	-
3.	Expected return on plan assets	(0.91)	-	(0.68)	-
4.	Interest Income	1.12	-	0.59	-
5.	Actuarial Gain / (Loss)	-	-	-	-
6.	Employers Contributions	5.57	-	6.97	-
7.	Employees Contributions	-	-	-	-
8.	Benefits paid	(2.72)	-	(1.09)	-
9.	Expense deducted from the fund	-	-	-	-
10.	Fair Value of Plan Assets (Closing)	15.00	-	11.94	-
	Percentage of each category of plan assets to total fair value of plan assets at the year end				
1.	Bank Deposits	-	-	-	-
2.	Debt Instruments	-	-	-	-
3.	Administered by Life Insurance Corporation of India	100%	-	100%	-
4.	Others	-	-	-	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2019

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ in Million)

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of funded obligation at the end of the year	18.66	18.06	15.75	15.96
Fair Value of Plan Assets as at the end of the period	15.00	-	11.94	-
Amount not recognised due to asset limit				
Deficit of funded plan	3.66	-	3.81	-
Deficit of unfunded plan	-	18.06	-	15.96
- Current	3.54	2.96	3.65	2.40
- Non-Current	0.12	15.10	0.16	13.56

Amount recognized in standalone statement of profit and loss in respect of defined benefit plan are as follows:

(₹ in Million)

Expense recognised in the Statement of Profit and Loss	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	6.51	5.48	4.99	5.09
Past Service Cost	-	-	0.45	-
Adjustment to opening fund	-	-	-	-
Net interest Cost	0.04	1.11	0.23	1.11
Net value of remeasurements on the obligation and plan assets	-	0.01	-	(3.51)
Adjustment to Opening Fund	-	-	-	-
(Gains)/Loss on Settlement	-	-	-	-
Total Expenses recognized in the Statement of Profit and Loss #	**6.55**	**6.60**	**5.67**	**2.69**

#Included in 'Salary and Wages' under 'Employee benefits expense'

(₹ in Million)

Amount recorded in Other comprehensive Income (OCI)	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Re-measurements during the year due to				
Changes in financial assumptions	-	-	(0.66)	(0.47)
Changes in demographic assumptions	-	-	-	-
Experience adjustments	(2.05)	0.01	(0.70)	(3.04)
Return on plan assets excluding amounts included in interest income	0.92	-	0.68	-
Amount recognised in OCI during the year	**(1.13)**	**0.01**	**(0.68)**	**(3.51)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Gratuity

Impact on defined benefit obligation

Particulars	Change in Assumption			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Discount rate	0.50%	0.50%	Decrease by	4.25%	4.20%	Increase by	3.96%	3.92%
Salary growth rate	0.50%	0.50%	Increase by	3.98%	4.03%	Decrease by	3.82%	3.72%

Leave Encashment

Impact on defined benefit obligation

Particulars	Change in Assumption			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Discount rate	0.50%	0.50%	Decrease by	2.93%	2.94%	Increase by	2.76%	2.78%
Salary growth rate	0.50%	0.50%	Increase by	2.96%	2.97%	Decrease by	2.82%	2.83%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(d) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	in %		₹ in Million	
Insurer managed funds	100.00%	100.00%	15.00	11.94
Total	**100.00%**	**100.00%**	**15.00**	**11.94**

(e) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

The gratuity fund is administered through Life Insurance Corporation of India (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investment is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2019

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

(f) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post -employment benefit plan (Gratuity) for the year ending March 31, 2019 is ₹ 3.65 Million.

The weighted average duration of the defined benefit obligation is 10.85 years (2016 - 10.6 years, 2015 - 10.53 years).

The expected maturity analysis of undiscounted post -employment benefit plan (gratuity) is as follows:

(a) Gratuity

(₹ in Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	1.06	2.60%	0.92	2.70%
2nd following year	1.36	3.40%	1.16	3.40%
3rd following year	1.66	4.10%	1.28	3.80%
4th following year	1.93	4.80%	1.55	4.60%
5th following year	1.98	4.90%	1.80	5.40%
Sum of year 6 to 10th	9.89	23.20%	8.81	26.20%

(b) Leave Encashment

(₹ in Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	2.55	8.20%	2.40	8.70%
2nd following year	2.49	8.00%	2.20	7.90%
3rd following year	2.25	7.20%	2.00	7.20%
4th following year	2.08	6.70%	1.80	6.50%
5th following year	1.80	5.80%	1.70	6.10%
Sum of year 6 to 10th	7.55	24.30%	7.41	26.80%

Note 38: Segment Information

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 39: Related Party

1. Related Party Disclosures for the year ended March 31, 2019

(a) Details of Related Parties

Description of Relationship	Sr. No.	Names of Related Parties
Promoter Company	1	Zodiac Mediquip Limited
Key Management Personnel (KMP)	2	Dr. Vikram I. Shah
	3	Mr. Ravi Bhandari (Up to 30/06/2018)
	4	Mr. Shantilal Kothari (Up to 17/08/2018)
	5	Mr. Prahlad Rai Inani (From 17/05/2018)
	6	Mr. Jayesh Patel
	7	Dr. Nishita Shukla
Relatives of KMP	8	Dr. Darshini V. Shah
	9	Mr. Shanay V. Shah
Enterprise over which KMP / Relatives of KMP exercise significant influence through controlling interest (Other Related Party)	10	Uranus Medical Devices Limited
	11	Shalby Orthopedic Hospital and Research Center
	12	Friends of Shalby Foundation
	13	Slaney Healthcare Private Limited

(b) Key management personnel compensation

	(₹ in Million)
Short-term employee benefits	8.44
Termination benefits	0.13
Total Compensation	**8.57**

(c) Details of transactions with related parties for the year ended March 31, 2019 in the ordinary course of business:

(₹ in Million)

Sr. No.	Nature of Relationship / Transaction	Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Professional Fees								
	Dr. Vikram I. Shah	-	-	16.71	45.23	-	-	16.71	45.23
	Dr. Darshini V. Shah	-	-	16.77	22.37	-	-	16.77	22.37
2	Rent Expenses								
	Dr. Vikram I. Shah	-	-	11.25	8.41	-	-	11.25	8.41
	Shalby Orthopedic Hospital and Research Center	-	-	-	-	0.60	0.62	0.60	0.62
3	Rent Income								
	Slaney Healthcare Private Limited	-	-	-	-	0.21	0.16	0.21	0.16
4	Interest Income								

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Million)

Sr. No.	Nature of Relationship / Transaction	Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
5	Salary								
	Mr. Ravi Bhandari	-	-	2.17	8.96	-	-	2.17	8.96
	Mr. Shantilal Kothari	-	-	2.15	5.45	-	-	2.15	5.45
	Mr. Prahlad Rai Inani	-	-	4.12	-	-	-	4.12	-
	Mr. Shanay V. Shah	-	-	4.80	4.97	-	-	4.80	4.97
	Mr. Jayesh Patel	-	-	1.70	1.42	-	-	1.70	1.42
	Dr. Nishita Shukla	-	-	4.92	3.50	-	-	4.92	3.50
6	Commission Expense								
	Zodiac Mediquip Limited	0.22	0.15	-	-	-	-	0.22	0.15
7	Guest House Expenses								
	Zodiac Mediquip Limited	1.30	1.69	-	-	-	-	1.30	1.69
8	Purchase return of medicines, materials and consumables								
	Slaney Healthcare Private Limited	-	-	-	-	0.11	0.35	0.11	0.35
9	Reimbursement of IPO related expenses								
	Dr. Vikram I. Shah	-	-	-	12.68	-	-	-	12.68

(d) Amount due to/ from related parties as at March 31, 2019

(₹ in Million)

Sr. No.	Nature of Relationship / Transaction	Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Trade Payable								
	Dr. Vikram I. Shah	-	-	2.66	5.55	-	-	2.66	5.55
	Dr. Darshini V. Shah	-	-	3.57	5.69	-	-	3.57	5.69
	Uranus Medical Devices Limited	-	-	-	-	-	0.40	-	0.40
	Friends of Shalby Foundation	-	-	-	-	0.01	0.01	0.01	0.01
	Griffin Mediquip LLP	-	-	-	-	-	-	-	-
	Zodiac Mediquip Limited	1.30	-	-	-	-	-	1.30	-
2	Rent Payable								
	Dr. Vikram I. Shah	-	-	0.40	0.73	-	-	0.40	0.73
	Zodiac Mediquip Limited	-	0.15	-	-	-	-	-	0.15
	Shalby Orthopedic Hospital and Research Center	-	-	-	-	1.07	0.53	1.07	0.53
3	Interest Receivable								
4	Other Receivables								
	Slaney Healthcare Private Limited	-	-	-	-	0.70	0.08	0.70	0.08
5	Other Payable								
	Dr. Vikram I. Shah	-	-	-	-	0.03	-	0.03	-
	Slaney Healthcare Private Limited	-	-	-	-	-	0.40	-	0.40

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 40: Capital Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Total equity attributable to the equity share holders of the company	7,797.88	7,514.56
As percentage of total capital	**100.49%**	**100.29%**
Current loans and borrowings	139.16	382.65
Non-current loans and borrowings	569.08	754.42
Total loans and borrowings	**708.24**	**1,137.07**
Cash and Bank balances	746.20	1,158.98
Net loans & borrowings	**(37.96)**	**(21.91)**
As a percentage of total capital	-0.49%	-0.29%
Total capital (loans, borrowings and equity)	**7,759.92**	**7,492.65**

Note 41: Fair value measurements

A. Financial instruments by category

(₹ in Million)

	March 31, 2019			March 31, 2018		
	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI
Financial Assets						
Investments*	-	108.86	-	-	1.10	-
Trade and other receivables	813.59	-	-	508.80	-	-
Cash and cash Equivalents	53.08	-	-	116.69	-	-
Other bank balances	693.12	-	-	1,042.29	-	-
Other financial assets	89.78	-	-	164.05	-	-
Total Financial Assets	**1,649.57**	**108.86**	**-**	**1,831.83**	**1.10**	**-**
Financial Liabilities						
Borrowings	569.08	-	-	911.58	-	-
Trade payables	562.73	-	-	491.67	-	-
Other financial liabilities	257.00	-	-	491.52	-	-
Total Financial Liabilities	**1,388.81**	**-**	**-**	**1,894.77**	**-**	**-**

*Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2019

(₹ in Million)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	107.76	-	-	107.76
- Membership fees	-	-	1.10	1.10

Financial assets measured at fair value at March 31, 2018

(₹ in Million)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Membership fees	-	-	1.10	1.10

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

(i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

D. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets , borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 42: Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.
Price Risk	Investments in mutual funds	Credit ratings	Portfolio diversification and regular monitoring

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured; the company does not hold any collateral or a guarantee as security. The provision details of the trade receivable are provided in Note 15 of the financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

For trade receivables, provision is provided by the company as per the below mentioned policy:

(₹ in Million)

Particulars	Gross carrying amount (₹)	Expected credit losses rate (%)	Expected credit losses (₹)	Carrying amount of trade receivable (₹)
Considered Good				
0 - 6 months	430.58	-	-	430.58
6 months - 1 year	191.48	-	-	191.48
More than 1 year	203.76	6.00%	12.23	191.53
Total	**825.82**		**12.23**	**813.59**
Considered Doubtful	3.79	100.00%	3.79	-
Total	**829.61**		**16.02**	**813.59**

Reconciliation of loss allowance provision

Trade receivables

Particulars	₹ in Million
Loss allowance as on March 31, 2018	6.41
Changes in loss allowance	(6.41)
Loss allowance as on March 31, 2019	-

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(b) Liquidity risk

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

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents	53.08	116.69

Notes to the Consolidated Financial Statements

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Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2019

(₹ in Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	139.16	373.87	195.21
Other Financial Liabilities	-	5.95	-
	139.16	**379.82**	**195.21**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	562.73	-	-
Other Financial Liabilities	111.89	-	-
	674.62	**-**	**-**
Total financial liabilities	**813.78**	**379.82**	**195.21**

^ Borrowings are disclosed net of processing charges.

As at March 31, 2018

(₹ in Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	225.49	481.73	272.69
Other Financial Liabilities	54.76		
	280.25	**481.73**	**272.69**
Current financial liabilities			
Borrowings from Banks	157.16	-	-
Trade payables	491.67	-	-
Other Financial Liabilities	211.27	-	-
	860.10	**-**	**-**
Total financial liabilities	**1,140.35**	**481.73**	**272.69**

^ Borrowings are disclosed net of processing charges.

(c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(i) Currency Risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of US$, and Euro. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

(Amount in Million)

Financial Assets	As at March 31, 2019		As at March 31, 2018	
	Amount	Amount (₹)	Amount	Amount (₹)
Trade receivables	USD 0.01	0.07	USD 0.12	8.35
Total Financial assets		**0.07**		**8.35**
Financial liabilities				
Borrowings	USD 1.61	10.99	USD 20.01	130.26
	Euro -	-	Euro 0.77	62.36
Total financial liabilities		**10.99**		**192.62**

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2018 and March 31, 2017 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

(₹ in Million)

Particulars	Profit or Loss			
	March 31, 2019		March 31, 2018	
	Strengthening	Weakening	Strengthening	Weakening
USD (Increase/decrease by 1%)	0.11	(0.11)	1.22	(1.22)
Euro (Increase/decrease by 5%)	-	-	3.12	(3.12)
Total	**0.11**	**(0.11)**	**4.34**	**(4.34)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	1.58	4.32
Floating rate borrowings	670.21	969.12
Total	**671.79**	**973.44**

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Impact on profit – increase in 50 basis points	3.35	12.70
Impact on profit – decrease in 50 basis points	(3.35)	(12.70)

(iii) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/ losses on these securities classified as at fair value through profit or loss.

Note 43: Leasing arrangements: The Company being a lessee

Operating lease arrangements

The Company has entered into operating lease arrangements for land and premises. The leases are non-cancellable and are for a period of 5 to 30 years and may be renewed for a further period, based on mutual agreement of the parties.

Payments recognised as an expense in Note 36

(₹ in Million)

	March 31, 2019	March 31, 2018
Minimum lease payments	13.36	1.45

Non-cancellable operating lease commitments

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Not later than 1 year	7.84	1.42
Later than 1 year and not later than 5 years	31.34	1.00
Later than 5 years	-	-
Total	**39.18**	**2.42**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 44: Prior Period Items

Under Ind As 8 "Accounting Policies, Changes in Accounting Estimates and Errors" material prior period error shall be corrected by retrospective restatement. Patient Discount & Other Misc Expenses of ₹ **35.46 Million** which pertains to the FY 2017-18 & ₹ **64.43 Million** Prior to FY 2017-18 were omitted to be included in the financials of previous years now the same has been rectified in the financials statement of FY 2017-18 by re-stating the required figures with corresponding effect on the other affected line items of those financials statements and effect for the year prior to 2017-18 has been given to opening retained earnings.

Following are the financial items affected due to restatement in the comparative financial results presented hereunder for the matter stated above for the FY 2017-18.

(₹ in Million)

Extract from Balance Sheet	As at March 31, 2018	As at March 31, 2018 (Restated)
In Statement of assets & liabilities as on March 31, 2018		
Decrease in Trade Receivables	606.45	508.80
Increase in Other Financial Assets	129.05	144.63
Increase in Non-Current Borrowing	749.82	754.42
Increase in Trade Payable	478.45	491.67

Statement of Profit & Loss account (Extract) for the year ended on 31st March, 2018

(₹ in Million)

Extract from statement of profit and loss	As at March 31, 2018	As at March 31, 2018 (Restated)
Decrease in Revenue from Operations	3,832.31	3,779.94
Increase in Other Income	90.93	100.10
Increase in Operative and other expenses	1,827.89	1,829.94
Decrease in Finance Cost	123.56	114.81
Decrease in Other Expenses	330.97	329.93

(₹ in Million)

Extract from statement of change in equity	As at March 31, 2018	As at March 31, 2018 (Restated)
Decrease in Opening retained earnings	1,619.48	1,555.05
Decrease in Current year net profit	572.74	537.29
Decrease in Closing retained earnings	2,192.22	2,092.34

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 45: Due to Micro, Small and Medium Enterprise and confirmations

(a) Due to Micro, Small and Medium Enterprise

(₹ in Million)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

(b) Confirmations

The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

Note 46: Corporate social Responsibility

(a) Gross amount required to spend by the company:

(₹ in Million)

	March 31, 2019	March 31, 2018
Opening unspent Amount	33.46	24.08
Amount required to be spent	10.04	9.38
Amount spent during the year	-	-
Closing Unspent amount	**43.50**	**33.46**

(b) The amount spent during the period / year on:

Sr. No.	Particulars	In cash / cheque	Yet to be paid in cash / cheque	Total (₹)
(i)	Construction / acquisition of any assets	-	-	-
(ii)	On purposes other than (i) above.	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 47: Revenue from Contract with customers

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Revenue from Sale of Products	133.95	89.98
Revenue from Sale of Services	4,474.59	3,689.14
Total Revenue	**4,608.54**	**3,779.12**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segmentwise

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Revenue from Sale of Services		
In Patient Discharge		
Domestic	3,763.90	3,096.03
Overseas	121.34	130.81
Out Patient Discharge	489.12	334.53
Diagnostic Services	56.26	53.18
Clinical Trials	4.38	6.79
Training	15.72	37.78
Orthotrend Event	2.70	21.37
Allied Services	19.11	8.65
Spine Conclave Event	2.06	-
Total Revenue from Sale of services	**4,474.59**	**3,689.14**
Revenue from Sale of Products		
Revenue from Medicines & Medicare Items	133.95	89.98
Total Revenue from Contract with Customers	**4,608.54**	**3,779.12**

Contract Asset

(₹ in Million)

Particulars	31 March 2019	March 31, 2018
Opening Balance of Contract Asset	-	-
Revenue Recognised from the opening balance of contract liability	-	-
Current year Contract asset - Carried Forward	52.84	58.09
Closing Balance of Contract Asset	**52.84**	**58.09**

Contract Liability

(₹ in Million)

Particulars	31 March 2019	March 31, 2018
Opening Balance of Contract Liability	-	7.36
Revenue Recognised from the opening balance of Contract Liability	-	-
Current year Contract liability - Carried Forward	18.38	4.00
Closing Balance of Contract Liability	**18.38**	**11.36**

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 4.8 of Note No. 4. Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the next financial year.

There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Company generates revenue from knee replacement surgeries, other indoor and outdoor patient discharges, diagnostic services. clinical trials, trainings and other sales of medicines and medicare items.

Note 48: Un-hedged Foreign Currency Exposure

The company does not enter into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at 31st March, 2019 are as under:

Currency	Payable (In Foreign Currency in Million)		Receivable (In Foreign Currency in Million)		Payable (₹ in Million)		Receivable (₹ in Million)	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
USD	1.61	2.01	0.01	0.12	10.99	130.26	0.07	8.35
EUR	-	0.77	-	-	-	62.36	-	-

Note 49: Statement of Management

(a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

Note 50: The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest millions.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 51: Additional Information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of Entities	Net Assests i.e. Total Assets minus Total Liabilities		Statement in Profit and Loss				Total Comprehensive Income	
	As a % of consolidation net assets	Amount (₹ in millions)	As a % of consolidation net assets	Amount (₹ in millions)	As a % of consolidation net assets	Amount (₹ in millions)	As a % of consolidation net assets	Amount (₹ in millions)
Parent								
Shalby Limited	100.51	7,837.34	101.50	321.27	100.00	0.74	101.49	322.01
Subsidiary								
Indian								
Vrundavan Shalby Hospitals Limited	0.12	9.16	(0.46)	(1.45)	-	-	(0.46)	(1.45)
Yogeshwar Healthcare Limited	0.88	68.35	(0.47)	(1.48)	-	-	(0.47)	(1.48)
Shalby International Limited	-	0.13	(0.02)	(0.05)	-	-	(0.01)	(0.05)
Griffin Mediquip LLP	(1.53)	(119.16)	-	-	-	-	-	-
Foreign								
Shalby (Kenya) Limited	0.02	1.56	(0.53)	(1.69)	-	-	(0.53)	(1.69)
Non Controling Interest in above subsidiaries	0.01	0.51	(0.02)	(0.07)	-	-	(0.02)	(0.07)
Grand Total	**100.00**	**7,797.88**	**100.00**	**316.54**	**100.00**	**0.74**	**100.00**	**317.28**

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

Note 52 : Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies/Entity

(₹ in millions)

Name of Subsidiary	Griffin Mediquip LLP	Vrundavan Shalby Hospitals Limited	Shalby International Limited	Shalby (Kenya) Limited	Yogeshwar Healthcare Limited
Country	India	India	India	Kenya	India
Reporting Currency	INR	INR	INR	KSH	INR
Exchange Rate	1	1	1	0.69	1
Share capital /Partner capital	25.15	18.00	0.50	0.06	7.35
Reserves and Surplus	2.39	50.35	(0.39)	(2.68)	0.98
Total Assets	149.36	68.71	0.18	1.86	9.24
Total Liabilities	121.81	0.36	0.07	4.47	0.09
Turnover/Total Income	332.35	1.08	-	0.72	0.44
Profit / (Loss) Before Tax	3.49	(1.45)	(0.05)	(1.68)	(1.26)
Tax Expense / (Credit)	1.10	-	-	(0.44)	-
Profit / (Loss) after tax	2.39	(1.45)	(0.05)	(1.24)	(1.26)
Proposed dividend and tax thereon	-	-	-	-	-
Investments (except in case of investment in the subsidiaries)	-	-	-	-	-
% of shareholding	95.00	100.00	100.00	100.00	94.68

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Ahmedabad, May 25, 2019

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Ashok Bhatia
Director
DIN: 02090239

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Ahmedabad, May 25, 2019

SHALBY MULTI-SPECIALTY HOSPITALS

Shalby Limited

Regd. & Corp. Off: Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015
Tel : +91 79 4020 3000, Website : www.shalby.org Email : companysecretary@shalby.in CIN: L85110GJ2004PLC044667

Notice

Notice is hereby given that the 15th Annual General Meeting ('AGM') of the Members of Shalby Limited will be held on Monday, August 26, 2019 at 10.00 a.m. at H. T. Parekh Hall, The Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, University Area, Ahmedabad 380015, to transact the following items business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To receive, consider and adopt

(a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and

(b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Auditors thereon.

2. To declare Dividend on equity Shares for the financial year 2018-19.

3. Appointment of Dr Ashok Bhatia (Ph.D.), a Director retire by rotation

To appoint a Director in place of Dr Ashok Bhatia (DIN: 02090239), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-Appointment of Mr Shanay Shah, holding office or place of profit

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded to the re-appointment of Mr Shanay Shah, son of Dr. Vikram Shah, Chairman and Managing Director of the Company, holding office or place of profit, as Director (Designated)-International Business of the Company, at a salary of ₹ 4,00,000/- per month for a period of 5 years effective from October 5, 2019 with an annual increment upto 15% subject to the recommendation by Nomination and Remuneration Committee and approval by the Board of Directors.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mr Shanay Shah holding office or place of profit, within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include a duly constituted committee thereof) of the Company be and is hereby authorized to do all acts, deeds, matters and things necessary and expedient to give effect to the resolution(s)."

5. Variation in terms of Objects of Initial Public offering ("issue")

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 13 and 27 of the Companies Act, 2013 read with the Companies

(Incorporation) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, if any, and such other approvals, permissions and sanctions, as may be necessary, the approval of members of the Company be and is hereby accorded to the Board of Directors of the Company to vary the terms of the object of the issue referred to in the prospectus of the Company dated December 11, 2017 (the '**Prospectus**') in relation to the terms of utilisation of the un-utilised net proceeds received from the initial public offering of equity shares (the '**IPO**') made in pursuance of the said Prospectus, and utilise such net proceeds for the new objects and in the manner as set out in the explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as the '**Board**', which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly constituted committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval and ratification thereto expressly by the authority of this resolution."

6. To ratify the remuneration payable to Cost Auditors of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the statement annexed to the notice convening this meeting, to be paid to M/s. Borad Sanjay B & Associates, Cost Accountants (Firm Registration No. 102408), appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2020, be and is hereby ratified."

By Order of the Board of Directors
For Shalby Limited

Place : Ahmedabad
Date : May 25, 2019

Jayesh Patel
Company Secretary

Regd. Office: Shalby Hospitals,
Opp. Karnavati Club
S. G. Road, Ahmedabad 380015

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument appointing Proxy, duly completed, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting, either in person or through post. The proxy holder shall produce his/her identity card at the time of attending the meeting.

   As per provisions of section 105 of the Companies Act, 2013 ('the Act'), a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Member holding more than ten percent of the total share capital of the Company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. If shares are held jointly, proxy form must be signed by all the members.

2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution together with the specimen signature(s) of their representative(s), who are authorized to attend and vote on their behalf at the meeting.

3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 setting out facts concerning the business under Item No. 4 to 6 of the Notice is annexed hereto. The relevant details of the Director seeking re-appointment at this AGM, pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Paragraph 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are also annexed hereto.

4. **Book Closure:** The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, August 20, 2019 to Monday, August 26, 2019 (both days inclusive) to determine entitlement of the shareholders to receive dividend for the year 2018-19 and in connection with Annual General Meeting of the Company.

5. The Board of Directors at its meeting held on May 25, 2019, has recommended a dividend of ₹ 0.50 per equity share of the face value of ₹ 10/- each. The dividend, if declared at the Annual General Meeting, will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on August 19, 2019. The dividend will be payable on or after August 29, 2019 Members are requested to update their bank details with their Depository Participants (DP) to receive the amount of dividend quickly.

6. The dividend, if approved, will be paid by crediting in to the bank account as provided by NSDL and CDSL through ECS / NECS / electronic transfer, of those shareholders holding shares in electronic form/ demat and having registered relevant bank details. In respect to those shareholders holding shares in physical form or in case of ECS / NECS / electronic payment rejected, dividend will be paid by dividend warrants / demand drafts.

7. Members may opt for the direct credit of dividend / ECS wherein members get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of bank instrument in transit. To avail this facility, the members are requested to update with their DP, the active bank account details including 9 digit MICR code and IFSC code, in case the holding is in dematerialized form. In case of shares held in physical form, the said details may be communicated to the Company or RTA, by quoting registered folio number and attaching photocopy of the cheque leaf of the active bank account along with a self-attested copy of the PAN card.

8. Members can avail the nomination facility in respect of shares held by them in physical form pursuant to Section 72 of the Act read with relevant rules. Members desiring to avail this facility may send their nomination in the prescribed Form SH. 13 duly filled in, signed and send to the Company or RTA.

9. Members / proxy holders / authorized representatives are requested to bring duly completed and signed attendance slip while attending the meeting and the same be handed over at the venue of AGM. Members who hold shares in dematerialized form are requested to bring details of their demat account (DP ID and client ID) for speedy and easier identification of attendance at the meeting..

10. A route map giving directions to reach the venue of AGM of the Company is annexed herewith.

11. Relevant documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection by the members at the Registered Office of the Company on all working days between 2:00 p.m. to 4:00 p.m. prior to the meeting and will also be made available at the meeting.

12. Members desirous in seeking any information with regard to accounts / financial statements are requested to send their queries to the Company at its Registered Office address at least ten days before the meeting so as to enable the management to keep the relevant information ready and answer them in the meeting.

13. SEBI has decided that securities of listed companies can be transferred only in dematerialized mode w.e.f. April 1, 2019. Equity Shares of the Company are traded under the compulsory demat mode on the Stock Exchanges. In view of the same and to avail benefits of dematerialization, members are advised to dematerialize shares held by them in physical mode.

14. Members holding shares in physical mode

a. are required to update their Permanent Account Number (PAN) and bank details to the Karvy, R & T Agent of the Company, if not registered with the Company as mandated by SEBI. The Company has communicated to shareholders holding shares in physical mode, requesting them to furnish their PAN and bank details. Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.

b. are requested to register/update their email address with the Karvy /Company for receiving all communication from the Company electronically.

15 Members holding shares in electronic mode

a. are requested to update their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts, if not submitted to their DPs.

b. are advised to contact their respective DPs for registering the nomination.

c. are requested to register/update their email address with their respective DPs for receiving all communication from the Company electronically.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company or the RTA.

17. Non-Resident Indian Members are requested to inform to respective Depository Participants, immediately of

   a. Change in their residential status on return to India for permanent settlement.

   b. Particulars of bank account maintained in India with name of bank, branch address, bank account number, type of account etc.

18. Go Green! switch to email communication

The global warming situation is worsening day-by-day and it demand protection of environment, which can be achieved by lesser consumption of paper and growing more trees.

In order to protect the environment we should contribute in every possible manner. Members are, therefore advised to get their email ID registered, who have not registered the same for receiving all communication electronically from the Company. This would also be in conformity with the regulatory requirements.

Members may note that the Company would communicate and send notices, intimation, circulars, annual reports, any event based disclosure etc. in electronic form to the e-mail ID of the respective members. Further, as per the statutory requirement, the above stated documents are also disseminated on the Company's website www.shalby.org

This initiative would enable the members to receive communication promptly besides paving way for reduction in paper consumption and wastage. You would appreciate this initiative taken by the Ministry of Corporate Affairs (MCA) and your Company's desire to participate in the initiative. If there is any change in e-mail ID, shareholder can update his/her e-mail ID in the same manner as mentioned above.

19. PROCEDURE OF VOTING AT AGM :

In addition to the remote e-voting facility as described below, the Company shall arrange voting facility at the venue of AGM through Ballot Paper and the members attending the meeting, who have not already cast their votes by remote e-voting, will be able to exercise their right at the meeting. Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again. Members will need to write on the ballot paper, inter alia, relevant Folio no., DP ID & Client ID and number of shares held etc.

20. E-VOTING FACILITY :

   a. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, as amended, the Company is pleased to provide to the Members, facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 15th AGM and accordingly, business as mentioned in this Notice shall be transacted through e-voting. Necessary arrangements have been made by the Company with Karvy Fintech Pvt. Ltd, our RTA to facilitate e-voting. The Company has appointed Mr Shambhu J Bhikadia, Practicing Company Secretary (Membership no. 8024), failing him, Mr. Ashish Doshi, Practicing Company Secretary (CP No. 2356) to act as Scrutiniser for conducting the voting and e-voting process in a fair and transparent manner.

   b. The remote e-voting period shall commence on Wednesday, August 21, 2019 (9:00 am) and ends on Sunday, August 25, 2019 (5:00 pm). During this period, the members of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date i.e. August 19, 2019, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter.

   c. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.

   d. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

21. PROCESS AND MANNER FOR REMOTE E-VOTING

   A. Members whose email IDs are registered with the Company/Karvy/DPs will receive an email from Karvy informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the remote e-voting process:

      i. Use this URL https://evoting.karvy.com for e-voting:

ii. Enter the login credentials (user id and password) which will be sent separately. However, if you are already registered with Karvy for e-voting, you can use your existing user id and password for casting your votes.

iii. After entering the details appropriately, click on LOGIN.

iv. You will reach the password change menu, wherein **you are required to mandatorily change your password.** The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the remote e-voting for **Shalby Limited.**

vii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times for voting, till you have confirmed that you have voted on the resolution.

x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutiniser through email at keyur.bhikadia@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Shalby Limited_EVENT No."

xi. Remote e-voting facility where members can cast their vote online shall be open from **August 21, 2019 (from 9.00 a.m.) till August 25, 2019 (upto 5.00 p.m.)**

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) section for shareholders and e-voting User Manual available at the "Downloads" section of https://evoting.karvy.com or contact Karvy on 1800 345 4001 (toll free).

B. In case, a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered]:

a. User ID and initial password is provided along with annual report :

b. Please follow all steps from Sl. No. (i) to Sl. No. (xii) above to cast vote.

C. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 19, 2019, may obtain the User ID and password in the manner as mentioned below:

i. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

ii. Member may send an e-mail request to evoting@karvy.com. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

iii. Member may call Karvy's toll free number 1-800-3454-001.

iv. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space>E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE>
IN12345612345678
Example for CDSL :MYEPWD <SPACE>
1402345612345678
Example for Physical :MYEPWD <SPACE>
XXXX1234567890

v. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. August 19, 2019, only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

Please note -

- Keep your most updated email id registered with the Company / your DP, to receive timely communications.

- Notify change of address, or particulars of your bank account details, to the Depository Participant in case of shares held in demat mode / to the Karvy, R &T Agent of the Company in case of shares held in physical mode.

22. The Scrutiniser after conclusion of voting at the AGM, first count the votes cast at the meeting and unblock the votes cast through remote e-voting in presence of at least two witnesses not in the employment of the company and shall make within 48 hours of the conclusion of the AGM a Consolidated Scrutiniser's Report of the total votes cast in favour or against or invalid votes, if any, forthwith to the Chairman of the Company or any other director or person authorised, who shall countersign the same and declare the result of the voting forthwith.

23. The results so declared along with Scrutiniser's Report shall be placed on the Company's website www.shalby.org and on the website of Karvy and shall also be disseminated on the website of Stock Exchanges, where the Company's shares are listed.

24. Members holding shares in electronic form must inform about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Transfer Agent.

25. Members are requested to bring their copy of Annual Report at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr Shanay Shah was appointed as Director (Designated)– International Business by the Board of directors in their meeting held on September 5, 2016 for a period of 3 years expiring on October 4, 2019 upon the recommendation by nomination and remuneration committee. The members of the Company, subsequently approved the said appointment in their annual general meeting held on September 29, 2016.

The Board of Directors, upon recommendation by Nomination and Remuneration Committee and Audit & Risk Management Committee, at their meetings held on May 25, 2019 have approved the re-appointment of Mr Shah as Director(Designated)-International Business for a period of 5 years effective from October 5, 2019 subject to approval of the Shareholders by way of Ordinary Resolution.

Mr. Shah, aged 27 years, holds a bachelors' degree in science with honours in accounting and finance from University of Warwick, United Kingdom and masters' degree in international health management from Imperial College, UK. He is also a CFA (USA) chartered holder. He is associated with our Company since October 5, 2013 and involved in overseeing the international business, financial operations and investor relationship of the Company. He has an experience over five years in the healthcare industry.

Mr. Shah is a related party within the definition of Section 2(76) of the Companies Act 2013 ("the Act"). Pursuant to the provisions of Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding ₹ 2,50,000/- requires prior approval by way of ordinary resolution of the Company. Hence; approval of members is sought for his appointment and payment of remuneration to him by the company as proposed in the resolution under this item of business.

The information as required under Rule 15 of Companies (Meetings of Board & its Powers) Rules, 2014, as well Section 102 of the Act is as under:

a. Name of the related party: Mr Shanay Shah;

b. Name of the Director or Key Managerial Personnel who is related: Dr. Vikram Shah, Chairman & Managing Director;

c. Nature of relationship: Mr. Shah is son of Dr. Vikram Shah, Chairman & Managing Director of the Company. He is one of the promoters of the Company. He holds 1,37,525 equity shares directly constituting to 0.13 % of total paid up capital. He is one of the beneficiaries of Shah Family trust which owns 40.11 % of total paid up capital of the Company.

d Nature, material terms, monetary value and particulars of the contract or arrangement: With effect from October 5, 2019 it is proposed to re-appoint him as "Director (Designated) – International Business", with the same salary in the Company at a monthly remuneration of ₹ 4,00,000 lacs. The tenure will be for a period of 5 years effective from October 5, 2019. The monthly remuneration includes basic salary, allowances and other benefits, as per rules of the company. The terms of employment and remuneration of Mr. Shah may be varied from time to time by the Company based on the industry standards prevailing and based on his performance evaluation and Remuneration Policy of the Company. Mr. Shah may be re-designated by the Company from time to time at its discretion as per HR policy of the Company. The Board of Directors of the Company at its meeting held on May 25, 2019 based upon the recommendation by Nomination & remuneration committee and Audit & Risk management committee, has approved the aforesaid re-appointment.

Dr. Vikram Shah, Chairman and Managing Director of the Company, being relative, is deemed to be concerned or interested in passing the said resolution. Mr. Shanay Shah and his relatives are deemed to be interested in the said resolution to the extent of their shareholding interest in the Company.

Save and except the above, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in item no 4 of the notice for approval of members as ordinary resolution.

Item No. 5

Pursuant to the approval of the Board of Directors of the Company (herein after referred to as the "Board") granted in its meeting held on March 6, 2017 and the approval of members of the Company granted on March 30, 2017, the Company had undertaken initial public offering of 20,354,838 equity shares of ₹ 10 each at price of ₹ 248 per equity share (including premium of ₹ 238 per share) comprising of fresh issue of 19,354,838 equity shares amounting to ₹ 4,800 million and offer for sale of 1,000,000 equity shares amounting to ₹ 248 million aggregating to ₹ 5,048 million (the 'Issue') in December, 2017 vide its Prospectus dated December 11, 2017 ("**Prospectus**"). The net proceeds from the Issue were ₹ 4564.28 million excluding share issue expenses (the '**Net Proceeds**'). The Company had, in terms of the said Prospectus, proposed to utilise the Net Proceeds towards (i) repayment or prepayment in full or in part certain loans availed; (ii) purchase of medical equipment for existing, recently set up and upcoming hospitals; (iii) purchase of interiors, furniture and allied infrastructure for upcoming hospitals; and (iv) general corporate purposes (the '**Objects**'), by March 31, 2020.

As on March 31, 2019, the Company has utilised the amount of ₹ 3873.91 million towards the objects as set out in the said prospectus and the balance amount of ₹ 690.37 million of the net proceeds is pending to be utilised (the '**Unutilised Amount**') and the Company does not foresee any spending the unutilised amount by March 31, 2020 for the objects as disclosed in the said prospectus and it is, therefore, the Board of Directors of the Company intends to vary the terms of Objects of the Issue as disclosed in the said Prospectus.

Accordingly, in terms of the provisions of Sections 13 and 27 of the Companies Act, 2013, applicable SEBI Regulations and any other applicable provisions and the rules made thereunder, the Company seeks approval of the members by way of Special Resolution in the ensuing Annual General meeting for variation in the terms of the Objects of the Issue as disclosed in the said Prospectus.

The other relevant and material information required under the Rule 32 of the Companies (Incorporation) Rules, 2014 and Rule 7 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is set out below:

1. Details of utilised and unutilised amount of Net Proceeds of the issue as on March 31, 2019

[₹ in million]

Sr.	Objects of the issue as set out in the Prospectus	Amount to be funded from net Proceeds	Total amount utilised against the objects upto 31/03/2019	Unutilised amount as on 31/03/2019	Extent of utilisation (in %)
1	Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3,000.00	-	100.00
2	Purchase of medical equipment for existing, recently set up and upcoming hospitals	635.80	147.22	488.58	23.05
3	Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	-	111.84	0.00
4	General corporate purposes	816.64	726.69	89.95	88.99
	Total	**4,564.28**	**3,873.91**	**690.37**	**84.87**

As on March 31, 2019, the Company has utilised 84.87% of net proceeds of the offer in respect of the objects as disclosed in the Prospectus and balance amount has been temporarily invested in deposits with scheduled commercial bank.

The Company has been unable to utilise the balance Net Proceeds of ₹ 690.37 million. on account of (i) Non execution and cancellation of Vadodara project due to disagreements between parties as to commercial terms (ii) Delay in commencement of Nashik Project due to non-handing over of Hospital facilities by the Samruddhi Hospital P. Ltd, Nashik, and (iii) Non installation of specified Medical Equipment at Krishna Shalby, SG Shalby and Shalby Vapi due to change in government policies, NPPA price regime and price control regulations, as the Company has to re-look the return on investment. The details of unutilised amount are set out below;

[₹ in million]

Sr.	Particulars	Project / Unit					General Corporate Purpose	Total
		Nashik	Vadodara	Krishna Shalby	SG Shalby	Shalby Vapi		
1	Medical Equipment	192.21	197.21	54.00	15.08	35.00	-	493.50
2	Medical Furniture	29.81	82.03	-	-	-	-	111.84
3	General Corporate Purpose						89.95	89.95
4	Excess utilisation at Naroda unit							(4.92)
	Total	**222.02**	**279.24**	**54.00**	**15.08**	**35.00**	**89.95**	**690.37**

2. Particulars of the proposed variation in respect of objects of the issue, time limit, schedule of implementation and interim use

The Company has entered into certain financing arrangements with schedule commercial bank. The arrangements entered into by the Company include borrowings in the form of long term and short term, secured and working capital facilities. The Board of Directors intends to repay or prepay, in full or in part, any of the outstanding loans availed or to be availed by the Company and for general corporate purpose. The details of the outstanding loans as on March 31, 2019 proposed for repayment or prepayment, in full or in part from unutilised net proceeds are set forth below;

Sr.	Particulars	Amt. ₹ in million	Name of Lender	Interest Rate	Purpose	Repayment Tenure
1.	Term Loans	131.09	HDFC Bank Ltd.	7.50%	To meet capex for Shalby Jabalpur	Repayable in 20 Equal quarterly installment commencing from February 2017
2.	Term Loans	365.43	HDFC Bank Ltd.	7.25%	To meet capex for Shalby Naroda	Repayable in 24 equal quarterly installments commencing from June 2019
3.	Term Loan	199.63	IDFC First Bank	7.55%	To meet capex for Shalby Surat	Repayable in 28 structured quarterly installments commencing from June 2019
4.	Working Capital Demand Loan*	200.00	Kotak Mahindra Bank	9.70%	To meet working capital requirements	Repayable on demand
5.	Vehicle Loans	1.58	Daimler Financial Services, ICICI Bank and HDFC Bank	Ranging from 8.76% to 10.00%	For purchase of vehicles	Repayable in 36 quarterly installments from the date of disbursement
	Total	**897.73**				

* Sanctioned limit but outstanding NIL.

The unutilised amount consists of ₹ 89.95 million reserved for general corporate purpose and ₹ 600.42 million reserved for specific projects as set out in the Prospectus dated December 11, 2017. The Board of Directors intends to utilise the unutilised amount of ₹ 600.42 million for the new objects and in the manner set out below;

[₹ in million]

Sr.	Particulars	Estimated schedule of deployment	
		Financial year 2019-20	**Total**
1	Repayment or prepayment in full or in part of certain loans availed/ to be availed by the Company	217.42	**217.42**
2	General Corporate purpose	383.00	**383.00**
	Total	**600.42**	**600.42**

The remaining unutilised amount of ₹ 89.95 million shall be utilised for general corporate purpose of the Company as set out in the Prospectus of the Company dated December 11, 2017. The unutilized amount of issue expenses of ₹ 3.19 million shall be utilized for repayment of certain loans availed/to be availed by the Company.

Given the nature of these borrowings and terms of repayment, the aggregate outstanding amount may vary from time to time. The amounts outstanding under working capital facilities are dependent on various factors, and may vary with the business cycle and could include interim repayments. We may repay or refinance some of the existing loans set forth above prior to the approval of members by availing additional financing from banks/financial institutions. Accordingly, we may utilise the unutilised amount for repayment or prepayment of any such additional loans.

3. Reasons and Justification for seeking variation in use of unutilised net proceeds

Due to cancellation of Vadodara Project, delay in implementation of Nashik Project and non installation of medical equipment at existing hospitals as set out herein above, the Board of Directors intends to utilise the unutilised amount of ₹ 600.42 million for repayment or prepayment in full or in part of certain loans or working capital facilities availed by the Company and for general corporate purpose.

In view of the above, the Board considers it prudent to re-classify and to deploy the said unutilised amount towards above stated object(s) for optimum utilisation of net issue proceeds and maximise the return on investment for members of the Company.

4. **Estimated financial impact of the proposed variation in terms of Objects of the issue on the earning and cash flow of the Company**

The Board does not foresee any estimated financial impact of the above proposed variation in terms of the objects of the issue on future earnings and cash flow of the Company. However, Company will save the amount of interest payable on these loans to the extent of their repayment.

5. **Risk factors pertaining to the new objects**

   1. The Company does not foresee any risk in repayment of certain loans out of unutilised amount of net proceeds, however, Our Company has agreed to restrictive covenants including financial covenants, under financing arrangements with the lenders. If the Company breaches certain covenants under such financing arrangements, it may lead to events of default under relevant facilities and trigger cross-default provisions under other financing agreements and entitle the respective lenders to enforce remedies under the terms of the financing documents.

   2. The Company is dependent on financing facilities to run the business and may continually require debt funding for expansion. We have created security interests in favour of our lenders who have extended financing facilities to us by way of hypothecation or mortgage on the assets of the Company. If our lenders take any enforcement action with respect to our assets, we may not be able to utilise such assets.

The repayment or prepayment, in full or in part, of certain loans will be beneficial to the company and members, since the said repayment will curtail the interest cost.

The item of business proposed herein falls under the businesses as specified under Rule 22(16) of the Companies (Management & Administration) Rules, 2014, which mandates every Company to transact such business only by means of voting through postal ballot. Effective from February 9, 2018, the Companies (Amendment) Act, 2017 has amended the provisions of section 110 of the Companies Act, 2013 by permitting the companies to take approval of members in general meeting instead of approval through postal ballot only, in respect of item of business as set out in rule 22 of the Companies (Management & Administration) Rules, 2014. Accordingly, approval of the members is sought for varying the terms of objects of the issue referred to in the Prospectus.

Any person who is interested may obtain a copy of the notice of the resolution(s) to be passed at the registered office of the Company between 11 am to 5 pm during working days from the Company Secretary of the Company.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their shareholding in the Company, if any.

The Board recommends the passing of resolution as set out under Item No. 5 of the notice for approval of the members as a special resolution.

Item No. 6

The Board, on the recommendation of the Audit and Risk Management Committee, has approved the appointment of M/s. Borad Sanjay B & Associates, Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the cost records of the Company for the financial year ending on March 31, 2020 at a remuneration of ₹ 1,00,000/- (Rupees one lacs only plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors need to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the shareholders.

By order of the Board
For Shalby Limited

Place : Ahmedabad
Date : May 25, 2019

Jayesh Patel
Company Secretary

Regd. Office: Shalby Hospitals,
Opp. Karnavati Club
S. G. Road, Ahmedabad 380015

SHALBY MULTI-SPECIALTY HOSPITALS

Information required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking appointment / re-appointment at the 15th Annual General Meeting

Name of Director	Dr Ashok Bhatia (Ph.D.) [DIN: 02090239]
Age in completed years (as on March 31, 2019)	64
Date of first appointment on the Board	October 23, 2017
Qualification / Brief Resume / Expertise in specific functional area / experience	Dr Ashok Bhatia holds a bachelors' degree in science from Punjab University, and a masters' degree in business administration, with a specialisation in marketing management and Doctorate in Business Administration in Talent Management from the Adam Smith University of America, United States of America. He has more than 37 years of professional experience. In the past, he has been associated with Indo-Pharma Pharmaceutical Works Limited and Cadila Healthcare Limited.
No. of Shares held in the Company	2300 equity shares
Relationship with other Directors and Key Managerial Personnel	None
No of meetings of the Board attended during the year	4
Other Directorships	None
Chairmanship / Membership of Committees of other companies	None

SHALBY MULTI-SPECIALTY HOSPITALS

Shalby Limited

Regd.& Corp. Off: Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015
Tel : +91 79 4020 3000, Website : www.shalby.org Email : companysecretary@shalby.in CIN:L85110GJ2004PLC044667

ATTENDANCE SLIP

15th Annual General Meeting August 26, 2019 at 10.00 a.m.

I hereby certify that I am a registered member / proxy for the registered member of the company.

I hereby record my presence at the **Fifteenth** Annual General Meeting of the Company being held on Monday, August 26, 2019 at 10.00 a.m. at H. T. Parekh Hall, The Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, University Area, Ahmedabad 380015.

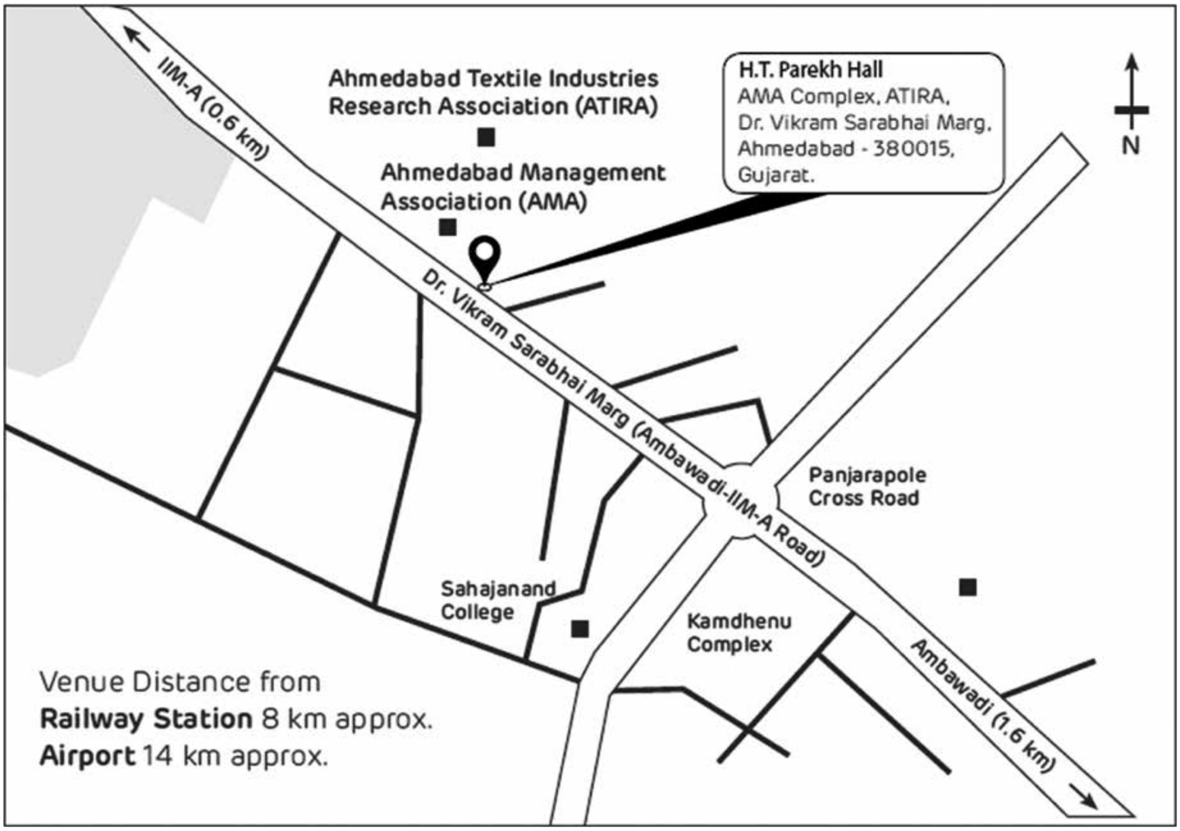
Regd. Folio No. / DP ID and Client ID	
Name & Address of the Member	
Joint holder 1	
Joint holder 2	
No. of equity shares held	

Signature of Member

Signature of Proxy

Note: Please complete this slip in legible writing and hand it over at the entrance of meeting venue.

Route Map


IIM-A (0.6 km)
Ahmedabad Textile Industries
Research Association (ATIRA)
Ahmedabad Management
Association (AMA)
H.T. Parekh Hall
AMA Complex, ATIRA,
Dr. Vikram Sarabhai Marg,
Ahmedabad - 380015,
Gujarat.
N
Dr. Vikram Sarabhai Marg (Ambawadi-IIM-A Road)
Panjarapole
Cross Road
Sahajanand
College
Kamdhenu
Complex
Ambawadi (1.6 km)
Venue Distance from
Railway Station 8 km approx.
Airport 14 km approx.

SHALBY MULTI-SPECIALTY HOSPITALS

Shalby Limited

Regd.& Corp. Off: Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015
Tel : +91 79 4020 3000, Website : www.shalby.org Email : companysecretary@shalby.in CIN:L85110GJ2004PLC044667

Form no. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L85110GJ2004PLC044667
Name of Company	Shalby Limited
Registered office	Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015, Gujarat India
Name of Member	
Registered Address	
Email ID	
Folio No. / DP ID & Client ID	
No. of Shares held	

I / We, being the member(s) of above Company holding ___________ shares, hereby appoint below at Sr. No. 1 or failing him Sr. No. 2 or failing him Sr. No. 3.

Sr.	Name of Proxy(ies)	Address & Email ID	Signature
1			
2			
3			

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Fifteenth Annual General Meeting** of the Company, to be held on **Monday, August 26, 2019 at 10.00 a.m.** at H. T. Parekh Hall, The Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, University Area, Ahmedabad 380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against
1	Receive, consider and adopt the Audited Financial Statements (standalone and consolidated), the reports of Board of Directors and Auditors thereon for financial year ended March 31, 2019		
2	To declare Dividend on Equity Shares for the financial year 2018-19		
3	Appointment of Dr Ashok Bhatia (Ph.D.), a Director retire by rotation		
4	Re-Appointment of Mr Shanay Shah, holding office or place of profit		
5	Variation in terms of Objects of Initial Public Offer		
6	Ratifying remuneration of cost auditor for the FY 2019-20		

Signed this __________ day of ___________________ 2019

Affix revenue stamp

___________________________ ___________________________

Signature of Proxy holder **Signature of Member**

Notes:

1. The form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not later than 48 hours before the commencement of the Meeting.
2. It is optional to put 'x' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all details including details of Member(s) before submission.

SHALBY MULTI-SPECIALTY HOSPITALS

SHALBY LIMITED

CIN: L85110GJ2004PLC044667

REGISTERED AND CORPORATE OFFICE

Shalby Hospitals, Opp. Karnavati Club, S. G. Road,
Ahmedabad 380015, Gujarat, India.

Tel: +91 79 4020 3000 | **Fax:** +91 79 4020 3109 | **Email:** info@shalby.org | **Web:** www.shalby.org

Emergency: +91 79 4020 3111, +91 99240 23456

Concept, Content & Design WYATT Prism COMMUNICATIONS (info@wyatt.co.in)