VRUNDAVAN SHALBY HOSPITALS LIMITED
U85110GA1995PLC001851
BALANCE SHEET AS AT 31st MARCH, 2019

(Amount in Rs.)

Particulars	Notes	As At 31st March, 2019	As At 31st March, 2018
I. ASSETS			
1 Current Assets			
(a) Financial Assets			
(i) Trade Receivable	5	-	-
(ii) Cash and Cash Equivalents	6	726,601	402,137
(iii) Other Bank Balances	7	504,258	476,642
(iv) Other Financial Assets	8	28,009	224,328
(b) Current Tax Assets (Net)	9	457,139	3,284,145
(c) Other Current Assets	10	228,813	333,509
		1,944,820	**4,720,761**
2 Asset Held For Sale	11	**66,769,367**	**66,793,264**
TOTAL ASSETS		**68,714,188**	**71,514,025**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	12	18,000,000	18,000,000
(b) Other Equity	13	50,350,634	32,456,315
		68,350,634	**50,456,315**
2 Liabilities			
B. Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	14		
- Total outstanding dues to Micro Enterprise & Small Enterprise		-	-
- Total outstanding dues to other than Micro Enterprise & Small Enterprise		363,073	1,467,691
(ii) Other Financial Liabilities	15	-	19,091,589
(b) Other Current liabilities	16	480	498,430
		363,553	**21,057,710**
TOTAL EQUITY AND LIABILITIES		**68,714,188**	**71,514,025**
Significant Accounting Policies	1 to 4		
The accompanying notes are an integral part of the financial statements.	5 to 37		

As per our report of even date

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

Brijesh Thakkar
Partner
Mem. No. 135556

Place : Ahmedabad
Date : 13/05/2019

For and on Behalf of the Board
Vrundavan Shalby Hospitals Limited

Mr. Shyamal Joshi
Director
Din : 00005766

Mr. Viral Shah
Director
Din : 02928038

Place : Ahmedabad
Date : 13/05/2019

VRUNDAVAN SHALBY HOSPITALS LIMITED
U85110GA1995PLC001851
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2019

(Amount in Rs.`)

Particulars	Notes	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
I. INCOME			
(a) Other Income	17	1,077,752	7,866,523
Total Income		**1,077,752**	**7,866,523**
II. EXPENSES			
(a) Operative expenses	18	234,627	1,007,797
(b) Employee benefits expense	19	172,508	749,340
(c) Finance Cost	20	-	6,220,167
(d) Depreciation and Amortization	21	-	2,471,818
(e) Other Expenses	22	2,121,151	9,529,337
Total Expenses		**2,528,286**	**19,978,459**
III. Profit/(Loss) For The Year Before Tax		**(1,450,534)**	**(12,111,936)**
IV. Tax Expense			
(a) Current tax		-	-
(b) Deferred tax		-	15,659
Total Tax Expense		**-**	**15,659**
V. Profit For The Year From Discontinuing Operations		**(1,450,534)**	**(12,127,595)**
VI. Earning Per Equity Share of Rs.10/- each	23		
- Basic & Diluted		**(8.06)**	**(67.38)**
Significant Accounting Policies	1 to 4		
The accompanying notes are an integral part of the financial statements.	5 to 37		

As per our report of even date

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

Brijesh Thakkar
Partner
Mem. No. 135556

Place : Ahmedabad
Date : 13/05/2019

For and on Behalf of the Board
Vrundavan Shalby Hospitals Limited

Mr. Shyamal Joshi
Director
Din : 00005766

Mr. Viral Shah
Director
Din : 02928038

Place : Ahmedabad
Date : 13/05/2019

VRUNDAVAN SHALBY HOSPITALS LIMITED
U85110GA1995PLC001851
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2019

(Amount in Rs.)

	Particulars	2018-2019		2017-2018	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) for the year before taxation	(1,450,534)		(12,111,936)	
	Less: Adjustments				
	- Depreciation and Amortisation	-		2,471,818	
	- (Profit) / Loss on Sale of Assets	380,578		(58,357)	
	- Impairment on Asset	-		7,100,000	
	- Finance Cost	-		6,220,167	
	- Interest Income from financial assets measured at amortised cost on Fixed Deposits with Bank	(36,684)		(8,845)	
	- Fixed Asset Written Off	-		1,168,817	
	- Provision no longer Required	29,920		(254,103)	
	- Sundry Balances Written Back	(266,605)		(7,572,348)	
	Changes in Working Capital:-				
	Adjustment for (Increase) / Decrease in Operating Assets				
	- Trade Receivables	-		493,198	
	- Other Current Assets	104,696		(285,413)	
	- Other Current Financial Assets	222,276		(217,326)	
	Adjustment for Increase / (Decrease) in Operating Liabilities				
	- Trade Payables	(867,933)		4,533,404	
	- Other Current Financial Liabilities	-		(712,993)	
	- Other Current Liabilities	(497,950)		135,792	
	Cash Generated From Operations		(2,382,235)		901,875
	Direct taxes Refund/(Paid)		2,827,005		(18,364)
	Net Cash used in Operating Activities (A)		444,770		883,511
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment / intangible assets	(1,854,000)		(1,216,412)	
	Investment in Fixed Deposits	(27,616)		(158,845)	
	Proceeds from Sale of Asset	1,497,318		222,823	
	Interest Received	10,728		54,004	
	Net Cash used in Investing Activities (B)		(373,570)		(1,098,430)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Borrowings	253,264		12,133,078	
	Interest Received	-		(11,871,223)	
	Net Cash Flow from Financial Activities (C)		253,264		261,855
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		324,464		46,936
	Cash and cash equivalents at the beginning of the year		402,137		355,201
	Cash and cash equivalents at the end of the year		726,600		402,137
	Components of Cash and Cash Equivalents:				
	Cash on Hand				
	Balances with banks:				
	(a) In Current Account		726,600		402,137
	(b) Deposit with Original Maturity of Less Then 3 Months		-		-
	Total Cash and Bank Equivalents (As per Note 6)		726,600		402,137

Note : *The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 "Statement of Cash Flow" issued by the Central Government under Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015).*

The Notes referred to above form an integral part of this statement 5 to 37

As per our attached report of even date

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

Brijesh Thakkar
Partner
Mem. No. 135556

Place : Ahmedabad
Date : 13/05/2019

For and Behalf of the Board
Vrundavan Shalby Hospitals Limited

Mr. Shyamal Joshi
Director
Din : 00005766

Mr. Viral Shah
Director
Din : 02928038

Place : Ahmedabad
Date : 13/05/2019

T R CHADHA & CO LLP * REG. NO. 006711N/N500028 * CHARTERED ACCOUNTANTS

Vrundavan Shalby Hospitals Limited. *

VRUNDAVAN SHALBY HOSPITALS LIMITED
STATEMENT OF CHANGES IN EQUITY

a) Equity Share Capital

Particulars	Amount
Balance as at April 01, 2017	18,000,000
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**18,000,000**
Balance as at April 01, 2018	18,000,000
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**18,000,000**

b) Other Equity

(Amount in Rs)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total Equity
	Securities premium	General reserve	Retained earnings		
Balance as at 1st April, 2018	75,100,000	-	(120,339,030)	-	(45,239,030)
Issue of Equity Shares	-	-	-	-	-
Profit \ (Loss) for the year	-	-	(1,450,534)	-	(1,450,534)
Less: Transfer from/to Depreciation Fund	-	-	-	-	-
Actuarial (Gain\Loss) in respect of defined benefit plan	-	-	-	-	-
Balance at the end of March 31, 2019	**75,100,000**	**-**	**(121,789,564)**	**-**	**(46,689,564)**

As on 31st March, 2018

(Amount in Rs)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total Equity
	Securities premium	General reserve	Retained earnings		
Balance as at 1st April, 2017	75,100,000	-	(108,211,435)	-	(33,111,435)
Issue of Equity Shares	-	-	-	-	-
Profit \ (Loss) for the year	-	-	(12,127,595)	-	(12,127,595)
Actuarial (Gain\Loss) in respect of defined benefit plan	-	-	-	-	-
Balance at the end of March 31, 2018	**75,100,000**	**-**	**(120,339,030)**	**-**	**(45,239,030)**

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

Brijesh Thakkar
Partner
Mem. No. 135556

Place : Ahmedabad
Date : 13/05/2019

For and Behalf of the Board
Vrundavan Shalby Hospitals Limited

Mr. Shyamal Joshi
Director
Din : 00005766

Mr. Viral Shah
Director
Din : 02928038

Place : Ahmedabad
Date : 13/05/2019

1 BACKGROUND AND OPERATIONS

VRUNDAVAN SHALBY HOSPITALS LIMITED was incorporated on 10/05/1995 under the Companies Act, 1956, having its registered at Vrundavan Hospital Aand Reserach Centre Karaswada, P Otivim Industiral Estate, Bardez - 403507, Goa, India. It is inolved in Human health activities.

Although the company intended to resume operations upon favourable resolution of the disputes between the shareholders, more particularly elaborated in note 32 and 33, the Board of Directors of the company, vide circular resolution dated 9th January, 2018, decided to cease the operations on account of adverse financial viability. Therefore the financial statements for the current & previous financial year have been prepared on the assumption other than going concern.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation and 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).

2.2 Basis of Measurement

The 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.

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;

TR CHADHA & CO LLP * REG. NO. 006711N/N500028 * CHARTERED ACCOUNTANTS

Vrundavan Shalby Hospitals Limited. *

• 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;

• Level 3 inputs are unobservable inputs for the assets or liability.

2.3 Functional and Presentation Currency

The financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimals.

2.4 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 realised or intended to 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 realised 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.

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 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Revenue Recognition

Effective April 1 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Custoers" 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.

Revenue from service contracts are recognised when service are rendered and related costs are incurred.

T R CHADHA & CO LLP
REG. NO. 00?71??
N500028

Vrundavan Shalby Hospitals Limited.

3.2 Other Income

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.

3.3 Property, Plant and Equipment

All the items of property, plant and equipment are stated at historical cost net off Cenvat credit less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013. 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.

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

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Hospital Building	30 Years
Plantand Machinery	15 Years
Medical Equipment	13 and 15 Years
Furniture and fixtures	10 Years
Office equipment	5 Years
Electrical Installation	10 Years
Vehicles	8 and 10 Years
Server and Computers	3 and 6 Years

3.4 Intangible Assets

<u>**Intangible assets acquired separately**</u>

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 business combinations are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortization. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

T R CHADHA & CO LLP REG. NO. 00671... N500...

Vrundavan Shalby Hospitals Limited.

Derecognition of Intangible Assets

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.

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

3.5 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.6 Inventories

Inventories of finished goods, raw materials and work in progress are carried at lower of cost and net realisable value. Fuel and stores & spare parts are carried at cost after providing for obsolescence and other losses. Cost for raw materials, fuel , stores & spare parts are ascertained on weighted average basis. Cost for finished goods and work in progress is ascertained on full absorption cost basis.

3.7 Foreign Currency Transactions

a) In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency

b) The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are taken into Statement of Profit and Loss.

T R CHADHA & CO LLP * REG. NO. 00[illegible]71[illegible] N500[illegible] * CHARTERED ACCOUNTANTS

Vrundavan Shalby Hospitals Limited. *

3.8 Employees Benefits

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

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

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
b. net interest expense or income; and
c. remeasurement

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

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

Short-term and other long-term employee benefits

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

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

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

3.9 Accounting for Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

T R CHADHA & CO LLP REG. NO. 00071[illegible] N500028

Shalby Hospitals Limited. * Vrundavan

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 utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

Current and Deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. 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.

3.10 Leases

Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalized at the inception of the Lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each Lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on leases where a significant portion of the risks and rewards incidental to ownership is retained by the lessor are classified as operating Lease. Lease rentals are charged to the Statement of Profit and Loss on straight line basis.

T R CHADHA & CO LLP REG. NO. 00571[illegible] N500028

Vrundavan Shalby Hospitals Limited.

3.11 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.12 Segment Reporting

Identification of segments:

The company's primary business segment is Health Care Services. Based on the guiding principles given in Ind AS - 108 on "Operating Segment" notified under the Companies (Indian Accounting Standards) Rules, 2015, this activity falls within a single primary business segment and accordingly the disclosure requirements of Ind AS - 108 in this regard 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.

3.13 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

3.14 Borrowing Cost

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

TR CHADHA & CO LLP ★ REG. NO. 00071 N500028 ★

Shalby Hospitals Limited ★ Vrundavan

3.15 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.

3.16 Cash and Cash Equivalents (for purpose of Cash Flow Statement)

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

3.17 Cash Flow Statement

Cash flows are reported using indirect method, whereby Profit before tax reported under statement of profit/ (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

3.18 Recent accounting pronouncements

Standards 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.

J. T. Shadha & Co LLP ★ Reg. No. 00071 N500029 ★ Chartered Accountants

Shalby Hospitals Limited ★ Vrundavan

4 CRITICAL AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

4.1 Critical Estimates and Judgements

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment and intangible assets:

Management reviews the useful lives of depreciable assets at each reporting. 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.

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

4.2 Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

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

T R CHADHA & CO LLP REG. NO. 006711N/N500028

Shalby Hospitals Limited. * Vrundavan

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement 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.

Defined benefit plans

The cost of the defined benefit plans viz. gratuity, superannuation for the eligible employees of the Company are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.
The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

VRUNDAVAN SHALBY HOSPITALS LIMITED

Notes To Financial Statements For The Year Ended 31st March, 2019

5 **Trade Receivables** (Amount in Rs.)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
Considered good	-	-
Unsecured Doubtful	17,446,376	17,476,296
Less: Provision for doubtful debts / allowances for expected credit losses	(17,446,376)	(17,476,296)
Total	-	-

6 **Cash and Cash Equivalents**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance with Bank Current accounts	726,600	402,137
Cash on hand	-	-
Total	**726,600**	**402,137**

7 **Other Bank Balances**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months	504,258	476,642
Total	**504,258**	**476,642**

8 **Other Financial Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest receivable	28,009	2,052
Other recoverables	-	222,276
Total	**28,009**	**224,328**

9 **Current Tax Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Tax	457,139	3,284,145
Less: Provision for tax	-	-
Total	**457,139**	**3,284,145**

10 **Other Current Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance with Government Authorities	225,813	226,088
Advance Given To Suppliers	3,000	107,421
Total	**228,813**	**333,509**

T R CHADHA & CO LLP REG. NO. 00171 N500023 CHARTERED ACCOUNTANTS

Vrundavan Shalby Hospitals Limited.