

Date: 01<sup>st</sup> July 2015  
Ref: APOLLO\SHEL\2015-16\01

To,

**Mr. Venu Gopal**  
Vice President - Finance  
Apollo Hospitals Enterprises Limited  
55, Greens Road, Ali Towers,  
**Chennai**

Ph: **9382157799**

Sub: Financials - Reg.

Dear Sir,

Please find enclosed Signed Financials for the FY 2014-15 of M/s **Samudra Healthcare Enterprises Limited, Kakinada**

Please receive the same and kindly acknowledge

Thanking you

Yours Sincerely  
For Apollo Hospitals, Kakinada



G. Ranjeet Reddy  
Administrator

Encl: As Above

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**SAMUDRA HEALTHCARE ENTERPRISES LIMITED**

D. No. 13-1-3, Main Road, KAKINADA - 533 001. E.G.Dist.(A.P.) Ph : 0884 - 2345700, 2345800, 2345900,  
Fax : 91-884 - 2379141 / 2346100, E-mail : info\_kkd@apollohospitals.com, website : www.apollokakinada.com  
Corporate Identity Number (CIN) : U85110TG2003PLC040647  
Address of Registered Office : APOLLO HEALTHCITY COMPLEX, JUBILEE HILLS, Hyderabad

**SAMUDRA HEALTHCARE ENTERPRISES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2015**

Amount in Rs

Particulars	Note No	31-Mar-15	31-Mar-14
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	12,50,00,000	12,50,00,000
(b) Reserves and surplus	4	10,26,24,708	11,18,84,500
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)		1,55,55,585	2,90,84,076
(b) Long-term provisions	5	39,99,680	37,05,111
<b>3 Current liabilities</b>			
(a) Other current liabilities	6	10,86,20,838	9,61,92,406
(b) Short-term provisions	7	71,91,754	1,07,84,635
<b>TOTAL</b>		<b>36,29,92,565</b>	<b>37,66,50,728</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	8	13,93,04,281	19,08,48,887
(ii) Intangible assets	9	39,452	69,452
<b>(b) Long-term loans and advances</b>	10	5,04,29,064	3,98,81,993
<b>2 Current assets</b>			
(b) Inventories	11	1,65,91,788	47,08,804
(c) Trade receivables	12	11,21,80,574	11,21,04,850
(d) Cash and cash equivalents	13	2,76,96,003	1,36,89,075
(e) Short-term loans and advances	14	1,67,51,402	1,53,47,667
(f) Other current assets	15	-	-
<b>TOTAL</b>		<b>36,29,92,565</b>	<b>37,66,50,728</b>

The notes referred to above form an integral part of the financial statements  
This is the balance sheet referred to in our report of even date

**As per our report annexed  
for M/s. Karra and Co.,  
Chartered Accountants  
Firm Reg No : 001749S**

**V.Venkateswara Rao  
Partner  
Membership No: 22370**

**For and on behalf of the board**

**Director**

**Director**

**SAMUDRA HEALTHCARE ENTERPRISES LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015**

Amount in Rs

Particulars		Note No	31-Mar-15	31-Mar-14
I.	Revenue from operations	16	27,78,10,694	27,65,91,737
II.	Other income	17	51,03,943	29,65,880
III.	<b>Total Revenue (I + II)</b>		<b>28,29,14,637</b>	<b>27,95,57,617</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed		15,19,53,520	15,38,90,183
	Employee benefits expense	18	4,81,93,634	4,51,86,596
	Finance costs		2,91,989	3,20,851
	Depreciation and amortization expense		2,47,19,726	1,57,70,249
	Other expenses	19	6,59,96,235	5,94,66,728
	<b>Total expenses</b>		<b>29,11,55,104</b>	<b>27,46,34,607</b>
V	<b>Profit before tax (III - IV)</b>		<b>(82,40,467)</b>	<b>49,23,010</b>
VI	<b>Tax expense:</b>			
	(1) Current tax		-	9,84,984
	(2) Deferred tax		(1,35,28,491)	5,73,014
VII	<b>Profit (Loss) for the period (V - VI)</b>		<b>52,88,024</b>	<b>33,65,012</b>
VIII	<b>Earnings per equity share:</b>			
	(1) Basic		0.42	0.27

The notes referred to above form an integral part of the financial statements  
This is the Profit and loss account referred to in our report of even date

**As per our report annexed  
for M/s. Karra and Co.,  
Chartered Accountants  
Firm Reg No : 001749S**

**V.Venkateswara Rao  
Partner  
Membership No: 22370**

**For and on behalf of the board**

**Director**

**Director**

**Samudra Healthcare Enterprises Limited, Kakinada**

**Cash Flow Statement for the ended 31.03.2015**

Particulars	2014-15		2013-14	
	Rs	Rs	Rs	Rs
<b>A Cash Flow from Operating Activities:</b>				
Net profit / (Loss) before tax and extraordinary items		(82,40,467)		49,23,010
Adjustment for:				
Depreciation	2,47,19,726		1,57,70,249	
From Reserves & Surplus Account	(3,13,060)			
Interest received	(8,19,869)		(7,26,100)	
Preliminary Expenses written off	-		22,150	
Finance Expense	2,91,989		3,20,851	
DTL Reversal / Charged		2,38,78,786	-	1,53,87,150
Operating profit / (loss) before working capital changes		1,56,38,319		2,03,10,160
Adjustment for:				
Decrease / Increase in Inventories	(1,18,82,984)		4,64,100	
Increase in Sundry Debtors	(75,724)		(65,31,951)	
Decrease / Increase in Other Current Assets	(14,03,735)		9,81,708	
Increase in Loans & Advances	(1,05,47,071)		(1,64,06,805)	
Increase in Sundry Creditors	1,24,28,432		1,12,68,475	
Increase in Provisions (MAT)	-		(9,84,984)	
Increase in Provisions	(32,98,308)	(1,47,79,391)	14,57,167	(97,52,290)
Cash generated from / (used in) operating activities		<b>8,58,927</b>		<b>1,05,57,870</b>
<b>Net cash generated from / (used in) operating activities</b>		<b>8,58,927</b>		<b>1,05,57,870</b>
<b>B Cash flow from Investing Activities:</b>				
Additions to Fixed Assets		(46,85,835)		(1,00,13,816)
Sale proceeds of asset		-		
Converted to stock		1,73,05,959		
<b>Net Cash from / (used in) Investing activities</b>		<b>1,26,20,124</b>		<b>(1,00,13,816)</b>
<b>C Cash Flow from Financing Activities</b>				
Share Application Money		-		-
Finance Expense	(2,91,989)		(3,20,851)	
Interest	8,19,869	5,27,880	7,26,100	4,05,249
<b>Net Cash Flow from Financing Activities</b>		<b>5,27,880</b>		<b>4,05,250</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,40,06,932</b>		<b>9,49,304</b>
Cash on hand	6,12,433		4,02,055	
Bank bal. with schedule bank Current A/c	1,22,96,642		1,15,57,716	
Deposit with Schedule bank	7,80,000	1,36,89,075	7,80,000	1,27,39,771
<b>Closing Cash and Bank balances</b>				
Cash on hand	6,03,305		6,12,433	
Bank bal. with schedule bank Current A/c	1,48,39,858		1,22,96,642	
Deposit with Schedule bank	1,22,52,840	2,76,96,007	7,80,000	1,36,89,075
		<b>1,40,06,932</b>		<b>9,49,304</b>

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

As per our report annexed  
for M/s. Karra and Co.,  
Chartered Accountants  
Firm Reg No : 001749S

V.Venkateswara Rao  
Partner  
Membership No: 22370



For and on behalf of the board

*S. Venkatarao*

Director

*[Signature]*  
Director



**SAMUDRA HEALTHCARE ENTERPRISES LIMITED****Note 3**

Amount in Rs

Particulars	31-Mar-15		31-Mar-14	
	Number	Amount	Number	Amount
<b>Share Capital</b>				
<b>Authorised</b>				
12,700,000 Equity Shares of Rs. 10/- each	1,27,00,000	12,70,00,000	1,27,00,000	12,70,00,000
<b>Issued</b>				
12,500,000 Equity Shares of Rs. 10/- each fully paid up				
<b>Subscribed and Paid up</b>				
12,500,000 Equity Shares of Rs. 10/- each fully paid up	1,25,00,000	12,50,00,000	1,25,00,000	12,50,00,000

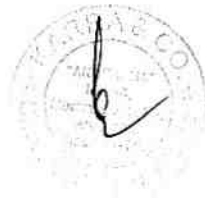
**Reconciliation of number of shares**

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	1,25,00,000	12,50,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,25,00,000	12,50,00,000

**Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956**

Above disclosure is required for each class of Shares held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

Name of Shareholder	31-Mar-15		31-Mar-14	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Apollo Hospitals Enterprise Limited</b>	1,25,00,000	100%	1,25,00,000	100%



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## Note 4

Amount in Rs

Particulars	31-Mar-15	31-Mar-14
<b>Reserves &amp; Surplus</b>		
<b>c. Securities Premium Account</b>		
Opening Balance	11,33,79,140	11,33,79,140
Add : Securities premium credited on Share issue		
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures		
For Issuing Bonus Shares		
Closing Balance	11,33,79,140	11,33,79,140
<b>j. Surplus</b>		
Opening balance	(14,94,640)	(48,59,652)
(+) Net Profit/(Net Loss) For the current year	52,88,024	33,65,012
(+) Depreciation as per sch.2	1,42,34,756	
(+) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves	3,13,060	-
(-) Transfer to Debenture Redemption Reserve		
Closing Balance	(1,07,54,432)	(14,94,640)
<b>Total</b>	<b>10,26,24,708</b>	<b>11,18,84,500</b>

## Note 5

Particulars	31-Mar-15	31-Mar-14
<b>Long Term Provisions</b>		
<b>(a) Provision for employee benefits</b>		
Gratuity (unfunded)	14,67,688	14,49,966
Leave Encashment (unfunded)	15,47,008	12,70,161
<b>Total</b>	<b>30,14,696</b>	<b>27,20,127</b>
<b>(b) Other Long Term Provision</b>		
MAT 2013-14	9,84,984	9,84,984
<b>Total</b>	<b>9,84,984</b>	<b>9,84,984</b>
<b>Total</b>	<b>39,99,680</b>	<b>37,05,111</b>



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**Note 6**

Particulars	31-Mar-15	31-Mar-14
<b>Other Current Liabilities</b>		
(A) Other payables		
Sundry Creditors Others	10,81,93,623	9,51,35,417
Luxury Tax	5,300	4,800
Professional Tax	8,950	4,050
Provident Fund	3,82,925	3,15,679
Tax Deducted at Source	30,040	7,32,460
<b>Total</b>	<b>10,86,20,838</b>	<b>9,61,92,406</b>

**Note 7**

Particulars	31-Mar-15	31-Mar-14
<b>Short Term Provisions</b>		
(a) <b>Provision for employee benefits</b>		
Short Term Expenses / Consumables	4,16,000	50,10,228
Bonus	25,27,000	25,23,000
Gratuity (unfunded)	42,06,813	32,16,187
Leave Encashment (unfunded)	41,941	35,220
<b>Total</b>	<b>71,91,754</b>	<b>1,07,84,635</b>



Fixed Assets	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at April 1, 2014	Additions/ (Disposals)	Deletion	Asset Reserves	Balance as at March 31, 2015	Balance as at April 1, 2014	Depreciation charge for the year	On disposals/tr ansfer	Balance as at March 31, 2014	Balance as at March 31, 2015
<b>Tangible Assets</b>										
Land	81,38,266	-			81,38,266	-	-	-	81,38,266	81,38,266
Buildings	5,77,24,138	-			5,77,24,138	88,98,286	9,42,964		4,88,25,852	4,78,82,881
<b>Plant and Equipment</b>										
Medical Equipment	22,28,49,485	45,03,215	2,16,31,525	1,12,02,477	19,45,18,698	9,73,33,380	2,12,65,044	43,25,566	12,55,16,105	8,02,45,844
Air Conditioning Plant & Air Conditioners										
Computers	42,02,675	2,19,370		4,81,555	39,40,490	32,36,626	3,46,583		9,66,049	3,57,28
Furniture and Fixtures	11,80,384	(1,48,396)		-	10,31,988	3,93,892	2,35,897		7,86,492	4,02,19
Vehicles	53,88,348			10,44,515	43,43,833	26,66,301	6,99,674		27,22,047	9,77,85
Office equipment	48,50,115	98,496		15,06,209	34,42,402	13,92,677	11,38,591		34,57,438	9,11,13
<b>Others</b>										
Electrical Installations & Generators	5,45,183	13,150			5,58,333	1,08,545	60,973		4,36,638	3,88,81
<b>Total</b>	<b>30,48,78,594</b>	<b>46,85,835</b>	<b>2,16,31,525</b>	<b>1,42,34,756</b>	<b>27,36,98,148</b>	<b>11,40,29,707</b>	<b>2,46,89,726</b>	<b>43,25,566</b>	<b>19,08,48,887</b>	<b>13,93,04,28</b>

Fixed Assets	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at April 1, 2014	Additions/ (Disposals)		Balance as at March 31, 2015	Balance as at April 1, 2014	Amortization for the year	On disposals	Balance as at March 31, 2014	Balance as at March 31, 2015
Intangible Assets Computer Software	1,50,000	-		1,50,000	80,548	30,000		69,452	39,452
	1,50,000	-		1,50,000	80,548	30,000	-	69,452	39,452
Total									

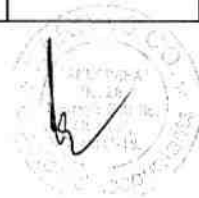


**SAMUDRA HEALTHCARE ENTERPRISES LIMITED**

**Note 10**

Amount in Rs

Particulars	31-Mar-15		31-Mar-14	
<b>Long Term Loans and Advances</b>				
<b>a. Security Deposits</b>				
Unsecured, considered good		14,99,281		14,99,281
<b>b. Other Loans and Advances</b>				
Advance Income Tax and TDS (net of Provision for taxation)	3,27,69,899		3,43,32,129	
Prepaid Expenses	13,46,873		10,34,301	
Advance to Suppliers	1,09,87,121		-	
Service Tax	20,07,968			
Other Advances	17,25,093		29,31,791	
Loans and advance to employees	92,829	4,89,29,783	84,491	3,83,82,712
<b>Total</b>		<b>5,04,29,064</b>		<b>3,98,81,993</b>



## Note 11

Particulars	Amount in Rs	
	31-Mar-15	31-Mar-14
<b>Inventories</b>		
a. Medicines (Valued at FIFO )	50,54,482	47,08,804
b. Surgical Instruments	1,15,37,306	
<b>Total</b>	<b>1,65,91,788</b>	<b>47,08,804</b>

## Note 12

Particulars	31-Mar-15	31-Mar-14
<b>Trade Receivables</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	1,87,03,171	3,41,16,197
Unsecured, considered doubtful		
	1,87,03,171	3,41,16,197
Less: Provision for doubtful debts		
	1,87,03,171	3,41,16,197
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	9,34,77,404	7,79,88,653
Unsecured, considered doubtful		
	9,34,77,404	7,79,88,653
Less: Provision for doubtful debts		
	9,34,77,404	7,79,88,653
<b>Total</b>	<b>11,21,80,574</b>	<b>11,21,04,850</b>

## Note 13

Particulars	31-Mar-15	31-Mar-14
a. Balances with banks*	1,48,39,858	1,16,96,642
Bank accounts with more than 12 months maturity	1,18,52,840	7,80,000
Bank accounts with less than 12 months maturity	4,00,000	6,00,000
b. Cash on hand*	6,03,305	6,12,433
<b>Total</b>	<b>2,76,96,003</b>	<b>1,36,89,075</b>

**Note 14**

Particulars	31-Mar-15	31-Mar-14
<b>Short Term Loans and Advances</b>		
Other Loans and advances	1,67,51,404	1,53,47,667
Advance Income Tax and TDS (net of Provision for taxation)		
<b>Long Term Loans and Advances</b>		
Advance for Capital Goods	-	
Service Tax	-	
<b>Total</b>	<b>1,67,51,404</b>	<b>1,53,47,667</b>

**Note 15**

Particulars	31-Mar-15	31-Mar-14
<b>Other Current Assets</b>		
Preliminary Expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



## Note 16

Amount in Rs

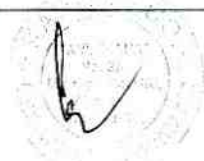
Particulars	31-Mar-15	31-Mar-14
<b>Revenue from operations</b>		
IP Collection	28,29,72,771	28,47,94,937
OP Collection	8,52,53,767	8,10,06,472
<b>Total</b>	<b>36,82,26,538</b>	<b>36,58,01,409</b>
Less: Consultancy Charges	9,04,15,844	8,92,09,672
<b>Total</b>	<b>27,78,10,694</b>	<b>27,65,91,737</b>

## Note 17

Particulars	31-Mar-15	31-Mar-14
<b>Other Income</b>		
Interest Income	8,19,869	7,26,100
<b>Other non-operating income</b>		
Commision on Pharmacy Sales	18,70,236	17,20,204
Discounts From Creditors	45,046	77,377
Income From Insurence Claims	1,26,113	13,402
Income From Sponcership	1,75,000	25,000
Income From Staff Notice Period	1,57,309	1,11,623
Project Fees & Training Income	-	2,18,800
Scrap Sales	8,200	19,464
Income from IT Refund - FY 2011-12	12,55,596	-
Income from IT Refund - FY 2010-11	4,98,845	-
Ambulance Services	-	-
Income from Electricity Charges	1,47,729	53,910
<b>Total</b>	<b>51,03,943</b>	<b>29,65,880</b>

## Note 18

Particulars	31-Mar-15	31-Mar-14
<b>Employee Benefits Expenses</b>		
Salaries and wages	3,67,17,697	3,53,67,423
Contribution to provident and other funds	22,31,056	20,20,979
Staff welfare expenses	56,54,013	45,43,258
Gratuity	12,53,934	6,68,878
Bonus	23,36,934	25,86,058
<b>Total</b>	<b>4,81,93,634</b>	<b>4,51,86,596</b>





**Note 19**

Amount in Rs

Particulars	31-Mar-15	31-Mar-14
<b>Other Expenses</b>		
Power, fuel & Water Charges	1,36,10,242	1,24,20,879
House Keeping Expenses	1,17,59,839	1,14,62,490
Rent	21,69,724	17,69,406
Repairs to Machinery	1,24,27,002	98,68,381
Repairs to Vehicles	25,10,948	17,10,473
Office Maintenance & Others	6,28,041	5,46,428
Insurance	59,95,485	52,45,669
Rates and Taxes	8,12,512	10,33,353
Printing & Stationery	30,66,621	30,27,169
Postage & Telegram	95,587	1,05,369
Advertisement, Publicity & Marketing	33,12,900	36,48,543
Travelling & Conveyance	15,93,041	11,99,718
Security Charges	41,74,191	38,09,839
Legal & Professional Fees	11,96,633	10,44,948
Continuing Medical Education & Hospitality Expenses / Services to Patients	-	-
Telephone Expenses	13,35,221	11,72,736
Bad Debts provision	-	-
Audit Fees	2,24,724	2,24,720
Laundry charges	10,83,524	11,54,457
Preliminary expenses writtenoff	-	22,150
<b>Total</b>	<b>6,59,96,235</b>	<b>5,94,66,728</b>

**Note 20**

Particulars	31-Mar-15	31-Mar-14
<b>Payment to the Auditors as</b>		
a. auditor	1,96,630.00	1,96,630.00
b. For taxation matters	28,094.00	28,090.00
<b>Total</b>	<b>2,24,724.00</b>	<b>2,24,720.00</b>

## **Samudra Healthcare Enterprises Limited**

### **1. Corporate Information**

Samudra Healthcare Enterprises Ltd incorporated in the year 2003 by the entrepreneurs from Kakinada and they started super specialty hospital in Kakinada with franchise agreement with Apollo Hospitals Group. Later at the end of 2005 Apollo Hospitals Group took over the management of the company by acquiring 100% equity in the company.

Since inception the company is in the business of providing super specialty care to the people of surrounding districts. As a part of this endeavor the hospital regularly conducts health screening camps, Health Awareness camps and specialty clinics in the surrounding areas. In the year 2008 the company has entered into the area of running of Occupational Health Centres for various corporate and as a part of this endeavor we have taken over the activities at Reliance Industries at Gadimoga and later the activities were extended to Schlumberger Ltd. Currently the company is providing support to Kakinada Sea ports, GMR Power and Reliance Industries.

The company also provides health care facilities to various public sector undertakings like ONGC, Oil India and private companies like Reliance Industries, Coromandal Fertilizers, Nagarjuna Fertilizers .etc and also ESI, Food Corporation of India.

### **2. Basis for Preparation**

The Financial Statements are prepared under historical cost convention under accrual method of accounting and as a going concern, in accordance with Generally Accepted Accounting Principles (GAAP) prevalent in India and the mandatory Accounting Standards and statements issued by the Institute of Chartered Accountants of India and according to the provisions of the Companies Act, 2013

#### **2.1 Accounting Policies & Notes on Accounts**

##### **a. Inventories**

The inventories of all Medicines & Medicare items traded and dealt with by the Company are valued at cost. Inventories are valued as per FIFO method and as per Accounting Standards 2 of the Institute of Chartered Accountants of India.

Surgical instruments are subject to one third write off.

A handwritten signature in black ink is written over a circular stamp. The stamp contains some text, but it is mostly illegible due to the signature and the quality of the scan.

**b. Prior Period Items**

Prior period expenses and income are separately classified, identified and dealt with as required under Accounting Standard 5 on "Prior Period and Extraordinary items and Changes in Accounting Policies" issued by the Institute of Chartered Accountants of India.

**c. Tangible Fixed Assets**

Fixed Assets are stated at the cost of acquisition less accumulated depreciation. Direct Costs relating to acquisition of fixed assets are capitalized until the assets are ready to be put to use. These costs include freight, installation costs, duties and taxes, and other allocated expenses.

**d. Depreciation on Tangible fixed assets**

Depreciation has been provided using the straight-line method over the expected useful life of the asset as stipulated in Schedule II to the Indian Companies Act, 2013. This being a transition year the carrying amount of assets whose useful life is extinguished is transferred to retained earnings as stipulated in the act.

Depreciation on assets acquired during the year are charged for the period on Pro-rata basis from the date of acquisition up to the period end.

**e. Intangible assets**

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

**f. Revenue Recognition**

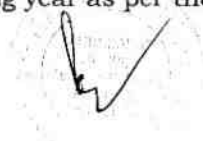
Income from Healthcare Services is recognized on accrual basis. Revenue also includes the value of services rendered and pending for billing in respect of in-patients undergoing treatment as on 31<sup>st</sup> March 2015

**g. Retirement Benefits****Provident Fund**

Contribution to provident scheme, a defined contribution plan are made to the Regional Provident fund Authority at prescribed rates and charged to profit and loss account when due

**Gratuity and Leave Encashment:**

Liability for gratuity and leave encashment is provided based on actuarial valuation made at the end of each accounting year as per the requirements of AS 15.



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#### **h. Segment Reporting:**

The company has only one segment of activity i.e., Healthcare Services. Hence the segment wise reporting as defined in Accounting Standard 17 is not applicable.

#### **i. Taxation:**

##### **Income Tax**

Income Tax is computed using the tax effect accounting method, where taxes are accrued in the same period as and when the related revenue and expenses arise. A Provision is made for income tax annually based on the tax liability computed after considering tax allowance and exemption.

##### **Deferred Tax:**

The Differences that result between the profit calculated for income tax purposes and the profit as per the financial statements are identified and thereafter deferred tax assets or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the beginning of this accounting year based on the prevailing enacted or substantially enacted regulations.

#### **j. Earning per Share.**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on "Earnings per Share" issued by the Institute of Chartered Accountants of India. Basic earnings per shares are computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year. For computing diluted earning per share, potential equity is added to the above weighted average number of shares.

#### **k. Cash and cash equivalents (for purposes 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), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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**2). Notes on Accounts:**

	2014-15 Rs.	2013-14 Rs.
1. Contingent Liabilities:		
a) Bank Guarantee given by HDFC Bank On behalf of Reliance Industries Limited.	7,80,000	7,80,000

Claims against the company not acknowledged as debt:

b) Legal case in state consumer forum –case ref:CC36 of 2011 at Hyderabad against a Doctor and the Hospital	22,00,000	26,00,000
c) Appeal in CESTAT of Service tax demand raised against the company vide order no VIZ-EXCUS-002-COM-003-14-15 DT 17/04/2014	95,17,693	-

**2. Auditors Remuneration:****Audit Fees:**

Statutory Audit:	1,96,630	1,96,630
Tax Audit:	28,090	28,090

(The above Fee is inclusive of Service Tax.)

**3. Deferred tax:**

- a. Deferred Tax Liability: As per Accounting Standard – 22 issued by Institute of Chartered Accountants of India, deferred tax has been calculated on the timing difference arising on account of depreciation.

Particulars		(Amount in Rs.)
Written Down Value as per Companies Act	13934372	
Written Down Value as per IT Act	911399255	
	47944477	
Tax on Diff.@ 30%		14383343
Sur. Charges @5%		719167
Education Cess @ 3%		453075
Deferred Tax Liability to be created 31/03/15		15555585
Deferred Tax Liability as on 1st April, 2014		2,90,84,076
Deferred Tax Liability Charged		(13528491)

**4. Minimum Alternative Tax**

The Company has made provision towards taxation as per the computation made under Sec. 115JB of the Income Tax Act.

5. Related party Transactions:

As per Accounting Standard - 18 issued by Institute of Chartered Accountants of India, the disclosure of transactions with the related party are given here in below:

S.No	Name of the Company	Description of relationship	Nature of Transaction	Transactions during the year 2014-15			Amount Receivable / Payable as on 31.03.2015
				Opening Balance	Debit	Credit	
1	Apollo Hospital Enterprise Limited- Pharmacy Division	Holding company Holding Company	Medicines & Hospital Consumables	5,98,25,572	6,73,41,101	7,89,02,037	7,13,86,508
2	Apollo Hospital Enterprise Limited - Hyderabad		Other Services	42,84,633.18	60,19,576.18	42,59,012	25,24,069
3	Apollo Hospitals Enterprise Limited - Chennai		Other Services	1,58,563	6,569		1,51,994
4	Apollo Hospitals Enterprise Limited - Bhubaneswar		Other Services	0.00	596529	596529	0.00
5	Apollo Hospitals Enterprise Limited - Visakhapatnam		Other Services	0.00	115000	115000	0.00

2. Disclosure as required under Accounting Standard-15 (revised) on Employee benefits are as under:-

(a) Actuarial assumptions used:-

Particulars	Gratuity	Leave Encashment
Mortality	LIC(2006-08)	LIC(2006-08)
Discount Rate	8%	8%
Rate of Increase in compensation	4%	4%
Withdrawal rate	1%	1%
Expected average remaining service		
Method used for present value of plan liability	Projected Unit Credit Method	Projected Unit Credit Method

(b) Present value of obligation taken to Profit & Loss Account & Balance Sheet as at 31st March 2015

(Amount in Rs)

Particulars	Gratuity	Leave Encashment
Opening Defined Benefit Obligation	46,66,153	13,05,381
Interest Cost	3,73,292	1,04,430
Current services cost	1,89,455	84,503
Benefits Paid	-2,67,653	-3,48,446
Acturial (gains)/Losses on Obligation	7,13,254	4,43,081
Closing Defined Benefit Obligation	56,74,501	15,88,949

#### 7. Earnings per Share

Particulars	Units	Year ended 31.03.2015	Year Ended 31.03.2014
a) Net Profit / Loss After Tax	In Rs.	(5288024)	33,65,013
b) Weighted Average number Equity Shares used in computing basic earnings per share	No. of Shares	12500000	12500000
c) Basic earnings per share (a/b)	Rs.	0.42	0.27

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

9. Paisa has been rounded off to nearest Rupee.

10. Previous year's figures have been regrouped where necessary.

As per Our report of even date

For Karna & Co  
Chartered Accountants  
Rajapur  
V. VENKATESWARA RAO  
Chartered Accountant  
M.No. 622370

For & On Behalf of the Board

*Sh. Subhakararaman*  
Director

*[Signature]*  
Director





## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Samudra Healthcare Enterprises Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Samudra Healthcare Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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



financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2015;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash flow Statement, of the Cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements.

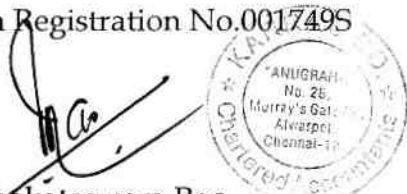
- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
- 2. As required by Section 143(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c. The balance sheet, statement of profit and loss, and cash flow statement dealt by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representation received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act, and
- f. 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 financial statements - Refer Note 2(1)(b) and 2(1)(c) of Notes to accounts of the financial statements;
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For Karra and Co.,  
Chartered Accountants

Firm Registration No.001749S



V. Venkateswara Rao

Partner

Membership No. 022370

Place:

Date:

## ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

Samudra Healthcare Enterprises Limited ("the company")

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets;
- II. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) According to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- III. (a) The Company has not granted loans, secured or unsecured to companies, firms, or other parties covered in the Register maintained under section 189 of the companies Act,
- (b) Since the Company has not given any loans, as per clause iii(a) the question of rate of Interest and other terms and conditions of loans does not apply;
- (c) Since the company has not given any loans, as per clause iii(a) there is no question of overdue amount more than Rs. One Lakh;
- IV. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of the business for the purchase of inventory and fixed assets and for the sale of goods and services. During the Course of our Audit, we have not observed any major weaknesses in the internal control Systems.





- V. The company has not accepted any deposits from the public. Therefore, the directives Issued by RBI and the provision of Sec 73 to 76 or any other provisions of the Companies Act, 2013 and the rules framed there under do not apply.
- VI. Maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Companies Act, for any of the activities of the company.
- VII. a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs duty, Excise duty, Cess and any other statutory dues with the appropriate authorities applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at 31 March, 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there is no dispute in respect of Income tax/ Sales Tax / Wealth Tax / Customs duty / Excise duty and Cess.
- The Company has received a demand notice from Service tax Authorities for Rs 95, 17,693/- on which an Appeal is made in CESTAT.*
- c) According to the information and explanation given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- VIII. In our Opinion and according to the information and explanations given to us the company has no accumulated losses as at 31st March 2015. The company has not incurred cash losses during the financial year and the immediately preceding financial year.



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- IX. The company does not have any loan from financial institutions, banks or debenture holders and hence the question of default under this clause does not arise.
- X. In our opinion, the terms and conditions on which the company has given guarantees are not prejudicial to the interest of the company.
- XI. The company has not taken any term loans and hence the other provisions relating to this clause do not apply.
- XII. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under audit.

For Karra and Co.,  
Chartered Accountants  
Firm Registration No.001749S



V.Venkateswara Rao  
Partner  
Membership No. 022370  
Place:  
Date: