

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, 2016, 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 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 also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

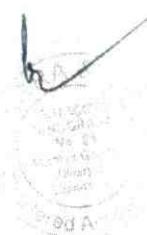
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013), we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the order.



21/28

2. As required by Section 143(3) of the Act, 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 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, 2016, and taken on record by the Board of Directors, none of the directors were disqualified as on March 31, 2016, 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 A".
- g. 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:



22/28

- i. The Company has disclosed as contingent liability 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 did 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 & Co.,
Chartered Accountants
Firm Registration Number: 001749S

V. Venkateswara Rao
Partner
Membership Number: 22370

Place : Hyderabad

Date:

23/2/23

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under Report on other legal and regular requirements of the Independent Auditor's Report to the Members of **SAMUDRA HEALTHCARE ENTERPRISES LIMITED** for the year ended 31st March 2016. We report as required under paragraph 3 and 4 of the order that:

i) (a) The Company has maintained **proper records showing full particulars, including quantitative details and situation of fixed assets**

(b) The fixed Assets of the company **have been physically verified by the management during the year and no material discrepancies between the book records and the physical assets have been noticed. In our opinion, the frequency of verification is reasonable.**

(c) According to the information and explanation given to us and on the basis of examination of the records of the company, the title deeds of immovable property are held in **the name of the company**.

ii) **The Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.**

iii) **The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of Companies Act 2013.**

Due to the reasons cited above, **question of receipt of the principal amount and interest at regular intervals and whether reasonable steps were taken for recovery of the principal and interest where overdue amount is more than Rs. One Lakh is not applicable.**

iv) **This clause is not applicable since the Company has not granted any loan or advances or has provided any guarantee or security as per the Section 185 & 186 of the Companies Act,2013.**

v) According to the information and explanation given to us, the Company has not accepted any deposits from the public under the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vi) The maintenance of cost records has **not been specified by Central Government hence this clause is not applicable.**



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vii) (a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues applicable to the Company including provident fund, employees' state insurance, income-tax, cess and other statutory dues with the appropriate authorities during the financial year ended 31st March 2016. There are no undisputed amounts payable in respect of income tax, cess and other statutory dues which are outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income tax, cess and other statutory dues other than Service tax that have not been deposited with the appropriate authorities on account of any dispute.

The company has received a demand notice from Service tax Authorities for Rs 95,17,693/- on which an Appeal is made in CESTAT.

Viii) There were no borrowings from the financial institutions, bank, Government or from the debenture holders. Hence the question of disclosure of Company defaulting the repayment of dues to financial institutions, bank, Government or debenture holders and disclosure of period and amount of default do not arise.

ix) This clause is not applicable as the company has not raised moneys by way of initial public offering or further public offer (including debt instruments) and there were no term loans. The question of application of the term loans for the purpose for which those were raised do not arise

x) To the best of our knowledge and belief and according to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the period under Audit. Hence disclosure of the nature and the amount involved in the fraud is not applicable.

xi) This clause is not applicable as no Managerial Remuneration has been paid / provided during the year.

xii) This clause is not applicable as the company is not a Nidhi Company.



2.3.2

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them.

xvi) This clause is not applicable as the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Karra& Co.,
Chartered Accountants
Firm Registration Number: 001749S

V. Venkateswara Rao
Partner
Membership Number: 22370

Place : Hyderabad
Date :

ANNEXURE A
ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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 **SAMUDRA HEALTHCARE ENTERPRISES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 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 judgment, 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.

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.

147

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, 2016, based on 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 Karra& Co.,
Chartered Accountants
Firm Registration Number: 001749S

~~V. Venkateswara Rao~~
Partner
Membership Number: 22370

Place : Hyderabad
Date :

SAMUDRA HEALTHCARE ENTERPRISES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2016

Amount in Rs

Particulars	Note No	31-Mar-16	31-Mar-15
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	125,000,000	125,000,000
(b) Reserves and surplus	4	107,117,333	102,624,708
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	5	9,982,344	15,555,585
(b) Long-term provisions		2,963,979	3,999,680
3 Current liabilities			
(a) Other current liabilities	6	115,611,502	108,620,838
(b) Short-term provisions	7	7,397,811	7,191,754
TOTAL		368,072,969	362,992,565
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	8	134,240,462	139,304,281
(ii) Intangible assets	9	9,452	39,452
(b) Long-term loans and advances	10	57,220,952	50,429,064
2 Current assets			
(b) Inventories	11	12,917,518	16,591,788
(c) Trade receivables	12	138,224,985	112,180,575
(d) Cash and cash equivalents	13	15,016,173	27,696,003
(e) Short-term loans and advances	14	10,443,426	16,751,402
(f) Other current assets	15	-	-
TOTAL		368,072,969	362,992,565

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

Place : Hyderabad
Date : 10th May 2016

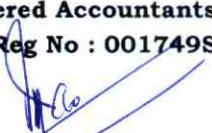
SAMUDRA HEALTHCARE ENTERPRISES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

Amount in Rs

Particulars		Note No	31-Mar-16	31-Mar-15
I.	Revenue from operations	16	261,904,126	277,810,694
II.	Other income	17	4,494,900	5,103,943
III.	Total Revenue (I + II)		266,399,025	282,914,637
IV.	Expenses:			
	Cost of materials consumed	18	132,217,954	151,953,520
	Employee benefits expense		51,422,798	48,193,634
	Finance costs		369,813	291,989
	Depreciation and amortization expense	19	17,889,320	24,719,726
	Other expenses		65,579,756	65,996,235
	Total expenses		267,479,641	291,155,104
V	Profit before tax (III - IV)		(1,080,616)	(8,240,467)
VI	Tax expense:			
	(1) Current tax			
	(2) Deferred tax		(5,573,241)	(13,528,491)
VII	Profit (Loss) for the period (V - VI)		4,492,625	5,288,024
VIII	Earnings per equity share:			
	(1) Basic		0.36	0.42

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
 Place : Hyderabad
 Date : 10th May 2016**

For and on behalf of the board


Director


Director

Samudra Healthcare Enterprises Limited, Kakinada

Cash Flow Statement for the ended 31.03.2016

Particulars	2015-16	2014-15
	Rs	Rs
A Cash Flow from Operating Activities:		
Net profit / (Loss) before tax and extraordinary items	(1,080,616)	(8,240,467)
Adjustment for:		
Depreciation	17,889,320	24,719,726
From Reserves & Surplus Account	-	(313,060)
Interest received	(1,055,950)	(819,869)
Preliminary Expenses written off	-	-
Finance Expense	369,813	291,989
DTL Reversal / Charged	17,203,183	-
Operating profit / (loss) before working capital changes	16,122,567	15,638,319
Adjustment for:		
Decrease / Increase in Inventories	3,674,270	(11,882,984)
Increase in Sundry Debtors	(26,044,410)	(75,724)
Decrease / Increase in Other Current Assets	6,307,976	(1,403,735)
Increase in Loans & Advances	(6,791,888)	(10,547,071)
Increase in Sundry Creditors	6,990,664	12,428,432
Increase in Provisions (MAT)	-	-
Increase in Provisions	(829,640)	(16,693,029)
Cash generated from / (used in) operating activities	<u>(570,461)</u>	<u>858,929</u>
Net cash generated from / (used in) operating activities	<u>(570,461)</u>	<u>858,929</u>
B Cash flow from Investing Activities:		
Additions to Fixed Assets	(12,795,501)	(4,685,835)
Sale proceeds of asset	-	-
Converted to stock	-	17,305,959
Net Cash from / (used in) Investing activities	<u>(12,795,501)</u>	<u>12,620,124</u>
C Cash Flow from Financing Activities		
Share Application Money	(369,813)	(291,989)
Finance Expense	1,055,950	819,869
Interest	686,137	527,880
Net Cash Flow from Financing Activities	<u>686,137</u>	<u>527,881</u>
Net increase / (decrease) in cash and cash equivalents	<u>(12,679,826)</u>	<u>14,006,934</u>
Cash on hand	603,305	612,433
Bank bal. with schedule bank Current A/c	14,839,858	12,296,642
Deposit with Schedule bank	12,252,840	780,000
	27,696,003	13,689,075
Closing Cash and Bank balances		
Cash on hand	395,839	603,305
Bank bal. with schedule bank Current A/c	10,574,097	14,839,858
Deposit with Schedule bank	4,046,237	12,252,840
	15,016,177	27,696,009
	<u>(12,679,826)</u>	<u>14,006,934</u>
	0.00	

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

Place : Hyderabad

Date : 10th May 2016

For and on behalf of the board

Director


Director

SAMUDRA HEALTHCARE ENTERPRISES LIMITED

Note 3

Amount in Rs

Particulars	31-Mar-16		31-Mar-15	
	Number	Amount	Number	Amount
Share Capital				
Authorised				
12,700,000 Equity Shares of Rs. 10/- each	12,700,000	127,000,000	12,700,000	127,000,000
Issued				
12,500,000 Equity Shares of Rs. 10/- each fully paid up				
Subscribed and Paid up				
12,500,000 Equity Shares of Rs. 10/- each fully paid up	12,500,000	125,000,000	12,500,000	125,000,000

Reconciliation of number of shares

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	12,500,000	125,000,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	12,500,000	125,000,000

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-16		31-Mar-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Apollo Hospitals Enterprise Limited	12,500,000	100%	12,500,000	100%

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SAMUDRA HEALTHCARE ENTERPRISES LIMITED

Note 4

Amount in Rs

Particulars	31-Mar-16	31-Mar-15
Reserves & Surplus		
c. Securities Premium Account		
Opening Balance	113,379,140	113,379,140
Add : Securities premium credited on Share issue		
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures		
For Issuing Bonus Shares		
Closing Balance	113,379,140	113,379,140
j. Surplus		
Opening balance	(10,754,432)	(1,494,640)
(+) Net Profit/(Net Loss) For the current year	4,492,625	5,288,024
(+) Depreciation as per sch.2	-	14,234,756
(+) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves	-	313,060
(-) Transfer to Debenture Redemption Reserve		
Closing Balance	(6,261,807)	(10,754,432)
Total	107,117,333	102,624,708

Note 5

Particulars	31-Mar-16	31-Mar-15
Long Term Provisions		
(a) Provision for employee benefits		
Gratuity (unfunded)	1,478,468	1,467,688
Leave Encashment (unfunded)	1,485,511	1,547,008
Total	2,963,979	3,014,696
(b) Other Long Term Provision		
MAT 2013-14	-	984,984
Total	-	984,984
Total	2,963,979	3,999,680

100

Note 6

Particulars	31-Mar-16	31-Mar-15
Other Current Liabilities		
(A) Other payables		
Sundry Creditors Others	115,170,000	108,193,623
Luxury Tax	9,700	5,300
Professional Tax	7,800	8,950
Provident Fund	404,450	382,925
Tax Deducted at Source	19,552	30,040
Total	115,611,502	108,620,838

Note 7

Particulars	31-Mar-16	31-Mar-15
Short Term Provisions		
(a) Provision for employee benefits		
Short Term Expenses / Consumables	2,560	416,000
Bonus	2,681,485	2,527,000
Gratuity (unfunded)	4,672,701	4,206,813
Leave Encashment (unfunded)	41,065	41,941
Total	7,397,811	7,191,754



SAMUDRA HEALTHCARE ENTERPRISES LIMITED

Note 8

Amount in Rs

Fixed Assets	Balance as at April 1, 2015	Gross Block			Depreciation charge for the year	Accumulated Depreciation	On disposals/tr transfer	Balance as at March 31, 2016	Balance as at March 31, 2015	Net Block
		Additions/ (Disposals)	Deletion	Asset Reserves						
Tangible Assets										
Land	8,138,266	-	-	-	8,138,266	9,841,250	942,964	10,734,214	8,138,266	8,138,266
Buildings	57,724,138	-	-	-	57,724,138	-	-	-	47,882,888	46,939,924
Plant and Equipment										
Medical Equipment	194,518,698	12,249,556	-	-	206,768,254	114,272,858	15,909,067	130,181,925	80,245,840	76,586,329
Air Conditioning Plant & Air Conditioners	3,940,490	125,235	-	-	4,065,725	3,583,209	228,322	3,811,531	357,281	254,194
Computers	1,031,988	-	-	-	1,031,988	629,789	56,420	686,209	402,199	345,779
Furniture and Fixtures	4,343,833	-	-	-	4,343,833	3,365,975	255,287	3,621,262	977,858	722,571
Vehicles	3,442,402	278,490	-	-	3,720,892	2,531,268	397,877	2,929,145	911,134	791,747
Office equipment	-	-	-	-	-	-	-	-	-	-
Others										
Electrical Installations & Generators	558,333	142,220	-	-	700,553	169,518	69,383	238,901	388,815	461,652
Total	273,698,148	12,795,501	-	-	286,493,649	134,393,867	17,859,320	-	152,253,187	139,304,281

Amount in Rs

Fixed Assets	Balance as at April 1, 2015	Gross Block			Amortization for the year	Accumulated Depreciation	On disposals	Balance as at March 31, 2016	Balance as at March 31, 2015	Net Block
		Additions/ (Disposals)	Balance as at March 31, 2016	Balance as at April 1, 2015						
Intangible Assets										
Computer Software	150,000	-	-	-	150,000	110,548	30,000	140,548	39,452	9,452
Total	150,000	-	150,000	110,548	30,000	-	140,548	39,452	9,452	9,452

Amount in Rs

SAMUDRA HEALTHCARE ENTERPRISES LIMITED

Note 10

Amount in Rs

Particulars	31-Mar-16	31-Mar-15
Long Term Loans and Advances		
a. Security Deposits		
Unsecured, considered good	1,498,281	1,499,281
b. Other Loans and Advances		
Advance Income Tax and TDS (net of Provision for taxation)	33,350,725	32,769,899
Prepaid Expenses	1,500,900	1,346,873
Advance to Suppliers	19,214,282	10,987,121
Service Tax	694,308	2,007,968
Other Advances	901,931	1,725,093
Loans and advance to employees	60,525	92,829
	55,722,671	48,929,783
Total	57,220,952	50,429,064



SAMUDRA HEALTHCARE ENTERPRISES LIMITED

Note 11

Amount in Rs

Particulars	31-Mar-16	31-Mar-15
Inventories		
a. Medicines (Valued at FIFO)	4,888,315	5,054,482
b. Surgical Instruments	8,029,203	11,537,306
Total	12,917,518	16,591,788

Note 12

Particulars	31-Mar-16	31-Mar-15
Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	44,143,958	18,703,171
Unsecured, considered doubtful		
Less: Provision for doubtful debts	44,143,958	18,703,171
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	94,081,027	93,477,404
Unsecured, considered doubtful		
Less: Provision for doubtful debts	94,081,027	93,477,404
Total	138,224,985	112,180,575

Note 13

Particulars	31-Mar-16	31-Mar-15
a. Balances with banks*		
Bank accounts with more than 12 months maturity	10,574,097	14,839,858
Bank accounts with less than 12 months maturity	3,846,237	11,852,840
b. Cash on hand*	200,000	400,000
	395,839	603,305
Total	15,016,173	27,696,003

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Note 14

Particulars	31-Mar-16	31-Mar-15
Short Term Loans and Advances		
Other Loans and advances	10,443,428	16,751,404
Advance Income Tax and TDS (net of Provision for taxation)		
Long Term Loans and Advances		
Advance for Capital Goods	-	
Service Tax	-	
Total	10,443,428	16,751,404

Note 15

Particulars	31-Mar-16	31-Mar-15
Other Current Assets		
Preliminary Expenses	-	-
Total	-	-



SAMUDRA HEALTHCARE ENTERPRISES LIMITED

Note 16

Amount in Rs

Particulars	31-Mar-16	31-Mar-15
Revenue from operations		
IP Collection	283,528,282	282,972,771
OP Collection	71,748,277	85,253,767
Total	355,276,559	368,226,538
Less: Consultancy Charges	93,372,433	90,415,844
Total	261,904,126	277,810,694

Note 17

Particulars	31-Mar-16	31-Mar-15
Other Income		
Interest Income	1,055,950	819,869
Other non-operating income		
Commision on Pharmacy Sales	1,883,215	1,870,236
Discounts From Creditors	53,973	45,046
Income From Insurance Claims	203,079	126,113
Income From Sponcership	75,000	175,000
Income From Staff Notice Period	76,513	157,309
Project Fees & Training Income	-	-
Scrap Sales	-	8,200
Income from IT Refund - FY 2013-14	982,665	1,255,596
Income from IT Refund - FY 2010-11	-	498,845
Ambulance Services	-	-
Income from Electricity Charges	164,505	147,729
Total	4,494,900	5,103,943

Note 18

Particulars	31-Mar-16	31-Mar-15
Employee Benefits Expenses		
Salaries and wages	38,753,437	36,717,697
Contribution to provident and other funds	2,500,583	2,231,056
Staff welfare expenses	6,583,689	5,654,013
Gratuity	1,186,262	1,253,934
Bonus (Bonus + Ex Gratia)	2,398,827	2,336,934
Total	51,422,798	48,193,634

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Note 19

Amount in Rs

Particulars	31-Mar-16	31-Mar-15
Other Expenses		
Power, fuel & Water Charges	10,066,600	13,610,242
House Keeping Expenses	10,432,304	11,759,839
Rent	2,021,640	2,169,724
Repairs to Machinery	12,523,443	12,427,002
Repairs to Vehicles	2,382,197	2,510,948
Office Maintenance & Others	553,922	628,041
Interest on Service Tax Late Payment	58,072	-
PF Early Years Penal Charges	3,896	-
Insurance	3,868,850	5,995,485
Rates and Taxes	1,039,307	812,512
Printing & Stationery	2,713,466	3,066,621
Postage & Telegram	83,653	95,587
Advertisement, Publicity & Marketing	2,439,588	3,312,900
Travelling & Conveyance	1,241,122	1,593,041
Security Charges	4,423,062	4,174,191
Legal & Professional Fees	1,198,891	1,196,633
Continuing Medical Education & Hospitality Expenses / Services to Patients	-	-
Telephone Expenses	1,243,239	1,335,221
Bad Debts provision	8,137,835	-
Audit Fees	229,000	224,720
Laundry charges	919,669	1,083,524
Preliminary expenses writtenoff	-	-
Total	65,579,756	65,996,231

Note 20

Particulars	31-Mar-16	31-Mar-15
Payment to the Auditors as		
a. auditor	200,375.00	196,630.00
b. For taxation matters	28,625.00	28,094.00
Total	229,000.00	224,724.00



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.

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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 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 31st 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.

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.



2). Notes on Accounts:

		2015-16	2014-15
		Rs.	Rs.
1. Contingent Liabilities:			
a) Bank Guarantee given by HDFC Bank		7,80,000	7,80,000
On behalf of Reliance Industries Limited.			
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		10,00,000	22,00,000
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	95,17,693

2. Auditors Remuneration:

Audit Fees:

Statutory Audit:	2,00,375	1,96,630
Tax Audit:	28,625	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		<i>(Amount in Rs.)</i>
Written Down Value as per Companies Act	13,42,49,914	
Written Down Value as per IT Act	10,34,82,942	
	3,07,66,972	
Tax on Diff.@ 30%		92,30,092
Sur. Charges @5%		4,61, 505
Education Cess @ 3%		2,90, 748
Deferred Tax Liability to be created 31/03/156		99,82,344
Deferred Tax Liability as on 1st April, 2015		1,55,55,585
Deferred Tax Liability Charged		-55,73,241

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4. Minimum Alternative Tax

The Company do not have Income tax liability during the current Financial Year.

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 2015-16			Amount Receivable / Payable as on 31.03.2016
				Opening Balance	Debit	Credit	
1	Apollo Hospital Enterprise Limited- Pharmacy Division	Holding company Holding Company	Medicines & Hospital Consumables	7,13,86,508	7,46,19,698	8,33,11,605	8,00,78,415
2	Apollo Hospital Enterprise Limited - Hyderabad		Other Services	25,24,069	2,10,00,000	56,25,000	1,28,50,931
3	Apollo Hospitals Enterprise Limited - Chennai		Other Services	1,51,994	6,914	0	1,45,080
4	Apollo Hospitals Enterprise Limited - Visakhapatnam		Other Services	Nil	76,650	76,650	Nil



(b) Present value of obligation taken to Profit & Loss Account & Balance Sheet as at 31st March 2016

(Amount in Rs)		
Particulars	Gratuity	Leave Encashment
Opening Defined Benefit Obligation	56,74,501	15,88,949
Interest Cost	4,53,960	1,27,116
Current services cost	2,05,312	18,587
Benefits Paid	-6,99,788	-15,47,949
Actuarial (gains)/ Losses on Obligation	5,17,184	13,39,873
Closing Defined Benefit Obligation	61,51,169	15,26,576

7. Earnings per Share

Particulars	Units	Year ended 31.03.2016	Year Ended 31.03.2015
a) Net Profit / Loss After Tax	In Rs.	44,92,625	52,88,024
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.	0.36	0.42

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 Karra & Co
Chartered Accountants

Partner

Place : Hyderabad
Date : 10th May 2016

For & On Behalf of the Board

Director



Director