VIJAYA DIAGNOSTIC CENTRE

India's Largest Comprehensive Diagnostic Network

ANNUAL REPORT 2018-19

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. S. Surendranath Reddy
Executive Chairman
DIN: 00108599

Ms. Suprita Sura Reddy
Managing Director
DIN : 00263618

Mr. Sunil Chandra Kondapally
Executive Director
DIN: 01409332

Mr. Nishant Sharma
Non-Executive Director
DIN: 03117012

Mr. Aditya Vij
Non-Executive Director
DIN: 03200194

CHIEF FINANCIAL OFFICER

Ms. S. Sandhya

COMPANY SECRETARY

Ms. V. Sri Lakshmi

AUDITOR

B S R & Associates LLP
Salarpuria Knowledge City, Orwell, 6th Floor
Sy. No. 83/1, Plot No. 2, Raidurg Hyderabad,
Telangana-500081

REGISTERED OFFICE

3-6-16 & 17, Street No. 19, Himayat Nagar, Hyderabad,
Telangana-500029

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. S. Surendranath Reddy	Chairman
Ms. Suprita Sura Reddy	Member
Mr. Sunil Chandra Kondapally	Member
Mr. Aditya Vij	Member

NOMINATION AND REMUNERATION COMMITTEE

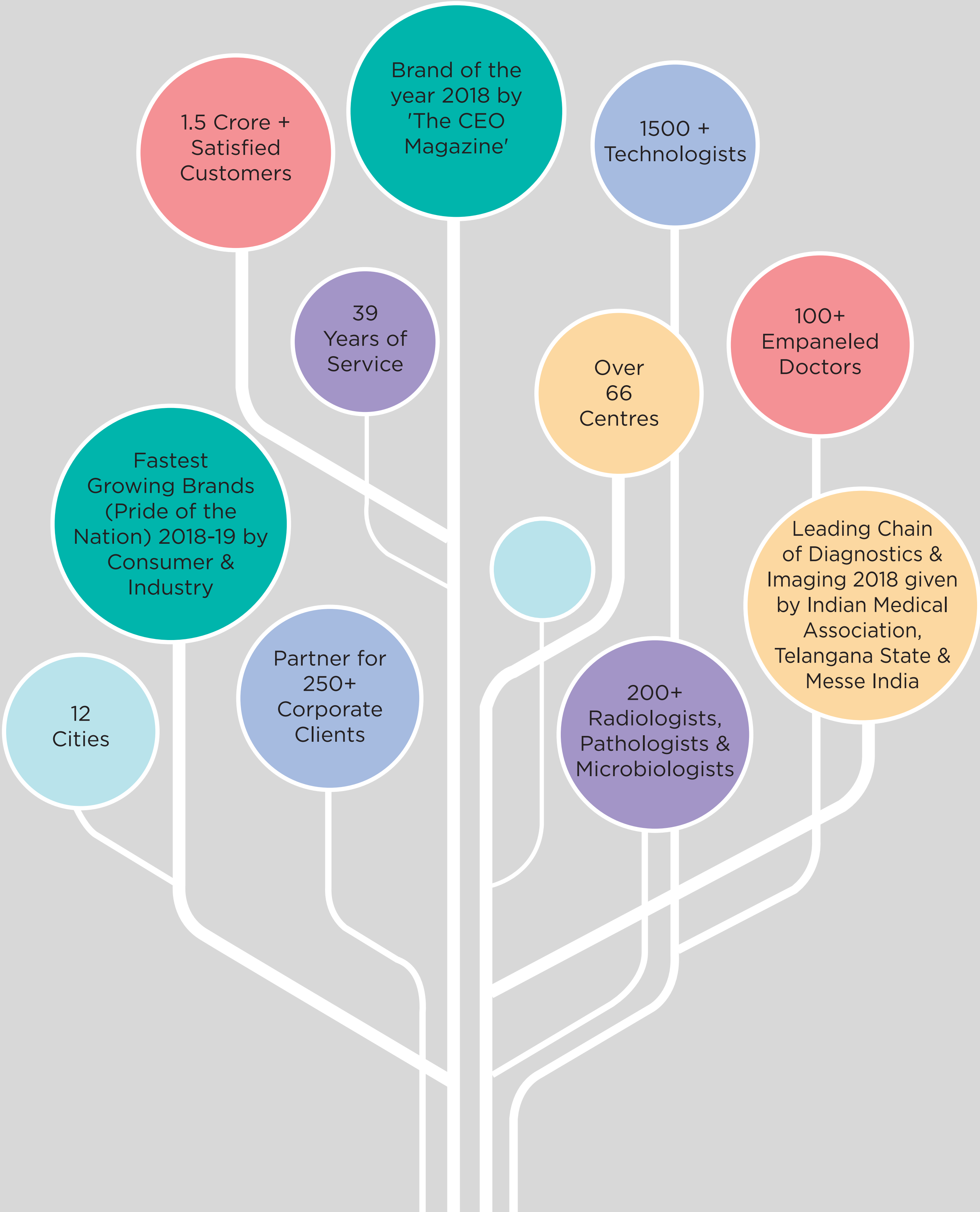
Ms. Suprita Sura Reddy	Chairman
Mr. Sunil Chandra Kondapally	Member
Mr. Aditya Vij	Member

MANAGEMENT COMMITTEE

Dr. S. Surendranath Reddy	Member
Ms. Suprita Sura Reddy	Member
Mr. Sunil Chandra Kondapally	Member
Mr. Nishant Sharma	Member
Mr. Aman Gandhi	Investor Observer

CONTENTS

AT A GLANCE


1.5 Crore + Satisfied Customers
Brand of the year 2018 by 'The CEO Magazine'
1500 + Technologists
39 Years of Service
Over 66 Centres
100+ Empaneled Doctors
Fastest Growing Brands (Pride of the Nation) 2018-19 by Consumer & Industry
Leading Chain of Diagnostics & Imaging 2018 given by Indian Medical Association, Telangana State & Messe India
12 Cities
Partner for 250+ Corporate Clients
200+ Radiologists, Pathologists & Microbiologists

OUR VALUES

At Vijaya Diagnostic, we understand that high quality and reliable diagnostic findings are critical for superior clinical outcomes.

We keep track of the technological advancements and offer our customers access to the latest developments in diagnostic Medicare.

To achieve consistent safety and quality, we comply with the most stringent quality and ethical norms. We continuously expand our value-added services to better serve patients with dignity, respect and compassion.

OUR VISION

Our Vision is to provide reliable and accurate diagnostic services to our customers, at affordable prices, in a customer-centric manner. We strive to provide the best service possible. We are continually raising our own bar through the latest technology, continuous improvement and recruitment of high caliber technicians and professionals.

OUR MISSION

Our Mission is to make the patient's medical journey faster, more transparent and more accurate. We are committed to deliver exceptional diagnostic solutions to every patient and physician.

ABOUT US

Vijaya Diagnostic Centre (VDC) is India's largest comprehensive diagnostic network with over 66 state-of-the-art centres spread across 12 cities. VDC has a qualified team of over 1,800 professionals consisting of some of the country's top radiologists, pathologists and healthcare professionals. This has enabled us to offer patient-oriented diagnostic services that help us in establishing trust and reliability with our patients.

OUR STORY

With a vision of providing comprehensive, innovative and state-of-the-art diagnostic services under one roof, in a reliable, affordable and customer-centric manner, Dr. S. Surendranath Reddy founded Vijaya Diagnostic Centre in 1981.

In the past 4 decades, Vijaya has constantly worked towards providing excellent quality throughout all its centres and has been the pioneer in using the latest technological trends to deliver best-in-class healthcare to its patients.

Today, VDC has expanded to over 50 centres in Hyderabad, in addition to other branches in Warangal, Hanamkonda, Nizamabad, Kurnool, Nellore, Visakhapatnam, Karimnagar, Bengaluru, Kolkata and Gurugram.

ACCREDITATION/CERTIFICATION

National Accreditation Board for Testing and Calibration Laboratories (NABL) - MC-2657

Advanced Diagnostic Pathology and Radiology Services. IND 11.6180U

National Accreditation Board for Hospital & Healthcare Providers (NABH) - MIS -2019-0098

ISO 9001:2015 from Bureau Veritas Certification for the Performance of Routine,

Approved Centre for Medical Testing Immigration: For USA, Australia & Canada.

QUALITY AT VIJAYA

Our commitment to quality is uncompromising and is achieved through a robust Quality Management System (QMS) which focuses on ensuring timely, reliable and accurate results.

Quality at Vijaya translates into fulfillment of our mission to offer reliable and accurate services, at affordable prices. By employing the best technology we enable efficient diagnosis and ensure health, every day.

MILESTONES

Over the past 4 decades, our passion for quality and commitment to delivering the latest in technology to our customers, have translated into a number of First's which include

2011 First centre to offer Automated TB identification and Sensitivity in South India

2012 First centre to offer Digital Mammography

2013 First centre to offer: Iris iQ200 Automated Urine Analyser with Microscopy

Qia Symphony - a fully Automated PCR System

Siemen's Accuson Elastography

2017 First Diagnostic centre to offer Droplet Digital PCR (ddPCR)

2009 First centre to offer HPV-DNA HC2 test in South India

2008 First & only PET CT

2007 First centre to offer 3.0 Tesla MRI

2003 First centre to offer automated microbiology culture (BACTEC)

1994 First centre to offer Mammography

1999 First centre to offer Bone Densitometry

2000 First centre to offer RT PCR based DNA testing and Flow Cytometry

2001 First centre to offer Digital X-Ray

1993 First centre to offer 4th generation CT Scan

1986 First centre to offer Nuclear Medicine

1985 First centre to introduce Thyroid hormone testing

1981 First centre to introduce Ultrasound and Echocardiography

SERVICES

Laboratory Service

Radiology and Imaging

Cardiology Services

Neurology Services

Gastroenterology Services

LABORATORY SERVICES

Our lab services offerings encompass a wide range of investigations from routine tests to highly specialized ones, not offered by other hospitals or laboratories. Vijaya offers a comprehensive test menu covering the key disciplines of conventional lab services:

Clinical Biochemistry

A wide range of Chemical Pathology tests provided with the use of high throughput routine chemistry analyzers and immunoassay analyzers from the top brands like Siemens, Roche and Beckman.

- Screening assays are done using automated equipment having integrated software for calculating probable risk to the patient. It includes maternal antenatal panels for predicting the probability of genetic disorders and newborn screening for early detection of galactosemia, hypothyroidism and other inborn metabolism errors.
- HLPC systems and Capillary Electrophoresis to diagnose different Haemoglobinopathies, Immunoglobin disorders and to monitor the status of Diabetes Mellitus
- LCMS: the gold standard for Vitamin D estimation and monitoring of immunosuppressant therapy

Haematology & Immuno-Haematology

This department has both the man and the machine working together to provide the best results. Even the junior staff are trained with NABL 112 and ISO 15189. Our collective belief is to comply with standards at all costs. We make sure we use the best of technology by using the latest version equipment and software.

Reports undergo multiple checks to ensure total accuracy. We even have a pathologist team present in the lab for checking the automated results and critical parameters. Report authorization is done in two steps.

From a simple ESR to the complex flow cytometry analysis, all tests are conducted with complete automation. Automated blood group reports have an inbuilt mechanism of self crosscheck so that the blood groups are reported with zero error for each sample.

We also provide Immuno-Haematology testing for ANA, ANA Profile and Allergy Panels across different platforms.

Clinical Pathology

Clinical Pathology is a basic Laboratory service that is often ignored. However, we give this department as much importance as any other. We have dedicated consultants for the department and just like other departments, Clinical Pathology is completely automated as well.

Our Urine analyzers capture and analyze approximately 500 images per urine. Our sperm analyzers can report sperm vitality and velocity and also perform sperm DNA fragmentation analysis.

Histopathology & Cytopathology

At Vijaya Diagnostic Centre, we provide accurate and timely diagnosis with the help of our expert Histopathology and Cytopathology team. Their expert diagnosis helps our clinicians to decide the right treatment. We also provide comprehensive reports by including customized extended tests required under well-defined panels, which covers various malignancies.

Our flagship tests and procedures include:

- All biopsy material, from tissue to slide, is processed, embedded, cut, stained and mounted on Leica Fully Automated Tissue processor, Embedding and staining work stations.
- Liquid-based Cytology for effective Pap smear screenings and other cellular fluids.
- Immunohistochemistry (IHC) with extended panels for definitive diagnosis
- Cryostat for frozen sections for rapid on-table diagnosis
- Immunofluorescence for medical renal disease and vesiculobullous lesions of the skin
- Fine Needle Aspiration Cytology (FNAC) procedure conducted onsite in selective branches
- Foetal Autopsy with the morphological diagnosis

Microbiology

We maintain the highest standards and quality of testing in our laboratories through our team of experienced doctors and highly qualified technicians. We offer a wide range of tests, with the following being the major highlights.

- CDC approved TB cultures for Immigration
- Maldi-Tof Identification of Bacteria & Yeast form of Fungi (Candida)
- AFB C/S for both Immigration & General Patients
- Blood C/S by Routine, Bactec & BacT/Alert Instruments
- Vitek 2 Identification & Sensitivity
- Anaerobic Cultures
- Aerobic Bacterial Cultures By Both Routine & Vitek Methods
- Fungal Cultures
- Direct microscopy for Gram-positive, Gram-negative Bacilli, Diphtheria, Acid Fast Bacilli, and Fungi Dermatophytes as well as Yeast Forms Including Cryptococcus

Serology

In the Serology Laboratory, analysis of blood samples is performed to check for the presence of antigens and antibodies (IgG and IgM) to help with the diagnosis of diseases and test immunity status. Some important Serologic tests covered by us include:

- Leptospira, Brucella, Helicobacter Pylori ELISA (IgG & IgM).
- Mumps, Measles and Varicella-Zoster IgG ELISA for checking immunity status post-vaccination.
- Dengue IgG, IgM and NS1 Antigen (ELISA- Gold standard) and Chikungunya IgM (Rapid) among the common arboviral infections.
- TORCH group of tests for congenital infections and recurrent abortions.
- Antidiphtheria IgG ELISA to check immune status post-DPT vaccination and Anti Spermatozoa antibodies by ELISA only for infertility workup.
- Serological tests for Autoimmune disorders by ELISA like AntiCardiolipin IgA/IgG/IgM, Antiphospholipid IgA/IgM/IgG, Rheumatoid factor IgM, Stool for

Calprotectin and Anti Beta2 Glycoprotein IgG/IgM.

- Rare viral serological tests such as Paul Bunnell for Infectious Mononucleosis by EBV.
- Cryptococcal antigen detection in serum and CSF by sensitive latex agglutination test.
- Anti-CCP testing by CMIA.
- Rickettsial serology- Weil Felix test.
- Comprehensive Hepatitis marker testing
- HBe Ag, Anti HBe, Anti HBc IgM, Anti HBs antibodies, Anti HBc Total by ELFA.
- HAV IgM, HIV-1&2 Ab and p24 Ag, Anti HCV, HBsAg by CMIA.
- HEV IgG/ IgM by ELISA.
- Western Blot for HIV 1/2 confirmation.

The Quanti FERON-TB Gold test is also performed at our Serology Laboratory. This is a whole blood test used to aid the diagnosis of latent infection with Mycobacterium tuberculosis.

Cytogenetics

The Cytogenetics department is one of the oldest departments at our facilities, with all the conventional tests being covered.

We have added to our test of tests, with our latest addition being FISH (Fluorescent in-situ hybridization) with complete digital microscopy for screening and capture.

Molecular Pathology

Vijaya Diagnostic Centre offers an extended range of Super speciality Laboratory Services with the aim of providing esoteric tests to our client. Our services are continually evolving to expand the diagnostic capabilities of our clinicians and offer our patients the best diagnostic services with the use of latest technology.

- State of the art Molecular Pathology section is equipped with assays to diagnose, monitor, and guide the treating physician and Oncologist in predicting the prognosis or guiding therapeutics in infectious, haematological, genetic and malignant diseases.
- Using PCRs ranging from conventional to digital droplet for testing and early detection of genetic disorders or diagnosing the probability of primary malignancy in metastatic testing. Droplet Digital PCR gives absolute quantification of the mutation burden to as low as 0.1%.

RADIOLOGY & IMAGING

Magnetic Resonance Imaging (MRI)

We use the latest Magnetic Resonance Imaging technology at our centres, with excellent image quality and a patient-friendly, wide bore gantry to accommodate obese patients. The total duration of the scan is less than 10 mins, thus reducing the patient's anxiety.

Our latest acquisition is a complete MR system - the Ingenia 3.0 Tesla MRI. It is capable of performing the routine tests of the brain, spine and musculoskeletal system and even the more advanced tests like MR Spectroscopy, MR Diffusion, MR Functional Imaging, MR Angiography, MR Tractography of Brain & Spinal Cord, MR Neurography, 3T Foetal MRI, Cardiac MRI, MR lymphangiography etc.

Multi-Slice CT

Multidetector Computed Tomography (MDCT) scan is a diagnostic imaging procedure that makes use of X-ray tube and multiple rows of detectors that rotate around the patient to provide diagnostic images through body volume, with isotropic multiplanar imaging.

It provides high-resolution images of all body parts, including bones, muscles, fat, organs, and blood vessels. While the image quality is maintained, it still decreases the level of radiation exposure of the patient significantly. Patient compliance is improved and scanning time is reduced as well.

Our 128 slice ingenuity model offers increased spatial resolution, acquisition of intracranial and extracranial angiogram, metal artefact reduction software (O-MAR) for cases of metallic implants, lung nodule assessment algorithm, low dose (up to 80% less) step and shoot cardiac screening to rule out coronary artery disease, pulmonary trauma, paediatric imaging aside from other routine uses

CBCT (3D Dental)

Vijaya Diagnostic Centre uses 3D Dental CT Scanner which offers accurate precision and high-resolution images, thus serving as the Gold standard for implant dentistry and Root canal Treatments pre/postoperatively. It has a dedicated software in-built for accurate measurement of the thickness of the underlying bone and better evaluation and assessment of mandibular canal or nerve.

Mammography

Our state-of-the-art digital mammogram machine performs a quick study, ensuring minimal discomfort to the patient. Thanks to the excellent image quality and resolution, our Radiologists can identify even the smallest of abnormalities.

Ours is a comprehensive diagnostic centre. Any follow up tests on a suspicious lesion with ultrasound and biopsy/FNAC can be performed on the same premises. Coordination with the Pathology department ensures that the samples are adequate for an accurate diagnosis. If further investigation is necessary, MR Mammogram is available as well.

DEXA/Bone Densitometry

Routine measurement of osteoporosis is recommended for women aged 65 or older by the WHO (World Health Organization). Routine testing reduces the risk of fracture and spinal abnormalities associated with diseases. We provide T-scores for Spine, Dual Femur, Hip, Wrist and Whole body.

Ultrasound/Colour Doppler

We use only the latest machines from the best suppliers. We perform all scans, including Regular Abdomen and Pelvis, Small parts and Antenatal (including Doppler studies) scans. Therapeutic and diagnostic procedures such as aspiration, biopsy, FNAC and Musculoskeletal ultrasound are also performed. What sets us apart is our ability to conduct specialized studies that involve studying nerves and mapping course and pathology of nerves.

Nuclear Medicine and PET/CT

The Nuclear Medicine and PET/CT department of Vijaya Diagnostics is one of the oldest departments of the country. Over the years, the department has stayed updated with all the advancements in the field, equipping itself with the most advanced scanners and latest technology in the industry.

The department has an excellent workforce with the right mix of experienced senior professionals and trained, young and energetic professionals. The staff provides unmatched service quality. They have the training to make sure the patient experience minimal or no discomfort.

The department complies with international standards and protocols for performing all scans and procedures and for generating reports. This helps us ensure timely execution and generation of reports.

We are certified to provide and maintain the highest service quality and work environment by different organizations including the Atomic Energy Regulatory Board, India license department.

Digital X-Ray

Vijaya Diagnostic Centre is one of the first diagnostic centres in Telangana & Andhra Pradesh that introduced a breakthrough technological advancement in the field of X-ray imaging - the Digital X-Ray, i.e. Computed radiography (CR) & Digital Radiography (DR). With our high end, state-of-the-art, flat-panel detectors technology, with multiple units, we have reached the next level of this basic radiology test.

Contradictory to the Conventional Radiography (CR), Digital X-ray provides a low dose, high resolution and enhanced image quality with no loss in magnification. It also allows the transmission to any place. The need for retakes is also eliminated, apart from a situation of immense significance in Telemedicine.

CARDIOLOGY SERVICES

Heart problems can result from an unhealthy lifestyle, underlying condition, and even genetics. However, for the most part, heart conditions can be prevented. Our heart specialists at Vijaya Diagnostic Centre can treat and diagnose all conditions related to the heart and vascular system with unmatched expertise and state-of-the-art technology.

We have a team of experienced cardiovascular and imaging specialists with years of experience in treating complex heart and vascular conditions. We are proud to be recognized as an industry leader when it comes to evaluation of heart function and innovative treatment for heart conditions.

NEUROLOGY SERVICES

The Neurology diagnosis provided at Vijaya Diagnostic Centre is considered to be one of the most reliable and trusted diagnoses by the best neurologists of the country. We have the most comprehensive range of equipment for neurology testing, including 3 Tesla MRI at selective centres. We have a team of highly qualified and experienced doctors to provide our customers with timely and accurate results.

GASTROENTEROLOGY SERVICES

Gastroenterology involves the treatment and diagnosis of digestive system disorders that affect the oesophagus, stomach, small and large intestines, rectum, liver, gallbladder and pancreas.

The state-of-the-art facilities at Vijaya Diagnostic Centre have high definition endoscopy equipment for upper endoscopy, sigmoidoscopy and colonoscopy. With the help of HD Endoscopy, clinicians can get clear and accurate images of the abnormalities inside the oesophagus, stomach and intestines.

BOARD OF DIRECTORS

Dr. S. Surendranath Reddy

Executive Chairman

Dr. S Surendranath Reddy is the founder Chairman of M/s. Vijaya Diagnostic Centre Private Limited (VDCPL). The diagnostic centre is one of the largest integrated diagnostic chains in India providing a comprehensive set of tests across lab medicine, nuclear medicine, radiology, and specialty tests. It has a network of 66 centres established across the states of Telangana, Andhra Pradesh, Karnataka, West Bengal, and Harayana that serves 2.5 million patients every year. The Diagnostic Centre offers state-of-the-art technologies as well as accurate and reliable services making it the center of excellence for diagnostic medicare.

Dr. Reddy has done his MBBS from Kurnool Medical College and M.D. in Radiology from Osmania Medical College, Hyderabad. Prior to start Vijaya Diagnostic Centre he had worked for short stint of 2 years in government service. Out of his own experience he realized the need for a comprehensive centre, where all services are under one roof for the convenience of the patient. Since then, he has been providing a comprehensive range of diagnostic services including Diagnostic, Cardiology, Radiology & Imaging, Conventional & Speciality Lab Services, and Nuclear Medicine. For the past 39 years, Dr. Reddy has proven his passion for quality and remain committed to delivering the latest technology to his customers.

Mr. Sunil Chandra Kondapally

Executive Director

Mr. Sunil Chandra Kondapally is the Executive Director of M/s. Vijaya Diagnostic Centre Private Limited. He has done his schooling from Hyderabad Public school, Begumpet and did his B.Sc in Electronics Engineering from Florida State University, USA. He is involved with VDC from 1998 and worked in various area including Operations, Quality accreditation, Finance, marketing and network expansion.

Entrepreneur who has started various successful business ventures in healthcare technology & hospitality. He also founded a pharmaceutical services company QPS Bioserve in 2004 which was acquired by the large U.S. based company in 2015. He also founded Trikona Pharma in 2016, which is focused on development of innovative pharmachemical products to address and to meet clinical needs.

Ms. Suprita Sura Reddy

Managing Director

Ms. Suprita Reddy is the Managing Director of M/s. Vijaya Diagnostic Centre Private Limited. She started working at the centre in 2001. Since then, she has been heading the overall strategy, clinical excellence, operations, and expansion of the company in its home markets and beyond. With return metrics and best in class profitability, Ms. Reddy has been driving its growth giving the centre the lead in the market.

Ms. Reddy is known for her entrepreneurial skills and conscientiousness. She took a keen interest in business at a very early age. After studying commerce from Osmania University, she was able to use her skills to help the Diagnostic Centre grow. Because of her, in less than 2 decades, the centre was able to earn revenue of INR 2,500 million from INR 70 million. Her business acumen and deep understanding of the business has helped the centre remain competitive and offer the latest technology in diagnostics at an affordable price.

Apart from ensuring the organization remains successful, she also looks out for the welfare of society. Even with her busy schedule, she finds time to work for improving education and healthcare facilities in rural areas.

Mr. Aditya Vij

Nominee Director Investor-I

Mr. Aditya Vij aged 60 years is a M.B.A. from the International Institute for Management Development (IMD), Switzerland, and is a Fellow Chartered Accountant, the Institute of Chartered Accountants of India as well as an alumnus of Shri Ram College of Commerce, Delhi University. He is a Nominee Director for Investor-I. Aditya has had an illustrious career spanning 32 years in the Automotive, Defense, and Healthcare sectors and has a proven track record of launching new businesses, successfully managing business turnarounds, and growing established operations. He spent twenty-five years in the Automotive Industry, eighteen of which were with General Motors (GM) in key leadership positions in Europe and Asia. Among his significant achievements at GM were the revival of the Saab brand in Sweden, the turnaround and subsequent expansion of GM's businesses in India, and attaining market leadership in Central Europe. Most recently, he was the Chief Executive Officer at Fortis Healthcare, one of the largest integrated healthcare delivery service providers in India.

Mr. Nishant Sharma

Nominee Director Investor-I

Nishant Sharma is a Co-Founder & Partner of Kedaara Capital, an operationally oriented private equity firm focused on India. The firm has a strategic partnership with Clayton, Dubilier & Rice, an operationally oriented global private equity firm.

Nishant has over 13 years of investment experience, encompassing the full lifecycle of private equity in India across a variety of industries and across private and public markets. Before co-founding Kedaara, Nishant served as a Principal and one of the core members of the India investment team at General Atlantic ("GA"), a leading growth oriented private equity firm with over $20bn under management. He co-led GA's investments across financial services, healthcare, business services & technology including investments in IndusInd Bank, Jubilant Lifesciences, IBS Software among others.

Prior to GA, Nishant worked with McKinsey & Company focused on clients across the information technology services, financial services, healthcare and government sectors. In addition, he worked at the Bill & Melinda Gates Foundation in setting up the largest HIV/AIDS prevention program in India.

Nishant has been profiled as one of India's leading business leaders by Economic Times under the 40 under forty awards. Nishant served on the Board of Au Financiers (now Au SFB) and currently serves on the Board of Vishal Mega Mart, Aavas Financiers (formerly Au Housing) and Vijaya Diagnostics.

Nishant received an M.B.A. from Harvard Business School, and a Dual Degree (B.Tech. and M.Tech) in Biochemical Engineering and Biotechnology from Indian Institute of Technology, Delhi.

MESSAGE FROM THE CHAIRMAN

Reliable results, quality, and affordable services are some of the parameters that make a diagnostic center remarkable. Vijaya Diagnostic Centre has a unique vision of offering state-of-the-art services under one roof. Being customer centric, innovative and affordable is the motto of the Company. VDC has expanded to over 50 centers in Hyderabad, in addition to other branches in Warangal, Hanamkonda, Nizamabad, Kurnool, Nellore, Vizag, Karimnagar and Gurgaon.

Dear Shareholders,

At the outset, I sincerely thank each one of you for being with us in our journey. It gives me immense pleasure to share with you the outstanding performance of your Company (Vijaya Diagnostic Centre) for the financial year 2018-19.

On a standalone basis, the Company's revenue stood at INR 279.1 Crore, which represented an increase of 17% against the previous financial year, EBITDA stood at INR 103 Crore, which increased by 21%, and Net Profit after tax was reported at INR 49 Crore with a growth of 38%.

On a consolidated basis, the Company's revenue stood at INR 292.6 Crore, which represented an increase of 17% against the previous financial year, EBITDA stood at INR 105 Crore, which increased by 22%, and Net Profit after tax was reported at INR 50 Crore with a growth of 43%.

Reliable results, quality and affordable services are some of the parameters that make a diagnostic centre remarkable. Vijaya Diagnostic Centre (VDC) has a unique vision of offering state-of-the-art services under one roof. Being customer centric, innovative and affordable is the motto of the Company. VDC has expanded to over 50 centres in Hyderabad, in addition to other branches in Warangal, Hanamkonda, Nizamabad, Kurnool, Nellore, Vizag, Karimnagar and Gurugram.

Trust is always at the core of VDC, and it is the trust of its patients that the centre has seen a magnanimous growth since its inception. All the centres of VDC are equipped with instruments and devices of the highest technical standards. The team at the centre comprise of expert radiologists, pathologists and a qualified team of over 1,800 professionals consisting of some of the country's top doctors who are adept at performing various diagnostic services.

Our in-depth understanding of the consumer's requirements based on our market research has helped us strengthen our position in the industry, which has helped us leverage the plethora of opportunities available. Backed by excellent centre network, processing expertise coupled with operational efficiency, the innovative and visionary approach has catalyzed your Company's growth. Your Company's current test portfolio includes more than 3,000 tests offering comprehensive range of diagnostic services spanning Imaging Services, Nuclear Medicine, Cardiology, Audiometry, Gastroenterology, Routine and Specialty lab services.

For any successful organization to streamline its growth, a strong foundation of business practices and ethics is essential. Your Company has adhered to its internal strengths and core strategiesand has continued to progress by staying focused by making continuous efforts to become sustainable. Your Company will make further investments in certain modalities to expand and strengthen the test portfolio. We are also planning to enter into new markets through strategic acquisitions and spreading deep into tier II markets so as to fully utilize our capabilities, which will play a crucial role in the coming years.

Our opportunities ahead are enormous. By staying true to our mission and values, and by continually investing in building newer capabilities, I am sure to achieve our goal of having full-fledged 250+ centres across urban and rural India with an emphasis on providing best – in – class services to the people.

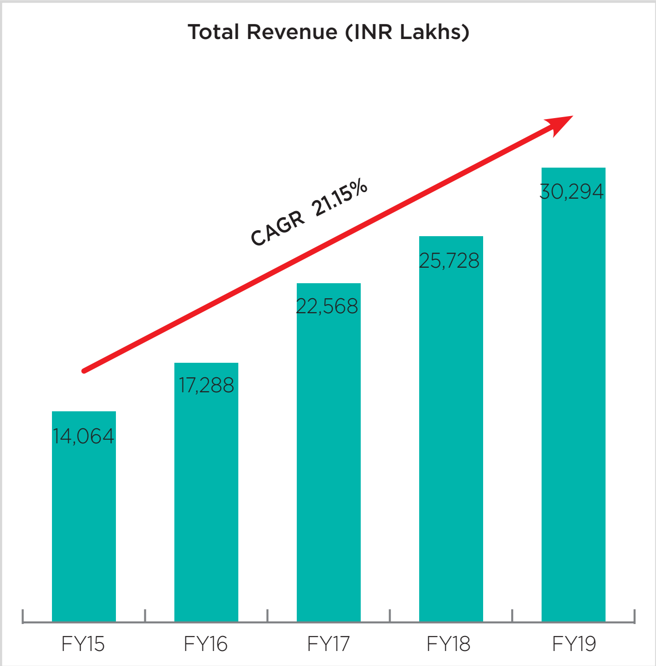
On behalf of the Board and the entire VDC Team I express my profound thanks to the various stakeholders including our investors, regulators, bankers, rating agencies, customers, suppliers, advisors, doctors and employees for their whole-hearted support in our journey to achieving business excellence. I solicit their continued support in taking our Company to greater heights. Valuable suggestions, guidance and unflinching support of my colleagues on the Board are also gratefully appreciated.

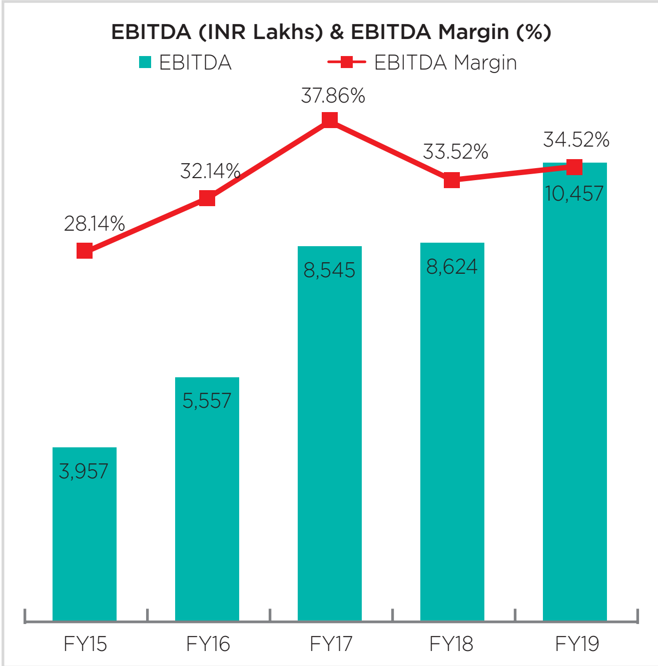
I am confident that with the strength of our core capabilities and a dynamic team of professionals, your Company is well-positioned for a great journey ahead.

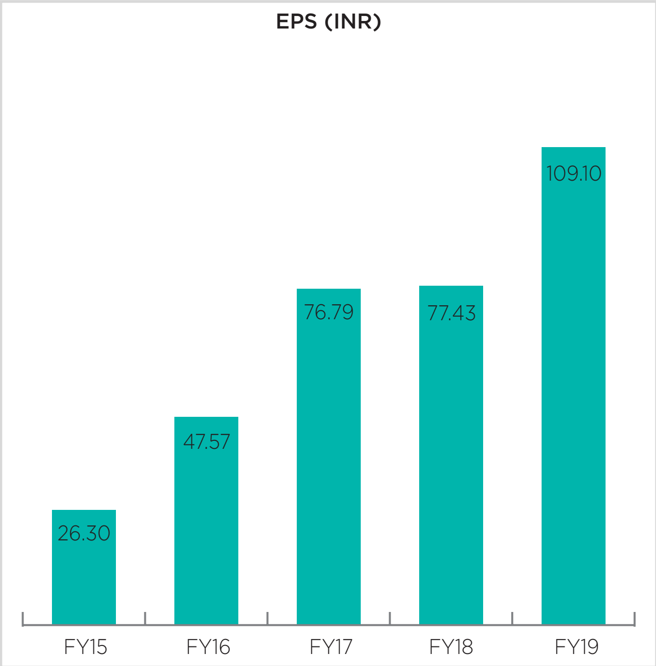
Best Wishes,

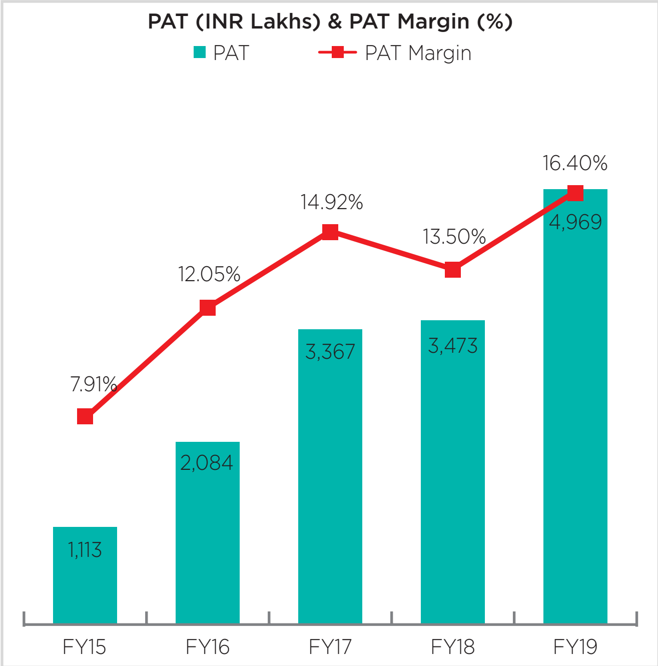
Dr. S. Surendranath Reddy
Chairman

CONSOLIDATED FINANCIAL HIGHLIGHTS









MANAGEMENT DISCUSSION & ANALYSIS

Global Economic Overview

The global economy is expected to grow by approximately 2.7% in 2020. As per the World Bank, growth among emerging and developing economy is forecasted to fall to a 4 year low of 4% in 2019. The growth is constrained by sluggish investment and risks including rising trade barriers, renewed financial stress, and sharper than expected slowdowns in several major economies. Current economic momentum remains weak, while heightened debt levels and subdued investment growth in developing economies are holding countries back from achieving their potential. With growth in advanced economies projected to gradually decline to about 1.7% once economic slack is eliminated, the further pickup in global activity will entirely be driven by emerging markets and developing economies.

The ongoing US-China trade war is snowballing fears about damage to global economic growth. The repercussions can be more volatile in both commodity prices and currencies. However, India is amongst few economies that stand to benefit from the trade tensions as it can tap export opportunities for sectors like chemicals, textiles, agriculture, and overall manufacturing sector.

Indian Economic Overview

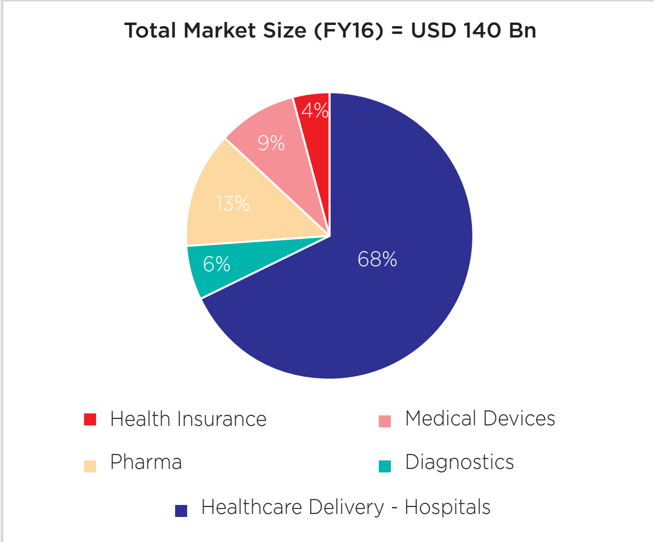
The Indian GDP has grown to 6.8% in Financial Year 2019. The decline in GDP growth is on account of multiple factors like, fallout of NBFCs, low credit growth, tight liquidity conditions, dismal growth in wages and flat exports owing to a global slowdown. Indian Manufacturing continued its downtrend growing at 3.1%. However, GDP growth rate is expected to bottom out in the coming quarters. RBI has cut key policy rates for the third time in a row this calendar year, for improving liquidity scenario. With Government continuing to roll out policies focusing on rural population, there could be some relief to the ongoing distress and signs of recovery should be visible in the second half of the financial year.

Indian Healthcare Market

Healthcare Industry Segments and Scale

The Indian healthcare industry has five key functional sub-sections: Healthcare delivery is the largest segment, followed by the pharmaceutical, medical devices, diagnostics and healthcare insurance segments.

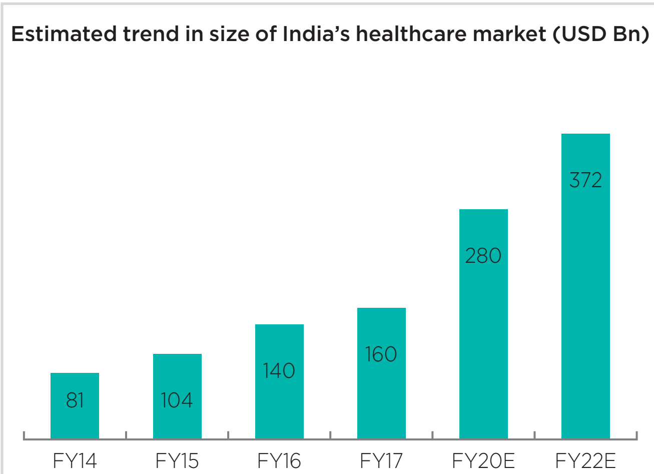
India's healthcare industry size by segment in FY16



Source: Frost & Sullivan analysis / IBEF

Overview of Indian Healthcare Market

According to IBEF, the size of the Indian healthcare industry, in revenue terms, was USD 140 Bn in the FY16, which is estimated to increase to USD 280 Bn and USD 372 Bn by FY20 and FY22 respectively. It is estimated that diagnostics including imaging based diagnostic services would grow at 14-16% over the next couple of years and touch around USD 12 bn by 2020. As per CRISIL's analysis, India's healthcare market is expected to be among the top three healthcare markets globally, in terms of incremental growth, by the financial year 2020.

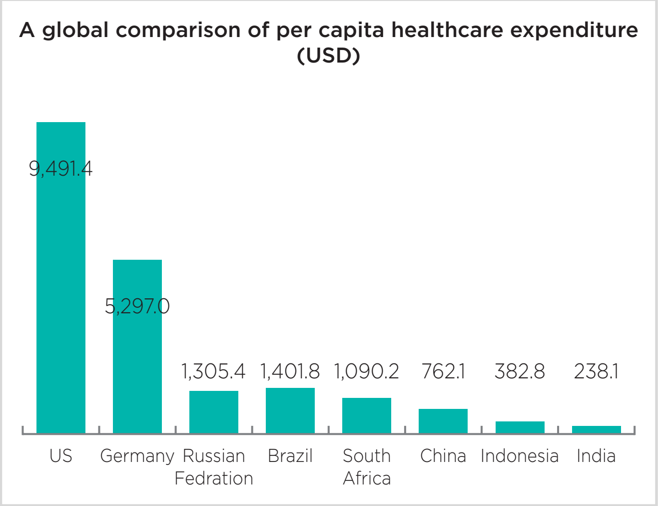


Source: IBEF

Progress and Challenges

India currently spends a little over 1% of GDP on health, far below Singapore which has the lowest public spend on health at 2.2% of GDP among countries with significant universal health coverage (UHC) service. (Source: National Health Profile (NHP) data - Central Bureau of Health Intelligence)

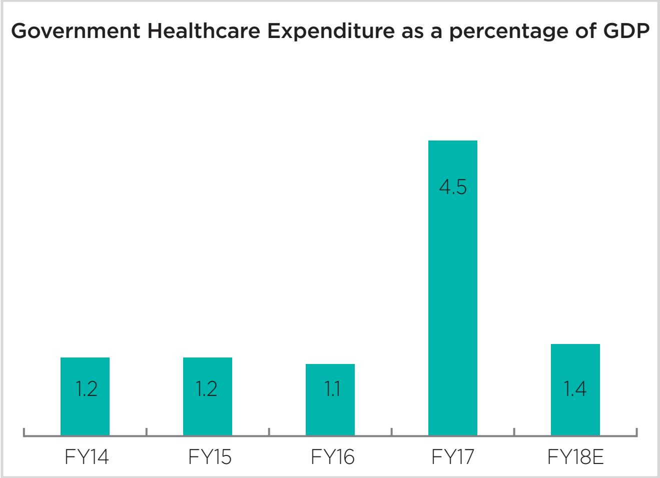
Based on OECD findings, India's per capita public expenditure on health increased from USD 140.9 in 2009-10 to USD 238.1 in 2015-16. However, India's it is substantially low than its South Asian peers such as Indonesia and China, which had per capita healthcare expenditures of USD 382.8 and USD 762.1 in 2015, respectively.



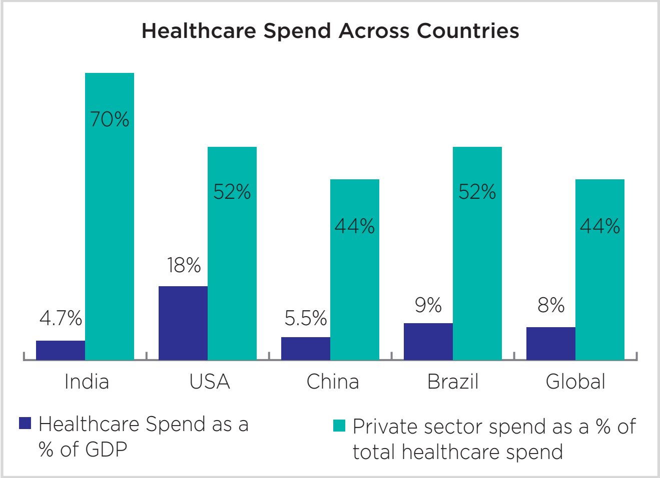
Source: OECD

Per Capita Healthcare Expenditure

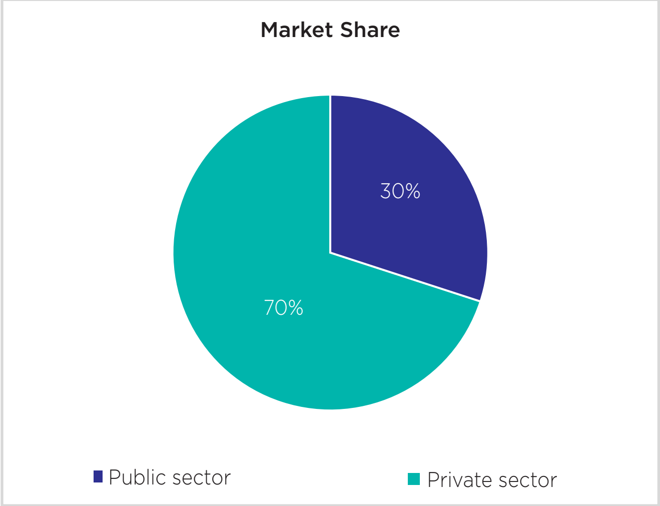
Trend in India's per capita healthcare expenditure (USD) and its growth from Between FY14 and FY18



Source: ICRA

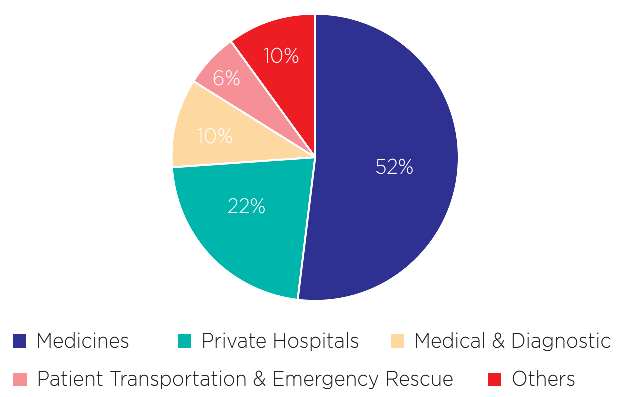


Source: ICRA



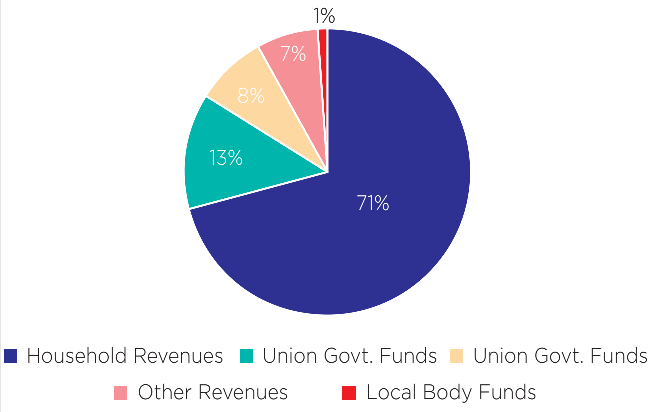
Source: ICRA

Major heads for out-of-pocket expenditure



Source: ICRA

Sources of financing for health expenditure



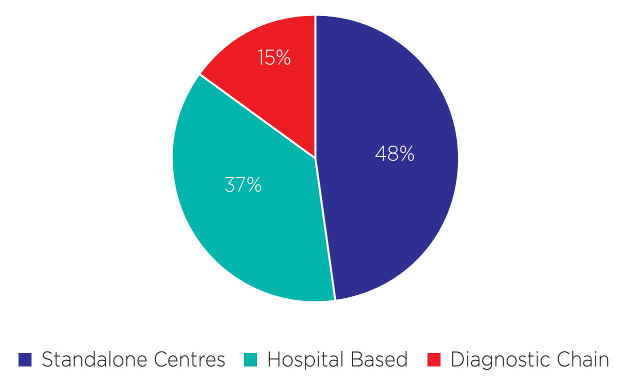
Source: ICRA

Overview of India's Diagnostic Market

According to industry estimates, the diagnostic market are anticipated to grow at 16-17%, with the general expectation that the organized chains would able to deliver growth at an even higher rate. Within the diagnostics market, the pathology segment is estimated to contribute approximately 58% of total market, by revenue, in the financial year 2018, while the remaining 42% is estimated to be contributed by the radiology segment.

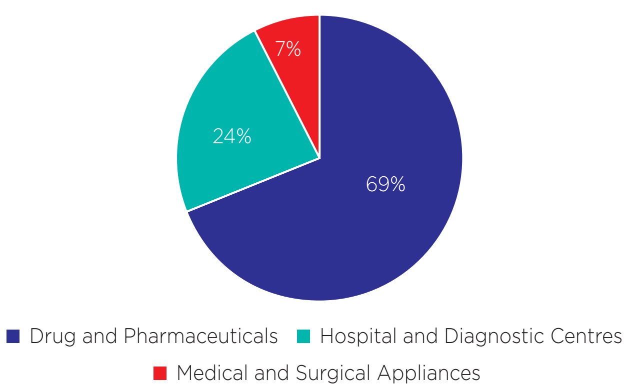
In India's healthcare industry, diagnostic services play the role of an information intermediary, providing useful information for the accurate diagnosis and treatment of patients' diseases. The diagnostic industry in India can be classified into pathology testing services and imaging diagnostic services. Pathology testing or in vitro diagnosis involves the collection of samples, in the form of blood, urine, stool, etc., and analysing them using laboratory equipment and technology to arrive at useful clinical information, in order to assist with treatment of patents' diseases. The pathology testing segment includes biochemistry, immunology, haematology, urine analysis, molecular diagnosis and microbiology. Imaging diagnosis or radiology involves imaging procedures such as X-rays and ultrasounds, which help mark anatomical or physiological changes inside a patient's body, in order to assist doctors to diagnose patient's disease. The imaging diagnostic segment also includes more complex tests, such as CT scans and MRIs, and highly specialized tests, such as PET-CT scans.

Highly Fragmented Industry



Source: ICRA

Cumulative FDI inflows From April 2000 Up to September 2018 into the healthcare sector (USD Bn)

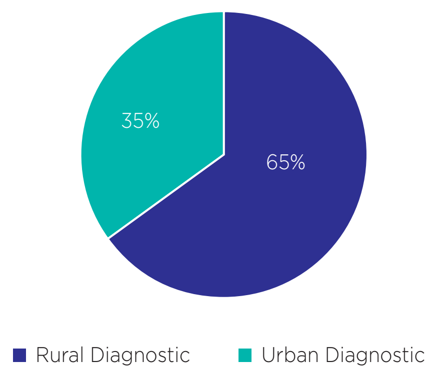


Source: ICRA

Major Contributor of Revenue in the Diagnostic Industry

The urban population of India (approximately 28% of India's total population) contributes up to 65% of the total revenues of the diagnostics industry.

Geographic break-up of the diagnostic industry in FY18



Source: Frost & Sullivan analysis

Urban areas typically have better healthcare infrastructure in form of hospitals, clinics and diagnostic centres, along with greater penetration of the private sector in the healthcare space. Also, higher disposable incomes have made diagnostic tests more affordable along with increasing literacy rates which have resulted in the urban population availing better facilities.

The Preventive and Wellness Segment

The overall market for wellness and preventive diagnostics was 7% to 9% in FY18. It is expected that this segment will grow at a CAGR of approximately 20% over the next three financial years. Higher literacy levels are expected to increase awareness of preventive and curative healthcare and in turn boost the demand for diagnostic services. Also, the corporate sector is focusing more on the well-being of their employees, promoting them to undergo preventive and wellness tests. This will further support the growth of the preventive and wellness segment and the diagnostic sector as a whole.

Government Policies

Pradhan MantriJan ArogyaYojana(PMJAY)

As of January 2019, around 900,000 patients received benefits of worth INR 1,210 Cr (USD 167.71 Mn), under Pradhan Mantri Jan Arogya Yojana (PMJAY).

Ayushman Bharat

National Health Protection Mission will have major impact on reduction of Out of Pocket (OOP) expenditure on ground of:

- Increased benefit cover to nearly 40% of the population, (the poorest & the vulnerable)
- Covering almost all secondary and many tertiary hospitalizations. (except a negative list)
- Coverage of 5 lakh for each family, (no restriction of family size)

These will lead to increased access to quality health and medication. In addition, the unmet needs of the population which remained hidden due to lack of financial resources will be catered to. Also other benefits include lead to timely treatments, improvements in health outcomes, patient satisfaction, improvement in productivity and efficiency, job creation thus leading to improvement in quality of life.

As of December 2018, about 3,000,000 beneficiaries had generated e-cards and 685,000 poor patients were provided with free hospital treatment in the first 100 days since its launch.

Tax incentives

250 percent deduction for approved expenditure incurred on operating technology enables healthcare services such as telemedicine, remote radiology. Artificial heart is exempted from basic custom duty of 5 percent.

Union Budget 2019-20

Under the Union Budget 2019-20, the allocation to the Ministry of Health and Family Welfare has increased by 16.28 percent year-on-year to INR 61,398.12 Cr (USD 8.51 Bn). The GoI allocated INR 31,745 Cr (USD 4.40 Bn) under the National Health Mission.
(Source: IBEF)

Outlook on the Diagnostic Industry

Diagnostics industry remains highly fragmented

Standalone centres dominate the diagnostic market with a 47% share, while hospital-based laboratories have a 37% market share. Diagnostic chains have a 16% market share and are further split into pan-India chains and regional chains. There are very few pan-India chains, which together have a share of approximately 35 to 40% of the organized diagnostic market. Regional chains constitute the rest of the market.

Intense competition in the industry

The diagnostics industry is highly competitive with the presence of standalone centres, hospital-based laboratories and diagnostic chains. Hospital based laboratories have the advantage of a captive patient base (inpatient and outpatient). They also offer various wellness packages and home sample collection services. Regional chains and standalone centres have a strong local brand name and hence offer competition to diagnostic chains. However, with inherent cost efficiencies in their business model, diagnostic chains are able to offer competitive prices as compared with other service providers. Also, standalone centres may have limited test offerings and the perceived quality of testing may not be as good as that of an established chain.

Diagnostic chains to continue to acquire market share of standalone centres

Diagnostic chains have grown rapidly with the emergence of pan-India players. Diagnostic chains have been able to maintain rapid growth by opening more collection centres, which has helped them improve their asset utilization. Moreover, large chains have higher bargaining power that allows them to keep their input costs (bulk purchase of reagents) lower than standalone centres. Standalone centres also tend to lose out on some business on account of the unavailability of complex tests and the perception that the quality of services may not match that provided by branded chains. In last few years there have been quite a few acquisitions in this space with larger players buying smaller players in order to gain market share. All these will lead to diagnostic chains continuing to acquire market share of standalone centres.

(Source: Metropolis)

Risk and Concerns

Vijaya Diagnostic Centre operates in an industry that is complex in nature and involves various internal and external risks that can adversely affect the business in terms of its operations and financial performance. Vijaya Diagnostic Centre is committed to manage the risks in a proactive and efficient manner. The future growth is dependent on how the company strategies to mitigate and reduce this risk.

Accuracy in results

Operating in a diagnostic industry, it is important for us to maintain precision and provide accurate test results to our clients. Unable to do so can impact the company's revenues and its brand image.

Competition and Pricing

The barrier to entry being low, there is always a risk of new diagnostic centres entering the market and indulge in aggressive pricing. In such an event, the established diagnostic chains have to compete in the market share at the cost of margins. Trust and historical experience that the patient enjoys towards the brand is an effective antidote and the Company is continuously working towards enhancing the same.

Government policies and Regulation

Operating in a highly regulated industry, any material changes in the government and other authorities in the healthcare sector can significantly impact the company's performance. Especially at times of epidemics, to improve the access of testing, Government may cap the test prices.

Highly competitive market

Growth and development in the healthcare industry is simultaneously increasing competition within the healthcare sector. Inability to effectively manage in a cost-effective and efficient manner will pose a challenge to us.

Internal Control System

An adequate internal control system is in place. The policies and procedures are well-documented covering all financial and operating functions. These internal control policies and procedures allow us to maintain proper accounting records with reasonable transparency. We recognize that internal controls need to be improved and strengthened on an ongoing basis and to this end our endeavour is to introduce best practices to keep pace with changing business needs and growth of the business. This strengthens trustworthiness of our financials, adequately monitoring our operations, and proper use of our assets.

Discussion on financial performance with respect to operational performance

Financial Review

INR in Mn	FY19	FY18	Growth
Standalone			
Operational Income	27,908	23,788	17.32%
EBITDA	9,413	8,010	17.52%
EBITDA Margin	33.73%	33.67%	6 Bps
PAT	4,892	3,540	38.19%
PAT Margins	17.53%	14.88%	265 Bps
Consolidated			
Operational Income	29,259	25,054	16.78%
EBITDA	9,421	7,950	18.50%
EBITDA Margin	32.20%	31.73%	47 Bps
PAT	4,969	3,473	43.08%
PAT Margins	16.98%	13.86%	312 Bps

Operational and Financial Performance

Revenue

- Footfalls grown from last year of ~ 19.84 million to ~ 22.91 million registering a growth of 15% in FY 19
- Absolute revenue increased by 17.3% with a topline of INR 2,790 million.
- Pathology segment registered a growth of 23%, low end radiology registered a growth of 20% and high end radiology broadly remained neutral.

- Average realisation per patient increased from INR 1198 in FY 18 to INR 1218 in FY 19

Results

- EBIDTA is at INR 941 million as compared to FY 18 of INR 801 million with a growth of 18%
- PBT at INR 704 million registered a growth of 27% in FY 19 as compared to FY 18
- Return on equity at 23% and adjusted return on equity at 24%

Operational

- Launched 13 Centres – Type B–1, Type C–1, Type D-8, Type E–3
- Number of tests increased from 5.69 million to 6.73 million – an increase of 18% over FY 18
- Established three scalable processing centers at Dilsukhnagar, Habsiguda and Karimnagar

On a standalone basis in FY19 our operating revenues for the year were INR 27,908 Lakhs which grew by 17.32% YoY. The reported EBITDA was INR 9,413 Lakhs and EBITDA margins were 33.73%. The reported PAT was INR 4,892 Lakhs with PAT margins of 17.53%.

On a consolidated basis in FY19 our operating revenues for the year were INR 29,259 Lakhs which grew by 16.78% YoY. The reported EBITDA was INR 9,421 Lakhs and EBITDA margins were 32.20%. The reported PAT was INR 4,969 Lakhs with PAT margins of 16.98%.

Material developments in Human Resources / Industrial Relations front, including number of people employed.

Being in the diagnostic and healthcare industry for more than 35 years, we have established a reputation for excellence and reliability, and have become a household name for quality diagnostic services. Our team consists of more than 100 qualified Radiologists, Pathologists, Microbiologists and other specialists in addition to 1000+ well qualified and experienced technologists.

Over the years we have established a chain of 30+ diagnostic clinics in multiple fast-growing cities such as Hyderabad, Karimnagar, Kolkata, Bengaluru, Gurugram, Vishakapatnam, etc. These centres are fully equipped to provide services for Radiology & Imaging, Nuclear Medicine, Conventional & Specialty Lab Services and Diagnostic Cardiology.

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report of the Company along with Company's Audited Financial Statements Standalone and Consolidated for the Financial Year ended on March 31, 2019.

1. FINANCIAL SUMMARY OR HIGHLIGHTS

The performance of your company for the year under review is summarized below:

Particulars	Standalone (Rs. in Lakhs) F. Y.		Consolidated (Rs. In Lakhs) F. Y.	
Income	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Revenue from Operations	27,907.76	23,788.43	29,258.68	25,053.57
Other Income	863.97	518.66	1,035.74	674.48
Expenses:				
Operating Expenses	18,494.48	15,777.86	19,837.39	17,103.78
Finance Cost	436.46	414.44	506.39	503.85
Depreciation	2,569.37	2296.93	2,806.23	2,628.12
Share of loss from LLP	(230.41)	(258.49)	-	-
Profit before Tax	**7,041.42**	**5,559.37**	**7,144.41**	**5,492.30**
Tax Expenses:				
Current tax	2,015.00	1,899.53	2,015.00	1,899.53
Taxes of earlier years	11.96	9.12	44.46	9.12
Deferred tax charge/(credit)	122.27	110.89	116.42	110.34
Total Tax expense	**2,149.23**	**2,019.54**	**2,175.88**	**2,018.99**
Profit after Tax	**4,891.78**	**3,539.83**	**4,968.53**	**3,473.31**
Other Comprehensive Income	(13.96)	28.68	(16.18)	16.25
Total Comprehensive Income	**4,877.82**	**3,568.51**	**4,952.35**	**3,489.56**

Performance Review

Standalone

During the year under review, your Company achieved an excellent growth and generated an income of Rs. 27,907.76 Lakhs as compared to Rs. 23,788.43 Lakhs in the previous year from the business operations. The operations resulted in a net profit after tax of Rs. 4,891.78 Lakhs as against Rs. 3,539.83 Lakhs in the previous year.

Consolidated

During the year under review, your Company achieved consolidated revenue of Rs. 29,258.68 Lakhs as against Rs. 25,053.57 Lakhs in the previous year. Your Company has earned a consolidated net profit after tax of Rs. 4,968.53 Lakhs as against Rs. 3,473.31 Lakhs in the previous year.

The Standalone and Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) and approved by the Board of Directors of the Company forms part of this Annual Report.

Business Review

Your management has been continuously exploring new locations to open diagnostic Centre's and to adopt new technological developments in the field of diagnostics for the future growth prospects of the company.

During the year under review, your Company has further spread across and opened 14 new diagnostic Centers in Telangana and Andhra Pradesh.

Dividend

With a view to conserve the resources in long run, your Directors have not recommended any dividend for the year ended 31st March, 2019.

Transfer to General Reserves

During the year under review, no amount has been transferred to the General Reserves of the Company.

Subsidiary Companies

The Company has 5 subsidiaries (including step down subsidiaries) as on March 31, 2019. There was no material change in the nature of the business carried on by the subsidiaries. During the year under review the Company has not floated any new subsidiary.

As per the provisions of Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies is prepared in Form AOC-1 and is attached as Annexure – I.

Your Company does not have any associates and Joint Ventures.

Share Capital of the Company

As on date:

- The Authorized Share Capital of the Company is Rs. 12,05,00,000 (Rupees Twelve Crore Five Lakhs Only) divided into 1,20,50,000 (One Crore Twenty Lakh Fifty Thousand) equity shares of Rs.10 (Rupees Ten Only) each and
- The Paid up Capital of the Company is Rs. 4,53,18,190 (Rupees Four Crore Fifty Three Lakh Eighteen Thousand One Hundred Ninety Only) divided into 45,31,819 (Forty Five Lakh Thirty One Thousand Eight Hundred and Nineteen) equity shares of Rs.10 (Rupees Ten Only) each.

Directors and key Managerial Personnel

During the year there is no change in the Board of Directors.

The constitution of the Board as on 31.03.2019:

Dr. S. Surendranath Reddy	Executive Chairman
Mrs. Suprita Sura Reddy	Managing Director
Mr. Sunil Chandra Kondapally	Executive Director
Mr. Nishant Sharma	Nominee Director
Mr. Aditya Vij	Nominee Director

The present term of appointment of Dr. S. Surendranath Reddy as an Executive Chairman and Mr. Sunil Chandra Kondapally as an Executive Director of the Company expires on September 30, 2019. The Board of Directors of the Company at its meeting held on July 25, 2019 subject to the approval of the members, accorded their approval for reappointment of Dr. S. Surendranath Reddy as an Executive Chairman and Mr. Sunil Chandra Kondapally as an Executive Director for a further period of 5 (five) years with effect from October 01, 2019.

Resolutions seeking approval of the Members for the reappointment of Dr. S. Surendranath Reddy as an Executive Chairman and Mr. Sunil Chandra Kondapally as an Executive Director have been incorporated in the notice of the annual general meeting of the Company.

During the year under review Mrs. Y .K. Priyadarshini resigned as a Company Secretary w.e.f. 17th June, 2018 and Mr. Vijay Gupta was appointed as a Company Secretary of the Company with effect from 15th October, 2018.

As on the date of signing this Report Mr. Vijay Gupta resigned as a Company Secretary w.e.f. 3rd June, 2019 and Mrs. V. Sri Lakshmi was appointed as a Whole Time Company Secretary of the Company w.e.f. 18th July, 2019.

Meetings of Board of Directors

The Company convened minimum one Board Meeting in each quarter as required under the Companies Act, 2013 and ensured the gap between two Board Meetings has not exceeded One Hundred and Twenty Days.

During the Financial Year Five (5) meetings of the Board of Directors were held viz., on April 13, 2018; July 31, 2018; September 10, 2018; December 26, 2018 and March 29, 2019.

Auditors

M/s BSR & Associates LLP, (Firm Registration No. 116231W/W-100024), Chartered Accountants were appointed as Statutory Auditors of the Company for a term of Five years from the conclusion of the 16th Annual General Meeting till conclusion of 21st Annual General Meeting conducted the Statutory Audit for the FY-2018-19. The Independent Auditors' Report(s) to the Members of the Company in respect of the Standalone Financial Statements and the Consolidated Financial Statements for the Financial Year ended March 31, 2019 form part of this Annual Report and do not contain any qualification(s) or adverse observations.

There have been no instances of fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Company or to the Central Government.

Cost Audit

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on June 17, 2019 appointed Mr. N. V.S. Kapardhi, Cost Accountant (Membership No.9488) as the Cost Auditors of the Company for the FY 2019-20. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for FY 2019-20.

The Cost Audit Report for the FY 2018-19 was approved by the Board of Directors at their meeting held on June 17, 2019.

Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Particulars of Loans, Guarantees or Investments

During the period under review, your Company has given loans (net) aggregating to Rs. 162.25 Lakhs to subsidiaries.

The complete details of loans given and corporate guarantees provided as on 31st March, 2019 are given in the notes to financial accounts.

The Details of investments made during the financial year as on 31st March, 2019 are as under:

S. No	Name of the company where investments was made	Shares / Contribution held as on March 31, 2019 (Rs. in Lakhs)	Shares / Contribution held as on March 31, 2018 (Rs. in Lakhs)
1	C. R. Broadcasting Hyderabad Limited	4.00	4.00
2	Medinova Diagnostic Services Limited	411.06	411.06
3	Doctors Lab Medical Services Private Limited	1.00	1.00
4	VDC Diagnostics (Karnataka) LLP	281.29	281.29

**Contribution in Rupees- Lakhs*

Particulars of Contracts or Arrangements with Related Parties

All related party transactions that were entered into during the financial year were in the ordinary course of the business of the Company and were on an arm's length basis. There were no materially significant related party transactions entered by the Company during the year with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, the requirement of furnishing the requisite details in Form AOC-2 is not applicable to the Company.

Details of the transactions with Related Parties are provided in the accompanying financial statements.

Change in nature of business

There is no change in the nature of business carried on by the Company during the year under review.

Material Changes and Commitments affecting the financial position of the Company

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

Deposits

During the year, the Company has not accepted any public deposits.

Risk Management

The Company has risk management policy in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may threaten the existence of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as Annexure-II.

Extract of Annual Return

The extract of the Annual Return of the Company in Form MGT-9 for the Financial Year ended 31st March, 2019 is given in Annexure- III and forms part of the Boards' Report.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-IV of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Protection of Women at Work Place

The Company has formulated a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2019, the Company has not received any complaints pertaining to Sexual Harassment.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, your Directors, to the best of their knowledge and ability, hereby confirm that:

(a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;

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

(d) the Directors had prepared the annual accounts for financial year ended March 31, 2019 on a going concern basis;

(e) the Directors have laid down internal financial controls based on internal controls framework established by the Company, which in all material respects were adequate and operating effectively.

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

Acknowledgement

Your Directors place on record their sincere appreciation and thanks for the valuable cooperation and support received from the employees of the Company at all levels, Government Authorities, Company's Bankers, Associates, partners, clients, vendors, customers and Members of the Company and look forward for the same in equal measure in the coming years.

BY ORDER OF THE BOARD
For VIJAYA DIAGNOSTIC CENTRE PVT. LTD.

Date: 25th July, 2019
Place: Hyderabad

Dr. S. Surendranath Reddy
Executive Chairman
DIN: 00108599

ANNEXURE - I

FORM NO. AOC-1

Statement containing salient features of the financial statements of subsidiaries as on March 31, 2019.

(Amount in lakhs)

Particulars	Subsidiary Company/LLP			Step down Subsidiary Company/LLP	
	Medinova Diagnostic Services Limited	Doctorslab Medical Services Private Limited	VDC Diagnostics (Karnataka) LLP	Namrata Diagnostic Centre Private Limited	Medinova Millennium MRI Services LLP
Capital/Contribution	995.68	1.00	400.00	1.00	230.28
Reserves	(1,773.43)	(79.53)	-	(96.53)	(278.78)
Total Assets	419.96	242.73	416.93	29.07	214.56
Total Liabilities	1157.71	321.73	1,776.93	124.60	263.07
Turnover	674.33	-	502.87	0	238.00
Profit before exceptional items and tax/(Loss)	(50.94)	(5.60)	(229.74)	(2.12)	(1.44)
Exceptional items	161.32	0	0	0	0
Provision for taxation/ deferred tax	33.58	-	-	-	(6.93)
Profit/ (Loss) after taxation	75.23	(5.60)	(229.74)	(2.12)	5.49
Proposed dividend	-	-	-	-	-
No. of Shares	99,81,640	10,000	-	10000	-
Extent of shareholding held by the company (in %)	62.14%	100%	100%	100%	55.07%

*Total liabilities are exclusive of Capital and Reserves

ANNEXURE - II

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as below.

a. CONSERVATION OF ENERGY

The operations of the Company are not power intensive; there are no requirements for utilizing alternative sources of energy except in the absence of utility power. However, your company is taking various steps to reduce power consumption such as maintaining power factor, using LEDs in place of conventional lights, periodic calibration of all instrument and diagnostic devices, using energy efficient equipment etc.

b. TECHNOLOGY ABOSORPTION

(i) the efforts made towards technology absorption:

- Your company is continuously trying to evolve latest technologies and make use of the latest equipment's, diagnostics tools and fully automated systems, analyzers etc., in providing diagnostic services.

  Established a full-fledged Molecular Section. All molecular parameters including infectious are being tested and reported from the new section. Oncology parameters launched for CML, Lung Cancer ,and sysytemic disesases like Ankylosing Spondylitis.

- The Cytogenetics department has increased the scope of Testing from Conventional Kayotyping to FISH (Fluorescent In Situ Hybridisation) parameters in molecular oncology. A fully automated microscope with built in software for digital analysis of FISH and Karyotyping images installed in the section.

- LCMS (Liquid chromatography–mass spectrometry): Liquid chromatography separates mixtures with multiple components and when coupled with mass spectrometry provides structural identity of the individual components with high molecular specificity and detection sensitivity. This is acquired in Biochemistry section of the laboratory and the method development for estimation of Vitamin D levels. Fine tuning of the parameters is under process for the launch of the testing to clientele for which few columns are in the import process.

- Up-gradation of the existing fully automated urine analysers with microscopy to ones with high throughput having the capability of adding a new unit if volumes increase on a track basis and all working on a single window with bidirectional interface with the LIS.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution : Cost reduction, Efficiency etc.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) the details of technology imported	:	NIL
(b) the year of import	:	NIL
(c) whether the technology been fully absorbed	:	NIL
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	NIL

(iv) the expenditure incurred on Research and Development	:	NIL

c. FOREIGN EXCHANGE EARNINGS AND OUT GO

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans: Nil

Foreign exchange earnings and outgo

Sl. No.	Description	2018-19 Rs.	2017-18 Rs.
A	Earnings	Nil	Nil
B	Outgo	60,56,232	90,56,778

ANNEXURE - III

FORM MGT -9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U85195TG2002PTC039075
ii	Registration Date	05-06-2002
iii	Name of the Company	Vijaya Diagnostic Centre Private Limited
iv	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-government Company
v	Address of the Registered Office	3-6-16 & 17, Street No.19, Himayathnagar, Hyderabad - 500029, Telangana, India
vi	Contact Details of the Company	Phone : 040 – 23420422 Email : cs@vijayadiagnostic.in
vii	Whether Listed Company	No
viii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the product/ Service	% to total turnover of the company
i	Medical Diagnostic Services	86905	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of the Company	CIN/LLPN	Holding/ Subsidiary / Associat	% of shares / contribution held	Section under Companies Act, 2013
1.	Medinova Diagnostic Services Limited	L85110TG1993PLC015481	Subsidiary	62.14	2 (87)
2	Doctorslab Medical Services Private Limited	U85120TG2006PTC081715	Subsidiary	100	2 (87)
3	VDC Diagnostics (Karnataka) LLP	AAB-7930	Subsidiary	100	2 (87)
4	Namrata Diagnostic Centre Private Limited	U85100TG2007PTC081716	Step down Subsidiary	100	2 (87)
5	Medinova Millennium MRI Services LLP	AAC-9556	Step down Subsidiary	55.07	2(87)

V. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of total equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2719091	0	2719091	60.04	2719091	0	2719091	60.04	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
(2) Foreign	0	0	0	0	0	0	0	0	0
g) NRIs – Individuals	0	0	0	0	0	0	0	0	0
h) Others- Individuals	0	0	0	0	0	0	0	0	0
i) Bodies –Corp	0	0	0	0	0	0	0	0	0
j) Banks/FI	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= A(1)+(A2)	**2719091**	**0**	**2719091**	**60.04**	**2719091**	**0**	**2719091**	**60.04**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital l Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (B) (1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutins									
a) Bodies Corporate									
i) Indian	65224	0	65224	1.44	65224	0	65224	1.44	0
ii) Overseas	1744498	0	1744498	38.52	1744498	0	1744498	38.52	0
b)Individuals									
Individual shareholders holding nominal value upto Rs 2 Lakhs	0	0	0	0	0	0	0	0	0
Individual shareholders holding nominal value in excess of Rs.2 Lakhs Others Specify	0	0	0	0	0	0	0	0	0
Sub Total B(2)	**1809722**	**0**	**1809722**	**39.96**	**1809722**	**0**	**1809722**	**39.96**	**-**
Total Public	**1809722**	**0**	**1809722**	**39.96**	**1809722**	**0**	**1809722**	**39.96**	**-**
Shareholding B(1)+(B(2) C.Shares held by									
Custodian for GDRs & ADRs Grand Total (A+B+C)	**4528813**	**0**	**4528813**	**100**	**4528813**	**0**	**4528813**	**100**	**0**

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total Shares of the company	% Shares Pledged/ encumbered to total shares of promoters	No. of shares	% of total Shares of the company	% Shares Pledged/ encumbered to total shares of promoters	% of change in shareholding during the year
1	Dr. S. Surendranath Reddy	2681602	59.21	0	2681602	59.21	0	0
2	Mrs. S. Geetha Reddy	3307	0.07	0	3307	0.07	0	0
3	Mr. K. Sunil Chandra	30416	0.67	0	30416	0.67	0	0
4	Mrs. S. Suprita Reddy	2525	0.06	0	2525	0.06	0	0
5	Mrs. B. Vishnu Priya	1241	0.03	0	1241	0.03	0	0
	Total	**2719091**	**60.04**	**NA**	**2719091**	**60.04**	**NA**	**0**

iii) Change in Promoters' shareholding

S. No.	Name	Shareholding					Cumulative Shareholding	
		No of shares at the beginning of FY and percentage	Increase/ (Decrease)	Date of Change	No of shares at the end of FY and percentage	Reason	No of shares	% of the total shares of the company
1	Dr. S. Surendranath Reddy	2681602 59.21%	0	NA	2681602 59.21%		NO CHANGE	
2	Mrs. S. Geetha Reddy	3307 0.07%	0	NA	3307 0.07%			
3	Mr. K. Sunil Chandra	30416 0.67%	0	NA	30416 0.67%			
4	Mrs. S. Suprita Reddy	2525 0.06%	0	NA	2525 0.06%			
5	Mrs. B. Vishnu Priya	1241 0.03%	0	NA	1241 0.03%			

iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs):

S. No.	Name	Shareholding					Cumulative Shareholding	
		No of shares at the beginning of FY and percentage	Increase/ (Decrease)	Date of Change	No of shares at the end of FY and percentage	Reason	No of shares	% of the total shares of the company
1	Karakoram Limited	1744498 38.52%	0	NA	1744498 38.52%		NO CHANGE	
2	Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1	65224 1.44%	0	NA	65224 1.44%			

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of Shares	% of total shares of the Company
Directors							
1.	Mr. Nishant Sharma	0	0	0	0	0	0
2.	Mr. Aditya Vij	0	0	0	0	0	0

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of Shares	% of total shares of the Company
KMPs							
1	Dr. S. Surendranath Reddy	2681602	59.21	0	0	2681602	59.21
2	Mr. K. Sunil Chandra	30416	0.67	0	0	30416	0.67
3	Mrs. S. Suprita Reddy	2525	0.06	0	0	2525	0.06
4	Mrs. S. Sandhya	0	0	0	0	0	0
5	Mr. Vijay Gupta	0	0	0	0	0	0

VI. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	2,591.48	-	-	2,591.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.60	-	-	7.60
Total(i+ii+iii)	**2,599.08**	**-**	**-**	**2,599.08**
Change in Indebtedness during the financial year				
- Addition	1,687.67	-	-	1,687.67
- Reduction	(645.63)	-	-	(645.63)
Net Change	1,042.04	-	-	1,042.04
Indebtedness at the end of the financial year				
i) Principal Amount	3,627.23	-	-	3,627.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.89	-	-	13.89
Total(i+ii+iii)	**3,641.12**	**-**	**-**	**3,641.12**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Dr. S. Surendranath Reddy Executive Chairman	Mrs. S. Suprita Reddy Managing Director	Mr. K. Sunil Chandra Executive Director
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180.00	120.00	60.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity			
4	Others a) Commission as % of profit	Nil	Nil	Nil
	Total	**180.00**	**120.00**	**60.00**

B. Remuneration to other directors: NIL

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

(Rs. in Lakhs)

S No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary		Total Amount
1	Gross Salary	Mrs. Priyadarshini	Mr. Vijay Gupta	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2.39	3.52	5.91
	(b) Value of perquisites u/s 17(2) of of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	Others, specify	-	-	-
	Others, please specify	-	-	-
	Total	**2.39**	**3.52**	**5.91**

Note: Mrs. Y. K. Priyadarshini resigned as a Company Secretary w.e.f.17th June, 2018 and Mr. Vijay Gupta was appointed as a Company Secretary of the Company with effect from 15th October, 2018.

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

ANNEXURE - IV

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

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

- Ensuring environmental sustainability, ecological balance;
- Eradicating poverty, promoting education, health care and proper sanitation.
- Promoting gender equality and empowering women
- Rural development projects
- Providing free subsidized health care to poor and needy people by organizing various programmes.
- Measures for the benefit of armed forces veterans, War widows and their dependents
- The policy is accessible on company's website under following link **http://www.vijayadiagnostic.com/VDCPL%20CSR%20POLICY.pdf**

2. Composition of the CSR Committee

S No.	Name	Designation
1	Dr. S. Surendranath Reddy	Chairman
2	Mrs. Suprita Sura Reddy	Member
3	Mr. K. Sunil Chandra	Member
4	Mr. Aditya Vij	Member

3. Average Net profit for last three Financial Years for the purpose of computation of CSR spending: Rs.5073.27 lakhs

4. Prescribed CSR expenditure (2% of Average Net Profit) : Rs.101.46 lakhs

5. Total amount spent during the financial year: Rs.90.02 lakhs

6. Amount unspent for the F.Y.2018-19 (if any) -Rs.11.44 Lakhs (Cumulative Rs.81.98 Lakhs)

7. Details of CSR spent during the financial year

S No.	Details of Activity	Amount Spent (In Rupees)	Cumulative Amount Spent (In Rupees)
1	Donation of Bajaj Edge Ceiling fans -100 Nos to Gandhi Hospital, Secunderabad.	1,14,832	1,14,832
2	Contribution for school building work at Inole village, Patancheu and Donation of Plastic Chairs 100 Nos.	29,84,729	30,99,561
3	Donation of Sanitary Napkin making machine to be set up in Family Planning Association of India, Vavilala Village, Jinnaram Mandal, Medak.	3,38,753	34,38,314
4	Donation of Laptop Inspiron 356713- DELL qty:2 Nos. to DM & HO-Vizag.	57,600	34,95,914
5	Donation to Andhra Pradesh Fishermen Development Welfare Services Association.	6,000	35,01,914
6	Contribution to Prime Minister National Relief fund (PMNRF).	55,00,000	90,01,914
	Total Amount Spent for FY 2018-19	**90,01,914.00 (Ninety Lakh One Thousand Nine Hundred and Fourteen Only)**	

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

BY ORDER OF THE BOARD
For VIJAYA DIAGNOSTIC CENTRE PVT. LTD.

Date: 25th July, 2019
Place: Hyderabad

Dr. S. Surendranath Reddy
Executive Chairman & Chairman of the CSR Committee
DIN: 00108599

INDEPENDENT AUDITORS' REPORT

To the Members of
Vijaya Diagnostic Centre Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Vijaya Diagnostic Centre Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's report, but does not include the standalone financial statements and our auditors' report thereon. The Company's Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit;

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

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;

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

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

    g) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 22 to the standalone financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

        iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

The provisions of Section 197 of the Act are applicable only to public company. Accordingly, the matter to be included in the Auditors' Report under Section 197(16) is not applicable to the Company.

For B S R & Associates LLP
Chartered Accountants

Firm Registration Number:
116231W/W-100024

SD

Sriram Mahalingam
Partner

Membership No.: 049642
Place: Hyderabad
Date: 17 June 2019

Annexure A to the Independent auditors' report on the standalone financial statements

of Vijaya Diagnostic Centre Private Limited for the year ended 31 March 2019

With reference to the Annexure A referred to in Paragraph 1 in Report on Other Legal and Regulatory Requirements of Independent Auditor's Report to the Members of Vijaya Diagnostic Centre Private Limited ("the Company") on the standalone financial statements for the year ended 31 March 2019. We report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties, as disclosed in Note 4 on property, plant and equipment to the standalone financial statements, are held in the name of the Company.

ii. The inventories have been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. The Company has granted unsecured loans to the Companies and a Limited Liability Partnership covered in the Register maintained under section 189 of the Companies Act 2013 ("the Act"). According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to firms and other parties covered in the Register maintained under section 189 of the Companies Act, 2013 ("the Act").

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies and a Limited Liability Partnership listed in the Register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the Companies and a Limited Liability Partnership listed in the Register maintained under section 189 of the Act, the schedule of repayment of principal and payment of interest has been stipulated. However, the same is not due as on 31 March 2019.

(c) There are no overdue amounts in respect of loans granted to the Companies and a Limited Liability Partnership listed in the Register maintained under section 189 of the Act.

iv. In our opinion and according to information given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to grant of loans, investments and guarantees given. Further, there are no security given in respect of which provisions of section 185 and 186 of the Act are applicable.

v. The Company has not accepted any deposits from the public in accordance with the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 of the Act and the Rules framed thereunder.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not made a detailed examination of records.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund and Employees' state insurance, Income-tax, Goods and Services tax, Duty of customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in few cases of Professional tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Goods and Services tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income-tax, Goods and Services tax, which have not been deposited with appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Duty of customs have not been deposited by the Company on account of disputes.

Name of statute	Nature of dues	Amount in lakhs (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Customs duty, interest and penalty	17.71	FY 2006-2007	CESTAT, West zonal bench, Mumbai

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or financial institutions. The Company does not have any loans or borrowings from Government, nor has it issued any debentures during the year.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, the monies raised by way of term loans have been applied, on an overall basis, for the purpose for which they are obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The provisions of section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. According to the information and explanations given to us and based on examination of the records of the Company, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act to extent applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards. Further, the Company is not required to constitute an Audit Committee under section 177 of the Act, and accordingly, to this extent, paragraph 3(xiii) of the said Order is not applicable to the Company.

xiv. According to the information and explanations given to us and based on 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. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Associates LLP
Chartered Accountants

Firm Registration Number:
116231W/W-100024

SD

Sriram Mahalingam
Partner

Membership No.: 049642
Place: Hyderabad
Date: 17 June 2019

Annexure B to the Independent auditors' report on the standalone financial statements

of Vijaya Diagnostic Centre Private Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in clause (f) paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Vijaya Diagnostic Centre Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP
Chartered Accountants

Firm Registration Number:
116231W/W-100024

SD

Sriram Mahalingam
Partner

Membership No.: 049642

Place: Hyderabad

Date: 17 June 2019

Standalone Balance Sheet
as at 31 March 2019

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

		Particulars	Notes	As at 31 March 2019	As at 31 March 2018
		ASSETS			
I		**Non-current assets**			
	(a)	Property, plant and equipment	4	13,583.24	10,143.83
	(b)	Capital work-in-progress		270.86	269.36
	(c)	Other intangible assets	5	74.33	44.10
	(d)	Financial assets			
		(i) Investments	6 (a)	416.06	416.06
		(ii) Loans	6 (c)	396.55	304.28
		(iii) Other financial assets	6 (f)	9.61	53.98
	(e)	Deferred tax assets (net)	7	-	34.12
	(f)	Non-current tax assets	21(d)	25.42	34.47
	(g)	Other non-current assets	9	333.49	367.48
		Total non-current assets		**15,109.56**	**11,667.68**
II		**Current assets**			
	(a)	Inventories	8	200.98	225.40
	(b)	Financial assets			
		(i) Investments	6 (a)	6,883.70	7,327.03
		(ii) Trade receivables	6 (b)	1,040.73	888.42
		(iii) Cash and cash equivalents	6 (d)	921.58	1,587.07
		(iv) Bank balances other than cash and cash equivalents	6 (e)	4,301.23	200.00
		(v) Loans	6 (c)	308.70	339.78
		(vi) Other financial assets	6 (f)	258.00	55.32
	(c)	Other current assets	9	203.54	79.27
		Total current assets		**14,118.46**	**10,702.29**
		TOTAL ASSETS (I + II)		**29,228.02**	**22,369.97**
I		**EQUITY AND LIABILITIES**			
		Equity			
	(a)	Equity share capital	10 (a)	452.89	452.89
	(b)	Instruments entirely equity in nature	10 (b)	241.30	241.30
	(c)	Other equity	10 (c)	20,903.68	16,003.66
		Total equity attributable to equity holders of the Company		**21,597.87**	**16,697.85**
		Liabilities			
II		**Non-current liabilities**			
	(a)	Financial liabilities			
		(i) Borrowings	11 (a)	2,789.99	2,022.71
		(ii) Other financial liabilities	11 (c)	187.27	275.82
	(b)	Provisions	12	443.21	356.26
	(c)	Deferred tax liabilities (net)	7	82.41	-
	(d)	Other non-current liabilities	13	13.66	14.51
		Total non-current liabilities		**3,516.54**	**2,669.30**
III		**Current liabilities**			
	(a)	Financial liabilities			
		(i) Trade payables			
		Total outstanding dues of micro and small enterprises	11 (b)	-	-
		Total outstanding dues of creditors other than micro and small enterprises	11 (b)	1,847.82	1,442.06
		(ii) Other financial liabilities	11 (c)	1,784.92	1,217.44
	(b)	Provisions	12	84.11	68.73
	(c)	Current-tax liabilities (net)	21(d)	186.69	49.79
	(d)	Other current liabilities	13	210.07	224.80
		Total current liabilities		**4,113.61**	**3,002.82**
		Total liabilities (II + III)		**7,630.15**	**5,672.12**
		TOTAL EQUITY AND LIABILITIES (I + II + III)		**29,228.02**	**22,369.97**

Corporate Information	1
Summary of significant accounting policies	3

The notes referred to above form an integral part of the standalone financial statements

As per our Report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date: 17 June 2019

For and on behalf of the Board of Directors of
Vijaya Diagnostic Centre Private Limited
CIN:U85195TG2002PTC039075

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Standalone Statement of Profit and Loss

for the year ended 31 March 2019

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
(a) Revenue from operations	14	27,907.76	23,788.43
(b) Other income	15	863.97	518.66
Total income		**28,771.73**	**24,307.09**
Expenses			
(a) Cost of materials consumed	16	3,856.88	3,463.05
(b) Employee benefits expense	17	5,031.46	3,866.85
(c) Finance costs	19	436.46	414.44
(d) Depreciation and amortisation expense	18	2,569.37	2,296.93
(e) Other expenses	20	9,606.14	8,447.96
Total expenses		**21,500.31**	**18,489.23**
Profit before tax and share of loss from LLP [1 - 2]		**7,271.42**	**5,817.86**
Share of loss from Limited Liability Partnership (LLP), where the Company is a Limited Liability Partner		(230.41)	(258.49)
Profit before tax (PBT) [3 + 4]		**7,041.01**	**5,559.37**
Tax expense			
(a) Current tax	21	2,015.00	1,899.53
(b) Deferred tax		122.27	110.89
(c) Tax pertaining to earlier years		11.96	9.12
Total tax expense		**2,149.23**	**2,019.54**
Profit for the year [5 - 6]		**4,891.78**	**3,539.83**
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit obligations		(19.70)	40.47
(b) Income-tax relating to above item	21	5.74	(11.79)
Other comprehensive (loss)/income for the year (net of tax)		**(13.96)**	**28.68**
Total comprehensive income for the year [7 + 8]		**4,877.82**	**3,568.51**
Earnings per equity share (face value of Rs. 10 each, fully paid-up)	23		
- Basic (in Rs.)		108.01	78.16
- Diluted (in Rs.)		107.66	78.11
Corporate Information	1		
Summary of significant accounting policies	3		
The notes referred to above form an integral part of the standalone financial statements			

As per our Report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date: 17 June 2019

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Private Limited

CIN:U85195TG2002PTC039075

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Standalone Statement of Changes in Equity
for the year ended 31 March 2019

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Equity share capital	Cumulative Compulsorily Convertible Preferences Shares (CCPS) (Series A)	Cumulative Compulsorily Convertible Preferences Shares (CCPS) (Series B)	General reserve	Employee share options outstanding account	Securities premium	Retained earnings	Total
Balance as at 1 April 2017	**452.89**	**141.31**	**99.99**	**493.20**	**-**	**4,915.75**	**7,026.20**	**13,129.34**
Total comprehensive income for the year ended 31 March 2018								
Profit for the year	-	-	-	-	-	-	3,539.83	3,539.83
Other comprehensive income, net of tax	-	-	-	-	-	-	28.68	28.68
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**3,568.51**	**3,568.51**
Balance as at 31 March 2018	**452.89**	**141.31**	**99.99**	**493.20**	**-**	**4,915.75**	**10,594.71**	**16,697.85**
Balance as at 1 April 2018								
Total comprehensive income for the year ended 31 March 2019								
Profit for the year	-	-	-	-	-	-	4,891.78	4,891.78
Other comprehensive income, net of tax	-	-	-	-	-	-	(13.96)	(13.96)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**4,877.82**	**4,877.82**
Share based payment [Refer note 29]	-	-	-	-	22.20	-	-	22.20
Balance as at 31 March 2019	**452.89**	**141.31**	**99.99**	**493.20**	**22.20**	**4,915.75**	**15,472.53**	**21,597.87**

As per our Report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date: 17 June 2019

For and on behalf of the Board of Directors of
Vijaya Diagnostic Centre Private Limited
CIN:U85195TG2002PTC039075

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Standalone Statement of Cash Flows

for the year ended 31 March 2019

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A	**Cash flow from operating activities**		
	Profit for the year (before tax)	7,041.01	5,559.37
	Adjustments for:		
	Depreciation and amortisation expense	2,569.37	2,296.93
	Net gain on sale/ retirement of property, plant and equipment	(36.64)	(8.16)
	Interest income	(287.69)	(77.55)
	Dividend income on current investments	(90.60)	(90.87)
	Provision for doubtful receivables	120.71	10.78
	Employee share based payments - equity settled	22.20	-
	Advances written-off	-	5.00
	Fair value movement on financial instruments	(436.48)	(315.77)
	Finance costs	315.25	305.39
	Liability no longer required written back	(12.27)	(56.21)
	Share of loss from LLP	230.41	258.49
	Operating profit before changes in assets and liabilities	**9,435.27**	**7,887.40**
	Changes in working capital items:		
	Increase in trade receivables	(273.02)	(92.90)
	Decrease/ (increase) in inventories	24.42	(150.12)
	Decrease/ (increase) in other financial assets	46.96	(37.30)
	(Increase)/ decrease in other assets and deposits	(328.93)	80.47
	Increase in trade payables	418.03	254.36
	Increase in provisions	26.27	49.89
	Increase in other financial liabilities	203.33	131.63
	(Decrease)/ increase in other liabilities	(15.58)	46.96
	Cash generated from operations	**9,536.75**	**8,170.39**
	Income taxes paid (net)	(1,881.10)	(1,970.40)
	Net cash generated from operating activities	**7,655.65**	**6,199.99**
B	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	(6,055.61)	(3,243.77)
	Proceeds from sale of property, plant and equipment	185.99	133.40
	Investment/(redemption) of debt oriented liquid mutual funds (net)	879.81	(6,703.84)
	Deposits placed having original maturity of more than 3 months (net)	(4,101.23)	(204.11)
	Investment in margin money deposits	7.01	-
	Loans given to subsidiaries (net)	(163.58)	(84.90)
	Dividend received	90.60	90.87
	Interest received	53.01	61.90
	Net cash used in investing activities	**(9,104.00)**	**(9,950.45)**
C	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	1,687.67	552.39
	Repayment of long-term borrowings	(651.92)	(973.97)
	Interest paid	(252.89)	(252.28)
	Net cash generated from/(used) in financing activities	**782.86**	**(673.86)**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net decrease in cash and cash equivalents (A + B + C)	**(665.49)**	**(4,424.32)**
Cash and cash equivalents at the beginning of the financial year	1,587.07	6,011.39
Cash and cash equivalents at end of the year	**921.58**	**1,587.07**

Note:

(a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and cash equivalents as per above comprise of the following:

	As at 31 March 2019	As at 31 March 2018
Cash on hand	80.63	42.41
Balances with banks		
- in current accounts	840.95	794.66
- in deposit accounts with original maturity period of 3 months or less	-	750.00
Total cash and cash equivalents [refer note 6(d)]	**921.58**	**1,587.07**

The notes referred to above form an integral part of the standalone financial statements.

As per our Report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

For and on behalf of the Board of Directors of
Vijaya Diagnostic Centre Private Limited
CIN:U85195TG2002PTC039075

Sriram Mahalingam
Partner
Membership Number: 049642

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Place: Hyderabad
Date: 17 June 2019

Notes to the Standalone Financial Statements
for the year ended 31 March 2019

1 Corporate information

Vijaya Diagnostic Centre Private Limited ('the Company') is engaged in the business of providing comprehensive range of diagnostic services spanning pathological investigations, basic and high end radiology, nuclear medicine and related healthcare services.

The Company is a Private Limited Company incorporated and domiciled in India on 05 June 2002 and has its registered office at # 3-6-16 & 17, Street No 19, Himayat Nagar, Hyderabad - 500 029, India and the Corporate office at # 6-3-883/F, Ground Floor of Family Planning Association of India, Panjagutta, Hyderabad - 500 082, India.

2 Basis of preparation and measurement

(i) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act under the historical cost convention on an accrual basis except for certain financial instruments and equity settled share based payments, which are measured at fair values, notified under the Act and Rules prescribed thereunder

The standalone financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

The standalone financial statements were approved and authorised for issue by the Company's Board of Directors on 17 June 2019.

(ii) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

(iii) Basis of measurement

The standalone Ind AS financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities	: Measured at fair value or amortised costs
- Net defined benefit (asset)/ liability	: Fair value of plan assets less present value of defined benefit obligations
- Borrowings	: Amortised cost using effective interest rate method
- Equity settled share based payments	: Measured at fair value

(iv) Use of estimates and judgements

In preparing these standalone financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 3(K), 20(i) and 27 - lease classification.
- Note 3(K)(i), 20(i) and 27 - leases: whether an arrangement contains a lease
- Note 3(A)(i) - measurement and allocation of revenue from diagnostic services

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 28 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 12 and Note 22 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 6 (b) - impairment of financial assets;
- Note 4 and Note 5 - determining an asset's expected useful life and the expected residual value at the end of its life
- Note 29 - Employee share based payments-equity settled

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for both financial and non-financial assets.

"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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability"

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 31 - Financial instruments

(Vi) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when it is:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets are classified as non current

Liabilities

A liability is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- The Company does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3 Summary of significant accounting policies

A. Revenue recognition

i) Income from diagnostic services

Revenue comprises of revenue from providing various health checkup, pathological and other diagnostic services. Revenue from diagnostics services is measured at the fair value of the consideration received or receivable, which usually coincides with the amount billed as per specified prices net of discounts / concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis, or a normal credit period as per the terms of the contract for institutional / organisational customers. Effective 1 April 2018, the Company has adopted Ind AS 115 " Revenue from contracts with customers". Based on the assessment of the Management, the cumulative transition impact on uncompleted contracts was not material to the Company.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the underlying tests are conducted / samples are processed for requisitioned diagnostic tests. Each service is generally a separate performance obligation and therefore revenue is recognized at a point in time when the tests are conducted / samples are processed. For multiple tests the Company measures the revenue in respect of each performance obligation at its relative standalone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its standalone selling price. Revenue contracts are on principal to principal basis and the Company is primarily responsible for fulfilling the performance obligation.

ii) Income from sale of Privilege cards

The Company operates a discount scheme where certain 'Privilege cards' are sold to the customers against which specified discounts are given on the future diagnostic services availed by the customer for a specified period. The Company recognises revenue from the sale of such cards over the period for which the card is valid. The difference in sale consideration received and revenue recognised is recognised as deferred revenue.

B. Recognition of dividend income, interest income

Dividend income is recognised in statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income is recognised using the effective interest rate method

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.

C. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

D. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial liability or equity instrument of another entity.

i) Initial Recognition and measurement

Trade receivables are initially recognised when they are originated. Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

iii) Derecognition

Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

ii) Depreciation

Depreciation is provided using the Written down value Method ('WDV') over the useful lives of the assets as estimated by the Management based on technical evaluation, which coincide with the useful live prescribed in Schedule II to the Act. Depreciation on additions and deletions are restricted to the period of use. Assets costing below Rs. 5,000 are depreciated in full in the same year. The estimated useful lives of items of property, plant and equitpment are as follows:

Asset category	Management estimate of useful life & Useful life as per Schedule II
Buildings	60 years
Plant and equipment:	
- Medical and diagnostic equipments	13 years
- Other equipments	15 years
Electrical equipments	10 years
Furniture and fixtures	10 years
Office equipments	5 years
Computers	
- Servers and networks	6 years
- End user devises such as laptops, etc.	3 years
Vehicles	8 years

ii) Depreciation(continued)

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of leased hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period including expected renewal period which ever is lower.

Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

F. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

- Software - 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

G. Capital work in progress

Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

H. Inventories

Inventories comprise of diagnostic kits, reagents, laboratory chemicals and consumables, these are valued at lower of cost and net realisable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any. Cost is determined on First-in-First-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

I. Impairment of assets

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

J. Employee benefits

i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and ESI. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

iv) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by a qualified actuary using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

K. Leases

i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

For accounting on cost of reagents consumed refer Note 27.

ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

iii) Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

L. Income-tax

Income-tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

M. Share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes valuation model. The grant date fair value of options granted to employees is recognised as employee expense with a corresponding increase in employee stock options outstanding account, over the period in which the eligibility conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

N. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for.

Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and continent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

O. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits

P. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

Q. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

R. Investments in subsidiaries

Investments representing equity interest in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

S. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

T. Recent accounting pronouncements

Standards issued but not effective on Balance sheet date:

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as effective date for application of these amendments is annual period beginning on or after 1 April 2019.

Ind AS - 116:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a liability representing its obligation to make lease payments. The Company is in the process of evaluating the impact on account of application of this standard.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12."

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon such probability. The Company does not expect any significant impact of the amendment on its stand alone financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement:

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for period after the re-measurement are determined using the assumption used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements reagarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 109 - Prepayment Features with Negative Compensation

The amendment relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its standalone financial statements.

Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for period after the re-measurement are determined using the assumption used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its standalone financial statements.

Ind AS 23 - Borrowing Costs

The amendment clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment on its standalone financial statements.

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4 Property, plant and equipment

Particulars	Freehold land	Building	Building on lease-hold land	Leasehold improve-ments	Plant and equipment - Medical	Plant and equipment - Others	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
A. Gross carrying value (at cost)												
As at 1 April 2017	**205.42**	**599.66**	**1,242.94**	**342.74**	**7,129.02**	**656.09**	**469.85**	**394.39**	**66.07**	**112.99**	**196.27**	**11,415.44**
Additions	-	18.19	12.46	854.77	1,700.25	194.55	147.73	169.39	60.43	85.13	6.71	3,249.61
Disposals	-	-	-	(73.30)	(118.06)	-	(39.91)	(0.63)	-	-	(6.03)	(237.93)
As at 31 March 2018	**205.42**	**617.85**	**1,255.40**	**1,124.21**	**8,711.21**	**850.64**	**577.67**	**563.15**	**126.50**	**198.12**	**196.95**	**14,427.12**
Additions	-	-	-	998.34	3,875.14	312.95	174.02	400.73	27.12	139.68	193.54	6,121.52
Disposals	-	-	-	-	(224.09)	-	(4.48)	-	(1.11)	-	(65.93)	(295.61)
As at 31 March 2019	**205.42**	**617.85**	**1,255.40**	**2,122.55**	**12,362.26**	**1,163.59**	**747.21**	**963.88**	**152.51**	**337.80**	**324.56**	**20,253.03**
B. Accumulated depreciation												
As at 1 April 2017	-	1.52	98.63	81.78	1,463.61	104.80	114.03	108.51	27.80	61.89	59.83	2,122.40
For the year ended 31 March 2018	-	29.34	120.00	178.62	1,470.74	125.54	112.09	97.71	39.39	53.45	46.70	2,273.58
Disposals	-	-	-	(37.58)	(54.33)	-	(17.07)	(0.31)	-	-	(3.40)	(112.69)
As at 31 March 2018	**-**	**30.86**	**218.63**	**222.82**	**2,880.02**	**230.34**	**209.05**	**205.91**	**67.19**	**115.34**	**103.13**	**4,283.29**
For the year ended 31 March 2019	-	28.59	107.59	384.41	1,453.81	140.65	115.75	133.82	33.83	77.96	56.35	2,532.76
Disposals	-	-	-	-	(108.42)	-	(2.39)	-	(1.05)	-	(34.40)	(146.26)
As at 31 March 2019	**-**	**59.45**	**326.22**	**607.23**	**4,225.41**	**370.99**	**322.41**	**339.73**	**99.97**	**193.30**	**125.08**	**6,669.79**
C. Net carrying value (A-B)												
As at 31 March 2018	205.42	586.99	1,036.77	901.39	5,831.19	620.30	368.62	357.24	59.31	82.78	93.82	10,143.83
As at 31 March 2019	**205.42**	**558.40**	**929.18**	**1,515.32**	**8,136.85**	**792.60**	**424.80**	**624.15**	**52.54**	**144.50**	**199.48**	**13,583.24**

Note:

1. Refer to note 22 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
2. Refer to note 11(a) for details of property, plant and equipment subject to charge on secured borrowings.

5 Other intangible assets

	Particulars	Software
A.	**Gross carrying value (at cost)**	
	As at 1 April 2017	63.61
	Additions	43.22
	Disposals	-
	As at 31 March 2018	**106.83**
	Additions	66.84
	Disposals	-
	As at 31 March 2019	**173.67**

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	Software
B.	**Accumulated amortisation**	
	As at 1 April 2017	39.38
	For the year ended 31 March 2018	23.35
	Disposals	-
	As at 31 March 2018	**62.73**
	For the year ended 31 March 2019	36.61
	Disposals	-
	As at March 31, 2019	**99.34**
C.	**Net carrying value (A-B)**	
	As at 31 March 2018	44.10
	As at 31 March 2019	**74.33**

6 Financial assets

	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	**Investments**		
	Non-Current		
A.	**Investment in subsidiaries - Trade**		
	Investment in equity instruments - carried at cost or deemed cost, less provision for other than temporary impairment		
	Quoted		
	Medinova Diagnostic Services Limited	411.06	411.06
	[6,202,220 (31 March 2018: 6,202,220) equity shares of Rs. 10 each fully paid-up]		
	Unquoted		
	Doctors Lab Medical Services Private Limited	1.00	1.00
	[10,000 (31 March 2018: 10,000) equity shares of Rs. 10 each fully paid-up]		
	Investment in Limited Liability Partnership (LLP) - carried at cost		
	Unquoted		
	VDC Diagnostics (Karnataka) LLP	281.29	281.29
	[100% (31 March 2018: 100%) share in capital contribution]		
	Less: Share of loss attributable to the Company	(281.29)	(281.29)
	Net investment in LLP	-	-
	Sub-total	**412.06**	**412.06**
B.	**Investment in others (non-trade)**		
	Investment in equity instruments - carried at FVOCI		
	Unquoted		
	C.R Broadcasting Hyderabad Limited	4.00	4.00
	[40,000 (31 March 2018: 40,000) equity shares of Rs. 10 each fully paid-up]		
	Sub-total	**4.00**	**4.00**
	Total (A+B)	**416.06**	**416.06**

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
	Aggregate amount of quoted investments	411.06	411.06
	Aggregate amount of unquoted investments	5.00	5.00
	Aggregate amount of impairment in value of investments	-	-
	Current (non-trade)		
	Investment in mutual funds - quoted, carried at FVTPL	6,883.70	7,327.03
		6,883.70	**7,327.03**
	Aggregate book value of quoted investments	6,883.70	7,327.03
	Aggregate market value of quoted investments	6,883.70	7,327.03
(b)	**Trade receivables**		
	(Unsecured)		
	Current		
	Considered good*	1,040.73	888.42
	Credit impaired	180.87	71.08
	Less: Provision for debts which are credit impaired	(180.87)	(71.08)
		1,040.73	**888.42**
	* Includes amount receivable from related parties [refer note 30]		
(c)	**Loans**		
	(Unsecured, considered good)		
	Non-current		
	Security deposits *	396.55	304.28
		396.55	**304.28**
	* Includes amount receivable from related parties [refer note 30]		
	Current		
	Security deposits	35.75	-
	Loans to subsidiaries	1,751.66	1,588.08
	Less: Share of loss from LLP, where the Company is a Limited Liability Partner	(1,478.71)	(1,248.30)
		308.70	**339.78**
	* Includes amount receivable from related parties [refer note 30]		
(d)	**Cash and cash equivalents**		
	Cash on hand	80.63	42.41
	Balances with banks		
	- in current accounts	840.95	794.66
	- in deposit accounts with original maturity period of 3 months or less *	-	750.00
		921.58	**1,587.07**

* The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
(e)	**Other bank balances**		
	Deposit accounts with remaining maturity of less than 12 months * @	4,301.23	200.00
		4,301.23	**200.00**

@ Fixed deposits of Rs 200 Lakhs (Previous year: Rs Nil) under lien

* The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

	Particulars	As at 31 March 2019	As at 31 March 2018
(f)	**Other financial assets**		
	(Unsecured, considered good, unless otherwise stated)		
	Non-current		
	Balances with bank held as margin money	9.61	16.62
	Other receivables	-	37.36
		9.61	**53.98**
	Current		
	Interest accrued on bank deposits and others	220.64	8.36
	Other receivables	37.36	46.96
		258.00	**55.32**

7 Deferred tax (liabilities)/ assets (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax assets		
On account of decommissioning liability on property, plant and equipment	87.72	71.31
On account of employee benefits	56.36	42.98
On account of provision for doubtful receivables	52.67	20.70
On account of others	84.90	41.44
Sub total (A)	**281.65**	**176.43**
Deferred tax liabilities		
On account of fair value of mutual funds	221.22	94.11
On account of property, plant and equipment and intangible assests	142.84	48.20
Sub total (B)	**364.06**	**142.31**
Deferred tax (liabilities)/assets (net) (A+B)	**(82.41)**	**34.12**

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Movement in deferred tax (liabilities)/ assets

On account of	Property, plant and equipment and intangible assets (including decommissioning liability)	Provision for employee benefits	Provision for doubtful receivables	Fair value of mutual funds	Others	Total
At 1 April 2017	**36.28**	**45.31**	**26.46**	**(2.57)**	**51.32**	**156.80**
(Charged)/credited:						
- to statement of profit and loss	(13.17)	9.46	(5.76)	(91.54)	(9.88)	(110.89)
- to other comprehensive income	-	(11.79)	-	-	-	(11.79)
As at 31 March 2018	**23.11**	**42.98**	**20.70**	**(94.11)**	**41.44**	**34.12**
(Charged)/credited:						
- to statement of profit and loss	(78.23)	7.64	31.97	(127.11)	43.46	(122.27)
- to other comprehensive income	-	5.74	-	-	-	5.74
As at 31 March 2019	**(55.12)**	**56.36**	**52.67**	**(221.22)**	**84.90**	**(82.41)**

8 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and net realisable value)		
Reagents, chemicals, digital imaging films and consumables	200.98	225.40
	200.98	**225.40**

9 Other assets

(Unsecured, considered good)		
Non-current		
Capital advances	34.53	167.56
Prepaid rent	298.96	199.92
	333.49	**367.48**
Current		
Advances other than capital advances		
-Advance to suppliers	26.78	14.60
-Advance to employees	1.12	1.45
Prepaid expenses	175.64	63.22
	203.54	**79.27**

10 Equity

Authorised share capital		
6,631,868 (31 March 2018: 6,631,868) equity shares of Rs. 10 each	663.19	663.19
1,425,000 (31 March 2018: 1,425,000) Series A Cumulative compulsorily convertible preference shares (CCPS) of Rs. 10 each	142.50	142.50
12,000 (31 March 2018: 12,000) Series B Cumulative compulsorily convertible preference shares (CCPS) of Rs. 3,327.61 each	399.31	399.31

(a) Equity share capital

Issued, subscribed and fully paid up capital		
4,528,813 (31 March 2018: 4,528,813) equity shares of Rs. 10 each, fully paid-up	452.89	452.89
	452.89	**452.89**

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	4,528,813	452.89	4,528,813	452.89
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**4,528,813**	**452.89**	**4,528,813**	**452.89**

ii) Terms and rights attached to equity shares

Equity shares issued by the Company have par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of shareholders holding more than 5% shares in the Company

	31 March 2019		31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Equity shares:				
Dr. S. Surendranath Reddy	2,681,602	59.21%	2,681,602	59.21%
M/s. Karakoram Limited	1,744,498	38.52%	1,744,498	38.52%

As per records of the Company including registration of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five year immediately preceding the reporting date:

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Allotted as fully paid up equity shares pursuant to contracts without payment being received in cash	Nil	Nil	Nil	146,079	215,481

v) For details of shares reserved for issue under Employee share based payments of the Company [refer note 29]

(b) Instruments entirely equity in nature

	As at 31 March 2019	As at 31 March 2018
Preference shares		
Series A Cumulative Compulsorily Convertible Preference Shares (CCPS)	141.31	141.31
Series B Cumulative Compulsorily Convertible Preference Shares (CCPS)	99.99	99.99
Total preference shares	**241.30**	**241.30**

i) Reconciliation of preference shares outstanding at the beginning and at the end of the reporting year:

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Series A CCPS				
Shares outstanding at the beginning of the year	1,413,071	141.31	1,413,071	141.31
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**1,413,071**	**141.31**	**1,413,071**	**141.31**

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Series B CCPS				
Shares outstanding at the beginning of the year	3,005	99.99	3,005	99.99
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**3,005**	**99.99**	**3,005**	**99.99**

ii) Terms and rights attached to Compulsorily convertible prefernece shares:

Series A Cumulative Compulsorily Convertible Preference Shares (CCPS)

Series A Preference Shares are cumulative, mandatorily and fully convertible preference shares of Rs. 10 each with 0.001% coupon. Series A preference shares shall be participating preference shares and shall be entitled to participate in any dividend distribution to holders of equity shares on a fully diluted basis. These shares are convertible into equity shares on or before a specified date agreed between the shareholders and till the time these shares are converted, all of Series A preference shares collectively entitled for one vote.

Series B Cumulative Compulsorily Convertible Preference Shares (CCPS)

Series B Preference Shares are cumulative, mandatorily and fully convertible preference shares of Rs. 3,327.61 each with 0.001% coupon. Series B preference shares shall be participating preference shares and shall be entitled to participate in any dividend distribution to holders of equity shares on a fully diluted basis. These shares are convertible into equity shares on the occurence of the earlier of (i) prior to filing a red herring prospectus in connection with initial public offering (ii) at the option of the preference share holder (iii) expiry of 10 years from the date of issuance. Till the time the aforesaid CCPS are not converted, all of Series B preference shares shall be entitled to voting rights on a pro-rata basis with the equity shares of the Company on a fully diluted basis.

The issue proceeds of Series A CCPS and Series B CCPS have been entirely classifed under equity as they are settled with fixed number of entity's own equity instruments and meets the definition of "Equity Instruments" as defined in "Ind AS 32, Financial Instruments: Presentation".

iii) Details of shareholders holding more than 5% preference shares in the Company

	31 March 2019		31 March 2018	
	Number of shares	% holding	Number of shares	% holding
CCPS Series A				
Dr S. Surendranath Reddy	1,393,588	98.62%	1,393,588	98.62%
CCPS Series B				
M/s. Karakoram Limited	2,897	96.41%	2,897	96.41%

iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Allotted as fully paid up Series A CCPS by way of bonus	Nil	Nil	1,413,071	Nil	Nil
Allotted as fully paid up Series B CCPS by way of bonus	Nil	Nil	Nil	Nil	Nil

(c) Other equity

Reserves and surplus	As at 31 March 2019	As at 31 March 2018
(i) General reserve	493.20	493.20
(ii) Employee share options outstanding account	22.20	-
(iii) Securities premium	4,915.75	4,915.75
(iv) Retained earnings	15,472.53	10,594.71
	20,903.68	**16,003.66**

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Reserves and surplus	As at 31 March 2019	As at 31 March 2018
i)	**General reserve**		
	Balance at the commencement of the year	493.20	493.20
	Add: Movement during the year	-	-
	Balance as at the end of the year	**493.20**	**493.20**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

ii)	**Employee share options outstanding account**		
	Balance at the commencement of the year	-	-
	Add: Share options granted during the year [Refer note 29]	22.20	-
	Balance as at the end of the year	**22.20**	**-**

The Company has established equity settled share based payment plans for employees of the Company, refer note 29 for details on these plans.

iii)	**Securities premium**		
	Balance at the commencement of the year	4,915.75	4,915.75
	Add: Movement during the year	-	-
	Balance as at the end of the year	**4,915.75**	**4,915.75**

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013 ("the Act").

iv)	**Retained earnings**		
	Balance at the commencement of the year	10,594.71	7,026.20
	Add: Surplus as per statement of profit and loss	4,891.78	3,539.83
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurement of the defined benefit obligations (net of tax)	(13.96)	28.68
	Amount available for appropriations	**15,472.53**	**10,594.71**
	Less: Appropriations		
	Final dividend on instruments entirely equity in nature (CCPS) *	-	0.00
	Dividend distribution tax on instruments entirely equity in nature (CCPS) *	-	0.00
	Balance as at the end of the year	**15,472.53**	**10,594.71**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.

OCI represents remeasurement on defined employee benefit obligations: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified in to statement of profit and loss.

	Total other equity (i+ii+iii+iv)	**20,903.68**	**16,003.66**

Dividend on equity shares

After the reporting dates, the following dividends on equity shares (excluding corporate dividend tax) were proposed by the Board of Directors subject to the approval at the Annual General Meeting, the dividends have not been recognised as liabilities in the respective years. Dividends would attract dividend distribution tax when declared or paid.

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	31 March 2019	31 March 2018
Dividend on equity shares: per share Rs. Nil (31 March 2018: Nil)	-	-

Dividend on instruments entirely equity in nature (CCPS)	31 March 2019	31 March 2018
Dividend, on instruments entirely equity in nature, declared after the reporting dates*	-	0.00

* 0.00 represents amounts not presented in the standalone financial statements due to rounding off to the nearest Rs. Lakhs. The final dividend on instruments entirely equity in nature and dividend distribution tax thereon amounts to Rs. 241 and Rs. 50 for the financial year 2017-18.

11 Financial liabilities

	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	**Non-Current borrowings**		
	Secured loans		
	Term loans		
	- from banks [refer note (i) below]	2,720.64	1,328.82
	- from others [refer note (ii) below]	906.59	1,262.66
	Sub-total	**3,627.23**	**2,591.48**
	Less: Current maturities of long term borrowings [refer note 11(c)]	837.24	568.77
		2,789.99	**2,022.71**

Note:

i. Terms of secured loans from banks:

Term loans from banks are repayable in 36 - 84 equated monthly instalments and carries an interest rate in the range of 8.50% - 10.50% per annum. These loans are secured by exclusive charge on equipments purchased out of the respective loans. Further, the loans from banks to the extent of Rs. 688.18 lakhs (31 March 2018: 821.74 lakhs) is secured by personal guarantee of directors.

ii. Terms of secured loans from others:

Term loans from others are repayable in 36 - 72 equated monthly instalments and carries an interest rate of 7.4% - 9.4% per annum. These loans are secured by exclusive charge on equipments purchased out of the respective loans.

(b)	**Trade payables**		
	Total outstanding dues of micro and small enterprises [refer note 24]	-	-
	Total outstanding dues of creditors other than micro and small enterprises *	1,847.82	1,442.06
		1,847.82	**1,442.06**

* Includes amount payable to related parties [refer note 30]

(c)	**Other financial liabilities**		
	Non-current		
	Deferred capital creditors - on purchase of medical equipment's	187.27	275.82
		187.27	**275.82**
	Current		
	Current maturities of long term borrowings	837.24	568.77
	Interest accrued but not due on borrowings	13.89	7.60
	Employee payables	622.30	418.97
	Deferred capital creditors - on purchase of medical equipments	123.20	95.09
	Capital creditors	188.29	127.01
		1,784.92	**1,217.44**

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

12 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits:		
- Gratuity [refer note 28]	65.77	45.60
- Compensated absences	76.19	65.77
Others:		
- Decommissioning liability [refer note (i) below]	301.25	244.89
	443.21	**356.26**
Current		
Provision for employee benefits:		
- Gratuity [refer note 28]	33.39	23.71
- Compensated absences	18.20	12.50
Others:		
- Disputed customs duty matters [refer note (i) below]	32.52	32.52
	84.11	**68.73**

Note:

i. **Movement in provision for others:**

	Decommissioning liability	Customs duty*
Carrying amount as at 1 April 2017	229.85	32.52
Add: Unwinding of interest expense	22.28	-
Add: Provision created during the year	14.44	-
Less: Provision reversed during the year	(21.68)	-
Balance as at 31 March 2018	**244.89**	**32.52**
Carrying amount as at 1 April 2018	**244.89**	**32.52**
Add: Unwinding of interest expense	25.01	-
Add: Provision created during the year	31.35	-
Less: Provision reversed during the year	-	-
Balance as at 31 March 2019	**301.25**	**32.52**

* Provision of Rs 32.52 lakhs has been made in earlier years towards disputed customs duty maters, the obligation for which may arise on the outcome of the appeals and the quantum whereof will be determined as and when the appeals are disposed off.

13 Other liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Deferred revenue	13.66	14.51
	13.66	**14.51**

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Deferred revenue	16.82	23.14
Advance from customers *	15.60	9.05
Statutory liabilities	177.65	192.61
	210.07	**224.80**

* Includes amount payable to related parties [refer note 30]

14 Revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services	27,900.98	23,780.93
Other operating revenue		
- Scrap sales	6.78	7.50
	27,907.76	**23,788.43**

15 Other income

Interest income on bank deposits and electricity deposits	265.29	61.47
Interest income on financial assets measured at amortised cost	22.40	16.08
Dividend income on current investments	90.60	90.87
Net Fair value gain on financial assets (mutual funds) measured at FVTPL	436.48	315.77
Net gain on sale/retirement of property, plant and equipment	36.64	8.16
Liability no longer required written back	12.27	-
Reversal of provision for decommissioning liability	-	21.68
Other non-operating income	0.29	4.63
	863.97	**518.66**

16 Cost of materials consumed

Inventories of materials as at the beginning of the year	225.40	75.29
Add: Purchases during the year	3,832.46	3,613.16
Less: Inventories of materials as at the end of the year	(200.98)	(225.40)
	3,856.88	**3,463.05**

17 Employee benefits expense

Salaries, wages and bonus	4,653.22	3,523.80
Contribution to provident and other funds [refer note 28]	236.41	201.21
Gratuity [refer note 28]	64.58	60.11
Compensated absences	25.18	46.72
Share based payments - equity settled [refer note 29]	22.20	-
Staff welfare expenses	29.87	35.01
	5,031.46	**3,866.85**

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

18 Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment [refer note 4]	2,532.76	2,273.58
Amortisation of intangible assets [refer note 5]	36.61	23.35
	2,569.37	**2,296.93**

19 Finance costs

Interest expenses on financial liablities measured at amortised cost	259.18	248.59
Interest expense on deferred credit purchases and decommissioning liability	56.07	56.80
Interest on income tax	-	1.15
Bank charges and other borrowing costs	121.21	107.90
	436.46	**414.44**

20 Other expenses

Power and fuel	856.23	770.18
Rent [refer note (i) below]	1,449.57	1,181.32
Testing charges	69.77	55.33
Sample collection charges	180.07	153.17
Repairs and Maintenance		
a. Building	110.60	216.01
b. Plant and equipment	635.68	644.66
c. Others	151.25	127.24
House keeping expenses	420.38	317.72
Security charges	267.73	227.78
Insurance	22.19	22.68
Rates and taxes	35.50	33.14
Advertisement, publicity and marketing	349.32	432.90
Business promotion	162.42	62.12
Travelling and conveyance	160.54	138.21
Legal and professional charges	4,176.22	3,686.91
Payment to auditors [refer note (ii) below]	25.30	23.60
Postage and communication	115.16	101.11
Printing and stationery	82.00	67.13
Provision for doubtful receivables	120.71	10.78
Advances written off	-	5.00
Corporate social responsibility expenditure [refer note (iii) below]	90.02	87.18
Donations	1.30	0.93
Miscellaneous expenses	124.18	82.86
	9,606.14	**8,447.96**

Notes:

i. **Rent:**
The Company has taken a number of offices and premises under cancellable operating leases. The leases typically run for a period of 0-15 years, with an option to renew the lease after that period. The amount charged to standalone statement of profit and loss towards the aforesaid leases is Rs. 1,449.57 lakhs (31 March 2018: Rs. 1,181.32 lakhs).

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
ii.	**Payment to auditors (inclusive of taxes)**		
	As auditors		
	- Statutory audit fees	23.60	23.60
	For reimbursement of expenses	1.70	-
		25.30	**23.60**
iii.	**Details of Corporate social responsibility expenditure**		
	(i) Gross amount required to be spent by the Company during the year	101.47	75.60
	(ii) Amount spent during the year (in cash)		
	- construction/ acquisition of any asset	-	-
	- on purpose other than above	90.02	87.18

21 Income-tax expense

		Year ended 31 March 2019	Year ended 31 March 2018
(a)	**Amount recognised in statement of profit and loss**		
	Current tax	2,015.00	1,899.53
	Deferred tax attributable to temporary differences	122.27	110.89
	Tax pertaining to earlier years	11.96	9.12
	Tax expense	**2,149.23**	**2,019.54**
(b)	**Amount recognised in other comprehensive income**		
	Deferred tax related to items recognised in OCI		
	Deferred tax (income)/ expense on remeasurements of defined benefit plans	(5.74)	11.79
	Income-tax expense/(income) recognised in OCI	**(5.74)**	**11.79**
(c)	**Reconciliation of effective tax rate:**		
	Profit before tax	**7,041.01**	**5,559.37**
	Enacted tax rate in India*	29.12%	34.608%
	Tax expense at enacted rates	**2,050.34**	**1,923.99**
	Tax effect of:		
	Non-deductible expenses		
	- Share of loss from LLP, where Company is a partner	67.10	89.46
	Tax exempt income	(3.54)	(9.50)
	Others	23.37	6.47
		2,137.27	2,010.42
	Tax pertaining to earlier years	11.96	9.12
	Income-tax recognised in the statement of profit and loss	**2,149.23**	**2,019.54**

* The tax rate used for reconciliation above is the corporate tax rate of 29.12% (March 31, 2018: 34.608%) payable by the Company under Indian tax law.

(d) The following table provides the details of income tax assets and income tax liabilities:

	As at 31 March 2019	As at 31 March 2018
Income-tax assets, net	25.42	34.47
Current tax liabilities, net	(186.69)	(49.79)
	(161.27)	**(15.32)**

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Net income-tax liability at the beginning of the year	15.32	77.07
Add: Current tax expense	2,015.00	1,899.53
Add: Tax partaining to earlier years	11.96	9.12
Less: Tax paid during the year	(1,881.01)	(1,970.40)
Net income tax liability at the end of the year	**161.27**	**15.32**

22 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2019	As at 31 March 2018
Contingent liabilities		
Corporate guarantees to subsidiaries:		
- Medinova Diagnostic Services Limited.	92.53	135.25
- Medinova Millennium MRI Services LLP	-	249.88

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	74.78	149.53
Minimum purchase commitment under reagent rental arrangements [refer note 27]	4,023.36	2,572.93

23 Earnings per share

	Year ended 31 March 2019	Year ended 31 March 2018
Earnings for the year		
Net profit for the year attributable to equity shareholders (A)	4,891.78	3,539.83
Shares		
Weighted average number of equity shares for Basic EPS (B)	45,28,813	45,28,813
Add: Effect of dilution		
- On account of Compulsory Convertible Preference Shares (Series A and Series B)	3,006	3,006
- On account of Outstanding employee share based options	11,937	-
Weighted average number of equity shares for Diluted EPS (C)	45,43,756	45,31,819
(a) Basic earnings per share of face value of Rs. 10 each (A/B)	**108.01**	**78.16**
(b) Diluted earnings per share of face value of Rs. 10 each (A/C)	**107.66**	**78.11**

24 Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the standalone financial statements based on information received and available with the Company. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
	- Principal	-	-
	- Interest	-	-
(b)	the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-
(d)	the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	-	-
(e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-

Note: The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

25 Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Details of investments made are given in Note 6(a)

Details of the loans given by the Company is given in Note 6(c)

Details of guarantees given by the Company is given in Note 22

26 Segment reporting

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segment's results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the Company is presented. The Company's operations fall within a single business segment "Diagnostic services".

B. Geographical information

The Company operates within India and therefore there are no assets or liabilities outside India.

C. Major customers

Revenue from any single customer of the Company's operating segment does not exceed 10% of the total revenue reported and hence the Management believes that there are no major customers to be disclosed.

27 Accounting of purchase of Reagents/ kits

The Company has entered into 'Reagent Rental Arrangements' for periods ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are designed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments.

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed. The Company has assessed the conditions as specified in the Ind AS -17, "Leases" for determining whether the said arrangement is under operating lease or finance lease. Basis the evaluation, the arrangements have been classified by the Company as composite lease, which can not be reliably segregated in operating lease and finance lease. Hence, the Company has recorded the purchase of reagents in consumption cost with no element of rental / interest therein.

28 Employee benefits

The Company has following post employment benefits:

(a) Defined contribution plans

Contributions were made to provident fund (at the rate of 12% of basic salary) and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the year in the standalone statement of profit and loss towards defined contribution plan is Rs. 236.41 lakhs (31 March 2018: Rs. 201.21 lakhs).

(b) Defined benefit plan

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20.00 lakhs.

The Gratuity plan is administered through a Gratuity Scheme with Life Insurance Corporation of India ('LIC'). The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

This defined benefit plans expose the Company to actuarial risks, such as longevity risk,currency risk, interest rate risk and market (investment) risk.

i. Reconciliation of the net defined benefit (asset)/ liability

The amounts recognised in the balance sheet and the movements in the defined benefit obligation and fair value of plan assets over the year are as follows:

	31 March 2019			31 March 2018		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	**202.70**	**133.38**	**69.32**	**179.09**	**84.41**	**94.68**
Current service cost	59.35	-	59.35	53.11	-	53.11
Interest expense/ (income)	15.29	(10.06)	5.23	13.24	(6.24)	7.00
Recognised in statement of profit or loss	**74.64**	**(10.06)**	**64.58**	**66.35**	**(6.24)**	**60.11**
Remeasurements						
Return on plan assets, excluding amounts included in interest expense	-	16.23	16.23	-	0.64	0.64
Actuarial (gains)/ losses arising from:						
- Changes in demographic assumptions	-	-	-	(17.31)	-	(17.31)
- Changes in financial assumptions	5.06	-	5.06	(3.84)	-	(3.84)
- Experience variance (i.e. actual experience vs assumptions)	(1.59)	-	(1.59)	(19.96)	-	(19.96)
Re-measurements recognised in other comprehensive income	**3.47**	**16.23**	**19.70**	**(41.11)**	**0.64**	**(40.47)**
Contribution paid to the plan	-	54.45	(54.45)	-	45.00	(45.00)
Benefits paid	(17.25)	(17.25)	-	(1.63)	(1.63)	-
Closing balance	**263.56**	**164.41**	**99.16**	**202.70**	**133.38**	**69.32**

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

ii. Plan assets

Plan assets comprises of the following:

	As at 31 March 2019	As at 31 March 2018
Funds managed by Life Insurance Corporation of India	100%	100%

iii. Actuarial assumptions

Principal actuarial assumptions for defined benefit obligation are as follows:

	As at 31 March 2019	As at 31 March 2018
Discount rate	7.25%	7.55%
Salary escalation rate	8.00%	8.00%
Attrition rate	10.00% to 15.00%	10.00% to 15.00%

Discount rate

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Attrition rate

Represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

	Change in assumption		Increase in assumption			Decrease in assumption		
	31 March 2019	31 March 2018		31 March 2019	31 March 2018		31 March 2019	31 March 2018
Discount rate	1.00%	1.00%	Decrease by	16.24	12.04	Increase by	18.20	13.45
Salary escalation rate	1.00%	1.00%	Increase by	17.89	13.26	Decrease by	16.28	12.10
Attrition rate	50.00%	50.00%	Decrease by	14.20	9.50	Increase by	19.67	12.52

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

v. Expected contributions to the plan for the next annual reporting period

Expected contributions to post-employment benefit plans for the next year ending 31 March 2020 is Rs. 50 lakhs.

vi. Maturity profile of the defined benefit liability

The weighted average duration of the defined benefit obligation is 6 years (31 March 2018 - 6 years). The expected maturity analysis of defined benefit obligation on an undiscounted basis is as follows:

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
31 March 2019	33.39	128.59	129.30	176.67
31 March 2018	23.71	105.86	102.30	129.86

29 Share based payments - equity settled

VDCPL Employee Stock Option Plan 2018 "The Plan" or "ESOP 2018"

The shareholders of the Company approved " VDCPL Employee Stock Option Plan 2018 (ESOP 2018) at the Extraordinary General Meeting held on 03 May 2018 to grant a maximum of 162,500 options to specified categories of employees of the Company. Each option granted and vested under ESOP 2018 shall entitle the holder to acquire one equity share of face value of Rs. 10 each of the Company.

The Plan consists of four schemes with various vesting periods from the grant date subject to satisfaction of vesting conditions. The method of settlement under the Plan is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees.

The time and performance based options under Scheme 1 become eligible on an annual basis at 30%, 30%, 20% and 20% over a period of four years and vesting starts from second year. The time and performance based options under Scheme 2 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 3 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 4 become eligible on annual basis at 100% and vest on second year from the grant date. Vested options can be exercised over a period of ten years from the grant date. The Exercise Price is the fair value of the equity share as on the date of the grant.

The Remuneration Committee of the Board of Directors accordingly, granted 47,275 options under two grants of 46,375 and 900 to eligible employees on 10 May 2018 and 31 October 2018 respectively, under ESOP 2018 - Scheme 1, Scheme 2, Scheme 3 and Scheme 4.

The fair value of equity share options is estimated at the date of grant using Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 50% of stock options expected to be vested and exercised, accordingly the total compensation cost recognised in the statement of profit and loss is Rs.22.20 lakhs (31 March 2018 - Nil)

(A) Details of options granted under ESOP 2018 are as below:

Grant	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
1st Grant	10-May-18	46,375	12,945	2,200	2,221
2nd Grant	31-Oct-18	900	900	2,339	2,339

(B) The movement of stock options during the year (in No's):

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	-	-
Granted during the year	47,275	-
Vested/exercisable during the year	-	-
Expired during the year	33,430	-
Exercised during the year	-	-
Balance at the end of the year	**13,845**	-

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(C) The key assumption used to estimate the fair value of stock option as on grant date:

Grant date	Dividend yield	Risk-free interest rate	Expected life of options granted in years	Expected volatility
10-May-18	0%	7.95%	5.5 Years to 7 Years	21.32%
31-Oct-18	0%	7.84%	5.5 Years to 7 Years	24.95%

30 Related parties

(a) Details of related parties

Description of relationship	Name of the related parties
Subsidiaries and step down subsidiaries	Medinova Diagnostic Services Limited
	Doctors Lab Medical Services Private Limited
	VDC Diagnostics (Karnataka) LLP
	Namrata Diagnostic Centre Private Limited
	Medinova Millennium MRI Services LLP
Key Management Personnel (KMP)	Dr. S. Surendranath Reddy (Executive Chairman)
	S Suprita Reddy (Managing Director)
	K Sunil Chandra (Executive Director)
Enterprise where KMP has significant influence	Vijaya Hospitals Private Limited
	Summit Nutracueticals Private Limited
	Kshetra Agritech Private Limited
	Trikona Pharmaceuticals Private Limited
	Trikona Holdings LLP
	Vijaya Holdings India LLP
	Vaishnavi Medicals Private Limited
	Vaishnavi Diagnostic Private Limited
	S Square Properties LLP
	Park Health Systems Private Limited
Relative of KMP	S Geetha Reddy (Wife of Dr. S. Surendranath Reddy)
	B Vishnu Priya (Wife of K Sunil Chandra)
	C Damodar Reddy (Husband of S Suprita Reddy)
	C Rhea Reddy (Daughter of S Suprita Reddy)
	C Arjun Reddy (Son of S Suprita Reddy)
	S Suhas Reddy (Son of K Sunil Chandra)
	S Sushmita Reddy (Daughter of K Sunil Chandra)
Controlled Trust	Vijaya Diagnostic Charitable Trust

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(b) Details of transactions during the year

	Year ended 31 March 2019	Year ended 31 March 2018
Rent paid		
Dr. S. Surendranath Reddy	346.60	282.84
K Sunil Chandra	71.81	58.21
S Suprita Reddy	42.10	36.44
S Geetha Reddy	204.42	150.39
B Vishnu Priya	1.44	1.44
Vijaya Hospitals Private Limited	92.64	82.00
Rental deposits given, net		
Dr. S. Surendranath Reddy	50.24	5.00
S Suprita Reddy	1.73	-
K Sunil Chandra	2.75	5.00
S Geetha Reddy	38.47	6.22
Sale of consumables		
VDC Diagnostics (Karnataka) LLP	3.66	4.43
Purchase of consumables		
VDC Diagnostics (Karnataka) LLP	1.37	-
Sale of services		
Medinova Diagnostic Services Limited	25.75	28.05
VDC Diagnostics (Karnataka) LLP	16.69	25.92
Medinova Millennium MRI Services LLP	3.55	1.70
Park Health Systems Private Limited	165.34	174.05
Purchase of property, plant and equipment		
Medinova Diagnostic Services Limited	-	56.22
VDC Diagnostics (Karnataka) LLP	-	0.92
Sale of property, plant and equipment		
Park Health Systems Private Limited	-	1.50
Loans given during the year		
Medinova Diagnostic Services Limited	20.00	8.00
VDC Diagnostics (Karnataka) LLP	144.97	95.78
Doctors Lab Medical Services Private Ltd.	1.30	2.09
Loans recovered during the year		
VDC Diagnostics (Karnataka) LLP	4.02	20.97
Interest income during the year		
Medinova Diagnostic Services Limited	1.33	-
Remuneration to KMP and their relatives		
Dr. S. Surendranath Reddy	180.00	247.96
K Sunil Chandra	60.00	60.00
S Suprita Reddy	120.00	120.00

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(c) Amounts due (to)/ from related parties

	As at 31 March 2019	As at 31 March 2018
Rent payable		
Dr. S. Surendranath Reddy	(27.35)	(22.10)
S Suprita Reddy	(3.30)	(2.84)
K Sunil Chandra	(5.12)	(3.58)
Vijaya Hospitals Private Limited	(7.62)	(6.29)
S Geetha Reddy	(18.29)	(12.05)
B Vishnu Priya	(0.01)	(0.12)
Rental depositsW*		
Vijaya Hospitals Private Limited	34.95	34.95
Dr. S. Surendranath Reddy	99.05	48.81
S Suprita Reddy	13.88	12.15
K Sunil Chandra	24.76	22.01
S Geetha Reddy	71.85	33.38
B Vishnu Priya	0.72	0.72
Trade receivables		
Medinova Diagnostic Services Limited	81.72	58.55
VDC Diagnostics (Karnataka) LLP	92.24	74.92
Medinova Millennium MRI Services LLP	5.57	4.11
Park Health Systems Private Limited	9.11	-
Advance from customers		
Park Health Systems Private Limited	-	(2.73)
Share of loss in LLP		
VDC Diagnostics (Karnataka) LLP	(1,760.00)	(1,529.59)
Loans outstanding		
Medinova Diagnostic Services Limited	28.00	8.00
Doctors Lab Medical Services Private Ltd.	162.62	161.32
VDC Diagnostics (Karnataka) LLP	1,559.71	1,418.76
Interest receivable		
Medinova Diagnostic Services Limited	1.33	-
Remuneration payable to KMP		
Dr. S. Surendranath Reddy	(12.00)	(11.56)
K Sunil Chandra	(4.90)	(4.47)
S Suprita Reddy	(8.80)	(5.52)
Corporate guarantees outstanding		
Medinova Diagnostic Services Limited	92.53	135.25
Medinova Millennium MRI Services LLP	-	249.88

* The amount represents the gross amount given as security deposits to the related parties.

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Note:

All transactions with these related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted).

31 Financial instruments - fair valuation and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	31 March 2019		31 March 2018		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Investments (other than in subsidiary Companies and LLP)						
- in mutual funds - FVTPL	6 (a)	-	6,883.70	-	7,327.03	Level 1
- in equity instruments - FVOCI	6 (a)	-	4.00	-	4.00	Level 3
Trade receivables	6 (b)	1,040.73	-	888.42	-	
Loans	6 (c)	705.25	-	644.06	-	
Cash and cash equivalents	6 (d)	921.58	-	1,587.07	-	
Other bank balances	6 (e)	4,301.23	-	200.00	-	
Other financial assets	6 (f)	267.61	-	109.30	-	
Total financial assets		**7,236.40**	**6,887.70**	**3,428.85**	**7,331.03**	
Financial liabilities						
Borrowings		11 (a) and 11 (c)	3,627.23	-	2,591.48	-
Trade payables		11 (b)	1,847.82	-	1,442.06	-
Other financial liabilities		11 (c)	1,134.95	-	924.49	-
Total financial liabilities			**6,610.00**	**-**	**4,958.03**	**-**

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

With respect to Corporate guarantees, the management has measured the fair value of such contracts as 'Nil'.

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

Investment in equity instruments: The fair value of investment in equity instruments approximate to its carrying value. Hence, no fair value gain/ (loss) in accounted in OCI.

ii Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in the financial year 2018-19 and no transfers in either direction in the financial year 2017-18.

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

iii Level 3 fair values

	FVOCI Equity securities	
	Year ended 31 March 2019	Year ended 31 March 2018
Balance as at the beginning of the year	4.00	4.00
Investment made	-	-
Net change in fair value (unrealised)	-	-
Balance as at the end of the year	**4.00**	**4.00**

C. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Diversification of bank deposits and monitoring the credit limits of customers.
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits and investment in mutual funds.

The Company's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans.

The Company has no significant concentration of credit risk with any counterparty.

Trade receivables and loans

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

Expected credit loss (ECL) assessment for individual customers

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

	< 180 days	> 180 days	Provision	Total
31 March 2019	582.48	639.12	(180.87)	1,040.73
31 March 2018	615.60	343.90	(71.08)	888.42

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables is as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	71.08	76.44

Notes to the Standalone Financial Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Add: Allowance measured at lifetime expected credit loss	120.71	10.78
Less: Amounts written off	10.92	16.14
Balance at the end of the year	**180.87**	**71.08**

The Company has an exposure of Rs. 272.96 lakhs as at 31 March 2019 (31 March 2018: Rs. 339.78 lakhs) for loans given to subsidiaries. Such loans are classified as financial asset measured at amortised cost. The Company did not have any amounts that were past due but not impaired at 31 March 2019 or 31 March 2018. The Company has no collateral in respect of these loans.

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies. Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in subsidiaries and mutual funds. These mutual funds and counterparties have low credit risk.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

The finance team monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash outflows on trade payables and other financial liabilities and any excess/ short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds as per the approved frame work.

Exposure to liability risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
31 March 2019						
Borrowings (including current maturities of long-term borrowings)	3,627.23	3,627.23	837.24	908.63	1,881.36	-
Trade payables	1,847.82	1,847.82	1,847.82	-	-	-
Deferred capital creditors - on purchase of medical equipment's	310.47	357.19	129.41	126.43	101.35	-
Capital creditors	188.29	188.29	188.29	-	-	-
Other financial liabilities	636.19	636.19	636.19	-	-	-
	6,610.00	**6,656.72**	**3,638.95**	**1,035.06**	**1,982.71**	**-**
31 March 2018						
Borrowings (including current maturities of long-term borrowings)	2,591.48	2,591.48	568.90	1,128.49	894.09	-
Trade payables	1,442.06	1,442.06	1,442.06	-	-	-
Deferred capital creditors - on purchase of medical equipment's	370.91	448.64	107.45	120.76	220.43	-
Capital creditors	127.01	127.01	127.01	-	-	-
Other financial liabilities	426.57	426.57	426.57	-	-	-
	4,958.03	**5,035.76**	**2,671.99**	**1,249.25**	**1,114.52**	**-**

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Standalone Financial Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

iii. Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others - will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

32 Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital as well as debt to total equity ratio. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of debt to total equity, debt includes its long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves.

	As at 31 March 2019	As at 31 March 2018
Total debt	3,627.23	2,591.48
Total equity	21,597.87	16,697.85
Debt equity ratio	**0.17**	**0.16**

33 Disclosure as per Ind AS 115 - Revenue from contracts with customers

	As at 31 March 2019	As at 31 March 2018
Contract assets		
- Unbilled revenue	-	-
- Trade receivables	1,221.60	959.50
Contract liabilities		
- Advances from customers	15.60	9.05
- Contract liability- deferred revenue	30.48	37.65

The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

34 Comparative figures

The Comparative figures for the previous year have been re-arranged to conform with the current year presentation of the accounts.

As per our Report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date: 17 June 2019

For and on behalf of the Board of Directors
Vijaya Diagnostic Centre Private Limited
CIN:U85195TG2002PTC039075

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

INDEPENDENT AUDITORS' REPORT

To the Members of
Vijaya Diagnostic Centre Private Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vijaya Diagnostic Centre Private Limited (herein after referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Director's report, but does not include the consolidated financial statements and our auditors' report thereon. The Holding Company's Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act. The respective Board of Directors of the companies/ Designated Partners of the Limited Liability Partnerships included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies/ Designated Partners of the Limited Liability Partnerships included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/ Designated Partners of Limited Liability Partnerships included in the Group is responsible for overseeing the financial reporting process of each company/ Limited Liability Partnerships.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

(a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 1,323.15 lakhs as at 31 March 2019, total revenues of Rs. 1,415.20 lakhs and net cash inflows amounting to Rs. 15.87 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 22 to the consolidated financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

The provisions of Section 197 of the Act are applicable only to public company. Accordingly, the matter to be included in the Auditors' Report under Section 197(16) is not applicable to the Holding Company.

For B S R & Associates LLP
Chartered Accountants

Firm Registration Number:
116231W/W-100024

SD

Sriram Mahalingam
Partner

Membership No.: 049642
Place: Hyderabad
Date: 17 June 2019

Annexure A to the Independent auditors' report on the consolidated financial statements

of Vijaya Diagnostic Centre Private Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013

(Referred to in clause (f) paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Vijaya Diagnostic Centre Private Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by the such companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is incorporated in India, is based on the corresponding report of the auditor of said subsidiary incorporated in India.

For B S R & Associates LLP
Chartered Accountants

Firm Registration Number:
116231W/W-100024

SD

Sriram Mahalingam
Partner

Membership No.: 049642
Place: Hyderabad
Date: 17 June 2019

Consolidated Balance Sheet
as at 31 March 2019

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

		Particulars	Notes	As at 31 March 2019	As at 31 March 2018
		ASSETS			
I		**Non-current assets**			
	(a)	Property, plant and equipment	4	14,373.10	11,154.88
	(b)	Capital work-in-progress		270.86	269.37
	(c)	Other intangible assets	5	74.63	43.23
	(d)	Goodwill on consolidation		687.99	687.99
	(e)	Financial assets			
		(i) Investments	6 (a)	4.00	4.00
		(ii) Loans	6 (c)	422.17	327.59
		(iii) Other financial assets	6 (f)	9.61	53.98
	(f)	Deferred tax asset (net)	7	-	50.04
	(g)	Non-current tax assets (net)	21 (d)	62.54	115.94
	(h)	Other non-current assets	9	361.59	393.33
		Total non-current assets		**16,266.49**	**13,100.35**
II		**Current assets**			
	(a)	Inventories	8	217.83	242.14
	(b)	Financial assets			
		(i) Investments	6 (a)	6,883.70	7,327.03
		(ii) Trade receivables	6 (b)	928.09	793.90
		(iii) Cash and cash equivalents	6 (d)	962.09	1,611.70
		(iv) Bank balances other than cash and cash equivalents	6 (e)	4,301.23	200.00
		(v) Loans	6 (c)	35.75	-
		(vi) Other financial assets	6 (f)	261.43	55.32
	(c)	Other current assets	9	207.54	84.65
		Total current assets		**13,797.66**	**10,314.74**
		TOTAL ASSETS (I + II)		**30,064.15**	**23,415.09**
		EQUITY AND LIABILITIES			
I		**Equity**			
	(a)	Equity share capital	10 (a)	452.89	452.89
	(b)	Instruments entirely equity in nature	10 (b)	241.30	241.30
	(c)	Other equity	10 (c)	20,429.98	15,482.30
		Equity attributable to owners of Parent Company		**21,124.17**	**16,176.49**
		Non-controlling interest		(37.18)	(64.05)
		Total equity		**21,086.99**	**16,112.44**
		Liabilities			
II		**Non-current liabilities**			
	(a)	Financial liabilities			
		(i) Borrowings	11 (a)	3,153.45	2,559.04
		(ii) Other financial liabilities	11 (c)	187.27	275.82
	(b)	Provisions	12	531.84	443.44
	(c)	Deferred tax liabilities (net)	7	60.63	-
	(d)	Other non-current liabilities	13	13.66	14.50
		Total non-current liabilities		**3,946.85**	**3,292.80**
III		**Current liabilities**			
	(a)	Financial liabilities			
		(i) Borrowings	11 (a)	195.31	4.05
		(ii) Trade payables	11 (b)		
		Total outstanding dues of micro and small enterprises		**-**	**-**
		Total outstanding dues of creditors other than micro and small enterprises		2,175.62	1,757.62
		(iii) Other financial liabilities	11 (c)	2,043.45	1,694.80
	(b)	Provisions	12	108.03	82.24
	(c)	Current-tax liabilities (net)	21 (d)	186.69	49.79
	(d)	Other current liabilities	13	321.21	421.35
		Total current liabilities		**5,030.31**	**4,009.85**
		Total liabilities (II + III)		**8,977.16**	**7,302.65**
		TOTAL EQUITY AND LIABILITIES (I + II + III)		**30,064.15**	**23,415.09**

Corporate Information
Summary of significant accounting policies
The notes referred to above form an integral part of the standalone financial statements

As per our Report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date: 17 June 2019

For and on behalf of the Board of Directors of
Vijaya Diagnostic Centre Private Limited
CIN:U85195TG2002PTC039075

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Consolidated Statement of Profit and Loss
for the year ended 31 March 2019

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

		Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
1		**Income**			
	(a)	Revenue from operations	14	29,258.68	25,053.57
	(b)	Other income	15	1,035.74	674.48
		Total income		**30,294.42**	**25,728.05**
2		**Expenses**			
	(a)	Cost of materials consumed	16	4,047.84	3,654.77
	(b)	Employee benefits expense	17	5,388.03	4,197.26
	(c)	Finance costs	19	506.39	503.85
	(d)	Depreciation and amortisation expense	18	2,806.23	2,628.12
	(e)	Other expenses	20	10,401.52	9,251.75
		Total expenses		**23,150.01**	**20,235.75**
3		**Profit Before Tax (PBT) [1 - 2]**		**7,144.41**	**5,492.30**
4		**Tax expense**			
	(a)	Current tax		2,015.00	1,899.53
	(b)	Deferred tax		116.42	110.34
	(c)	Tax pertaining to earlier years		44.46	9.12
		Total tax expense		**2,175.88**	**2,018.99**
5		**Profit for the year [3-4]**		**4,968.53**	**3,473.31**
6		**Other comprehensive (loss)/income**			
		Items that will not be reclassified to profit or loss			
	(a)	Remeasurement of the defined benefit obligations		(21.92)	22.39
	(b)	Income-tax relating to above item	21	5.74	(6.14)
		Other comprehensive (loss)/income for the year (net of tax)		**(16.18)**	**16.25**
7		**Total comprehensive income for the year [5+6]**		**4,952.35**	**3,489.56**
		Profit for the year attributable to owners		**4,941.06**	**3,506.70**
		Profit/(loss) for the year attributable to non-controlling interests		27.47	(33.39)
		Total comprehensive income attributable to owners		**4,925.48**	**3,527.66**
		Total comprehensive income/(loss) attributable to non-controlling interests		26.87	(38.10)
		Earnings per equity share (face value of Rs. 10 each fully paid-up)	23		
		- Basic (in Rs.)		109.10	77.43
		- Diluted (in Rs.)		108.74	77.38
		Corporate information	1		
		Summary of significant accounting policies	3		
		The notes referred to above form an integral part of the consolidated financial statements			

As per our Report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date: 17 June 2019

For and on behalf of the Board of Directors of
Vijaya Diagnostic Centre Private Limited
CIN:U85195TG2002PTC039075

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Consolidated Statement of Changes in Equity
for the year ended 31 March 2019

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Equity share capital	Cumulative Compulsorily Convertible Preferences Shares (CCPS) (Series A)	Cumulative Compulsorily Convertible Preferences Shares (CCPS) (Series B)	Reserves and surplus				Total attributable to owners of the Company	Total attributable to non-controlling interest	Total
				General reserve	Securities premium	Employee share options outsatnding account	Retained earnings			
Balance as at 1 April 2017	452.89	141.31	99.99	493.20	4,915.75	-	6,545.69	12,648.83	(51.95)	12,596.88
Total comprehensive income for the year ended 31 March 2018										
Profit for the year	-	-	-	-	-	-	3,506.70	3,506.70	(33.39)	3,473.31
Other comprehensive income, net of tax	-	-	-	-	-	-	20.96	20.96	(4.71)	16.25
Total comprehensive income for the year	-	-	-	-	-	-	3,527.66	3,527.66	(38.10)	3,489.56
Contributions from Non-controlling interest	-	-	-	-	-	-	-	-	26.00	26.00
Balance as at 31 March 2018	452.89	141.31	99.99	493.20	4,915.75	-	10,073.35	16,176.49	(64.05)	16,112.44
Balance as at 1 April 2018	452.89	141.31	99.99	493.20	4,915.75	-	10,073.35	16,176.49	(64.05)	16,112.44
Total comprehensive income for the year ended 31 March 2019										
Profit for the year	-	-	-	-	-	-	4,941.06	4,941.06	27.47	4,968.53
Other comprehensive income, net of tax	-	-	-	-	-	-	(15.58)	(15.58)	(0.60)	(16.18)
Total comprehensive income for the year	-	-	-	-	-	-	4,925.48	4,925.48	26.87	4,952.35
Share based payment [Refer Note 28]	-	-	-	-	-	22.20	-	22.20	-	22.20
Contributions from Non-controlling interest	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2019	452.89	141.31	99.99	493.20	4,915.75	22.20	14,998.83	21,124.17	(37.18)	21,086.99

As per our Report of even date attached
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ICAI Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

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Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Consolidated Statement of Cash Flows
for the year ended 31 March 2019

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A	**Cash flow from operating activities**		
	Profit before tax	7,144.41	5,492.30
	Adjustments for:		
	Depreciation and amortisation expense	2,806.23	2,628.12
	Net (gain)/ loss on sale/ retirement of property, plant and equipment	(36.84)	5.14
	Interest income	(286.50)	(77.55)
	Dividend income on current investments	(90.60)	(90.87)
	Provision for doubtful receivables	120.71	10.78
	Fair value movement on on financial instruments	(436.48)	(315.77)
	Liabilities written back	(173.60)	-
	Employee share based payments - equity settled	22.20	-
	Finance costs	378.05	391.50
	Bad debts written-off	3.87	-
	Advances written-off	-	5.00
	Operating profit before changes in assets and liabilities	**9,451.45**	**8,048.65**
	Changes in assets and liabilities:		
	Decrease/ (increase) in inventories	24.32	(146.12)
	Increase in trade receivables	(258.77)	(29.29)
	Increase in other financial assets and loans	(64.41)	(23.44)
	(Increase)/ decrease in other assets and deposits	(224.17)	81.06
	Increase in trade payables	418.00	115.10
	Increase in provisions	31.77	62.93
	Increase in other financial liabilities	282.23	23.63
	(Decrease)/ increase in other liabilities	(98.79)	55.76
	Cash generated from operations	**9,561.63**	**8,188.28**
	Income taxes paid (net)	(1,869.16)	(1,976.45)
	Net cash generated from operating activities (A)	**7,692.47**	**6,211.83**
B	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	(6,103.91)	(3,177.29)
	Proceeds from sale of property, plant and equipment	191.33	134.97
	Investment/(redemption) of debt oriented liquid mutual funds (net)	879.81	(6,703.84)
	Deposits placed having original maturity of more than 3 months (net)	(4,094.21)	(204.11)
	Dividend received	90.60	90.87
	Interest received	51.82	61.90
	Net cash used in investing activities (B)	**(8,984.56)**	**(9,797.50)**
C	**Cash flows from financing activities**		
	Proceeds from non-controlling interests	-	26.00
	Proceeds from long-term borrowings	1,687.67	552.40
	Repayment of long-term borrowings	(946.68)	(1,099.09)
	Proceeds from short-term borrowings (net)	**191.26**	**0.23**
	Interest paid	(289.77)	(309.26)
	Net cash generated from/(used) in financing activities	**642.48**	**(829.72)**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net (decrease)/ increase in cash and cash equivalents (A + B + C)	**(649.61)**	**(4,415.39)**
Cash and cash equivalents at the beginning of the financial year	1,611.70	6,027.09
Cash and cash equivalents at end of the year	**962.09**	**1,611.70**

Note:

(a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and cash equivalents as per above comprise of the following:

	As at 31 March 2019	As at 31 March 2018
Cash on hand	82.47	43.22
Balances with banks		
- in current accounts	879.62	818.48
- in deposit accounts with original maturity period of 3 months or less	-	750.00
Total cash and cash equivalents (refer note 6(d))	**962.09**	**1,611.70**

The notes referred to above form an integral part of the standalone financial statements.

As per our Report of even date attached
For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

For and on behalf of the Board of Directors of
Vijaya Diagnostic Centre Private Limited
CIN:U85195TG2002PTC039075

Sriram Mahalingam
Partner
Membership Number: 049642

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Place: Hyderabad
Date: 17 June 2019

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

1 Corporate information

Vijaya Diagnostic Centre Private Limited ("the Company" or "the Parent Company") together with its subsidiaries (collectively, "the Group") is engaged in the business of providing comprehensive range of diagnostic services spanning pathological investigations, basic and high end radiology, nuclear medicine and related healthcare services.

The Company and its subsidiaries have been incorporated under the provisions of the Indian Companies Act. The Company is domiciled in India, having its registered office located at # 3-6-16 & 17, Street No 19, Himayat Nagar, Hyderabad - 500 029, India and the Corporate office is located at # 6-3-883/F, Ground Floor of Family Planning Association of India, Panjagutta, Hyderabad - 500 082, India.

2 Basis of preparation and measurement

(i) Statement of compliance

These consolidated financial statements (hereinafter referred to as 'consolidated financial statements') have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act under the historical cost convention on an accrual basis except for certain financial instruments, equity settled share based payments, which are measured at fair values, notified under the Act and Rules prescribed thereunder.

The consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The consolidated financial statements were approved and authorised for issue by the Company's Board of Directors on 17 June 2019.

(ii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities	: Measured at fair value
- Net defined benefit (asset)/ liability	: Fair value of plan assets less present value of defined benefit obligations
- Borrowings	: Amortised cost using effective interest rate method
- Equity settled share based payments	: Measured at fair value

(iv) Use of estimates and judgements

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(L), 20(i) and 26 - lease classification.
- Note 3(L)(i), 20(i) and 26 - leases: whether an arrangement contains a lease
- Note 3(A)(i) - measurement and allocation of revenue from diagnostic services;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3(G) – Impairment testing for goodwill generated on consolidation;
- Note 4 and Note 5 – determining an asset's expected useful life and the expected residual value at the end of its life
- Note 6(b) – Impairment of financial assets;
- Note 27 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 12 and Note 22– recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 28 - Employee share based payments - equity settled

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for both financial and non-financial assets.

"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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability"

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 30 - Financial instruments

(vi) Principles of consolidatation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements;

(iii) The Group's voting rights and potential voting rights;

(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on 31 March.

b. Consolidation procedures

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction

If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) Derecognises the carrying amount of any non-controlling interests.

(iii) Derecognises the cumulative translation differences recorded in equity.

(iv) Recognises the fair value of the consideration received.

(v) Recognises the fair value of any investment retained.

(vi) Recognises any surplus or deficit in profit or loss.

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e. Subsidiaries considered in the consolidated financial statements:

Sr no.	Name of the entity	Relationship	Country of incorporation	Ownership interest in %	
				31 March 2019	31 March 2018
1	Medinova Diagnostic Services Limited	Subsidiary	India	62.14%	62.14%
2	VDC Diagnostics (Karnataka) LLP	Subsidiary	India	100%	100%
3	Doctors Lab Diagnostic Centre Private Limited	Subsidiary	India	100%	100%
4	Medinova Millennium MRI Services LLP*	Step down subsidiary	India	55.07%	55.50%
5	Namrata Diagnostic Centre Private Limited**	Step down subsidiary	India	100%	100%

*Subsidiary of Medinova Diagnostic Services Limited

**Subsidiary of Doctors Lab Diagnostic Centre Private Limited

(vii) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when it is:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets are classified as non current.

Liabilities

A liability is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- the Group does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3 Summary of significant accounting policies

A. Revenue recognition

i) Income from diagnostic services

Revenue comprises of revenue from providing various health checkup, pathological and other diagnostic services. Revenue from diagnostics services is measured at the fair value of the consideration received or receivable, which usually coincides with the amount billed as per specified prices net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis, or a normal credit period as per the terms of the contract for institutional/organisational customers. Effective 1 April 2018, the Group has adopted Ind AS 115 Revenue from contracts with customers". Based on the assessment of the Management, the cumulative transition impact on uncompleted contracts was not material to the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the underlying tests are conducted/samples are processed for requisitioned diagnostic tests. Each service is generally a separate performance obligation and therefore revenue is recognized at a point in time when the tests are conducted /samples are processed. For multiple tests the Group measures the revenue in respect of each performance obligation at its relative standalone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its standalone selling price. Revenue contracts are on principal to principal basis and the Group is primarily responsible for fulfilling the performance obligation.

ii) Income from sale of Privilege cards

The Group operates a discount scheme where certain 'Privilege cards' are sold to the customers against which specified discounts are given on the future diagnostic services availed by the customer for a specified period. The Group recognises revenue from the sale of such cards over the period for which the card is valid. The difference in sale consideration received and revenue recognised is recognised as deferred revenue.

B. Recognition of dividend income, interest income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income is recognised using the effective interest rate method.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

C. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

D. Financial instruments

A financial instrument is any contract that gives rise to a Financial asset of one entity and Financial liability or equity insturment of another entity.

i) Initial measurement and recognition

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI)
– equity investment; or
- Fair Value Through Proft or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss

Financial Liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

Derecognition - Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Derecognition - Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Financial Instruments Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

ii) Depreciation

Depreciation is provided using the Written down value Method ('WDV') over the useful lives of the assets as estimated by the Management Depreciation on additions and deletions are restricted to the period of use. Assets costing below Rs. 5,000 are depreciated in full in the same year.

The Group entities, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has estimated the following useful lives to provide depreciation on its property, plant and equipment:

Asset category	Useful life estimated by the Management	Useful life as per Schedule II
Buildings	60 years	60 years
Plant and equipment:		
- Medical and diagnostic equipments	5 years-13 years	13 years
- Other equipments	7 years - 15 years	15 years
Electrical equipments	10 years	10 years
Furniture and fixtures	5 years - 10 years	10 years
Office equipments	3 years - 5 years	5 years
Computers		
- Servers and networks	6 years	6 years
- End user devises such as laptops, etc.	3 years - 5 years	3 years
Vehicles	8 years	8 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period which ever is lower. In the case of leased hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease peiod which ever is lower.

Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of profit and loss.

F. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

- Software - 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

G. Goodwill on consolidation

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	As at 31 March 2019	As at 31 March 2018
Goodwill on consolidation		
Medinova Diagnostic Services Limited	533.75	533.75
VDC Diagnostic (Karnataka) LLP	154.24	154.24

The Group's goodwill on consolidation are tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

No impairment on goodwill was recognized during the current year or previous years.

H. Capital work in progress

Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

I. Inventories

Inventories comprise of diagnostic kits, reagents, laboratory chemicals and consumables, these are valued at lower of cost and net realisable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any. Cost is determined on First-in-First-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

J. Impairment of assets

i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

K. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by a qualified actuary using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(v) Share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes valuation model. The grant date fair value of options granted to employees is recognised as employee expense with a corresponding increase in employee stock options reserve, over the period in which the eligibility conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

L. Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

For accounting on cost of reagents consumed refer Note 26.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's balance sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

M. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets–unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

N. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for.

Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and continent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

O. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

P. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

Q. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

R. Investments

Investments representing equity interest carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

S. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

T. Recent accounting pronouncements

Standards issued but not effective on Balance sheet date:

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as effective date for application of these amendments is annual period beginning on or after 1 April 2019.

Ind AS-116:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a liability representing its obligation to make lease payments. The Group is in the process of evaluating the impact on account of application of this standard.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon such probability. The Group does not expect any significant impact of the amendment on its financial statements

Ind AS 19–Plan Amendment, Curtailment or Settlement The amendments relating to 'Employee Benefits' require an entity:

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for period after the re-measurement are determined using the assumption used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements reagarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 109-Prepayment Features with Negative Compensation

The amendment relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19-Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for period after the re-measurement are determined using the assumption used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23-Borrowing Costs

The amendment clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment on its financial statements.

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4 Property, plant and equipment

Particulars	Freehold land	Building	Building on lease-hold land	Leasehold improve-ments	Plant and equipment - Medical	Plant and equipment - Others	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
A. Gross carrying value (at cost)												
As at 1 April 2017	**233.56**	**701.76**	**1,335.31**	**342.74**	**7,814.51**	**712.16**	**499.48**	**472.83**	**68.26**	**129.87**	**193.00**	**12,503.48**
Additions	-	18.18	16.60	847.27	1,659.48	194.55	147.73	169.22	60.59	86.67	6.71	3,207.00
Disposals	-	-	(26.38)	(133.35)	(1,043.70)	-	(60.85)	(4.05)	-	-	(16.94)	(1,285.27)
As at 31 March 2018	**233.56**	**719.94**	**1,325.53**	**1,056.66**	**8,430.29**	**906.71**	**586.36**	**638.00**	**128.85**	**216.54**	**182.77**	**14,425.21**
Additions	-	-	-	998.50	3,880.67	324.53	174.02	403.34	27.12	141.78	193.54	6,143.50
Disposals	-	-	-	-	(230.52)	(4.27)	(4.48)	-	(1.11)	(2.21)	(65.93)	(308.52)
As at 31 March 2019	**233.56**	**719.94**	**1,325.53**	**2,055.16**	**12,080.44**	**1,226.97**	**755.90**	**1,041.34**	**154.86**	**356.11**	**310.38**	**20,260.19**
B. Accumulated depreciation												
As at 1 April 2017	-	7.17	56.13	81.78	1,149.60	115.96	122.82	130.66	27.60	67.77	52.02	1,811.53
For the year ended 31 March 2018	-	34.68	145.86	178.62	1,729.10	134.56	117.98	115.83	40.74	58.42	48.23	2,603.98
Disposals	-	-	(9.31)	(107.38)	(972.45)	-	(38.01)	(3.73)	-	-	(14.30)	(1,145.18)
As at 31 March 2018	**-**	**41.85**	**192.68**	**153.02**	**1,906.25**	**250.52**	**202.79**	**242.76**	**68.34**	**126.19**	**85.95**	**3,270.33**
For the year ended 31 March 2019	-	33.63	107.58	403.58	1,596.23	189.77	121.18	145.79	34.48	81.19	57.36	2,770.79
Disposals	-	-	-	-	(111.85)	(2.36)	(2.39)	-	(1.05)	(1.98)	(34.40)	(154.03)
As at 31 March 2019	**-**	**75.48**	**300.26**	**556.60**	**3,390.63**	**437.93**	**321.58**	**388.55**	**101.77**	**205.40**	**108.91**	**5,887.09**
C. Net carrying value (A-B)												
As at 31 March 2018	233.56	678.09	1,132.85	903.64	6,524.04	656.19	383.57	395.24	60.51	90.35	96.82	11,154.88
As at 31 March 2019	**233.56**	**644.46**	**1,025.28**	**1,498.55**	**8,689.81**	**789.05**	**434.32**	**652.79**	**53.09**	**150.71**	**201.47**	**14,373.10**

Note:

1. Refer to note 22 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
2. Refer to note 11 for details of property, plant and equipment subject to charge on secured borrowings.

5 Other intangible assets

	Particulars	Software
A.	**Gross carrying value (at cost)**	
	As at 1 April 2017	65.39
	Additions	43.22
	Disposals	-
	As at 31 March 2018	**108.61**
	Additions	66.84
	Disposals	-
	As at 31 March 2019	**175.45**

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	Software
B.	**Accumulated amortisation**	
	As at 1 April 2017	41.24
	For the year ended 31 March 2018	24.14
	Disposals	-
	As at 31 March 2018	**65.38**
	For the year ended 31 March 2019	35.44
	Disposals	-
	As at 31 March 2019	**100.82**
C.	**Net carrying value (A-B)**	
	As at 31 March 2018	43.23
	As at 31 March 2019	**74.63**

6 Financial assets

	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	**Investments**		
	Non-current (non trade)		
	Investment in Equity Instruments - carried at FVOCI		
	Unquoted		
	C.R Broadcasting Hyderabad Limited	4.00	4.00
	[40,000 (31 March 2018: 40,000) equity shares of Rs. 10 each fully paid-up]		
		4.00	**4.00**
	Aggregate value of unquoted investments	4.00	4.00
	Aggregate value of impairment in value of investments	-	-
	Current (non trade)		
	Investment in mutual funds - quoted, carried at FVTPL	6,883.70	7,327.03
		6,883.70	**7,327.03**
	Aggregate book value of quoted investments	6,883.70	7,327.03
	Aggregate market value of quoted investments	6,883.70	7,327.03
(b)	**Trade receivables**		
	(Unsecured)		
	Current		
	Considered good *	928.09	793.90
	Credit impaired	180.87	71.08
	Less: Provision for debts which are credit impaired	(180.87)	(71.08)
		928.09	**793.90**

* Includes amount receivable from related parties [refer note 29]

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
(c)	**Loans**		
	(Unsecured, considered good)		
	Non-current		
	Security deposits *	422.17	327.59
		422.17	**327.59**
	* Includes amount receivable from related parties [refer note 29]		
	Current		
	Security deposits *	35.75	-
		35.75	**-**
	* Includes amount receivable from related parties [refer note 29]		
(d)	**Cash and cash equivalents**		
	Cash on hand	82.47	43.22
	Balances with banks		
	- in current accounts	879.62	818.48
	- in deposit accounts with original maturity period of 3 months or less *	-	750.00
		962.09	**1,611.70**
	* The deposits maintained by the Group with banks comprise of time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.		
(e)	**Other bank balances**		
	Deposit accounts with remaining maturity of less than 12 months * @	4,301.23	200.00
		4,301.23	**200.00**
	@ Fixed deposit of Rs 200 lakhs under lien.		
	* The deposits maintained by the Group with banks comprise of time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.		
(f)	**Other financial assets**		
	(Unsecured, considered good)		
	Non-current		
	Balances with bank held as margin money	9.61	16.62
	Other receivables	-	37.36
		9.61	**53.98**
	Current		
	Interest accrued on bank deposits and others	220.64	8.36
	Other receivables	40.79	46.96
		261.43	**55.32**
7	**Deferred tax (liabilities)/assets (net)**		
	Deferred tax assets		
	On account of employee benefits	56.36	42.98
	On account of provision for doubtful receivables	52.67	20.70

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
On account of property, plant and equipment and intangible assets	16.03	11.71
On account of decommissioning liability on property, plant and equipment	93.03	83.28
On account of MAT credit entitlement	0.43	0.43
On account of others	84.90	41.45
Sub total (A)	**303.42**	**200.55**
Deferred tax liabilities		
On account of property, plant and equipment and intangible assests	142.84	56.40
On account of fair value of mutual funds	221.21	94.11
Sub total (B)	**364.05**	**150.51**
Deferred tax (liabilities)/assets (net) (A+B)	**(60.63)**	**50.04**

Movement in deferred tax (liabilities)/ assets

On account of	Property, plant and equipment and intangible assets (including decommissioning liability)	Provision for employee benefits	Provision for doubtful receivables	Fair value of mutual funds	MAT Credit entitlement	Others	Total
At 1 April 2017	**41.84**	**45.31**	**26.46**	**(2.57)**	**4.16**	**51.32**	**166.52**
(Charged)/credited:							
- to statement of profit and loss	(3.25)	3.81	(5.76)	(91.54)	(3.73)	(9.87)	(110.34)
- to other comprehensive income		(6.14)					(6.14)
As at 31 March 2018	**38.59**	**42.98**	**20.70**	**(94.11)**	**0.43**	**41.45**	**50.04**
As at 1 April 2018	**38.59**	**42.98**	**20.70**	**(94.11)**	**0.43**	**41.45**	**50.04**
(Charged)/credited:							
- to statement of profit and loss	(72.38)	7.64	31.97	(127.10)	-	43.45	(116.41)
- to other comprehensive income	-	5.74	-	-	-	-	5.74
As at 31 March 2019	**(33.79)**	**56.36**	**52.67**	**(221.21)**	**0.43**	**84.90**	**(60.63)**

8 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and net realisable value)		
Reagents, chemicals, digital imaging films and consumables	217.83	242.14
	217.83	**242.14**

9 Other assets

(Unsecured, considered good)		
Non-current		
Capital advances	34.53	167.56
Advances other than capital advances	25.85	25.85
Pepaid rent	301.21	199.92
	361.59	**393.33**

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Advances other than capital advances		
- Advance to suppliers	26.78	15.10
- Advance to employees	1.31	1.62
- Other advances	-	0.02
Prepaid expenses	179.45	67.91
	207.54	**84.65**

10 Equity

Authorised share capital		
6,631,868 (31 March 2018: 6,631,868) equity shares of Rs. 10 each	663.19	663.19
1,425,000 (31 March 2018: 1,425,000) Series A Cumulative compulsorily convertible preference shares (CCPS) of Rs. 10 each	142.50	142.50
12,000 (31 March 2018: 12,000) Series B Cumulative compulsorily convertible preference shares (CCPS) of Rs. 3327.61 each	399.31	399.31

(a) Equity share capital

Issued, subscribed and fully paid up capital		
4,528,813 (31 March 2018: 4,528,813) equity shares of Rs. 10 each, fully paid-up	452.89	452.89
	452.89	**452.89**

i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	45,28,813	452.89	45,28,813	452.89
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**45,28,813**	**452.89**	**45,28,813**	**452.89**

ii) Terms and rights attached to equity shares

Equity shares issued by the Company have par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of shareholders holding more than 5% equity shares in the Company

	31 March 2019		31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Dr. S. Surendranath Reddy	26,81,602	59.21%	26,81,602	59.21%
M/s. Karakoram Limited	17,44,498	38.52%	17,44,498	38.52%

As per records the Company including registration of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Allotted as fully paid up equity shares pursuant to contracts without payment being received in cash	Nil	Nil	Nil	1,46,079	2,15,481

v) For details of shares reserved for issue under Employee share based payments (ESBP) of the Company [refer note 28].

(b) Instruments entirely equity in nature

Particulars	As at 31 March 2019	As at 31 March 2018
Preference shares		
Series A Cumulative Compulsorily Convertible Preference Shares (CCPS)	141.31	141.31
Series B Cumulative Compulsorily Convertible Preference Shares (CCPS)	99.99	99.99
Total preference shares	**241.30**	**241.30**

i) Reconciliation of preference shares outstanding at the beginning and at the end of the reporting year:

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Series A CCPS				
Shares outstanding at the beginning of the year	14,13,071	141.31	14,13,071	141.31
Shares issued during the year	-	-		
Shares outstanding at the end of the year	**14,13,071**	**141.31**	**14,13,071**	**141.31**
Series B CCPS				
Shares outstanding at the beginning of the year	3,005	99.99	3,005	99.99
Shares issued during the year	-	-		
Shares outstanding at the end of the year	**3,005**	**99.99**	**3,005**	**99.99**

ii) Terms and rights attached to Compulsorily convertible preference shares:

Series A Cumulative Compulsorily Convertible Preference Shares (CCPS)

Series A Preference Shares are cumulative, mandatorily and fully convertible preference shares of Rs. 10 each with 0.001% coupon. Series A preference shares shall be participating preference shares and shall be entitled to participate in any dividend distribution to holders of equity shares on a fully diluted basis. These shares are convertible into equity shares on or before a specified date agreed between the shareholders. Till the time the aforesaid CCPS are not converted, all of Series A preference shares shall collectively be entitled for one vote.

Series B Cumulative Compulsorily Convertible Preference Shares (CCPS)

Series B Preference Shares are cumulative, mandatorily and fully convertible preference shares of Rs. 3,327.61 each with 0.001% coupon. Series B preference shares shall be participating preference shares and shall be entitled to participate in any dividend distribution to holders of equity shares on a fully diluted basis. These shares are convertible into equity shares on the occurrence of the earlier of (i) prior to filing a red herring prospectus in connection with initial public offering (ii) at the option of the preference share holder (iii) expiry of 10 years from the date of issuance. Till the time the aforesaid CCPS are not converted, all of Series B preference shares shall be entitled to voting rights on a pro-rata basis with the equity shares of the Company on a fully diluted basis.

The issue proceeds of Series A CCPS and Series B CCPS have been entirely classified under equity as they are settled with fixed number of entity's own equity instruments and meets the definition of "Equity Instruments" as defined in "Ind AS 32, Financial Instruments: Presentation".

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

iii) Details of shareholders holding more than 5% preference shares in the Company

	31 March 2019		31 March 2018	
	Number of shares	% holding	Number of shares	% holding
CCPS Series A				
Dr. S. Surendranath Reddy	13,93,588	98.62%	13,93,588	98.62%
CCPS Series B				
M/s. Karakoram Limited	2,897	96.41%	2,897	96.41%

iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Allotted as fully paid up Series A CCPS by way of bonus	Nil	Nil	14,13,071	Nil	Nil
Allotted as fully paid up Series B CCPS by way of bonus	Nil	Nil	Nil	Nil	Nil

(c) Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
General reserve	493.20	493.20
Employee share options outstanding account	22.20	-
Securities premium	4,915.75	4,915.75
Retained earnings	14,998.83	10,073.35
	20,429.98	**15,482.30**

i) Securities premium		
Balance at the commencement of the year	4,915.75	4,915.75
Add: Movement during the year	-	-
Balance as at the end of the year	**4,915.75**	**4,915.75**

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013 ("the Act").

ii) Employee share options outstanding account		
Balance at the commencement of the year	-	-
Add: Share options granted during the year [refer note 28]	22.20	-
Balance as at the end of the year	**22.20**	**-**

The Company has established equity settled share based payment plan for certain category of employees of the Company. [refer note 28 for details]

iii) General reserve		
Balance at the commencement of the year	493.20	493.20
Add: Movement during the year	-	
Balance as at the end of the year	**493.20**	**493.20**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
iv)	**Retained earnings**		
	Balance at the commencement of the year	10,073.35	6,545.69
	Add: Surplus as per statement of profit and loss	4,941.06	3,506.70
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurement of defined benefit plans, net of tax	(15.58)	20.96
	Amount available for appropriations	**14,998.83**	**10,073.35**
	Less: Appropriations		
	Final dividend on instruments entirely equity in nature (CCPS) *	-	0.00
	Dividend distribution tax on instruments entirely equity in nature (CCPS) *	-	0.00
	Balance as at the end of the year	**14,998.83**	**10,073.35**

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.

OCI represents re-measurement on defined employee benefit obligations: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified in to statement of profit and loss.

	Total Other equity (i+ii+iii+iv)	**20,429.98**	**15,482.30**

Dividend on equity shares

After the reporting dates, the following dividends on equity shares (excluding corporate dividend tax) were proposed by the Board of Directors subject to the approval at the Annual General Meeting, the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

	31 March 2019	31 March 2018
Dividend on equity shares: per share Rs. Nil (31 March 2018: Nil)	-	-

Dividend on instruments entirely equity in nature (CCPS)	31 March 2019	31 March 2018
Dividend on instruments entirely equity in nature declared after the reporting dates*	-	0.00

* 0.00 represents amounts not presented in the consolidated Ind AS financial statements due to rounding off to the nearest Rs. Lakhs. The final dividend on instruments entirely equity in nature (CCPS) and dividend distribution tax thereon amounts to Rs. 241 and Rs. 50 respectively for the financial year 2017-18. For the financial year 2018-19, no dividend was declared.

11 Financial liabilities

	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	**Non-Current Borrowings**		
	Secured loans		
	Term loans		
	- from banks [refer note (i) below]	2,813.18	1,716.13
	- from others [refer note (ii) below]	906.59	1,262.66
	Unsecured loans		
	Loan from directors [refer note (iii) below]	327.45	327.45
		4,047.22	**3,306.24**
	Less: Current maturities of long-term borrowings [refer note 11(c)]	893.77	747.20
		3,153.45	**2,559.04**

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Note:

i. Terms of secured loans from banks:

Term loans from banks are repayable in 36 - 84 equated monthly installments and carries an interest rate of 8.50% - 10.50% per annum. These loans are secured by exclusive charge on equipments purchased out of the respective loans. Further, the loans from banks to the extent of Rs.780.71 lakhs (31 March 2018: 1,209.04 lakhs) is secured by personal guarantee of directors/ designated partners and loans taken by subsidiaries amounting to Rs. 92.53 lakhs (31 March 2018: 387.30 lakhs) is further secured by corporate guarantee given by the Parent Company.

ii. Terms of secured loans from others:

Term loans from others are repayable in 36 - 72 equated monthly installments and carries an interest rate of 7.40% - 9.40% per annum. These loans are secured by exclusive charge on equipments purchased out of the respective loans.

iii. Terms of unsecured loan from directors

Loan from directors are repayable after 12 months from balance sheet date and carry an interest rate of 8.00% per annum.

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Secured		
Cash credit - from bank [refer note (i) below]	195.31	4.05
	195.31	**4.05**

Note:

i. Cash credit from bank is repayable on demand and carries an interest rate of 10% to 11% per annum. The cash credit facility is secured by way of hypothecation of trade receivables and inventory of the respective entity in the Group and fixed deposit given by the Group.

(b) Trade payables		
Total outstanding dues of micro and small enterprises (refer note 24)	-	-
Total outstanding dues of creditors other than micro and small enterprises*	2,175.62	1,757.62
	2,175.62	**1,757.62**

* Includes amount payable to related parties (refer note 29)

(c) Other financial liabilities		
Non-current		
Deferred payment liabilities - on purchase of medical equipments	187.27	275.82
	187.27	**275.82**
Current		
Current maturities of long term borrowings [Refer note 11(a) above]	893.77	747.20
Interest accrued but not due	112.27	84.16
Capital creditors	188.12	150.88
Deferred payment liabilities - on purchase of medical equipments	123.20	95.09
Employee payables	707.65	431.96
Memberships/ subscriptions received	-	170.69
Other payables	18.44	14.82
	2,043.45	**1,694.80**

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

12 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits:		
- Gratuity [refer note 27]	103.77	83.42
- Compensated absences	81.58	74.03
Others:		
- Decommissioning liability [refer note (i) below]	346.49	285.99
	531.84	**443.44**
Current		
Provision for employee benefits:		
- Gratuity [refer note 27]	51.44	35.31
- Compensated absences	24.07	14.41
Others:		
- Disputed customs duty matters [refer note (i) below]	32.52	32.52
	108.03	**82.24**

Note:

i. Movement in provision for others:

	Decommissioning liability	Customs duty*
Carrying amount as at 1 April 2017	**267.22**	**32.52**
Add: Unwinding of interest expense	26.02	-
Add: Provision created during the year	14.44	-
Less: Provision reversed during the year	(21.69)	-
Balance as at 31 March 2018	**285.99**	**32.52**
Carrying amount as at 1 April 2018	**285.99**	**32.52**
Add: Unwinding of interest expense	29.16	-
Add: Provision created during the year	31.34	-
Less: Provision reversed during the year	-	-
Balance as at 31 March 2019	**346.49**	**32.52**

* Provision of Rs. 32.52 lakhs has been made in earlier years towards disputed customs duty matters, the obligation for which may arise on the outcome of the appeals and the quantum whereof will be determined as and when the appeals are disposed-off.

13 Other liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Deferred revenue	13.66	14.50
	13.66	**14.50**

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Deferred revenue	16.82	23.14
Advance from customers*	15.59	9.02
Advance received	100.00	100.00
Statutory liabilities	188.80	289.19
	321.21	**421.35**

* Includes amount payable to related parties [refer note 29]

14 Revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services	29,246.49	25,038.50
Other operating revenue		
- Scrap sales	6.78	7.51
- Income from franchise	5.41	7.56
	29,258.68	**25,053.57**

15 Other income

Interest income on bank deposits and electricity deposits	264.10	61.47
Interest income on other financial assets measured at amortised cost	22.40	16.08
Dividend income on current investments	90.60	90.87
Net fair value gain on financial assets (mutual funds) measured at FVTPL	436.48	315.77
Net gain on sale/ retirement of property, plant and equipment	36.84	-
Liabilities no longer required written back	173.60	162.57
Reversal of provision for decommissioning liability	-	21.68
Other non operating income	11.72	6.04
	1,035.74	**674.48**

16 Cost of materials consumed

Inventories of materials as at the beginning of the year	242.14	96.02
Add: Purchases during the year	4,023.53	3,800.89
Less: Inventories of materials as at the end of the year	(217.83)	(242.14)
	4,047.84	**3,654.77**

17 Employee benefits expense

Salaries, wages and bonus	4,972.17	3,813.14
Contribution to provident and other funds [refer note 27]	257.94	222.19
Gratuity [refer note 27]	72.83	65.13
Compensated absences	27.50	56.88
Employee share based payments - equity settled [refer note 28]	22.20	-
Staff welfare expenses	35.39	39.92
	5,388.03	**4,197.26**

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

18 Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment [refer note 4]	2,770.79	2,603.98
Amortisation of intangible assets [refer note 5]	35.44	24.14
	2,806.23	**2,628.12**

19 Finance costs

Interest expenses on financial liablities measured at amortised cost	317.87	330.97
Interest expense on deferred credit purchases and decommissioning liability	60.18	60.53
Bank charges and other borrowing costs	128.34	112.35
	506.39	**503.85**

20 Other expenses

Power and fuel	928.86	843.22
Rent [refer note (i) below]	1,553.43	1,287.11
Testing charges	75.17	56.27
Sample collection charges	189.60	153.17
Repairs and maintenance		
- Buildings	110.60	216.33
- Plant and equipments	747.17	733.65
- Others	163.23	133.09
House keeping expenses	432.88	341.98
Security charges	281.28	234.97
Insurance	24.40	24.97
Rates and taxes	40.52	44.41
Advertisement, publicity and marketing	363.85	467.72
Business promotion	163.18	62.47
Travelling and conveyance	168.33	146.72
Legal and professional fees	4,544.35	4,041.73
Payment to auditors [refer note (ii) below]	25.30	23.60
Postage and communication	130.89	117.63
Printing and stationery	87.03	73.35
Provision for bad and doubtful receivables	120.71	10.78
Bad and doubtful debts written off	3.87	-
Advances written-off	-	5.00
Net gain on sale/ retirement of property, plant and equipment	-	5.13
Corporate social responsibility expenditure [refer note (iii) below]	90.02	87.18
Donations	1.30	0.93
Miscellaneous expenses	155.55	140.34
	10,401.52	**9,251.75**

Notes:

i. Rent:

The Group has taken a number of offices and premises under cancellable as well as non-cancellable operating lease agreements. The leases typically run for a period of 0 - 15 years, with an option to renew the lease after that period. Some of these lease agreements have price escalation clauses. The amount charged to the consolidated statement of profit and loss towards the aforesaid leases is Rs. 1,553.43 lakhs (31 March 2018: Rs. 1,287.11 lakhs). Future lease payment on the long term non-cancellable operating leases as per the lease agreements are as follows:

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
	Due within one year	54.45	72.60
	Due later than one year and not later than five years	-	54.45
	Due later than five years	-	-
ii.	**Payment to auditors (inclusive of taxes)**		
	As auditors		
	- Statutory audit fees	23.60	23.60
	For reimbursement of expenses	1.70	-
		25.30	**23.60**
iii.	**Details of Corporate social responsibility expenditure**		
	(i) Gross amount required to be spent by the Group during the year	101.47	75.60
	(ii) Amount spent during the year (in cash)		
	- construction/ acquisition of any asset	-	-
	- on purpose other than above	90.02	87.18

21 Income-tax expense

		As at 31 March 2019	As at 31 March 2018
(a)	**Amount recognised in statement of profit and loss**		
	Current tax	2,015.00	1,899.53
	Deferred tax attributable to temporary differences	116.42	110.34
	Tax pertaining to earlier years	44.46	9.12
	Total	**2,175.88**	**2,018.99**
(b)	**Amount recognised in other comprehensive income**		
	Deferred tax		
	Deferred tax income/ (expense) on remeasurements of defined benefit plans	5.74	(6.14)
	Total	**5.74**	**(6.14)**
(c)	**Reconciliation of effective tax rate:**		
	Profit before tax	**7,144.41**	**5,492.30**
	Enacted tax rate in India*	29.120%	34.608%
	Tax expense at enacted rates	**2,080.45**	**1,900.77**
	Tax effect of:		
	Non-deductable expenses	10.20	4.54
	Unrecognised deferred taxes	68.69	115.04
	Tax exempt income	(3.54)	(9.50)
	Others	(24.38)	(0.98)
		2,131.42	2,009.87
	Tax pertaining to earlier years	44.46	9.12
	Income-tax recognised in the statement of profit and loss	**2,175.88**	**2,018.99**

* The tax rate used for reconciliation above is the corporate tax rate of 29.12% (Previous year: 34.608%) payable by corporate entities in India on taxable profits under Indian tax law.

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(d) The following table provides the details of income tax assets and income tax liabilities:

	As at 31 March 2019	As at 31 March 2018
Income-tax assets, (net)	62.54	115.94
Current tax liabilities, (net)	(186.69)	(49.79)
	(124.15)	**66.15**

	Year ended 31 March 2019	Year ended 31 March 2018
Net income tax asset/(liability) at the beginnning of the year	66.15	(1.65)
Less: Current income tax expense	(2,015.00)	(1,899.53)
Less: Tax pertaining to earlier years	(44.46)	(9.12)
Add: Tax paid during the year	1,869.16	1,976.45
Net income tax asset/ (liability) at the end of the year	**(124.15)**	**66.15**

22 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2019	As at 31 March 2018
Contingent liabilities		
Claims against the Company not acknowledged as debts:		
Demand for Provident Fund for the year 1998-2001 [refer note (i) below]	5.61	5.61

Notes:

i. Provident fund matter relates to the years 1998-2001 towards interest and provident fund.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	74.78	149.53
Minimum purchase commitment under reagent rental arrangements (refer note 26)	4,023.36	2,572.93

23 Earnings per share

	Year ended 31 March 2019	Year ended 31 March 2018
Earnings for the year		
Net profit for the year (A)	4,941.06	3,506.70
Shares		
Weighted average number of equity shares outstanding during the year for Basic EPS (B)	45,28,813	45,28,813
Add: Effect of dilution:		
- On account of Compulsory Convertible Preference Shares (Series A and Series B)	3,006	3,006
- On account of Outstanding employee share based options	11,937	-
Weighted average number of equity shares for Diluted EPS (C)	45,43,756	45,31,819
(a) Basic earnings per share of face value of Rs. 10 each (A/B)	**109.10**	**77.43**
(b) Diluted earnings per share of face value of Rs. 10 each (A/C)	**108.74**	**77.38**

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

24 Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the consolidated Ind AS financial statements based on information received and available with the Group. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

	Particulars	As at 31 March 2019	As at 31 March 2018
(a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
	- Principal	-	-
	- Interest	-	-
(b)	the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-
(d)	the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	-	-
(e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-

Note: The list of undertakings covered under MSMED Act was determined by the Group on the basis of information available with the Group and has been relied upon by the auditors.

25 Segment reporting

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the Group's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the Group is presented. The Group's operations fall within a single business segment "Diagnostic services".

B. Geographical information

The Group operates within India and therefore there is no assets or liabilities outside India.

C. Major customers

Revenue from any single customer of the Group's operating segment does not exceed 10% of the total revenue reported and hence the Management believes that there are no major customers to be disclosed.

26 Accounting of purchase of Reagents/ kits

The Group has entered into 'Reagent Rental Arrangements' for periods ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers/ diagnostic equipments are designed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments.

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed. The Group has assessed the conditons as specified in the Ind AS -17, "Leases" for determining whether the said arrangement is under operating lease or finance lease. Basis the evaluation, the arrangements have been classified by the Group as composite lease, which can not be reliably segregated in opearing lease and finance lease. Hence, the Group has recorded the purchase of reagent in consumption cost with no element of rental/ interest therein.

27 Employee benefit plans

The Company has following post employment benefit plans:

(a) Defined contribution plans

Contributions were made to provident fund (at the rate of 12% of basic salary) and Employee State Insurance in India for the employees of the Group as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the year in the consolidated statement of profit and loss towards defined contribution plan is Rs. 257.94 lakhs (31 March 2018: Rs. 222.19 lakhs)

(b) Defined benefit plan

The Group provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20.00 lakhs.

The Gratuity plan of the Parent Company is administered through a Gratuity Scheme with Life Insurance Corporation of India ('LIC'). The Parent Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The Gratuity plans of subsidiaries are unfunded.

This defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

i. Reconciliation of the net defined benefit (asset)/ liabilitiy

The amounts recognised in the balance sheet and the movements in the defined benefit obligation and fair value of plan assets over the year are as follows:

	31 March 2019			31 March 2018		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	**252.10**	**133.37**	**118.73**	**207.55**	**84.42**	**123.13**
Current service cost	64.30		64.30	56.10	-	56.10
Interest expense/ (income)	19.02	(10.49)	8.53	15.27	(6.24)	9.03
Recognised in statement of profit or loss	**83.32**	**-10.49**	**72.83**	**71.37**	**-6.24**	**65.13**
Remeasurements						
Return on plan assets, excluding amounts included in interest expense		16.23	16.23	-	0.65	0.65
Actuarial (gains)/ losses arising from:						
- Changes in demographic assumptions	-		-	(17.05)	-	(17.05)
- Changes in financial assumptions	6.10		6.10	(3.05)	-	(3.05)
- Experience variance (i.e. actual experience vs assumptions)	(0.41)		(0.41)	(2.94)	-	(2.94)
Re-measurements recognised in other comprehensive income	**5.69**	**16.23**	**21.92**	**(23.04)**	**0.65**	**(22.39)**
Contribution paid to the plan	-	55.00	55.00	-	45.00	45.00
Benefits paid	(21.15)	(17.89)	(3.27)	(3.78)	(1.64)	(2.14)
Closing balance	**319.96**	**164.74**	**155.21**	**252.10**	**133.37**	**118.73**

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

ii. Plan assets

Plan assets comprises of the following:

Particulars	As at 31 March 2019	As at 31 March 2018
Funds managed by Life Insurance Corporation of India	100%	100%

iii. Actuarial assumptions

Principal actuarial assumptions for defined benefit obligation are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.25%	7.55%
Salary escalation rate	6.00% to 8.00%	6.00% to 8.00%
Attrition rate	10.00% to 15.00%	10.00% to 15.00%

Discount rate

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Attrition rate

Represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

	Change in assumption		Increase in assumption			Decrease in assumption		
	31 March 2019	31 March 2018		31 March 2019	31 March 2018		31 March 2019	31 March 2018
Discount rate	1.00%	1.00%	Decrease by	18.14	13.78	Increase by	24.53	15.31
Salary escalation rate	1.00%	1.00%	Increase by	19.89	15.13	Decrease by	19.45	13.87
Attrition rate	50.00%	50.00%	Decrease by	14.78	9.68	Increase by	24.30	12.61

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the consolidated balance sheet

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

v. Expected contributions to the plan for the next annual reporting period

Expected contributions to post-employment benefit plans for the next year ending 31 March 2020 are Rs. 50 lakhs.

vi. Maturity profile of the defined benefit liability

The weighted average duration of the defined benefit obligation is 6 years (31 March 2018: 6 years). The expected maturity analysis of defined benefit obligation on an undiscounted basis is as follows:

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 Years
31 March 2019	51.44	161.99	145.15	182.83
31 March 2018	35.32	139.52	119.10	135.24

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

28 Share based payments

VDCPL Employee Stock Option Plan 2018 "The Plan" or "ESOP 2018"

The shareholders of the Company approved " VDCPL Employee Stock Option Plan 2018 (ESOP 2018) at the Extraordinary General Meeting held on 03 May 2018 to grant a maximum of 162,500 options to specified categories of employees of the Company. Each option granted and vested under ESOP 2018 shall entitle the holder to acquire one equity share of face value of Rs. 10 each of the Company.

The Plan consists of four schemes with various vesting periods from the grant date subject to satisfaction of vesting conditions. The method of settlement under the Plan is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees.

The time and performance based options under Scheme 1 become eligible on an annual basis at 30%, 30%, 20% and 20% over a period of four years and vesting starts from second year. The time and performance based options under Scheme 2 become eligible on an annual bais at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 3 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 4 become eligible on annual basis at 100% and vest on second year from the grant date. Vested options can be exercised over a period of ten years from the grant date. The Exercise Price is the fair value of the equity share as on the date of the grant.

The Remuneration Committee of the Board of Directors accordingly, granted 47,275 options under two grants of 46,375 and 900 to eligible employees on 10 May 2018 and 31 October 2018 respectively, under ESOP 2018 - Scheme 1, Scheme 2, Scheme 3 and Scheme 4.

The fair value of equity share options is estimated at the date of grant using Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 50% of stock options expected to be vested and exercised, accordingly the total compesation cost recognised in the statement of profit and loss is Rs.22.20 lakhs (31 March 2018 - Nil)

(A) Details of options granted under ESOP 2018 are as below

Grant	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
1st Grant	10-May-18	46,375	12,945	2,200	2,221
2nd Grant	31-Oct-18	900	900	2,338	2,338

(B) The movement of stock options during the year (in No.s)

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the yar	-	-
Granted during the year	47,275	-
Vested/exercisable during the year	-	-
Expired during the year	33,430	-
Exercised during the year	-	-
Balance at the end of the year	13,845	-

(C) The key assumption used to estimate the fair value of stock option as on grant date:

Grant date	Dividend yield	Risk-free interest rate	Expected life of options granted in years	Expected volatility
10-May-18	0%	7.95%	5.5 Years to 7 Years	21.32%
31-Oct-18	0%	7.84%	5.5 Years to 7 Years	24.95%

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

29 Related parties

(a) Details of related parties

Description of relationship	Name of the related parties
Key Management Personnel (KMP)	Dr. S. Surendranath Reddy (Executive Chairman)
	S Suprita Reddy (Managing Director)
	K Sunil Chandra (Executive Director)
Enterprise where KMP has Significance Influence	Vijaya Hospitals Private Limited
	Summit Nutracueticals Private Limited
	Kshetra Agritech Private Limited
	Trikona Pharmaceuticals Private Limited
	Trikona Holdings LLP
	Vijaya Holdings India LLP
	Vaishnavi Medicals Private Limited
	Vaishnavi Diagnostic Private Limited
	S Square Properties LLP
	Park Health Systems Private Limited
Relative of KMP	S Geetha Reddy (Wife of Dr. S. Surendranath Reddy)
	B Vishnu Priya (Wife of K Sunil Chandra)
	C Damodar Reddy (Husband of S Suprita Reddy)
	C Rhea Reddy (Daughter of S Suprita Reddy)
	C Arjun Reddy (Son of S Suprita Reddy)
	S Suhas Reddy (Son of K Sunil Chandra)
	S Sushmita Reddy (Daughter of K Sunil Chandra)
Controlled Trust	Vijaya Diagnositc Charitable Trust

(b) Details of transactions during the year

	Year ended 31 March 2019	Year ended 31 March 2018
Rent paid		
Dr. S. Surendranath Reddy	346.60	282.84
K Sunil Chandra	71.81	58.21
S Suprita Reddy	42.10	36.44
S Geetha Reddy	204.42	150.39
B Vishnu Priya	1.44	1.44
Vijaya Hospitals Private Limited	92.64	82.00
Rental deposits given, net *		
Dr. S. Surendranath Reddy	50.24	5.00
B Vishnu Priya	1.73	-
K Sunil Chandra	2.75	5.00
S Geetha Reddy	38.47	6.22

Notes to the Consolidated Statements

for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services		
Park Health Systems Private Limited	165.34	174.05
Sale of asset		
Park Health Systems Private Limited	-	1.50
Loans received		
Dr. S. Surendranath Reddy	-	5.00
K Sunil Chandra	-	16.45
Interest expense		
Dr. S. Surendranath Reddy	22.80	22.70
K Sunil Chandra	3.40	3.03
Remuneration to KMP and their relatives		
Dr. S. Surendranath Reddy	180.00	247.96
K Sunil Chandra	60.00	60.00
S Suprita Reddy	120.00	120.00

(c) Amounts due (to)/ from related parties

	As at 31 March 2019	As at 31 March 2018
Rent payable		
Vijaya Hospitals Private Limited	(7.62)	(6.29)
Dr. S. Surendranath Reddy	(27.35)	(22.10)
S Suprita Reddy	(3.30)	(2.84)
K Sunil Chandra	(5.12)	(3.58)
S Geetha Reddy	(18.29)	(12.05)
B Vishnu Priya	(0.01)	(0.12)
Rental deposits *		
Vijaya Hospitals Pvt. Ltd.	34.95	34.95
Dr. S. Surendranath Reddy	99.05	48.81
S Suprita Reddy	13.88	12.15
K Sunil Chandra	24.76	22.01
S Geetha Reddy	71.85	33.38
B Vishnu Priya	0.72	0.72
Trade receivables		
Park Health Systems Private Limited	9.11	-
Loans outstanding		
Dr. S. Surendranath Reddy	(285.00)	(285.00)
K Sunil Chandra	(42.45)	(42.45)

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Interest payable		
Dr. S. Surendranath Reddy	(90.20)	(69.68)
K Sunil Chandra	(7.68)	(4.63)
Remuneration payable to KMP		
Dr. S. Surendranath Reddy	(12.00)	(11.56)
K Sunil Chandra	(4.90)	(4.47)
S Suprita Reddy	(8.80)	(5.52)

* The amount represents the gross amount given as security deposits given to the related parties.

Note:

All transactions with these related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured.

30 Financial instruments - fair valuation and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	31 March 2019		31 March 2018		Fair value level
		Amortised Cost	Fair value	Amortised Cost	Fair value	
Financial assets						
Investments						
- in mutual funds - FVTPL	6 (a)	-	6,883.70	-	7,327.03	Level 1
- in equity instruments - FVOCI	6 (a)	-	4.00	-	4.00	Level 3
Trade receivables	6 (b)	928.09	-	793.90	-	
Loans	6 (c)	457.93	-	327.59	-	
Cash and cash equivalents	6 (d)	962.09	-	1,611.70	-	
Other bank balances	6 (e)	4,301.23	-	200.00	-	
Other financial assets	6 (f)	271.04	-	109.30	-	
Total financial assets		**6,920.38**	**6,887.70**	**3,042.49**	**7,331.03**	
Financial liabilities						
Borrowings	11 (a) and 11 (c)	4,242.52	-	3,310.29	-	
Trade payables	11 (b)	2,175.62	-	1,757.62	-	
Other financial liabilities	11 (c)	1,336.95	-	1,223.44	-	
Total financial liabilities		**7,755.10**	**-**	**6,291.33**	**-**	

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

Investment in equity instruments: The fair value of investment in equity instruments approximate to its carrying value. Hence, no fair value gain/ (loss) in accounted in OCI.

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in the financial year 2018-19 and no transfers in either direction in financial year 2017-18.

iii. Level 3 fair values

	FVOCI Equity securities	
	31-Mar-19	31-Mar-18
Balance as at the beginning of the year	4.00	4.00
Investment made	-	-
Net change in fair value (unrealised)	-	-
Balance as at the end of the year	**4.00**	**4.00**

C. Financial Risk Management

The Group activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Diversification of bank deposits and monitoring the credit limits of customers.
Liquidity Risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits and investment in mutual funds.

The Group's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans.

The Group has no significant concentration of credit risk with any counterparty.

Trade receivables and loans

Customer credit risk is managed by the respective department subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored.

Expected credit loss (ECL) assessment for individual customers

As per simplified approach, the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

	Less than 180 days	More than 180 days	Provision	Total
31 March 2019	616.74	492.22	(180.87)	928.09
31 March 2018	648.29	216.69	(71.08)	793.90

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables is as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	71.08	76.44
Add: Allowance measured at lifetime expected credit loss	120.71	10.78
Less: Amounts written off	10.92	16.14
Balance at the end of the year	**180.87**	**71.08**

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies. Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in mutual funds. These mutual funds and counterparties have low credit risk.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The finance team monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash outflows on trade payables and other financial liabilities and any excess/ short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds as per the approved frame work.

Exposure to liability risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
31 March 2019						
Borrowings (including current maturities of long-term borrowings)	4,242.53	4,242.53	1,089.07	940.16	2,213.30	-
Trade payables	2,175.62	2,175.62	2,175.62	-	-	-
Deferred payment liabilities - on purchase of medical equipments	310.47	357.19	129.41	126.43	101.35	-
Capital creditors	188.12	188.12	188.12	-	-	-
Other financial liabilities	838.36	838.36	838.36	-	-	-
	7,755.10	**7,801.82**	**4,420.58**	**1,066.59**	**2,314.65**	**-**
31 March 2018						
Borrowings (including current maturities of long-term borrowings)	3,310.29	3,310.29	751.39	1,306.39	1,252.51	-
Trade payables	1,757.62	1,757.62	1,757.62	-	-	-
Deferred payment liabilities - on purchase of medical equipments	370.91	448.64	107.45	120.76	220.43	-
Capital creditors	150.88	150.88	150.88	-	-	-
Other financial liabilities	701.63	701.63	701.63	-	-	-
	6,291.33	**6,369.06**	**3,468.97**	**1,427.15**	**1,472.94**	**-**

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

iii. Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others - will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in Market interests rate. The Group's main interest rate risk arises from short-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2019	31 March 2018
Cash credit - from banks	195.31	4.05

Sensitivity

Particulars	Impact on profit and loss	
	31 March 2019	31 March 2018
1% increase in interest rate	(1.95)	(0.04)
1% decrease in interest rate	1.95	0.04

The interest rate sensitivity is based on the closing balance of loans from banks.

31 Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Group monitors the return on capital as well as debt to total equity ratio. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of debt to total equity, debt includes its long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves.

	As at 31 March 2019	As at 31 March 2018
Total debt	4,242.53	3,310.29
Total equity	21,086.99	16,112.44
Debt equity ratio	**0.20**	**0.21**

32 Disclosure as per Ind AS 115 - Revenue from contracts with customers

	As at 31 March 2019	As at 31 March 2018
Contract assets		
- Unbilled revenue	-	-
- Trade receivables	1,108.96	864.98
Contract liabilities		
- Advances from customers	15.59	9.02
- Contract liability- deferred revenue	30.49	37.65

The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

Notes to the Consolidated Statements
for the year ended 31 March 2019 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

33 Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Act.

S No	Name of Company	31 March 19				31 March 18			
		Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)		Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)	
		Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)
	Parent								
	Vijaya Diagnostics Centre Private Limited	21,597.87	102.42%	4,877.82	98.50%	16,697.85	103.63%	3,568.51	102.26%
	Subsidiaries (including step down subsidiaries)								
1	Medinova Diagnostic Services Limited	(732.48)	-3.47%	50.37	1.02%	(782.84)	-4.86%	(9.44)	-0.27%
2	VDC Diagnostic (Karnataka) LLP	(1,360.20)	-6.45%	(231.87)	-4.68%	(1,129.62)	-7.01%	(258.51)	-7.41%
3	Doctors Lab Diagnostic Centre Private Limited	(78.53)	-0.37%	(5.60)	-0.11%	(72.93)	-0.45%	(6.84)	-0.20%
4	Medinova Millennium MRI Services LLP	(16.57)	-0.08%	3.48	0.07%	(17.88)	-0.11%	(15.83)	-0.45%
5	Namrata Diagnostic Centre Private Limited	(95.63)	-0.45%	(2.22)	-0.04%	(93.41)	-0.58%	(4.16)	-0.12%
	Non-controlling interest in all subsidiaries	**(37.18)**	**-0.18%**	**26.87**	**0.54%**	**(64.05)**	**-0.40%**	**(38.10)**	**-1.09%**
	Total	**19,277.28**	**91.43%**	**4,718.85**	**95.16%**	**14,537.12**	**90.22%**	**3,235.63**	**92.72%**
	Consolidation adjustments	**1,809.71**	**8.57%**	**233.51**	**4.84%**	**1,575.32**	**9.78%**	**253.93**	**7.28%**
	Net amount	**21,086.99**	**100.00%**	**4,952.35**	**100.00%**	**16,112.44**	**100.00%**	**3,489.56**	**100.00%**

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions/ profits/ Consolidation adjustments have been disclosed separately. Based on the group structure, the Management is of the view that the above disclosure is appropriate under requirements of the Act.

34 Comparative figures

The Comparative figures for the previous year have been re-arranged to conform with the current year presentation of the accounts.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

Place: Hyderabad
Date: 17 June 2019

For and on behalf of the Board of Directors
Vijaya Diagnostic Centre Private Limited
CIN:U85195TG2002PTC039075

Dr. S. Surendranath Reddy
Chairman and Director
DIN Number: 108599

S. Suprita Reddy
Managing Director
DIN Number: 263618

Place: Hyderabad
Date: 17 June 2019

Conceptualised, designed and developed by Valorem Advisors - www.valoremadvisors.com

VIJAYA DIAGNOSTIC CENTRE

India's Largest Comprehensive Diagnostic Network

Vijaya Diagnostic Centre Private Limited

Registered Office

CIN: U85195TG2002PTC0390757

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