

7th ANNUAL REPORT - 2018-19

KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED

BOARD OF DIRECTORS :

1. G.SUDHAKAR
2. K.RAFIQ AHMED

AUDITORS :

M/s .K.V.KRISHNAIAH & CO.,
Chartered Accountants,
40/446, Station Road,
KURNOOL – 518 001

REGISTRED OFFICE :

Sy No. 931/J1 & 2B,
Joharapuram Road,
KURNOOL – 518 002

BANKERS:

HDFC BANK,
KURNOOL

NOTICE TO THE MEMBERS

Notice is hereby given that the 7th Annual General Meeting of Kurnool Rainbow Hospitals Private Limited will be held on Wednesday the 11th day of September, 2019 at 11.00 A.M at Plot No 27 & 28, Sy No 931/J1&2B, Joharapuram Road, Kurnool, Andhra Pradesh – 518002 IN to transact the following business:

ORDINARY BUSINESS:

Item No. 1

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2019, together with the reports of the Board of Directors and the Auditors thereon.

Item No. 2

To appoint a Director in place of Dr. Sudhakar Gajjala (DIN: 07257445) who retires by rotation and being eligible offers himself for re-election.

Item No.3

To appoint Statutory Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT**, in accordance with the provisions of Section 139 and 142 of the Companies Act, 2013 or any amendment thereto or modification thereof, M/s. S.R. Batliboi & Associates LLP, be and is hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this 7th Annual General Meeting till the conclusion of 11th Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of Audit.”

Date: 17.08.2019
Place: Kurnool



By Order of the Board
Kurnool Rainbow Hospitals Private Limited


Dr. Sudhakar Gajjala
Managing Director
07257445

NOTES:

1. The Explanatory Statement pursuant to Sec.102 of the Companies Act, 2013 which sets out details relating to Special Business to be transacted at the meeting is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
7. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail cs@kimshospitals.com
8. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the _____ Annual General Meeting of the company, to be held on the ____ day of ____ at _____ a.m. / p.m. at _____ (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No's.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended 31 st March 2019, together with the reports of the Board of Directors and the Auditors thereon.		
2.	To appoint a Director in place of Dr. Sudhakar Gajjala (DIN: 07257445) who retires by rotation and being eligible offers himself for re-election.		
3.	To appoint Statutory Auditors of the Company		

Signed this ____ day of ____ 2019

Signature of Shareholder **Signature of Proxy holder**
Signature of the shareholder across Revenue Stamp

Affix
Revenue
Stamps

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

ATTENDANCE SLIP

I / We hereby record my / our presence at the 7th Annual General Meeting of the Company held on Wednesday, the 11th day of September, 2019, at 11.00 AM at the Registered Office of the Company.

Name and Address of the Shareholder(s)		
If Shareholder(s) please sign here	If Proxy please mention and sign here	
	Name of Proxy	Signature

Note:

Shareholders / Proxy holders as the case may be are requested to produce the attendance slip duly signed at the entrance of the Meeting venue.

DIRECTORS' REPORT

To,
The Members of **Kurnool Rainbow Hospitals Private Limited**

Your Directors have pleasure in presenting their 7th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

1. Financial summary or highlights/Performance of the Company

The Board's Report shall be prepared based on the stand alone financial statements of the company.

Particulars	2018-2019	2017-18
Gross Revenue	20,15,19,379	18,02,94,505
Profit/(Loss) Before Interest and Depreciation	98,57,964	1,20,47,435
Less: Finance Charges	4,10,19,904	3,24,89,098
Less: Depreciation and amortization expenses	2,45,95,597	1,18,07,342
Gross Profit/(Loss) before Tax	(5,57,57,537)	(3,22,49,005)
Less: Income Tax	-	-
- Current Tax	-	-
- Deferred Tax Charge	-	-
- Tax Pertaining to earlier years	(9,50,000)	-
Profit/(Loss) after Tax	(5,48,07,537)	(3,22,49,005)

2. Brief description of the Company's working during the year/State of Company's affair

During the period the company has recorded the total revenue of Rs. 201.51Million.The Net loss during the year was Rs 54.80 million.

3. Change in the nature of business, if any

There was no change in the nature of Business during the year.

4. Dividend

Keeping in view the expansion plans of the Company and upgrading the available facilities at the Hospital, the Board has not recommended any dividend this year.

5. Reserves

The Company has got the net loss after all the adjustments Rs. 54.80 Million/- for the period 2018-19 and the same was transferred to the head of Reserves & Surplus.

6. Share Capital

There is no change in the Capital structure of the Company during the financial year 2018-19. During the year the company has not issued shares with differential voting rights neither granted stock option nor sweat equity shares.

7. Directors and Key Managerial Personnel

During the year, no Director hasresigned from the position of Director. There was no other change in the Composition of the Directors in the Financial Year 2018-19.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013

8. Meetings

During the year Four (04) Board Meetings were convened. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

9. Details of Subsidiary/Joint Ventures/Associate Companies

Your Company does not have any subsidiary / joint venture/ associate companies for the period ended 2018-19.

10. Auditors:

The Auditors, M/s. K V Krishnaiah & Co., Chartered Accountants, were appointed for 5 years at AGM dated 30.09.2014 till the conclusion of 11th Annual General Meeting of the Company i.e., till the Financial Year 2018-19. The Board in their meeting held on 17.08.2019 recommends the appointment of M/s. S.R. Batliboi & Associates LLP as the Statutory Auditors of the Company from the conclusion of 7th Annual General Meeting till the conclusion of 11th Annual General Meeting of the Company.

11. Auditors' Report

The Auditors Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

12. Risk Assessment and Minimization Policy

Your Company being a subsidiary of Krishna Institute of Medical Sciences Ltd (KIMS) an enterprise risk management frame work has been developed at the group level which will be implemented in your company. The Risk frame work will identify key & Critical difficulties and mitigate plans and review of the same at regular intervals to bring it to a state level of acceptable risks from critical risks.

13. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is annexed as ANNEXURE I.

14. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no Material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

15. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

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

16. Deposits

Your Company has not accepted any deposits from the public covered under Chapter V of the Act during the year under review.

17. Particulars of loans, guarantees or investments under section 186

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

18. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 were on arm's length basis. Your Directors draw the attention of the members to the Notes to the financial statements which sets out related party disclosures.

19. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

Particulars required under section 134(3) of the Companies Act, 2013 read with Companies (accounts) Rules, 2014 is not applicable as the Company is not energy conservative; however your company is taking necessary steps save the energy.

b) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was Rs. NIL and the total foreign exchange earned was Rs. NIL.

20. Corporate Social Responsibility (CSR)

As per the Provisions of Section 135 of the Companies Act, 2013 the constitution of CSR committee of the board is not applicable, hence not constituted.

21. Managerial Remuneration:

During the period under review, Managerial Remuneration was paid to Directors. The details of Managerial Remuneration are provided in Form MGT-9, extract of Annual Return.

22. Human Resources

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

23. Obligation Of Company Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th

December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

24. Directors Responsibility Statement

The Directors Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

(c) 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 on a going concern basis; and

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

25. Transfer of Amounts to Investor Education and Protection Fund


Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

26. Acknowledgments

An acknowledgment to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors
KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED


Dr. Sudhakar Gajjala
Managing Director
07257445


Dr. Rafiq Ahmed Kodumuru
Whole time Director
07932674

Place: Kurnool
Date: 17.08.2019



Annexure I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U85110AP2012PTC083865
2.	Registration Date	29/10/2012
3.	Name of the Company	KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	Plot No 27 & 28 Sy No 931/J1&2B, Joharapuram Road, Kurnool AP 518002 IN
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Health Care Services	85	100%

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2018			No. of Shares held at the end of the year as on 31-March-2019			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total
A. Promoters							
(1) Indian							
a) Individual/ HUF	-	60,00,000	60,00,000	100%	60,00,000	-	60,00,000
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	60,00,000	60,00,000	100%	60,00,000	-	60,00,000
B. Public Shareholding							
1. Institutions							

[illegible]

Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	60,00,000	60,00,000	100%	60,00,000	-	60,00,000	100%	60,00,000	-

B) Shareholding of Promoter:

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Padamati Govardhan Reddy	11,00,000	18.33	-	11,00,000	18.33	-	Nil
2.	Mohammed Zareena	6,00,000	10	-	6,00,000	10	-	Nil
3.	Sreevalli Anumula	6,00,000	10	-	6,00,000	10	-	Nil
4.	Abdul Harivaram Naveed	11,00,000	18.33	-	11,00,000	18.33	-	Nil
5.	Sudhakar Gajjala	11,00,000	18.33	-	11,00,000	18.33	-	Nil

C) Change in Promoters Shareholding (please specify, if there is no change): There is no change in the Promoters Shareholding.

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

er than Directors, Promoters and Holders of GDRs and ADKS):		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
S.N.	For Each of the Top 10 Shareholders				
G. Sharada					
	At the beginning of the year	1,00,000	1.67	1,00,000	1.67
	At the end of the year	-	-	1,00,000	1.67

E) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Dr. Sudhakar Gajjala	At the beginning of the year	11,00,000	18.33	11,00,000	18.33
	At the end of the year	-	-	11,00,000	18.33
P. Govardhan Reddy	At the beginning of the year	11,00,000	18.33	11,00,000	18.33
	At the end of the year	-	-	11,00,000	18.33
Mohammed Zareena	At the beginning of the year	6,00,000	18.33	6,00,000	18.33
	At the end of the year	-	-	6,00,000	18.33
Sreevalli Anumula	At the beginning of the year	6,00,000	10	6,00,000	10
	At the end of the year	-	-	6,00,000	10
Abdul Harivaram Naveed	At the beginning of the year	11,00,000	18.33	11,00,000	18.33
	At the end of the year	-	-	11,00,000	18.33
Rafiq Ahmed	At the beginning of the year	6,00,000	10	6,00,000	10
	At the end of the year	-	-	6,00,000	10

Venkat Setty Anumula				
At the beginning of the year	6,00,000	10	6,00,000	10
At the end of the year	-	-	6,00,000	10
K. Lakshmi Prasanna				
At the beginning of the year	1,00,000	1.67	1,00,000	1.67
At the end of the year	-	-	1,00,000	1.67
M. Shabana				
At the beginning of the year	1,00,000	1.67	1,00,000	1.67
At the end of the year	-	-	1,00,000	1.67

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	225563283.6	39899234.5		265462518.1
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ ii+ iii)				
Change in Indebtedness during the financial year				
* Addition		5,80,00,000		58000000
* Reduction	5,51,70,004	16,25,000		56795004.15
Net Change	(5,51,70,004)	5,63,75,000		(12,04,996)
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	33300102	-	-	33300102
iii) Interest accrued but not due				
Total (i+ ii +iii)	20,36,93,381	9,62,74,235		299967615.9

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors

S.N.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	----	----	----	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-

	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.N.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-		-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	90,000	-	-
	(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	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	90,000	-	-

V. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

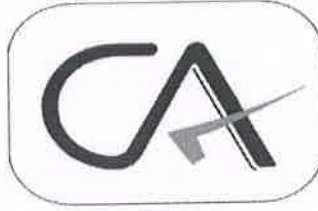
KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED

Place: Kurnool
Date: 17.08.2019



[Signature]
Dr. Sudhakar Gajjala
Managing Director
07257445

[Signature]
Dr. Rafiq Ahmed
Whole time Director
07932674



INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To
The Members of
KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED

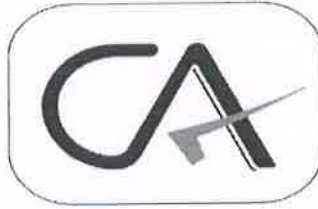
Report on the Financial Statements

1. We have audited the accompanying financial statements of M/s KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





Auditor's Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.





Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, its Profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books; Standalone KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act.





- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - ii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

ANNEXURE TO AUDIT REPORT OF EVEN DATE

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

2. Since the Company is basically service oriented i.e. rendering of medical services and in the process the company is also engaged in the sale and purchase of drugs, medicines, surgical items, etc., and inventories in respect of such stock on hand is properly maintained by the Company. Value in respect of closing stock as on 31.03.2019 is valued at cost price.





- (a) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. In respect of finished goods lying with the consignees, the certificate given by the management is relied upon.
 - (b) The company is maintaining the proper records for recording the inventory and the discrepancies noticed on verification of stocks as compared to books were not material and it has been properly dealt with in the books of account.
3.
 - (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (b) of the Order are not applicable to the Company.
 - (b) In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.





7. (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, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the company has not transferred amounts required to be transferred as per the provisions of Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act and rules made there under, which are not applicable to the company.
8. The company has been in existence for a period of more than Five years and it has incurred cash Profits in the financial year and in the immediately preceding financial year and the company has accumulated Profit/(Loss) Rs. (9,45,31,403)
9. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.





11. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
13. The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.
14. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
15. 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 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

All related party transactions that were entered into during the financials year were on an arm's length basis and were in the ordinary course of the business.

During the year the company has raised unsecured loans from directors and relatives to the tune of Rs 5,53,75,000/- (net) and for which the company has obtained a declaration from the directors and relatives of directors that the funds so advanced are not out of the borrowed funds and a declaration is kept on record.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.





17. 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 non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
18. 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.

This report is issued with UDIN No. **19025725AAAAAW9189**

Place : Kurnool

Date : 17.08.2019

CA.K.V.Krishnaiah
Chartered Accountant
M.No : 025725



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
Balance sheet

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Plant, property and equipment	2.1 (a)	34,56,04,174	35,59,97,728.02
Intangible assets	2.1 (b)	-	5,93,292.16
Financial assets			
(i) Loan	2.2	24,07,069	13,28,995
Deferred tax assets	2.31	-	2,50,822
Non-current tax assets (net)	2.7	30,80,869	17,78,724
Other non-current assets	2.3	4,48,500	-
Total non-current assets		35,15,40,612	35,99,49,561
Current assets			
Inventories	2.4	46,73,797	40,19,708
Financial assets			
(i) Trade receivables	2.5	96,80,637	41,08,654
(ii) Cash and cash equivalents	2.6	45,36,602	16,84,853
Current tax assets (net)	2.7	-	-
Other current assets	2.8	3,20,556	40,31,160
Total current assets		1,92,11,592	1,38,44,375
Total assets		37,07,52,205	37,37,93,936
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.9	6,00,00,000	6,00,00,000
Other equity		(9,45,31,403)	(3,97,23,866)
Total equity		(3,45,31,403)	2,02,76,134
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.10	18,77,70,254	20,96,40,156
Deferred tax liabilities (net)	2.31	-	2,50,822
Total non-current liabilities		18,77,70,254	20,98,90,978
Current liabilities			
Financial liabilities			
(i) Borrowings	2.11	3,93,14,060	3,87,75,238
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.12	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.12	4,77,05,698	3,21,60,812
(iii) Other liabilities	2.13	12,81,59,694	7,12,29,068
Other current liabilities	2.14	23,33,902	14,61,706
Total current liabilities		21,75,13,354	14,36,26,824
Total liabilities		37,07,52,205	37,37,93,936
Significant accounting policies	1.3		
Notes to the financial statements	2		
The accompanying notes form an integral part of the financial statements.			

As per our Report on financial statements of even date attached

for K V KRISHNAIAH
Chartered Accountants

K V Krishniah
Proprietor
Membership no.: 025725



Place: Kurnool
Date: 17.08.2019

for and on behalf of the Board of Directors of Kurnool Rainbow
Hospitals Private Limited

CIN:U85110AP2012PTC083865

Director

Director



Place: Kurnool
Date: 17.08.2019

KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
Statement of profit and loss

			INR
	Note	For the period ended 31 March 2019	For the period ended 31 March 2018
Revenue			
Revenue from operations	2.15	19,65,80,942	17,99,06,091
Other income	2.16	49,38,437	3,88,414
Total revenue		20,15,19,379	18,02,94,505
Expenses			
Medical consumables and pharmacy items consumed	2.17	1,76,53,154	1,27,22,385
Employee benefits expense	2.18	3,37,84,717	2,90,06,146
Finance costs	2.19	4,10,19,904	3,24,89,098
Depreciation and amortisation expense	2.1	2,45,95,597	1,18,07,342
Other expenses	2.20	14,02,23,544	12,65,18,538
Total expenses		25,72,76,916	21,25,43,509
Loss before tax		(5,57,57,537)	(3,22,49,005)
Tax expense			
- Current tax	2.35	-	-
- Mat credit entitlement	2.35	-	-
- Deferred tax charge	2.35	-	-
- Tax pertaining to earlier years	2.35	(9,50,000.00)	-
Total tax expense		(9,50,000)	-
Profit/ (loss) for the year (A)		(5,48,07,537)	(3,22,49,005)
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement of defined benefit plans			
- Income tax effect			
Other comprehensive income/ (loss), net of tax (B)		-	-
Total comprehensive income/ (loss) for the year (A+B)		(5,48,07,537.13)	(3,22,49,005)
Earning per share (face value of share INR 10 each)	2.29		
- Basic		(9.13)	(5.37)
- Diluted		(9.13)	(0.78)
Significant accounting policies	1.3		
Notes to the financial statements	2		
The accompanying notes form an integral part of the financial statements			

As per our Report on financial statements of even date attached

for **K V KRISHNAIAH**
Chartered Accountants

K V Krishnaiah
Proprietor
Membership no.: 025725



Place: Kurnool
Date: 17.08.2019

for and on behalf of the Board of Directors of Kurnool Rainbow Hospitals Private Limited

CIN:U85110AP2012PTC083865

Director

Director

Place: Kurnool
Date: 17.08.2019



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED**Statement of changes in equity**

Statement of changes in equity				INR
Particulars	Equity share capital	Other equity		Total of Other equity
		Reserve and surplus		
		Securities premium	Retained earnings	
Balance as at 1 April 2018	6,00,00,000	-	(3,97,23,866)	(3,97,23,866)
Profit for the year	-	-	(5,48,07,537)	(5,48,07,537)
Issue of shares	-	-	-	-
Balance as at 31 March 2019	6,00,00,000	-	(9,45,31,403)	(9,45,31,403)

The accompanying notes form an integral part of the financial statements.

As per our Report on financial statements of even date attached

for **K V KRISHNAIAH**
Chartered Accountants

K V Krishnaiah
Proprietor
Membership no.: 025725



Place: Kurnool
Date: 17.08.2019

for and on behalf of the Board of Directors of Kurnool Rainbow
Hospitals Private Limited
CIN:U85110AP2012PTC083865

Director



Director

1 General information

M/s . KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED (the 'Company'), is a Private Limited Company incorporated as per Indian Companies Act, 1956. The company is incorporated on October 29, 2012. The Company has commenced its operations since October, 2016 operating in the new premises. The company has started all the operations in respect of Pediatrics and other Medical services. The shares of the company are held by 10 individuals of each equity Rs.10/- as fully paid-up. The list of equity shareholders as on 31-03-2019 is as follows.

NOTES FORMING PART OF THE FINANCIALS STATEMENTS

2 Significant accounting policies

2.1 Statement of compliance

The Company maintains its accounts on accrual basis following the historical cost conventions and is in accordance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act 1956.

2.2 Basis of Preparation

The financial statements have been prepared in accordance with the Generally Acceptable Accounting Practices in India. The principal accounting policies are set out below.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Sale of services

Revenue from the sale of service will be recognized when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3.2 Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.4 Foreign currencies

The financial statements of the Company are presented in Indian Rupees, the currency of the primary economic environment in which the entity operates (its functional currency). In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Exchange differences will be recognised in profit or loss in the period in which they arise except for:



2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they

2.6 Retirement benefit costs

Retirement benefit costs consists of pension schemes, short-term compensated absences (such as paid annual leave) etc. The amounts are recognised as expenses when an employee has rendered service to an entity during an accounting period. The same is measured on actual basis and the obligations are measured on Provident Fund: The company administers the provident fund scheme through Regional Provident Fund Commissioner, Hyderabad.

Leave Encashment: Compensated absences, such as paid annual leave, are expected to occur within twelve months during the year in which the employees render the related employee service. The amounts are recognised as expenses when an employee has rendered service to an entity during an accounting period. The same is measured on actual basis and the obligations are measured on undiscounted basis.

Gratuity: The company has not yet commenced provision for gratuity as the company has not completed 5 years business operations period as of March 31, 2012.

2.7 Taxation

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

2.7.1 Current tax



Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The provision for taxation for every year is made as per the provisions of the Income Tax Act, 1961.

2.7.2 Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred income taxes are recognized for the future tax consequences relatable to specific heads of expenditure attributable to charging of such expenditure as per tax regulations due to timing differences and their recognition for tax purposes. The effect of change in tax rates on deferred tax assets and liabilities is recognized in income using the tax rates and tax laws that have been in force or substantially enacted by the balance sheet date.

During the Financial year 2018-19, the company has not provided any deferred tax liability in view of the operating losses

2.8 Fixed Assets

Leasehold improvements are stated at the cost incurred for such improvements and Other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the written down method at the rates, which are as per the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is charged on a proportionate basis from the month of addition. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.9 Intangible assets

3.11. Intangible assets acquired separately

1

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged on a written down basis over their estimated useful lives. Amortisation is charged on a proportionate basis from the month of addition. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is measured on actual basis and the obligations are measured on undiscounted basis.

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



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
Statement of cash flows

	INR	
	For the year ended 31 March 2019	For the year ended 31 March 2018
I. Cash flows from operating activities:		
Net profit before tax	(5,57,57,537)	(3,22,49,005)
Adjustments for operating activities:		
Depreciation and amortisation	2,45,95,597	1,18,07,342
Provision for doubtful receivables	5,53,443	-
Interest on income-tax refund	(75,600)	-
Finance cost	4,10,19,904	3,24,89,098
Operating cash flows before working capital changes	1,03,35,807	1,20,47,435
Adjustments for:		
Increase in trade receivables	(61,25,426)	(41,08,654)
Increase in inventories	(6,54,089)	(40,19,708)
Decrease in loans and other assets	26,32,530	(13,84,160)
Increase in liabilities and provisions	47,48,350	(1,09,11,950)
Cash generated from operations	1,09,37,172	(83,77,037)
Income-taxes paid, net of refund	(2,76,545)	(9,98,170)
Net cash provided by operating activities (A)	1,06,60,627	(93,75,207)
II. Cash flows from investing activities		
Purchase of property, plant and equipment	(8,32,892)	(2,75,70,976)
Proceeds from sale of fixed assets	-	-
Net cash used in investing activities (B)	(8,32,892)	(2,75,70,976)
III. Cash flows from financing activities*		
Repayment of long-term borrowings	(5,77,95,003)	(9,82,42,556)
Proceeds from long-term borrowings	9,13,00,101	8,99,02,184
Net proceeds from short-term borrowings	5,38,822	3,87,75,238
Proceeds from issue of shares	-	3,00,00,000
Finance cost paid	(4,10,19,904)	(3,24,89,098)
Net cash (used in)/ provided by financing activities (C)	(69,75,984)	2,79,45,768
Net increase/(decrease) in cash and cash equivalents (A+B+C)	28,51,749	(90,00,415)
Cash and cash equivalents at the beginning of the year	16,84,853	1,06,85,268
Cash and cash equivalents at the end of the year [refer note 2.7 (a)]	45,36,602	16,84,853
Note:		
Components of cash and cash equivalents		
Cash on hand	1,41,472	10,00,047
Balances with banks		
- On current accounts	43,95,130	6,84,806
Total	45,36,602	16,84,853

* The changes in liabilities arising from financing activities are only due to changes arising from cash flows during the current as well as previous year.

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

As per our Report of even date attached

for **K V KRISHNAIAH**
Chartered Accountants

K V Krishniah
Proprietor
Membership no.: 025725



Place: Kurnool
Date: 17.08.2019

for and on behalf of the Board of Directors of Kurnool Rainbow Hospitals Private Limited

CIN:U85110AP2012PTC CIN:U85110AP2012PTC083865

[Signature]
Director

[Signature]
Director



Place: Kurnool
Date: 17.08.2019

KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2019(continued)

2.1 Property, plant and equipment ('PPE') and capital work in progress

Particulars	Buildings	Medical and surgical equipment	Plant and equipment	Office equipment	Electrical equipment	Vehicles	Furniture and fixtures	Computers	Total of property, plant and equipment
Cost or deemed cost (gross carrying amount) (Refer note A below)									
Balance as at 1 April 2018	19,72,43,079	6,79,82,381.50	38,62,206.00	20,36,640	4,86,57,012.21	83,870	3,56,80,196	2,54,13,854	38,09,59,238.88
Additions	-	96,75,966.07	-	4,63,834.75	6,05,395.00	-	3,51,265.00	25,12,289.81	1,36,08,750.63
Disposals	-	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	19,72,43,079	7,76,58,348	38,62,206	25,00,475	4,92,62,407.21	83,870	3,60,31,461	2,79,26,144	39,45,67,989.51
Balance as at 1 April 2018	-	90,06,741.96	21,22,323.97	3,76,737.13	58,34,138.77	16,560.80	40,28,266.67	35,76,741.56	2,49,61,510.86
Depreciation charge for the year	-	51,67,864.00	9,60,764.90	6,98,540.00	48,01,210.00	13,237.00	35,49,044.00	54,68,697.00	2,40,02,304.90
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	33,42,948.00	1,41,74,605.96	30,83,088.87	10,75,277.13	1,06,35,348.77	29,797.80	75,77,310.67	90,45,438.56	4,89,63,815.76
Carrying amounts (net)									
At 31 March 2018	19,72,43,079.17	5,89,75,639.54	17,39,882.03	16,59,902.87	4,28,22,873.44	67,309.20	3,16,51,929.33	2,18,37,112.44	35,59,97,728.02
At 31 March 2019	19,39,00,131.17	6,34,83,741.61	7,79,117.13	14,25,197.62	3,86,27,058.44	54,072.20	2,84,54,150.33	1,88,80,705.25	34,56,04,173.75

2.1 (b) Intangible assets

Particulars	Software
Cost or deemed cost (gross carrying amount) (Refer note A below)	
Balance as at 1 April 2018	6,87,000
Additions	-
Disposals	-
Capitalised during the year	-
Balance as at 31 March 2019	6,87,000.00
Accumulated depreciation	-
Balance as at 1 April 2018	93,707.84
Depreciation charge for the year	5,93,292.16
Disposals	-
Balance as at 31 March 2019	6,87,000.00
Carrying amounts (net)	
At 31 March 2018	5,93,292.16
At 31 March 2019	-



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2019(continued)

	As at 31 March 2019	As at 31 March 2018
2.2 Loans		
<i>(Unsecured, considered good)</i>		
Non-current		
Security deposits	23,16,895	13,28,995
Interest receivable	90,174	-
Total	24,07,069	13,28,995
2.3 Other non-current assets		
<i>(unsecured, considered good)</i>		
Capital advances	4,48,500	-
Total	4,48,500	-



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2019(continued)

2.4 Inventories**(Valued at lower of cost or net realisable value)*

Medical consumables and pharmacy items

Total**As at
31 March 2019****As at
31 March 2018**

46,73,797.07

46,73,797.07

40,19,708

40,19,708**2.5 Trade receivables****(unsecured)*

Considered good

Considered doubtful

Total receivables

Less : Allowance for doubtful debts, net

Net trade receivables

96,80,637.00

5,53,443.00

1,02,34,080.00**(5,53,443.00)****96,80,637.00**

41,08,654

-

41,08,654**41,08,654****2.6 Cash and bank balances****Cash and cash equivalents**

Cash on hand

Balances with banks

- On current accounts

1,41,472.00

43,95,130.00

45,36,602.00

10,00,047

6,84,806

16,84,853**2.7 Tax assets (net)****Non-current**

Advance tax [net of provision for taxation]

30,80,869.00

30,80,869.00

17,78,724

17,78,724**2.8 Other current assets***(Unsecured, considered good)*

Staff advances

Advance to suppliers

Prepaid expenses

Total

89,000.00

2,31,556.00

3,20,556.00

-

35,85,910

4,45,250

40,31,160

KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2019(continued)

2.9 Equity share capital

Authorised
Equity shares
60,00,000 (31 March 2018: Nil;) equity shares of INR 10 each

Issued, subscribed and paid-up
60,00,000 (31 March 2018: Nil;) equity shares of INR 10 each

	INR	
	As at 31 March 2019	As at 31st March 2018
	6,00,00,000.00	6,00,00,000.00
	6,00,00,000.00	6,00,00,000.00
	6,00,00,000.00	6,00,00,000.00
	6,00,00,000.00	6,00,00,000.00

a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	60,00,000	6,00,00,000	30,00,000	3,00,00,000
Shares issued during the year	-	-	30,00,000	3,00,00,000
Shares issued as bonus shares	-	-	-	-
Shares outstanding at the end of the year	60,00,000	6,00,00,000	60,00,000	6,00,00,000

b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Particulars of shareholders holding more than 5% equity shares

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Dr P Govardhan Reddy	11,00,000	18.33%	11,00,000	18.33%
Dr G Sudhakar	11,00,000	18.33%	11,00,000	18.33%
Dr H Abdul Naveed	11,00,000	18.33%	11,00,000	18.33%
M Zareena	6,00,000	10.00%	6,00,000	10.00%
Dr K Rafiq Ahmed	6,00,000	10.00%	6,00,000	10.00%
Smt A Sreevalli	6,00,000	10.00%	6,00,000	10.00%
Dr A Venkata Setty	6,00,000	10.00%	6,00,000	10.00%

e) The Company has not bought back any shares during the period of five years immediately preceeding the balance sheet date.



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2019(continued)

2.10 Long-term borrowings**Term loans from financial institutions ****

- APSFC
- SREI

Total loans from financial institutions**Unsecured**

Loans from related parties

Total unsecured loans**Total**

As at 31 March 2019		As at 31 March 2018	
Non-current	Current*	Non-current As at	Current*
17,22,70,067	74,87,064	18,74,70,035	74,87,064
1,55,00,187	84,36,063	2,21,70,121	84,36,063
18,77,70,254	1,59,23,127	20,96,40,156	1,59,23,127
-	9,62,74,235	-	4,08,99,235
-	9,62,74,235	-	4,08,99,235
18,77,70,254	11,21,97,362	20,96,40,156	5,68,22,362

Notes:

*Refer current maturities of long term debts under note 2.13 Other financial liabilities

a) Term loan - 1 from APSFC towards purchase of equipment is secured by way of equitable mortgage of lease hold interest in land admeasuring 3915.56 Sq. yards covered by Plot Nos.27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of kallur,Johrapuram Road,Kurnool,together with free hold interest in Building(s) constructed and to be constructed thereon and hypothecation of hospital equipment & machinery, auxiliary equipment,furniture & fixtures and other assets proposed in the scheme and all future acquisitions of fixed assets in-nature. Further, It is secured by personal guarantee of Dr A Venkat Setty,Dr K Rafeeq Ahmed, Dr C Sunil Kumar Reddy and carrying interest of 16.50% p.a. fixed (31 March 2018: 16.50% p.a. fixed). This loan is repayable in 73 equal monthly instalments after moratorium period of two years starting from December 2017 to December 2023. Outstanding amount as on 31 March 2019 is INR 179.76 millions (31 March 2018: INR 194.96 millions).

b) Equipment loan - 2 from SREI towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment purchased out of sanctioned facility.Further, It is sured by personal guarantee of Dr A Venkat Setty,Dr K Rafeeq Ahmed, Mrs Mohammed Zareena, Dr G Sudhakar, Mrs Anumula Srivalli, Dr H Abdul Naveed and Dr Yeduguru Sri Lakshmi and carrying interest of 12.00% p.a. fixed (31 March 2018: 12.00% p.a. fixed). This loan is repayable in 60 equal monthly instalments starting from February 2017 to January 2022. Outstanding amount as on 31 March 2019 is INR 23.91 millions (31 March 2018: INR 30.61 millions).

c) Unsecured loans are taken from Directors and their relatives. Outstanding amount as on 31 March 2019 is INR 96.27 millions (31 March 2018: INR 40.89 millions).

** Borrowings are Subsequently repaid in full.



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2019(continued)
2.11 Short-term borrowings*
Secured

Working capital loans from banks [refer note i]

	As at 31 March 2019	As at 31 March 2018
	3,93,14,060.00	3,87,75,238
	3,93,14,060.00	3,87,75,238.04

Notes

- i Syndicate bank - Loan is secured by all that part and parcel of open land in Sy.183/B/2C admeasuring 4288.44 sq. yds situated in mamidalapadu presently in the limit of Kurnool municipal corporation jointly owned by Sri Gajjala Sudhakar, Sri Padamati Govardhan Reddy, Kodumuru Raifq Ahmed and Sri A Venkat Setty. Further, it is secured by personal guarantee of Sri G Sudhakar, Sri P Govardhan Reddy, Sri K Rafiq Ahmed, Smt Y Sri lakshmi, Smt Md Zareena, Smt A Srevalli, Sri Abdul Naveed, Smt M Shabana, Sri A Venkata Setty, Smt K Lakshmi Prasanna. Loan is repayable on demand and carries interest rate of 1Y MCLR+2.50% (31 March 2018: 1Y MCLR+2.50%)

*Working capital loan Subsquenty Repaid in full.

2.12 Trade payables
Trade payables

- total outstanding dues of micro enterprises and small enterprises

- total outstanding dues of creditors other than micro enterprises and small enterprises

Total

	4,77,05,697.65	3,21,60,812
	4,77,05,697.65	3,21,60,812

2.13 Other financial liabilities
Current

Current maturity of long term debts (refer note 2.10)

Capital creditors

Employee benefits payable

Security deposits

Total

	11,21,97,361.87	5,68,22,362
	1,32,24,358.35	1,39,76,707
	26,17,974.00	-
	1,20,000.00	4,30,000
	12,81,59,694.22	7,12,29,068

2.14 Other liabilities
Current

Statutory dues payable

Total

	23,33,902.00	14,61,706
	23,33,902.00	14,61,706



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2019(continued)

INR

2.15 Revenue from operations**A Income from medical and healthcare services**

	For the period ended 31 March 2019	For the period ended 31 March 2018
Income from hospital services	16,47,23,520.00	15,38,57,633
Income from pharmacy	3,12,88,000.00	2,60,48,458
Total	19,60,11,520.00	17,99,06,091

B Other operating income

Other hospital income	5,69,422.00	-
Total	5,69,422.00	-
Total revenue from operations (A+B)	19,65,80,942.00	17,99,06,091

2.16 Other income

Interest income on:		
- Income-tax refunds	75,600.00	-
Miscellaneous income	47,62,644.00	3,88,414
Total	49,38,437.00	3,88,414



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2019(continued)

	INR	
	For the year ended 31 March 2019	For the period ended 31 March 2018
2.17 Medical consumables and pharmacy items consumed		
Opening stock	40,19,708.00	-
Add: Purchases during the year	1,83,07,243.14	1,67,42,093
Less: Closing stock	46,73,797.07	40,19,708
Total	1,76,53,154.07	1,27,22,385
2.18 Employee benefit expenses		
Salaries, wages and bonus	3,26,70,073.00	2,82,41,158
Contribution to provident and other funds	4,45,553.00	5,14,260
Staff welfare expenses	6,69,091.00	2,50,728
Total	3,37,84,717.00	2,90,06,146
2.19 Finance cost		
Interest expense on		
- term loans	3,65,58,497.76	3,24,77,180
- other loans	44,61,406.24	11,918
Other borrowing costs	-	-
Total	4,10,19,904.00	3,24,89,098
2.20 Other expenses		
Consultancy charges	10,20,21,607.00	7,67,15,087
Hospital maintenance	1,13,00,950.00	1,07,41,207
Power and fuel	1,08,83,042.00	1,09,45,072
Catering and patient welfare	-	27,02,915
Rent	-	2,96,000
Repairs and maintenance:		
- Medical /Non medical equipment	39,05,168.42	71,95,225
- Hospital building and others	38,31,392.58	17,16,884
Printing and stationery	9,28,441.00	16,88,615
Legal and professional charges	71,300.00	-
Rates and taxes	14,90,357.00	13,55,945
Insurance	19,984.00	1,05,232
Provision for doubtful trade receivables	5,53,443.00	-
Advances written off	59,966.00	-
Travelling and conveyance	15,24,960.00	5,89,488
Advertisement and publicity	13,63,766.00	1,03,97,687
Subscription and membership	2,18,750.00	2,27,200
Communication	1,87,823.00	1,53,025
Bank charges	9,57,063.00	10,56,363
Miscellaneous	9,05,531.00	6,32,594
Total	14,02,23,544.00	12,65,18,538



KURNOOL RAINBOW HOSPITALS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2019(continued)

2.21 There are no contingent liabilities for the period ended 31 March 2019.

2.22 Earnings per share (EPS)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Earnings		
Loss for the year attributable to equity shareholders	(5,48,07,537)	(3,22,49,005)
Shares		
Number of shares at the beginning of the year	60,00,000	30,00,000
Add: Equity shares issued during the year*	-	30,00,000
Total number of equity shares outstanding at the end of the year	60,00,000	60,00,000
Weighted average number of equity shares outstanding during the year - Basic	60,00,000	42,90,411
Weighted average number of equity shares outstanding during the year - Diluted	60,00,000	42,90,411
Earnings per share of par value INR 10-Basic (INR)	(9.13)	(7.52)
Earnings per share of par value INR 10-Diluted (INR)	(9.13)	(7.52)

2.23 Previous year figures have been regrouped wherever necessary.

for **K V KRISHNAIAH**
Chartered Accountants



K V Krishnaiah
Proprietor
Membership no.: 025725

Place: Kurnool
Date: 17.08.2019



for and on behalf of the Board of Directors of
Kurnool Rainbow Hospitals Private Limited
CIN:U85110AP2012PTC083865



Director

Place: Kurnool
Date: 17.08.2019

