Philips Home Care Services India Private Limited
Balance Sheet as at 31 March 2019

Amounts in ₹` Mln

	NOTES	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	70.51	114.25
Capital work-in-progress	3	-	6.67
		70.51	**120.92**
Current assets			
Inventories	4	0.25	12.03
Financial Assets			
Trade receivables	5	21.43	10.45
Cash and cash equivalents	6	0.25	-
Advance income tax (net of provision)		0.34	0.25
Other current assets	7	16.42	20.75
		38.69	**43.48**
Total Assets		**109.20**	**164.40**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	294.92	144.92
Other Equity	9	(359.06)	(164.88)
Equity attributable to equity holders		**(64.14)**	**(19.96)**
Liabilities			
Non - Current Liailities			
Provisions	10	-	3.02
		-	**3.02**
Current liabilities			
Financial Liabilities			
Borrowings	11	86.50	76.60
Trade Payables	12		
(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		37.25	38.60
Other financial liabilities	13	41.33	49.56
Contract liabilities	14	0.49	10.47
Other current liabilities	15	2.05	5.78
Provisions	10	5.72	0.33
		173.34	**181.34**
		109.20	**164.40**
Summary of Significant Accounting Policies	2		

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

As per our report of even date attached

For and on behalf of Board of Directors
Philips Home Care services India Private Limited

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm registration number: 301003E/E300005

Director **Sudeep Agrawal**
DIN:08056132

Manoj Kumar Gupta
Partner
Membership No : 83906

Director **Sachin Grover**
DIN:08330668

Place: Gurgaon
Date: July 25, 2019

Company Secretary **Lubna**
Membership No : 53597

Philips Home Care Services India Private Limited

Statement of Profit and Loss for the year ended 31 March 2019 **Amounts in ₹` Mln**

	NOTES	Year ended 31 March 2019	Year ended 31 March 2018
Continuing Operations			
Income			
Revenue from operations	16	93.62	67.55
Other income	17	6.71	2.25
Total revenue		**100.33**	**69.80**
Expenses			
Purchases of stock-in-trade (goods purchased for resale)	18	32.80	29.35
Changes in inventories of work-in-progress, finished goods and stock-in-trade	19	11.78	(11.86)
Employee benefits expense	20	102.27	87.19
Depreciation and amortisation expense	21	30.94	13.23
Finance Cost	22	8.85	3.16
Other expenses	23	110.20	63.27
Total expenses		**296.84**	**184.34**
Profit before tax		**(196.51)**	**(114.54)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit / (Loss) for the year (A)		**(196.51)**	**(114.54)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined benefit tax effect plans		2.33	(0.16)
Other comprehensive income for the year (B)		**2.33**	**(0.16)**
Total comprehensive income for the year (A+B)		**(194.18)**	**(114.70)**
Earnings per equity share (for continuing operations)	24		
Basic and diluted earnings per equity share of Rs.10 each (in Rs.)		**(9.06)**	**(13.18)**

Summary of Significant Accounting Policies 2

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

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm registration number: 301003E/E300005

Manoj Kumar Gupta
Partner
Membership No : 83906

Place: Gurgaon
Date: July 25, 2019

For and on behalf of Board of Directors
Philips Home Care services India Private Limited

Director **Sudeep Agrawal**
DIN:08056132

Director **Sachin Grover**
DIN:08330668

Company Secretary **Lubna**
Membership No : 53597

Philips Home Care Services India Private Limited

Cash Flow Statement for the year ended 31 March 2019 — **Amounts in ₹ Mln**

		Year ended 31 March 2019		Year ended 31 March 2018	
A.	**Cash flow from operating activities**				
	Profit before tax	(196.51)		(114.70)	
	Profit/ (Loss) for the year		**(196.51)**		**(114.70)**
	Adjusted for				
	Depreciation and amortisation	30.94		13.23	
	Write off Assets	16.06		-	
	Interest paid	8.85	**55.85**	0.91	**14.14**
	Operating profit before working capital changes		**(140.66)**		**(100.56)**
	Working Capital adjustments				
	(Increase)/decrease in Trade receivables and other loans & advances	(6.66)		(24.94)	
	(Increase)/decrease in Inventories	11.78		(11.86)	
	Increase/(decrease) in Trade payables and other liabilities	(20.91)		61.16	
	Cash generated from operations		**(15.79)**		**24.36**
	Income tax paid (net of refunds)		(0.09)		
	Net Cash flow from Operating Activities		**(156.54)**		**(76.20)**
B.	**Cash flow from investing activities**				
	Purchase of property, plant and equipments	(36.74)		(84.34)	
	Sale Of Property, Plant & Equipment	42.47		-	
	Interest received	-		2.25	
	Net Cash flow from Investing Activities		**5.73**		**(82.09)**
C.	**Cash flow from financing activities**				
	Proceeds from borrowings	196.50		-	
	Repayment of borrowings	(110.00)		-	
	Finance costs	(8.85)		(3.16)	
	Proceed from share capital issued	150.00		85.00	
	Net Cash flow from Financing Activities		**227.65**		**81.84**
	Cash & Cash Equivalents (A+B+C)		**76.85**		**(76.45)**
	Cash & Cash Equivalents - at the beginning of the year		**(76.60)**		**(0.15)**
	Cash & Cash Equivalents - at the end of the year		**0.25**		**(76.60)**

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

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm registration number: 301003E/E300005

Manoj Kumar Gupta
Partner
Membership No : 83906

Place: Gurgaon
Date: July 25, 2019

For and on behalf of the Board of Directors
Philips Home Care services India Private Limited

Director — **Sudeep Agrawal**
DIN:08056132

Director — **Sachin Grover**
DIN:08330668

Company Secretary — **Lubna**
Membership No : 53597

Philips Home Care Services India Private Limited **Amounts in ₹` Mln**

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

a. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid up	Number of shares	Amount
At 1 April 2017	**60,50,000**	**60.50**
Changes in equity share capital during the year (Note 8)	85,00,000	85.00
Less : Share capital issue expenses	-	0.58
At 1 April 2018	**1,45,50,000**	**144.92**
Changes in equity share capital during the year (Note 8)	1,50,00,000	150.00
Less : Share capital issue expenses	-	-
At 31 March 2019	**2,95,50,000**	**294.92**

b. Other Equity

For the year ended 31 March 2019

Particulars	Reserves and Surplus	Items of OCI	Total
	Retained earnings*	Remeasurement	
As At 31 March 2017	**(51.39)**	**1.21**	**(50)**
Profit / (Loss) for the year	(114.54)	-	(114.54)
Remeasurement benefit of defined benefit plans	-	(0.16)	(0.16)
As At 31 March 2018	**(165.93)**	**1.05**	**(164.88)**
Profit / (Loss) for the year	(196.51)	-	(196.51)
Remeasurement benefit of defined benefit plans	-	2.33	2.33
As At 31 March 2019	**(362.44)**	**3.38**	**(359.06)**

*** Refer Note 9**

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm registration number: 301003E/E300005

Manoj Kumar Gupta
Partner
Membership No : 83906

Place: Gurgaon
Date: July 25, 2019

For and on behalf of Board of Directors
Philips Home Care services India Private Limited

Director **Sudeep Agrawal**
DIN:08056132

Director **Sachin Grover**
DIN:08330668

Company Secretary **Lubna**
Membership No : 53597

1 CORPORATE INFORMATION

Philips Home Care Services India Private Limited (the 'Company') is a private limited company domiciled in India with its registered office at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat) Kolkata - 700156, West Bengal, India. The Company's business is to provide, initiate, encourage or promote home healthcare services, treatment, diagnosis or care for ailments such as chronic heart failure, chronic respiratory disease, post-surgical treatment, sleep disorders, nephrology care, oncology care and similar such diseases, afflictions or any injury, providing of Home care services to patients at home through a team of nurses, para-medics, respiratory therapists and other trained personnel monitored remotely by doctors, providing sleep diagnostic services, providing medical equipment (e.g., NIV devices, oxygen concentrators, ECG, monitors, and similar devices), consumer healthcare equipment (BP, weight machine, wearables, air purifiers, and similar equipment) and other devices required for taking care of patients at home and to set up educational institutes, training facilities to train nurses and other medical professionals and assistants.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 a) Basis of preparation of financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirement of Division II of schedule III to the Companies Act, 2013, (Ind. AS compliant schedule III) and other relevant provision of the Act.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

Application of new and revised standards:

The Company has adopted with effect from April 1, 2018 the following new amendment and pronouncements:

Ind AS 115 – Revenue from contracts with customers: The core principle of the new standard is that entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customer.

The Company has adopted the Standard on April 1, 2018 by using the modified retrospective transition method and accordingly, comparatives for the year ending or ended March 31, 2018 are not retrospectively adjusted.

The accounting changes required by the Standard are not having material effect on the recognition or measurement of revenue and no transition adjustment is recognized in retained earnings as at April 1, 2018. Additional disclosure as required as per Ind AS 115 have been included in these financial statements.

Amendment to Ind AS 20, Government Grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the consolidated financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

Amendment to Ind AS 38, Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements

Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Company's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Disclosure of Interests in Other Entities: Amendment to Ind AS 112 - Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. These amendments do not have any impact on the Company's financial statements.

(b) Current / Non-Current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:
• the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
• the asset/liability is held primarily for the purpose of trading;
• the asset/liability is expected to be realized/settled within twelve months after the reporting period;
• the asset 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;
• in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.2 Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

2.3 Recent Accounting Developments

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases

Ind AS 116 Leases was notified by Ministry of Corporate Affairs on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019 and assesed by the company the impact is expected to be not material. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company will adopt the standard as of April 1, 2019 and modified retrospective approach will be applied. The Company will elect to apply the standard to contracts that were previously identified as leases applying IND AS 17. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying IND AS 17.

The Company elects to use the exemption proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application and lease contracts for which the underlying asset is of low value.

Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The amendment clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April 2019.

The impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company will apply these amendments for annual reporting periods beginning on or after 1st April 2019. The impact on the Financial Statements is being evaluated.

Other Amendments:

The MCA has notified below amendments which are effective 1st April 2019:

- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

2.4 a) Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses consequent to transition to IND AS. Subsequent costs are included in the asset's carrying amount or recognized 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. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on the original cost on a straight line method as per the useful lives of the assets as estimated by the management which are equal to the useful lives prescribed under Schedule II of the Companies Act, 2013. Depreciation on medical equipment given on operating leases and leasehold improvements is provided on a straight-line basis over the period of the lease or on their estimated useful life, whichever is shorter

(b) Investment Properties :

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

(c) Capital work in progress and Capital Advances

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight- line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

• Medical Equipemnts – 5 years

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

2.6 Investments in Subsidairies and Associates:

Investments in subsidiaries and associates are carried at cost as per Ind AS 27 and tested for impairment as per Ind AS 36. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.7 Inventories:

Inventories are valued at cost or net realizable value whichever is lower. In case of medical equipment / systems, cost is determined on the basis of "First in First Out" method and inventories for ongoing projects are valued at specific identification of cost method due to nature of the business. For all other items, cost is determined on the basis of the weighted average method and includes all costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress include appropriate proportion of costs of conversion. Obsolete, defective and unserviceable stocks are duly provided for.

2.8 Non-current assets classified as held for sale

The Company classifies non-current assets as held sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss

The criteria for held for sale classification is regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet and once classified as held-for-sale, Property, Plant and Equipment, Investment Property and Other Intangible Assets are no longer depreciated or amortized.

2.9 Cash and Cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.10 Financial Instruments:

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

a) Financial Assets:

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

Initial Recognition and Measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement:

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

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Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortized cost:

- A debt instrument is measured at amortized cost if both the following conditions are met:

Business Model Test: The objective is to hold the debt instrument to collect the contractual cash flows rather than to sell the instrument prior to its contractual maturity to realize its fair value changes.

• Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding

Debt instruments at fair value through OCI :

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in finance income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at amortized cost:

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

• Business Model Test: The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

• Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On de-recognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized (i.e., removed from the Company's statement of financial position) when:

• the rights to receive cash flows from the asset have expired, or

• the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

• the Company has transferred the rights to receive cash flows from the financial assets or

• the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is de-recognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure
• Financial assets measured at amortized cost;
• Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on:
• Trade receivables or contract revenue receivables;
• All lease receivables resulting from the transactions within the scope of IND AS 17

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

b) Financial liabilities :

Initial recognition and measurement
Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. the Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money, liabilities towards services, sales incentives and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Company has not designated any financial liability as at fair value through profit and loss

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.
Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or medication is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties

A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

2.11 Provisions & Contingencies:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.12 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Excise Duty, and net of returns, trade discounts, rebates, value added taxes and amount collected on behalf of third parties.

• Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Variable Consideration

A variable consideration is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Such assessment is performed on each reporting date to check whether it is constrained. For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available revenue recognition is postponed until the return period has lapsed. Return policies are typically based on customary return arrangements in local markets.

Contract Balances:

Contract assets:
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities:
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Assets and Liabilities arising from rights of return

Right of return assets:

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund Liabilities:
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

• Rendering of Services
Revenue from service related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

Income from annual maintenance service contracts is recognized on a straight-line basis over the period of contracts and income from other service contracts is recognized on completion of the service rendered.

Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognized on accrual basis.

• Interest Income

Interest income is recorded on a time proportion basis taking into account the amounts invested and the rate of interest.

2.13 Employee Benefits:

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Defined Contribution Plans

Contributions to defined contribution schemes such as employees' state insurance, labor welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions

Defined Benefit Plans

Liability for defined benefit plan is provided on the basis of actuarial valuation carried out by an independent Actuary at year end using the Projected Unit Credit Method. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Termination benefits are recognized as and when incurred.

The Company covers a part of the liability towards employees' gratuity by way of contributing to a registered trust. Liability with respect to the Gratuity plan, determined on basis of actuarial valuation as described above, and any differential between the fund amount as per the trust and the liabilities as per actuarial valuation is recognized as an asset or liability. Annual contributions are made to the employee's gratuity fund, established with the LIC based on an actuarial valuation carried out by the LIC as at 31 March each year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

Post-Retirement Medical benefit plan

The Company operates a defined post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions

2.14 Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognized in the Statement of Profit and Loss account.

2.15 Income Tax:

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

Current Tax:

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.16 Leases:

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognized to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognized as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

2.17 Foreign Currencies

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').
Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date:

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The estimated fair value amounts of forward exchange contracts as at March 31, 2019 have been measured as at that date. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

2.18 Fair value measurement of Financial Instruments:

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

2.19 Exceptional items:

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of fixed assets.

2.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.21 Government Grants:

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions for receiving such grant have been and will be fulfilled. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate

3 Property, Plant and Equipment

Particulars	Plant and Machinery (Owned)	Total
Cost or valuation		
At 1 April 2017	**37.07**	**37.07**
Additions	102.56	102.56
Disposals	9.78	9.78
At 31 March 2018	**129.85**	**129.85**
Additions	36.74	36.74
Disposals	54.85	54.85
At 31 March 2019	**111.74**	**111.74**
Depreciation		
At 1 April 2017	2.14	2.14
Depreciation charge for the year	13.23	13.23
Disposals	0.22	0.22
At 31 March 2018	**15.40**	15.40
Depreciation charge for the year	30.95	30.95
Disposals/adjustments	5.12	5.12
At 31 March 2019	**41.23**	**41.23**
Net book value		
At 31 March 2018	114.25	114.25
At 31 March 2019	**70.51**	**70.51**

Capital Work in Progress	**As at 31 March 2019**	**As at 31 March 2018**
Book value	**-**	6.67

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

4 **Inventories**

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Stock-in-trade (Goods purchased for resale) (includes Goods in transit INR Nil (31 March 2018- 4.39)	0.25	12.03
Total inventories at the lower of cost and net	**0.25**	**12.03**

5 **Financial assets**

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Trade receivables	0.91	10.45
Receivables from other related parties (Note 25)	20.52	-
Total	**21.43**	**10.45**

Break up for security details

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Secured, considered good	-	-
Unsecured, considered good	21.43	10.45
Doubtful	1.49	0.18
	22.92	**10.63**
Provision for doubtful debts		
Less: Doubtful	(1.49)	(0.18)
	21.43	**10.45**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

6 **Cash and cash equivalents**

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Cash and cash equivalents	0.25	-
Total	**0.25**	**-**

7 **Other Current Assets**
Loans (Unsecured considered good unless otherwise stated)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Other Loans		
Advance to suppliers	0.19	2.20
VAT credit receivable	-	0.18
Security Deposit	0.30	0.33
Prepaid expenses	-	1.55
Claims receivable	0.23	0.13
Advances to employees	0.02	0.07
GST input receivable	-	16.29
Cosidered Good	15.68	-
Cosidered doubtful	15.95	-
Provision for doubtful input receivable	(15.95)	-
Total	**16.42**	**20.75**

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

8 Share Capital

	As at 31 March 2019		As at 31 March 2018	
Authorised Share Capital	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs.10 each	**2,95,50,000**	**295.50**	**1,45,50,000**	**145.50**

Issued, subscribed and paid-up

	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs.10 each issued, subscribed and fully paid	**2,95,50,000**	**295.50**	**1,45,50,000**	**145.50**

Reconciliation of the number of equity shares outstanding

At the beginning of the year	1,45,50,000	144.92	60,50,000	59.92
Add: Equity Shares of Rs 10 each issued, subscribed and fully paid up	1,50,00,000	150.00	85,00,000	85.00
	2,95,50,000	**294.92**	**1,45,50,000**	**144.92**

Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Shares held by holding and the ultimate holding company	No. of shares	Amount	No. of shares	Amount
Philips India Limited	**2,95,50,000**	**294.92**	**1,45,50,000**	**144.92**

Details of shareholders holding more than 5% shares of the company

	No. of shares	% holding	No. of shares	% holding
Philips India Limited	**2,95,50,000**	**100%**	**1,45,50,000**	**100%**

9 Other Equity

	As at 31 March 2019	As at 31 March 2018
Surplus / (deficit) in the statement of profit and loss		
As at the beginning of the year	(164.88)	(50.18)
Loss for the year	(196.51)	(114.54)
Re-measurement gains / (losses) on defined benefit tax effect plans	2.33	(0.16)
Total	**(359.06)**	**(164.88)**

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

10 Provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-Current	Current	Non-Current	Current
Provision for employee benefits				
Gratuity (refer note 27)	-	0.05	1.87	0.14
Compensated absences	-	0.17	1.15	0.19
Others			-	-
- Miscellaneous	-	5.50		
Total	**-**	**5.72**	**3.02**	**0.33**

Nature of provisions :

Others

The company has created provisions following the accounting concept of conservatism towards possible outflow of resources in respect of other claims against the company.

11 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Loans repayable on demand to related party (Note no 25)	86.50	-
From banks		
Bank overdraft (unsecured)	-	76.60
Total	**86.50**	**76.60**

12 Trade Payable

Particulars	As at 31 March 2019	As at 31 March 2018
Dues to others	7.07	29.74
Dues to related parties	30.18	8.86
Total	**37.25**	**38.60**

Trade payables are non-interest bearing and are normally settled on 60 day terms.

13 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Employee related payables	2.10	4.01
Payable for purchase of fixed assets	-	1.81
Payable for purchase of fixed assets dues to related parties	39.23	43.74
Total	**41.33**	**49.56**

14 Contract Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Contract liabilities	0.49	10.47
Total	**0.49**	**10.47**

Contract liabilities represent income received in advance (deferred revenue).

Due to adoption of Ind AS 115 (Revenue from contracts with customers) effective 2018-19, the Company has reclassified 10.47 from Income received in advance (current) to Contract Liabilities (current) as at 31 March 2018.

15 Other Current Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Other payables:		
Interest accrued but due	0.18	-
Interest accrued but not due	1.00	-
Statutory dues	0.87	5.78
Total	**2.05**	**5.78**

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

16 Revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from sale of services		
Revenue from home solutions operations	43.75	55.23
Revenue from Sale of Products		
Medical Equipments	49.87	12.32
Total	**93.62**	**67.55**

16 (a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Type of goods or service		
Sale of Goods	49.87	12.32
Sale of Services	43.75	55.23
Revenue from contracts with customers	**93.62**	**67.55**
Within India	93.62	67.55
Outside India	-	-
Revenue from contracts with customers	**93.62**	**67.55**
Timing of revenue recognition		
Goods transferred at a point in time	49.87	12.32
Services transferred over time	43.75	55.23
Revenue from contracts with customers	**93.62**	**67.55**

16 (b) Reconciliation of the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue as per contracted price	97.56	67.55
Adjustments		
Discounts	3.94	9.97
Revenue from contract with customers	**93.62**	**67.55**

17 Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income	0.04	-
Provision Written back	3.72	1.17
Surplus on disposal of fixed assets	2.95	1.08
Total	**6.71**	**2.25**

18 **Particulars**	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of stock-in-trade (goods purchased for resale)	32.80	29.35

19 **Changes in inventories of finished goods, stock-in-trade and work-in-pro**	Year ended 31 March 2019	Year ended 31 March 2018
Stock at the beginning of the year		
Stock in trade	12.03	0.17
Stock at the end of the year		
Stock in trade	0.25	12.03
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**11.78**	**(11.86)**

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

20 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	95.50	77.92
Contribution to provident and other funds	1.72	2.22
Defined benefit plan expense	0.75	0.52
Staff welfare expenses	4.30	6.53
Total	**102.27**	**87.19**

21 Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of tangible fixed assets (note 3)	30.94	13.23
Total	**30.94**	**13.23**

22 Finance Cost

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net interest on the net defined benefit liability	0.15	0.12
Interest cost on borrowings	8.65	2.96
Other Interest	0.05	0.08
Total	**8.85**	**3.16**

23 Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Packing, freight and transport	4.00	2.75
Rent	8.12	7.01
Insurance	1.77	2.31
Travelling and conveyance	5.41	6.68
Legal and professional	11.87	7.03
Publicity	9.74	19.53
IT and Communication	28.08	15.18
Provision for doubtful debts / write-off	15.95	0.18
Bad Debts written off	2.46	0.14
Exchange difference	3.79	0.12
Undepriciated value of fixed assets provided for / written off	16.06	-
Miscellaneous expenses	2.95	2.34
Total	**110.20**	**63.27**

Legal and professional includes payments to auditors as given below:
As Auditor - statutory audit fees 0.76 (Previous year - 0.76)
Tax Audit fees : 0.25 (previous year - 0.20)
Certification fees : 0.10 (previous year - 0.05)

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

24 **Earnings per share (EPS)**

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Number of shares at the beginning of the year	1,45,50,000	60,50,000
09-05-2017	-	35,00,000
30-01-2018	-	50,00,000
11-06-2018	50,00,000	-
26-10-2018	50,00,000	-
18-01-2019	50,00,000	-
Total number of equity shares outstanding at the end of the year	2,95,50,000	1,45,50,000
Weighted average number of equity shares outsatnding during the year	2,16,86,986	86,91,096
Profit after tax attributable to equity share holders	(196.51)	(114.54)
Weighted average number of equity shares adjusted for the effect of dilution *	2,16,86,986	86,91,096
c) Basic & diluted earnings per share in rupees (face value Rs 10 per share)	(9.06)	(13.18)

* Earning Per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

25 Related party transactions (As per Ind AS 24 Related Party Disclosures)

i) (a) Names of companies where control exists:

Holding Company - Philips India Limited
Ultimate holding company - Koninklijke Philips N.V (KPNV)

(b) Other related parties with whom transactions have taken place during the year:
Fellow subsidiary companies
i) Respironics, Inc.
ii) Philips International B.V.
iii) Philips Electronics Nederland B.V

ii) Key Management Personnel

(i) Mrs.Richa Singh - Additional Director w.e.f. 01 Nov 2017 to 30th June 2018
(ii) Mr.Angarai Dorairjan Aditya Ratnam - Director w.e.f. 25 May 2016 to 13th June 2018
(iii) Mr.Madapusi Raghavan Srinivas Prasad - Director w.e.f. 06 Sept 2016 to 2nd May 2019
(iv) Mr.Sudeep Agrawal - Director w.e.f. 8th June 2018
(v) Mr.Sachin Grover - Director w.e.f. 2nd May 2019

Nature of transactions

Particulars	Year ended 31 March 2019			Year ended 31 March 2018		
	Fellow subsidiary company	Holding Company	Key Managerial Personnel	Fellow subsidiary company	Holding Company	Key Managerial Personnel
PURCHASES						
Property, Plant and Equipment	77.25	-	-	51.09	4.07	-
Services	15.46	13.71	-	-	7.70	-
Reimbursement	-	-	-	0.05	-	-
SALE						
Property, Plant and Equipment	-	36.13	-	-	-	-
MANAGERIAL REMUNERATION						
Richa Singh	-	-	3.66	-	-	4.69
FINANCE						
Interest paid on ICD	-	5.06	-	-	-	-
Inter corporate deposits taken	-	196.50	-	-	-	-
Inter corporate deposits Repaid	-	(110.00)	-	-	-	-
	92.71	141.40	3.66	51.14	11.77	4.69
OUTSTANDINGS						
Receivable	-	20.52	-	-	-	-
Payable	53.20	103.89	3.66	43.79	8.81	4.69

26 Significant accounting estimates and assumptions

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

(i) Judgments

Operating lease commitments - Company as a lessor.

The company provides the equipment to the customer, The company has determined , based on an evaluation of the terms & conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the equipments and fair value of the assets, that it retains all the significant right and rewards of ownership of these equipments and account for the same as operating lease.

(ii) Estimates and assumptions

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

(a) Defined benefit plans (gratuity benefits)

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

Further details about gratuity obligations are given in Note 27.

(b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 28 for further disclosure.

26.1 The information on forward contracts is as follows:

Foreign exchange currency exposures not covered by Forward Contracts

Details	As at 31 March 2019		As at 31 March 2018	
	USD Exposure			
	INR	000s)	INR	FC (in 000s)
Payables	53.20	745.61	43.79	604.60

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

27 Gratuity and other post-employment benefit plans (As per Ind AS 19 Employee Benefits)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

Net employee benefit expense (recognized in Employee Cost)

Particulars	Gratuity	Gratuity
	Year ended 31st March 2019	Year ended 31st March 2018
Current service cost	0.75	0.52
Past service cost	-	-
Interest cost on benefit obligation	0.15	0.12
Expected return on plan assets	-	-
Curtailment Cost	-	-
Settlement cost	-	-
Net actuarial (gain)/ loss recognised in the year	(2.33)	0.16
Expenses recognized in the statement of profit & loss and Other Comprehensive Income	(1.44)	0.80

Changes in the present value of the defined benefit obligation are as follows

Particulars	Gratuity			
	Year ended 31 March 2019		Year ended 31 March 2018	
	Funded	Unfunded	Funded	Unfunded
A. Present value of obligations as at beginning of the year	-	2.01	-	1.80
(1) Current service cost	-	0.75	-	0.52
(2) Interest cost	-	0.15	-	0.12
(3) Benefits settled	-	(0.52)	-	(0.60)
(5) Actuarial (gain) / loss	-	(2.33)	-	0.16
Present value of obligations as at end of the year	-	0.05	-	2.01

Changes in the defined benefit obligation and fair value of plan assets as at 31March 2019:

Description	Gratuity	
	Year ended 31st March 2019	Year ended 31st March 2018
B. Reconciliation of present value of the obligation and the fair value of the plan assets:		
Liability recognised in Balance Sheet	0.05	2.01
C. Components of Employer Expense:		
(1) Current service cost	0.75	0.52
(2) Interest cost	0.15	0.12
(3) Benefits settled	(0.52)	(0.60)
(4) Actuarial (gain) / loss	(2.33)	0.16
Total expense recognised in Statement of Profit and Loss	0.90	0.64

The gratuity expenses have been recognised in "Employee benefits expenses" **under note 20** to the Financial Statements.

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

D. Experience Adjustments

Description	Gratuity (Unfunded) Year ended 31 March 2019	Gratuity (Unfunded) Year ended 31 March 2018
Defined Benefit Obligations	0.05	2.01
Plan Assets		
Surplus/(Deficit)	0.05	2.01
Experience adjustments on Plan assets/liabilities (gain) / loss	(2.16)	0.37

E. Assumptions	Gratuity - Unfunded	
	Year ended 31 March 2019	Year ended 31 March 2018
Discount factor	6.40%	7.55%
Salary Increase	9%	9%
Demographic Assumptions		
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Attrition	100%	14%
Retirement age	60 Years	60 Years

F. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Defined benefit obligation	As at 31 March 2019	As at 31 March 2018
Discount rate		
a. Discount rate - 100 basis points	0.05	2.16
b. Discount rate + 100 basis points	0.05	1.87
Salary increase rate		
a. Rate - 100 basis points	0.05	1.88
b. Rate + 100 basis points	0.05	2.14

G. Maturity profile of defined benefit obligation

Description	As at 31 March 2019	As at 31 March 2018
Within the next 12 months (next annual reporting period)	0.05	0.14
Between 2 and 5 years	-	0.84
Between 6 and 10 years	-	1.06
Total expected payments	0.05	2.04

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹ Mln

28 Financial Instruments -Financial assets and financial liabilities

The accounting classification of each category of financial instrument their carrying amounts and their fair value amounts are set out below:-

As at 31 March 2019

Financial Assets	**Fair value through Profit or loss**	**Amortised cost**	**Total Carrying value**	**Total Fair Value**
Trade receivables (Current)	-	-	21.43	21.43
Cash and cash equivalents	-	-	0.25	0.25
Total	-	-	**21.68**	**21.68**

As at 31 March 2018

Financial Assets	**Fair value through Profit or loss**	**Amortised cost**	**Total Carrying value**	**Total Fair Value**
Trade receivables (Current)	-	-	10.45	10.45
Total	-	-	**10.45**	**10.45**

As at 31 March 2019

Financial Liabilities	**Fair value through Profit or loss**	**Amortised cost**	**Total Carrying value**	**Total Fair Value**
Borrowings(Current)	-	-	86.50	86.50
Trade Payables(Current)	-	-	37.25	37.25
Other Financial liabilities (Current)	-	-	41.33	41.33
Other Current Liabilities	-	-	2.05	2.05
Total	**-**	**-**	**167.13**	**167.13**

As at 31 March 2018

Financial Liabilities	**Fair value through Profit or loss**	**Amortised cost**	**Total Carrying value**	**Total Fair Value**
Borrowings(Current)	-	-	76.60	76.60
Trade Payables(Current)	-	-	38.60	38.60
Other Financial liabilities (Current)	-	-	49.56	49.56
Other Current Liabilities	-	-	16.25	16.25
Total	**-**	**-**	**181.01**	**181.01**

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

29 Financial risk management objectives and policies

The Company’s principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets include trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company’s financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to credit risk and liquidity risk.

The Company’s senior management oversees the management of these risks. The senior management working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company’s senior management that the Company’s financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance as at Mar 31 ,2019.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in bank deposits.The limits are set to minimise the consultation of risk and therefore mitigate financial loss through counterparty potential failure to make payments.

The Company maintains exposure in cash and cash equivalents and term deposits with banks,The Company’s maximum exposure to credit risk as at 31st March, 2019 is the carrying value of each class of financial assets as illustrated in note no. 28.

(b) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company’s approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, we are having Bank OD throughout the year. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and No investment is made. No surplus available.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

			Undiscounted Amount
As at 31 March 2019	**Carrying Amount**	**Payable within 1 year**	**Total**
Borrowings(Current)	86.50	86.50	86.50
Trade Payables(Current)	37.25	37.25	37.25
Other financial liabilities (Current)	41.33	41.33	41.33
As at 31 March 2018	**Carrying Amount**	**Payable within 1 year**	**Total**
Borrowings(Current)	76.60	76.60	76.60
Trade Payables(Current)	38.60	38.60	38.60
Other financial liabilities (Current)	49.56	49.56	49.56

30 Capital management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019.

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Equity Share Capital	294.92	144.92
Free reserve	(359.06)	(164.88)
Reserve to Share Capital*	**(1.22)**	**(1.14)**
(in no. of times)		

*Since these are the initial years of operations of the Company hence the value is negative but the Company has appropriate plan in place to become profitable in next four years.

Notes to the Financial Statements for the year ended 31 March 2019 Amounts in ₹` Mln

31 Components of other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Re-measurement gains / (losses) on defined benefit plans	**2.33**	**(0.16)**

32 Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors
Philips Home Care services India Private Limited

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm registration number: 301003E/E300005

Director **Sudeep Agrawal**
DIN:08056132

Director **Sachin Grover**
DIN:08330668

Manoj Kumar Gupta
Partner
Membership No : 83906

Company Secretary **Lubna**
Membership No : 53597

Place: Gurgaon
Date: July 25, 2019

Place Gurgaon
Date Date: July 25, 2019