INDEPENDENT AUDITOR'S REPORT

To the Members of Alps Hospital Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Alps Hospital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of 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

(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 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.

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

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

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per **Manoj Kumar Gupta**
Partner
Membership No: 083906
Place of Signature:
Date: May 4, 2016

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: **Alps Hospital Limited** ('the Company')

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

(b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our option, is responsible having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. 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), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits from the public.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the sale of goods and services related to healthcare, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, value added tax, cess and other material statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax, sales tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to duty of excise are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, , service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

viii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank .The Company did not have any outstanding dues from debenture holders or Government.

ix. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the terms loans were applied for the purpose for which the loans were taken. Further the Company has not raised any money way of initial public offer / further public offer / debt instruments hence the relevant, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the Company and hence not commented upon.

xii. In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

xv. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per **Manoj Kumar Gupta**
Partner
Membership No: 083906
Place of Signature:
Date: May 4, 2016

Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Alps Hospital Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of **Alps Hospital Limited**

We have audited the internal financial controls over financial reporting of Alps Hospital Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, 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, the standalone financial statements of Alps Hospital Limited, which comprise the Balance Sheet as at March 31, 2016, and the related 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, and our report dated May 3, 2016 expressed an unqualified opinion thereon.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per **Manoj Kumar Gupta**
Partner
Membership No: 083906
Place of Signature:
Date: May 4, 2016

Alps Hospital Limited
Balance Sheet

	Notes	As at March 31, 2016	As at March 31, 2015
			(Rs in Lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**2,288**	2,288
Reserves and surplus	4	**(545)**	(1,844)
		1,743	444
Non-current liabilities			
Long-term borrowings	5	**2,415**	1,975
Long-term provisions	6	**489**	235
		2,904	2,210
Current liabilities			
Short-term borrowings	7	**254**	218
Trade payables			
Total outstanding dues of micro enterprise and small enterprise	8	**-**	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	8	**1,079**	2,627
Other current liabilities	8	**290**	177
Short-term provisions	6	**31**	28
		1,654	3,050
TOTAL		**6,301**	5,704
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	**4,179**	4,274
Intangible assets	9	**15**	8
Intangible assets under development		**-**	5
Long-term loans and advances	10	**882**	703
Other non-current assets	11	**1**	44
		5,077	5,034
Current assets			
Inventories	12	**202**	142
Trade receivables	13	**721**	431
Cash and cash equivalents	14	**66**	40
Short-term loans and advances	10	**205**	31
Other current assets	11	**30**	26
		1,224	670
TOTAL		**6,301**	5,704
Significant accounting policies	2.1		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 3, 2016

For and on behalf of the Board of Directors of
Alps Hospital Limited

Sd/-
Dr. Pawan Kumar
(Whole Time Director)
(DIN: 07506347)

Sd/-
Yogesh Kumar Sareen
(Director)
(DIN: 00884252)

Sd/-
Manish Puri
(Head - Finance)

Sd/-
Gurpreet Kaur
(Company Secretary)
(Membership No. : A15776)

Place : New Delhi
Date : May 3, 2016

Alps Hospital Limited
Statement of Profit and Loss

(Rs in Lacs)

	Notes	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Income			
Revenue from operations (net)	15	**10,511**	8,688
Other income	16	**20**	50
Total revenue (I)		**10,531**	8,738
Expenses			
Purchase of pharmacy,drugs,consumables and implants		**1,877**	1,561
(Increase)/decrease in inventory of pharmacy,drugs and consumables and implants		**(60)**	(20)
Employee benefits expense	17	**1,360**	1,211
Depreciation and amortisation expense	18	**360**	355
Finance costs	19	**410**	293
Other expenses	20	**5,034**	4,426
Total expenses (II)		**8,981**	7,826
Profit before tax (I-II)		**1,550**	912
Tax expenses			
Current tax (including MAT payable)		**160**	-
Less: MAT credit entitlement		**(160)**	-
Profit for the year		**1,550**	**912**
Earnings per equity share [Nominal value of shares Rs.10 (Previous year Rs.10)]	22		
Basic & Diluted		**53.80**	36.96
Signficant accounting policies	2.1		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 3, 2016

For and on behalf of the Board of Directors of
Alps Hospital Limited

Sd/-
Dr. Pawan Kumar
(Whole Time Director)
(DIN: 07506347)

Sd/-
Yogesh Kumar Sareen
(Director)
(DIN: 00884252)

Sd/-
Manish Puri
(Head - Finance)

Sd/-
Gurpreet Kaur
(Company Secretary)
(Membership No. : A15776)

Place : New Delhi
Date : May 3, 2016

Alps Hospital Limited
Cash Flow Statement

		(Rs in Lacs)
	For the year ended March 31, 2016	**For the year ended March 31, 2015**
A. Cash flow from operating activities		
Net profit before tax and exceptional items	**1,550**	912
Adjustment for:		
Depreciation and amortisation expense	**360**	355
Net loss on sale of fixed assets	**9**	12
Provision for doubtful debts and advances	**23**	86
Liabilities/ provisions no longer required written back	**(14)**	(42)
Interest income	**(3)**	(5)
Interest expense	**331**	248
Operating profit before working capital changes	**2,256**	1,566
Movements in working capital :		
(Increase) in trade receivables	**(313)**	(180)
(Increase) in inventories	**(60)**	(20)
(Increase) in loans and advances	**(15)**	(11)
(Increase) in other assets	**(4)**	(6)
(Decrease) in trade payables, other liabilities and provisions	**(1,226)**	(927)
Cash generated from /(used in) operations	**638**	422
Taxes paid (net of refunds)	**(189)**	(132)
Net cash flow from operating activities (A)	**449**	290
B. Cash flows from investing activities		
Purchase of fixed assets including intangible assets, CWIP and capital advances	**(431)**	(244)
Proceeds from sale of fixed assets	**24**	2
Investment in Fixed deposits with banks (net)	**44**	3
Interest received	**8**	5
Net cash flow (used in) investing activities (B)	**(355)**	(234)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital including security premium (net of expenses)	**-**	275
Provision for GIRR on cumulative convertible preference shares	**(251)**	
Proceeds from long-term borrowings	**2,000**	1,500
Repayment of long term borrowings	**(1,536)**	(7)
Proceeds/Repayment of short-term borrowings	**36**	(795)
Interest paid	**(311)**	(1,104)
Net cash flow (used in) financing activities (C)	**(62)**	(131)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**32**	(75)
Total cash and cash equivalents at the beginning of the year	**33**	108
Cash and cash equivalents at the end of the year	**65**	33

Alps Hospital Limited
Cash Flow Statement

		(Rs in Lacs)
	For the year ended March 31, 2016	**For the year ended March 31, 2015**
Components of cash and cash equivalents:		
Cash in hand	**11**	13
Cheques in hand	**11**	12
Balances with banks on current accounts	**43**	8
Total cash and cash equivalents	**65**	33

Summary of signficant accounting policies 2.1

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For and on behalf of the board of directors of
Alps Hospital Limited

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

Sd/-
Dr. Pawan Kumar
(Whole Time Director)
(DIN: 07506347)

Sd/-
Yogesh Kumar Sareen
(Director)
(DIN: 00884252)

Sd/-
Manish Puri
(Head - Finance)

Sd/-
Gurpreet Kaur
(Company Secretary)
(Membership No. : A15776)

Place : Gurgaon
Date : May 3, 2016

Place : New Delhi
Date : May 3, 2016

1 Corporate Information

The company is Multi Speciality hospital engaged in the business of providing the medical services in Gurgaon, Haryana and incorporated under provisions of the Companies Act,2013. Healthcare facilities have long gestation periods from the commencement of its operations and accordingly require significant cash outlay.

2 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly issued accounting standard is initially adopted or revision in accounting standard require a change in accounting policy hitherto in use.

2.1 Significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments,estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, and appropriate changes are made as management become aware of the change in circumstances according to their estimate, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the tangible asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing tangible asset beyond its previously assessed standard of performance.All other expenses on existing tangible assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from sale/disposal/de-capitalisation of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the tangible asset and are recognised in the statement of profit and loss when the tangible asset is derecognised.

(c) Depreciation on tangible fixed assets

Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its tangible assets.

Assets	**Useful lives estimated by the management (years)**
Buildings	5-60 years
Plant and equipment	15 years
Furniture and fixtures	10 years
Office equipment	5 Years
Motor Vehicles	6 - 8 Years
Medical Equipment	13 Years
Computer Data Processing	3-6 years
Electrical Installations	10 Years

The management has estimated, supported by technical assessment as per "pay per use equipment agreement", the useful life of the following classes of asset.

• The useful life of MRI machine is estimated as 7 years which is included in medical equipment .

(d) 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.

Intangible assets are amortised on a straight line basis over estimated residual useful economic life of two to seven years.

Cost of internally generated intangible assets
Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:
(i) the technical feasibility of completing the intangible asset so that it will be available for use.
(ii) its intention to complete the intangible asset
(iii) its ability to use the intangible asset
(iv) how the intangible asset will generate future economic benefits
(v) the availability of adequate resources to complete the development and to use the intangible asset
(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

The cost of internally generated intangible asset includes sum of expenditure incurred from the time the intangible asset first meet the development criteria and comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the intangible asset ready for its intended use.

The intangible assets are assessed for impairment whenever there is indication that the intangible asset may be impaired.The amortisation period and the amortisation method are reviewed atleast at each financial year end.

Gains or losses arising from dercognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the statement of profit and loss when the intangible asset is derecognised.

(e) Leases

Where the Company is lessee
Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.On initial recognition, all investments are measured at cost.The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees, and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long –term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(i) Inventories

Inventories comprise of pharmacy, drugs, consumable and implants which are valued at lower of cost and net realizable value. Cost includes the cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods
Revenue from sale of pharmacy and pharmaceutical supplies is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.Hence, they are excluded from revenue.

Income from Services
Revenue from healthcare services (including drugs, consumables and implants used in delivery of such services) are recognised on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as unbilled under other current assets. Revenues from other healthcare service providers and sponsorship and educational income are recognized on the performance of related services as per the terms of contracts.

Interest
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.Interest income is included under the head "other income" in the statement of profit and loss.

(k) Retirement and other employee benefits

Provident fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss account for the year when contributions for the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has taken a policy with Max Life Insurance Co. Ltd. to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with Max Life Insurance Co. Ltd. is provided for as liability in the books.

Compensated Absences

Accumulated leave,which is expected to be utilised within the next 12 months,is treated as short-term employee benefit .The Company measures the expected cost of such absences as the additional amount that it it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months,as long term employee benefit for measurement purposes.Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end .Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.The Company presents the leave as a current liability in the balance sheet,to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months,the same is presented as non-current liability.

(l) Income Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted,at the reporting date.Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

Deferred tax liabilities are recognised for all taxable timing differences.Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable profit will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable profits will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable profits will be available.

Deferred tax assets and deferred tax liabilities are offset,if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relates to the same taxable entity and the same taxation authority.

(m) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year (including prior period item, if any) attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year.

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

(n) Provisions

A provision is recognized when the Company has a present obligation 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(o) Contingent liability

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.

(p) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

[This space has been intentionally left blank]

3. Share Capital

(Rs in Lacs)

	As at March 31, 2016	As at March 31, 2015
Authorised shares (Nos.)		
2,000,000 (March 31, 2015: 2,000,000) 0% redeemable preference shares of Rs. 100/- each	**2,000**	2,000
3,000,000 (March 31, 2015: 3,000,000) equity shares of Rs.10/- each	**300**	300
	2,300	2,300
Issued, subscribed and fully paid-up shares (Nos.)		
2,000,000 (March 31, 2015: 2,000,000) 0% reedemable preference shares of Rs. 100/- each	**2,000**	2,000
2,881,034 (March 31, 2015: 2,881,034) equity shares of Rs.10/- each	**288**	288
Total issued, subscribed and fully paid-up share capital	**2,288**	2,288

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	(Rs in Lacs)	No. of shares	(Rs in Lacs)
Equity shares				
At the beginning of the year	**28,81,034**	**288**	24,50,000	245
Issued during the year	**-**	**-**	4,31,034	43
Outstanding at the end of the year	**28,81,034**	**288**	28,81,034	288

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	(Rs in Lacs)	No. of shares	(Rs in Lacs)
0% redeemable preference shares				
At the beginning of the year	**20,00,000**	**2,000**	20,00,000	2,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**20,00,000**	**2,000**	20,00,000	2,000

3.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Terms of redemption of Zero Percent Redeemable Preference Shares

The Company had allotted 2,000,000 nos., 0% Redeemable Preference Shares of Rs. 100/- each aggregating to Rs, 2,000 lacs on March 25, 2014 to Max Healthcare Institute Limited (the ultimate Holding Company)

These preference shares have been issued on following terms & conditions:

(i) Nature: zero percent redeemable non-convertible preference shares.
(ii) Dividend: These preference shares shall not carry any dividend.
(iii) Voting Rights: These preference shares shall not carry any voting rights except as provided under Section 47 of the Companies Act, 2013 or such other provisions as applicable.
(iv) Premium: Redemption premium providing internal rate of return (IRR) of 11.25% per annumn.
(v) Tenure: Redeemable after 6 years

3.4 Shares held by holding company/Ultimate holding company

(Rs in Lacs)

	As at March 31, 2016	As at March 31, 2015
Max Healthcare Institute Limited/Ultimate holding company		
431,034 (March 31, 2015: 431,034) equity shares of Rs.10/- each fully paid up	**43**	43
2,000,000 (March 31, 2015: 2,000,000) 0% redeemable preference shares of Rs. 100/- each	**2,000**	2,000
Max Medical Services Limited/holding company		
2,449,940 (March 31, 2015: 2,449,940) equity shares of Rs.10/- each fully paid up	**245**	245
	2,288	2,288

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

Name of the Shareholder	March 31, 2016		March 31, 2015	
	No. of shares	% held	No. of shares	% held
Equity Shares of Rs. 10 each fully paid				
Max Healthcare Institute Limited	**4,31,034**	**14.96%**	4,31,034	14.96%
Max Medical Services Limited	**24,49,940**	**85.04%**	24,49,940	85.04%
0% Redeemable Preference Shares of Rs. 100 each				
Max Healthcare Institute Limited	**20,00,000**	**100.00%**	20,00,000	100.00%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Alps Hospital Limited

Notes forming part of the financial statements

4. Reserves and surplus

	As at March 31, 2016	As at March 31, 2015
		(Rs in Lacs)
Securities premium account		
At the beginning of the year	**1,170**	938
Add: premium on issue of equity shares	**-**	457
Less: provision for GIRR on cumulative convertible preference shares (note 3.3)	**(251)**	(222)
Less: share issue expenses	**-**	(3)
Closing balance	**919**	1,170
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	**(3,014)**	(3,925)
Profit for the year	**1,550**	912
Opening Depreciation adjusted from Retained Earning	-	(1)
Net deficit in the statement of profit and loss	**(1,464)**	(3,014)
Total reserves and surplus	**(545)**	(1,844)

[This space has been intentionally left blank]

5. Long-term borrowings

(Rs in Lacs)

	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Term Loans (secured)				
From bank	**2,000**	-	**-**	-
Finance lease obligation (secured)	**415**	475	**60**	36
Inter corporate deposits (unsecured)	-	1,500	-	-
	2,415	1,975	**60**	36
The above amount includes				
Secured borrowings	**2,415**	475	**60**	36
Unsecured borrowings	**-**	1,500	**-**	-
Amount disclosed under the head "other current liabilities"	**-**	-	**(60)**	(36)
	2,415	1,975	**-**	-

5.1 Finance Lease obligations represents medical equipment obtained on finance lease as per "Equipment pay per use Agreement" with Philips Electronics India Limited effective from February. 27, 2014 for 84 months with compulsory buy back at the end of tenure.

5.2 Inter Corporate Deposits represents Long term borrowings amounting to Rs. Nil Lacs (March 31, 2015 : Rs. 1,500 lacs) from ultimate holding company having maturity on March 31, 2018.

5.3 Term loan from HDFC Bank of Rs. 2,000 Lacs (March 31, 2015 : Rs. Nil Lacs) repayable in 28 quarterly installments from August 2017 is secured by way of :-

a) First charge on movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets.

b) First charge on all the book debts, operating cash flows, receivables and revenue from the project, all current assets, commissions and revenue, present and future (subject to a prior first pari-passu charge in favour of working capital bankers restricted to the present working capital limits of Rs.500 Lacs).

c) First charge on all intangibles.

d) Corporate guarantee by the holding company.

6. Provisions

	Long - term		Short - term	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Provision for employee benefits				
Provision for leave encashment	**-**	-	**28**	26
Provision for gratuity (Refer Note 23)	**9**	6	**3**	2
Other provisions				
Provision for premium on redemption of preference shares	**480**	229	**-**	-
	489	235	**31**	28

[This space has been intentionally left blank]

Alps Hospital Limited
Notes forming part of the financial statements

7. Short term borrowings

(Rs in Lacs)

	As at March 31, 2016	As at March 31, 2015
Cash credit from banks (secured)	**254**	218
	254	218

Cash Credit from bank is secured by way of first charge on current assets, present and future, of the company.The cash credits are repayable on demand.

8. Current Liabilities

	As at March 31, 2016	As at March 31, 2015
Trade Payables		
Total outstanding dues of micro enterprise and small enterprise	-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	**1,079**	2,627
	1,079	2,627
Other liabilities		
Current maturity of finance lease obligation (refer note 5)	**60**	36
Interest accrued but not due on borrowings	**24**	4
Capital Creditors	**43**	25
Advance from patients	**93**	46
Statutory dues	**70**	66
	290	177
	1,369	2,804

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue amount beyond the specified period irrespective of the terms agreed with such suppliers . Based on the information available with the Company ,none of the creditors have confirmed the applicability of the Act on them. Hence,the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Alps Hospital Limited
Notes forming part of the financial statements

9. Fixed Assets

(Rs in Lacs)

Particulars	Gross Block				Depreciation/amortisation					Net Block	
	As at	Additions	Deletions/ Adjustments	As at	As at	Depreciation adjusted from opening Retained Earnings*	Additions	Deletions/ Adjustments	As at	As at	As at
	April 01, 2015			March 31, 2016	April 01, 2015				March 31, 2016	March 31, 2016	March 31, 2015
Tangible Assets											
Building	2,514	64	-	2,578	291	-	42	-	333	2,245	2,223
Medical equipment	1,965	150	44	2,071	811	-	150	11	950	1,121	1,154
Plant and equipment	609	1	-	610	207	-	35	-	242	368	402
Office equipment	58	8	-	66	36	-	14	-	50	16	22
Furniture and fixture	298	5	-	303	176	-	19	-	195	108	122
Motor vehicles	26	-	-	26	17	-	4	-	21	5	9
Computers and data processing units	103	17	-	120	91	-	4	-	95	25	12
Electrical installations and equipment	530	5	-	535	238	-	48	-	286	249	292
Other surgical instruments	132	45	24	153	94	-	41	24	111	42	38
Total	**6,235**	**295**	**68**	**6,462**	**1,961**	**-**	**357**	**35**	**2,283**	**4,179**	**4,274**
Previous Year	6,069	227	61	6,235	1,653	1	354	47	1,961	4,274	
Intangible Assets											
Computer software	18	10	-	28	10	-	3	-	13	15	8
TOTAL	**18**	**10**	**-**	**28**	**10**	**-**	**3**	**-**	**13**	**15**	**8**
Previous Year	9	9		18	9		1		10	8	

9.1 The Company has in its favour a sub lease for a plot of land in Gurgaon, for an initial period of 97 years, which can be further renewed for two term of 97 years each. The plot of land measures 1.23 acres, and the designated usage in for healthcare facility.

9.2 Medical equipments includes a medical equipment taken on finance lease.

(Rs in Lacs)

	March 31, 2016	March 31, 2015
Gross Block	518	518
Depreciation charge for the year	74	74
Accumulated depreciation	154	80
Net book value	**364**	438

9.3 Tangible assets given as security :

Tangible assets are subject to secure the company's secured long term borrowings as disclosed in Note 5

Alps Hospital Limited
Notes forming part of the financial statements

10. Loans and advances

(Rs in Lacs)

	Non - Current		**Current**	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Capital advances				
Unsecured, considered good	**149**	-	**-**	-
Security deposits				
Unsecured, considered good	**31**	34	**3**	-
Advances recoverable in cash or kind				
Unsecured, considered good	**-**	-	**10**	2
Other loans and advances				
Tax deducted at source recoverable	**697**	668	**2**	2
MAT credit entitlement	**-**	-	**160**	-
Prepaid expenses	**5**	1	**30**	27
	882	703	**205**	31

[This space has been intentionally left blank]

11. Other assets

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Unsecured,considered good unless otherwise stated				
Non Current Bank balances (note 14)	**1**	39	**-**	-
Interest accrued on fixed deposits	**-**	5	**-**	-
Unbilled revenue	**-**	-	**30**	26
	1	44	**30**	26

[This space has been intentionally left blank]

12. Inventories (valued at lower of cost and net realizable value)

(Rs in Lacs)

	Current	
	As at March 31, 2016	As at March 31, 2015
Stock of pharmacy, drugs and consumables and implants	**202**	142
	202	142

13. Trade Receivables

	Current	
	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**60**	1
Doubtful	**159**	415
	219	416
Provision for doubtful receivables	**(159)**	(415)
	60	1
Other receivables		
Unsecured, considered good	**661**	430
	661	430
	721	431
	-	-

[This space has been intentionally left blank]

Alps Hospital Limited
Notes forming part of the financial statements

14. Cash and bank balances

(Rs in Lacs)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts	**-**	-	**43**	8
Cheques/drafts on hand	**-**	-	**11**	12
Cash on hand	**-**	-	**11**	13
	-	-	**65**	33
Other bank balances				
Margin money deposits	**1**	39	**1**	7
	1	39	**1**	7
Less: amount disclosed under the head "other assets" (note 11)	**(1)**	(39)	**-**	-
	-	-	**66**	40

Margin money deposits given as security
Rs Nil Lacs (March 31,2015: Rs 44 Lacs) to secure bank guarantee given to CGHS/DGHS/ESIC/NDMC.
Rs 2 Lacs (March 31,2015: Rs 2 Lacs) to secure bank guarantee given to Sales Tax Department, Gurgaon

[This space has been intentionally left blank]

Alps Hospital Limited
Notes forming part of the financial statements

15. Revenue from operations

(Rs in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from healthcare services (net)	**9,846**	8,165
Sale of products		
Pharmacy and pharmaceuticals supplies	**626**	497
Other operating revenue		
- Income from rent	**23**	16
- Income from Cord Blood/Plasma	**16**	10
	10,511	8,688

16. Other Income

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income on		
Bank deposits	**3**	5
Liabilities no longer required written back	**14**	42
Other non-operating income	**3**	3
	20	50

[This space has been intentionally left blank]

17. Employee benefits expense

(Rs in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	**1,224**	1,089
Contribution to provident and other funds	**56**	52
Gratuity expense	**10**	2
Staff welfare expenses	**70**	68
	1,360	1,211

18. Depreciation and amortization expense

	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation of tangible assets	**357**	354
Amortization of intangible assets	**3**	1
	360	355

19. Finance Cost

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest	**331**	248
Bank charges	**45**	45
Processing Fees	**34**	-
	410	293

20. Other expenses

		For the year ended March 31, 2016	For the year ended March 31, 2015
Professional and consultancy fee		**3,170**	2,438
Outside lab investigation		**358**	291
Patient catering expenses		**122**	115
Rent		**20**	29
Insurance		**48**	34
Rates and taxes		**12**	15
Facility maintenance expenses		**148**	167
Power and fuel		**357**	287
Repairs and maintenance:			
-Building		**15**	21
-Plant and equipment		**70**	119
-Others		**156**	182
Printing and stationery		**68**	73
Travelling and conveyance		**24**	20
Communication		**10**	21
Legal and professional		**253**	349
IT support expense		**44**	55
Watch and ward		**45**	41
Advertisement and publicity		**72**	50
Recruitment expenses		**6**	6
Equipment hiring charges		**-**	2
Provision for doubtful debts		**23**	86
Bad debts written off	279		
Less: Provision written back of earlier years	279	**-**	-
Net loss on sale/disposal of fixed assets		**9**	12
Miscellaneous expenses		**4**	13
		5,034	4,426

Payment to auditor (included in legal and professional fee)

(Rs in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Audit Fee	**9**	7
Reimbursement of expenses	**1**	**-**
	10	7

21. Segment reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

22. Earning per share(EPS)

(Rs in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax (Rs. In lacs) for the year	**1,550**	912
Weighted average number of equity shares in calculating Basic & Diluted EPS	**28,81,034**	24,67,714
Basic/ diluted earning per share (Rs.)	**53.80**	36.96

[This space has been intentionaly left blank]

23. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed 5 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 funded with Max Life Insurance Co. Ltd of India in form of a qualifying insurance policy.

The following table summarises the component of net benefit expense recognised in the statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss
Net employee benefit expense recognized in employee cost

(Rs in Lacs)

	March 31, 2016	March 31, 2015
Current service cost	**8**	7
Interest cost on benefit obligation	**2**	2
Expected return on plan assets	**(5)**	(2)
Net actuarial(gain) / loss recognized in the year	**5**	(5)
Net benefit expense	**10**	2
Actual return on plan assets	**(0.09)**	(4)

Balance sheet
Benefit asset/ liability

(Rs in Lacs)

	March 31, 2016	March 31, 2015
Present Value of defined benefit obligation	**33**	29
Fair value of plan assets	**21**	21
Plan asset / (liability)	**(12)**	(8)

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

(Rs in Lacs)

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	**29**	25
Interest cost	**2**	2
Current service cost	**8**	7
Benefits paid	**(8)**	(2)
Actuarial (gains) / losses on obligation	**1**	(3)
Closing defined benefit obligation	**33**	29

Changes in the fair value of plan assets are as follows:

(Rs in Lacs)

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	**21**	17
Expected return	**5**	2
Actuarial gains / (losses)	**(5)**	2
Closing fair value of plan assets	**21**	21

The Company expects to contribute Rs. 18.89 Lacs to gratuity in next year (March 31,2015 :Rs.7 Lacs)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2016	March 31, 2015
	%	%
Max Life Insurance Co. Ltd.	**100**	100

The principal assumptions used in determining benefit obligations for the gratuity is shown below:

	March 31, 2016	March 31, 2015
	%	%
Discount rate	**7.5**	7.70
Expected rate of return on assets	**9**	23.13
Retirement Age	**60 Years**	60 Years
Employee turnover	**22**	30

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date,applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four years are as follows:

(Rs in Lacs)

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	**(33)**	(29)	(25)	(26)	(21)
Plan assets	**21**	21	17	15	14
Surplus / (deficit)	**(12)**	(8)	(8)	(11)	(7)
Experience adjustments on plan liabilities	**1**	2	-	(5)	(4)
Experience adjustments on plan assets	**(5)**	2	-	1	(0)

24. Leases

24.1. Finance lease:company as lessee

The Company has taken a medical equipment on finance lease from Philips Electronics India Limited under Equipment Pay per Use agreement w.e.f. February 27,2014. The lease involve payment in 84 installments starting from April 25, 2014 and payment of salvage value at the end of the tenure for compulsory purchase of equipment.

Future minimum lease payments (MLP) together with present value of the net MLP are as follows:

(Rs in Lacs)

	March 31, 2016		March 31, 2015	
	Minimum payments	**Present value of Minimum lease payment**	Minimum payments	Present value of Minimum lease payment
Within one year	**99**	**60**	79	36
After one year but not more than five years	**502**	**415**	449	331
More than five years	**-**	**-**	151	143

25. Capital and other commitments

a. Capital commitment **(Rs in Lacs)**

	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	**234**	-
Less: Capital advances	**149**	-
Balance Value of Contracts	**85**	-

b. Commitments relating to lease arrangements,refer note 24

This space has been intentionally left blank

Alps Hospital Limited
Notes forming part of the financial statements

26. Related parties disclosures

Names of related parties where control exist irrespective of whether transactions have occurred or not	
Ultimately Holding Company	Max Healthcare Institute Limited
Holding Company	Max Medical Service Limited
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Hometrail Estate Private Limited Hometrail Buildtech Private Limited Saket City Hospitals Private Ltd. Crosslay Remedies Limited
Key Management Personnel	Mr.Nitin Navish Gupta
Additional related parties as per Company Act ,2013	
Key Management Personnel	Mr.Manish Puri, Head - Finance
	Ms.Gurpreet Kaur, Company Secretary

This space has been intentionally left blank

26. **a. Transactions with related parties during the year**

(Rs in Lacs)

Particulars	**Total**	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Loan taken		
Max Healthcare Institute Limited (Ultimate Holding Company)	**1,000**	1,500
Issue of share capital		
Equity Shares		
Max Healthcare Institute Limited (Ultimate Holding Company)	**-**	500
Loan repayment		
Max India Limited (Ultimate Holding Company till November 10, 2014)	**-**	976
Max Healthcare Institute Limited (Ultimate Holding Company)	**2,500**	-
Sale of fixed assets		
Max Healthcare Institute Limited (Ultimate Holding Company)	**8**	1
Healthcare Services Received		
Max Healthcare Institute Limited (Ultimate Holding Company)	**523**	443
Purchases of medicines & consumables		
Max Healthcare Institute Limited (Ultimate Holding Company) (Inculsive of Taxes of Rs. 63 lacs)	**1,485**	1,227
Interest expense		
Max India Limited (Ultimate Holding Company till November 10, 2014)	**-**	112
Max Healthcare Institute Limited (Ultimate Holding Company)	**114**	70
Finance Arrangement Fee		
Max Healthcare Institute Limited (Ultimate Holding Company) (Inculsive of Taxes of Rs. 1.40 lacs)	**11**	-
Income		
Max India Limited (Ultimate Holding Company till November 10, 2014)	**-**	2
Max Bupa Health Insurance Company (Fellow Subsidiary till November 10, 2014)	**-**	41
Enterprise owned or significantly influences by key management personnel or their relatives		
Max India Foundation (till May 27, 2014)	**-**	2

b. Balance outstanding at the year end

Particulars	**Total**	
	As at March 31, 2016	As at March 31, 2015
Intercorporate deposits repayable on demand (Unsecured)		
Max Healthcare Institute Limited (Ultimate Holding Company)	**-**	1,500
Trade payables		
Max Healthcare Institute Limited (Ultimate Holding Company)	**57**	1,872
Trade receivables		
Max India Limited (Ultimate Holding Company till November 10, 2014)	**-**	1

27. Contingent Liabilities not provided for

(Rs in Lacs)

S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
i.	Claims against the Company not acknowledged as debts		
	- Civil Cases (refer note a)	**1,300**	1,296
	- Income Tax cases (refer note b)	**-**	19

Note:

a. Claims against the Company not acknowledged as debts represent the cases pending with judicial forums/authorities. Based on management estimation, future cash outflow in respect of these cases are determinable only on receipt of judgements / decisions pending with various forums/authorities. The Company has not made any provision for the demands in Excise, Service Tax and Customs as the Company believes that they have a good case based on existing judicial pronouncements.

b. **Income Tax Cases**

A) Pendency of Assessment matters before the Appellate authorities

(Rs in Lacs)

Assessment Year	Appeal pending Before	Disallowances as per Assessment Order - as at March 31, 2016	Disallowances as per Assessment Order - as at March 31, 2015
2011-12	CIT(Appeals)	**450**	450
2012-13	CIT(Appeals)	**455**	455
2013-14	CIT(Appeals)	**473**	-
Total		**1,378**	905

The company is hopeful that the above appeals will be disposed off in its favour.

B) Matters involving withholding tax issues **(Rs in Lacs)**

Assessment Year	Appeal pending Before	Demand as at March 31, 2016	Demand as at March 31, 2015
2011-12	CIT(Appeals)	**-**	-
2012-13	CIT(Appeals)	**-**	19
Total		**-**	19

The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

28. Deferred Tax Asset/ (Liability)

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

29. Details of utilisation of Preferential Issue Proceeds

(Rs in Lacs)

	March 31, 2016	March 31, 2015
Amount received on preferential Allotement of Shares	**-**	500
Utilisation:		
Repayment of Loans	**-**	500
Total	**-**	500

30. Value of imports calculated on cost insurance freight (CIF) Basis **(Rs in Lacs)**

	March 31, 2016	March 31, 2015
- Capital goods	**50**	2
Total	**50**	**2**

31 Earning in Foreign Currency (Accrual basis) **(Rs in Lacs)**

	March 31, 2016	March 31, 2015
- Healthcare services	**274**	-
Total	**274**	**-**

32 Particulars of unhedged foreign currency liability as at the balance sheet date

(Rs in Lacs)

	March 31, 2016	March 31, 2015
- Import Capital Creditors (EUR 9768)	**7**	-
Total	**7**	**-**

33. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary ,to confirm to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors of Alps Hospital Limited

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

Sd/-
per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 3, 2016

Sd/-
Dr. Pawan Kumar
(Whole Time Director)
(DIN: 07506347)

Sd/-
Yogesh Kumar Sareen
(Director)
(DIN: 00884252)

Sd/-
Manish Puri
(Head - Finance)

Sd/-
Gurpreet Kaur
(Company Secretary)
(Membership No. : A15776)

Place : New Delhi
Date : May 3, 2016