**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Saket City Hospitals Private Limited**
**Report on the Standalone Financial Statements**

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

**Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone 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 specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 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 purposes of our audit.

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

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

(e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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".

(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 29 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/-
perAnil Gupta
Partner
Membership no.: 87921

Place: New Delhi
Date: April29, 2016

**Annexure 1 referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date**

Re: SAKET CITY HOSPITALS PRIVATE LIMITED ('the Company')

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

(b) Fixed assets have been physically verified by the management during the year and material discrepancies were identified on such verification. These have been properly dealt with in the books of accounts.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to 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, Limited Liability Partnerships 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, 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 Healthcare and their management Services, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, 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.

(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 any bank. Further, the Company does not have any debentures and loan from financial institution 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 and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised.

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 on or by the officers and employees of the Company has been noticed or reported during the year.

xi. 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 provisions of Section 197 of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable 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 Anil Gupta**
Partner
Membership Number: 87921

Place: New Delhi
Date: April 29, 2016

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SAKET CITY HOSPITALS PRIVATE 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 Saket City Hospitals Private Limited

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

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the 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 financial statements of  Company, 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 April   , 2016 expressed an unqualified opinion thereon.

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

Sd/-
**per Anil Gupta**
Partner
Membership Number: 87921
Place: New Delhi
Date: April 29, 2016

## SAKET CITY HOSPITALS PRIVATE LIMITED

**(Formerly known as G.M. Modi Hospitals Corporation Pvt. Ltd.)**

**Regd. Office : Mandir Marg, Saket, New Delhi- 110 017**

**CIN - U85110DL1991PTC042646**

**BALANCE SHEET AS AT 31st MARCH 2016**

| | PARTICULARS | Note | As at March 31, 2016 | | As at March 31, 2015 | |
|---|---|---|---|---|---|---|
| | | | Rs. In Lacs | Rs. In Lacs | Rs. In Lacs | Rs. In Lacs |
| I. | EQUITY AND LIABILITIES | | | | | |
| 1 | **Shareholders' funds** | | | | | |
| | (a) Share Capital | 3 | 2,914.67 | | 2,914.67 | |
| | (b) Reserves and Surplus | 4 | (4,936.18) | | (2,362.66) | |
| | | | | **(2,021.51)** | | **552.01** |
| 2 | **Non- current liabilities** | | | | | |
| | (a) Long-term Borrowing | 5 | 27,095.30 | | 20,215.60 | |
| | (b) Long-term Provisions | 6 | 22.73 | | 19.85 | |
| | | | | **27,118.03** | | **20,235.45** |
| 3 | **Current Liabilities** | | | | | |
| | (a) Short Term Borrowings | 7 | 1,349.05 | | - | |
| | (b) Trade payables | 8 | | | | |
| | (i) total outstanding dues of micro and small enterprise | | - | | - | |
| | (ii) total outstanding dues of creditors other than micro and small enterprise | | 1,067.14 | | 803.40 | |
| | (c) Other current liabilities | 9 | 664.65 | | 3,594.06 | |
| | (d) Short term provisions | 6 | 27.68 | | 23.99 | |
| | | | | **3,108.52** | | **4,421.45** |
| | **TOTAL** | | | **28,205.04** | | **25,208.91** |
| II | ASSETS | | | | | |
| 1 | **Non-current assets** | | | | | |
| | (a) Fixed Asset | 10 | 4,892.34 | | 5,515.33 | |
| | (b) Intangible Assets | 10 | 41.00 | | 53.73 | |
| | (c) Long-term loans and advances | 11 | 21,429.89 | | 6,625.00 | |
| | (d) Trade Receivables | 13 | - | | 7,993.33 | |
| | | | | **26,363.23** | | **20,187.39** |
| 2 | **Current assets** | | | | | |
| | (a) Inventories | 12 | 2.96 | | 6.63 | |
| | (b) Trade receivables | 13 | 1,277.40 | | 4,075.11 | |
| | (c) Cash and cash equivalents | 15 | 29.28 | | 32.60 | |
| | (d) Short-term loans and advances | 11 | 518.17 | | 867.15 | |
| | (e) Other Current Assets | 14 | 14.00 | | 40.03 | |
| | | | | **1,841.81** | | **5,021.52** |
| | **TOTAL** | | | **28,205.04** | | **25,208.91** |
| | Significant Accounting Policies | 2 | | | | |

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For & on behalf of Board of Directors of Saket City Hospitals Private Limited

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sr. Manager (F&A)

per Anil Gupta
(Partner)
Membership No. 87921

Kamalapati Kashyap
Director
DIN : 02359002

Yogesh Kumar Sareen
Director
DIN : 00884252

Place :
Date:

# SAKET CITY HOSPITALS PRIVATE LIMITED

**(Formerly known as G.M. Modi Hospitals Corporation Pvt. Ltd.)**

**Regd. Office : Mandir Marg, Saket, New Delhi- 110 017**

**CIN - U85110DL1991PTC042646**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

| | PARTICULARS | Note | Year Ended March 31, 2016 | | Year Ended March 31, 2015 | |
|---|---|---|---|---|---|---|
| | | | Rs. In Lacs | Rs. In Lacs | Rs. In Lacs | Rs. In Lacs |
| I | **Revenue from operations** | 16 | 4,979.25 | | 4,364.09 | |
| II | **Other Income** | 17 | 624.46 | | 16.92 | |
| III | **Total Revenue** | | | **5,603.71** | | **4,381.01** |
| IV | **Expenses** | | | | | |
| | Employee benefit expenses | 18 | 614.93 | | 621.83 | |
| | Depreciation and Amortisation expenses | 19 | 557.36 | | 536.60 | |
| | Finance Cost | 20 | 3,428.52 | | 511.03 | |
| | Other expenses | 21 | 3,576.41 | | 3,100.21 | |
| | **Total Expense** | | | **8,177.22** | | **4,769.67** |
| V | **(Loss) for the year** | | | **(2,573.51)** | | **(388.66)** |
| VI | **Earnings per equity share:** | 22 | | | | |
| | (1) Basic | | | **(8.83)** | | **(1.33)** |
| | (2) Diluted | | | **(8.83)** | | **(1.33)** |
| | Significant Accounting Policies | 2 | | | | |

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For & on behalf of Board of Directors of Saket City Hospitals Private Limited

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

S/d-
Sr. Manager (F&A)

S/d-
per Anil Gupta
(Partner)
Membership No. 87921

S/d-
Kamalapati Kashyap
Director
DIN : 02359002

S/d-
Yogesh Kumar Sareen
Director
DIN : 00884252

Place : Gurgaon
Date:

## SAKET CITY HOSPITALS PRIVATE LIMITED

**(Formerly known as G.M. Modi Hospitals Corporation Pvt. Ltd.)**

**Regd. Office : Mandir Marg, Saket, New Delhi- 110 017**

**CIN - U85110DL1991PTC042646**

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

| | For the year ended 31st March 2016 Rs. In Lacs | For the year ended 31st March 2015 Rs. In Lacs |
|---|---|---|
| **Cash flow from operating activities** | | |
| (Loss) before tax from operations | (2,573.51) | (388.66) |
| Depreciation/ amortization | 557.36 | 536.60 |
| Loss on sale/discard of fixed assets | 79.84 | 17.59 |
| Interest expense | 3,023.28 | 511.03 |
| Interest (income) | (621.85) | (16.62) |
| Provision for doubtful advances | - | 10.76 |
| **Operating profit before working capital changes** | **465.12** | **670.70** |
| Movements in working capital : | | |
| Increase in trade payables | 263.74 | 200.19 |
| Increase in provisions | 6.57 | 23.15 |
| (Decrease) / Increase in other current liabilities | (36.35) | 33.94 |
| (Increase) / Decrease in trade receivables | (2,501.38) | (1,597.81) |
| (Increase) / Decrease in other assets | 21.46 | (35.25) |
| (Increase) / Decrease in inventories | 3.68 | (3.08) |
| Decrease / (Increase) in loans and advances | (501.72) | 145.22 |
| Cash (used in) operations | (2,278.88) | (562.94) |
| Direct taxes paid (net of refunds) | (10.77) | 3.89 |
| **Net cash flow from/(used in) operating activities (A)** | **(2,289.65)** | **(559.05)** |
| **Cash flows from investing activities** | | |
| Purchase of fixed assets, including CWIP,capital creditors and capital advances | (23.83) | (84.02) |
| Proceeds from sale of fixed assets | 19.54 | 0.31 |
| Fixed Deposit given | (0.59) | (1.13) |
| Fixed Deposit encashed | - | 67.75 |
| Interest received | 626.42 | 12.94 |
| Loan given | (1,199.00) | 0.00 |
| Loan refund receipt | 548.00 | |
| **Net cash flow from/(used in) investing activities (B)** | **(29.46)** | **(4.15)** |
| **Cash flows from financing activities** | | |
| Proceeds from long-term borrowings | 25,450.30 | 3,952.42 |
| Repayment of long-term borrowings | (21,339.21) | (1,193.13) |
| Share Application Money Received/(Refunded) (net) | - | (2,040.00) |
| Interest paid | (3,144.94) | (247.64) |
| Proceeds from short-term borrowings | 3,519.05 | - |
| Repayment of short-term borrowings | (2,170.00) | - |
| **Net cash flow from financing activities (C)** | **2,315.20** | **471.65** |
| **Net (decrease) in cash and cash equivalents (A + B + C)** | **(3.91)** | **(91.55)** |
| Cash and cash equivalents at the beginning of the year | 30.60 | 122.15 |
| **Cash and cash equivalents at the end of the year** | **26.69** | **30.60** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 0.05 | 0.98 |
| With banks- on current accounts | 26.64 | 29.62 |
| **Total cash and cash equivalents (note 15)** | **26.69** | **30.60** |
| Summary of significant accounting policies 2.1 | | |

**Notes:**

1) The above Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on 'Cash Flow Statements', prescribed under Section 133 of Companies Act, 2013.

As per our report of even date

For & on behalf of Board of Directors of Saket City Hospitals Private Limited

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

S/d-
Sr. Manager (F&A)

S/d-
per Anil Gupta
(Partner)
Membership No. 87921

S/d-
Kamalapati Kashyap
Director
DIN : 02359002

S/d-
Yogesh Kumar Sareen
Director
DIN : 00884252

Place : Gurgaon
Date:

**Note-2 : Significant Accounting Policies**

**1. Corporate information**

Saket City Hospitals Private Limited ("the Company") (Formerly known as G.M. Modi Hospitals Corporation Pvt. Ltd.) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is in the business of providing healthcare services, construction services, supply,erection and installation of equipments and other related services,and leasing of medical and other equipments on operating lease to Smart Hospital and Research Centre formerly known as Gujarmal Modi Hospital and Research Centre for Medical Sciences ( "the Society").

**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) Rule 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.

**2.1 Summary of significant accounting policies**

**i) 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 year. Although these estimates are based on the management's best knowledge of current events and actions, 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 years.

**ii) Basis of Classification of Current and Non Current**

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Revised Schedule III notified under the Companies Act 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) 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 liabilities have been classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

**iii) Fixed Asset**

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

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

Gains or losses arising from derecognition of Fixed Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.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 comprising of computer software are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

**iv) Depreciation on Fixed Asset**

Depreciation on Fixed Asset is provided using the Straight Line Method as per the useful lives of the assets as estimated by the management, which are equal to the rates prescribed under Schedule II of the Companies Act, 2013.

**v) 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 an 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.

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.

**vi) Inventories**

Inventories are valued at lower of cost or net realizable value. Cost of Inventories is determined on First in First Out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of the business, less estimated cost necessary to make the sale

**vii) Retirement Benefits**

**a) Provident Fund and Family Pension Fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

**b) Gratuity**

The Company operates a defined benefit plans for its employees for gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the year in which they occur in the statement of profit and loss.

**c) Leave Encashment**

Accumulated leave, which is expected to be utilized 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 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. However, the Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**viii) Foreign Currency Transactions**

**a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**c) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**ix) Revenue Recognition**

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. The following specific recognition criteria must also be met before revenue is recognized:

*Income on account of providing healthcare services* is recognised on rendering such services.

*Lease Rental Income* is recognized as per the terms of the Lease Agreement over the period of lease.

*Revenue from Construction activities is* recognized pro-rata over the period of the contract based on percentage of completion method

*Interest income* is recognized 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.

**x) 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 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 recognized directly in equity is recognized 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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

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

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of 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 income 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 income will be available

**xi) Lease**

***Where the Company is lessee***

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.

***Where the Company is the lessor***

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**xii) Borrowing Cost**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the 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 or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

**xiii) Segment Reporting**

*Identification of segments*

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

*Inter-segment transfers*

The Company generally accounts for inter segment sales and transfers at cost plus appropriate margins.

*Allocation of common costs*

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

*Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

*Segment accounting policies*

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**xiv) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the 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.

**xv) 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.

**xvi) 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.

**xvii) 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.

**NOTE `10': Fixed Asset**

**Rs. In Lacs**

| SL. NO. | PARTICULARS | GROSS BLOCK AS AT 01.04.15 | ADDITIONS DURING THE YEAR | DELETIONS DURING THE YEAR | AS AT 31.03.2016 | DEPRECIATION AND AMORTISATION UPTO 31.03.2015 | DEPRECIATION DURING THE YEAR | DEP ON DEL. DURING THE YEAR | UPTO 31.03.2016 | NET BLOCK AS AT 31.03.2016 | AS AT 31.03.2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **A)** | **Assets On Operating Lease (Refer Note 1)** | | | | | | | | | | |
| **Fixed Asset** | | | | | | | | | | | |
| 1 | Medical Equipment | 3,590.75 | - | 134.62 | 3,456.13 | 480.60 | 272.50 | 81.42 | 671.68 | 2,784.45 | 3,110.15 |
| 2 | Electrical Equipments | 13.16 | - | 0.04 | 13.12 | 4.97 | 1.41 | 0.01 | 6.37 | 6.75 | 8.19 |
| 3 | Office Eqiupment | 97.39 | - | 0.06 | 97.33 | 28.00 | 21.14 | 0.02 | 49.12 | 48.21 | 69.39 |
| 4 | Computers | 93.06 | - | 0.16 | 92.90 | 45.79 | 35.90 | 0.09 | 81.60 | 11.30 | 47.27 |
| 5 | Motor Car | 2.24 | - | 2.24 | - | 1.61 | 0.11 | 1.72 | - | - | 0.63 |
| 6 | Furniture & Fixtures | 29.05 | - | 0.11 | 28.94 | 13.99 | 1.81 | 0.02 | 15.78 | 13.16 | 15.06 |
| **INTANGIBLE ASSETS** | | | | | | | | | | | |
| 7 | Computer Software | 75.64 | - | - | 75.64 | 22.97 | 12.43 | - | 35.40 | 40.24 | 52.67 |
| | **Sub Total - A** | **3,901.29** | **-** | **137.23** | **3,764.06** | **597.93** | **345.30** | **83.28** | **859.95** | **2,904.11** | **3,303.36** |
| **B)** | **Other Assets** | | | | | | | | | | |
| **Fixed Asset** | | | | | | | | | | | |
| 8 | Medical Equipment | 2,532.16 | - | 39.47 | 2,492.69 | 332.78 | 194.99 | 18.81 | 508.96 | 1,983.73 | 2,199.38 |
| 9 | Office Equipment | 12.84 | - | 6.13 | 6.71 | 3.15 | 2.39 | 0.98 | 4.56 | 2.15 | 9.69 |
| 10 | Computer & Accessories | 14.66 | - | 2.67 | 11.99 | 10.39 | 3.28 | 2.39 | 11.28 | 0.71 | 4.27 |
| 11 | Motor Car | 66.56 | 21.02 | 22.07 | 65.51 | 15.53 | 11.10 | 2.76 | 23.87 | 41.64 | 51.03 |
| 12 | Furniture & Fixtures | 0.34 | - | - | 0.34 | 0.06 | 0.04 | - | 0.10 | 0.24 | 0.28 |
| **INTANGIBLE ASSETS** | | | | | | | | | | | |
| 13 | Computer Software | 1.92 | - | 0.51 | 1.41 | 0.86 | 0.26 | 0.47 | 0.65 | 0.76 | 1.06 |
| | **Sub Total - B** | **2,628.48** | **21.02** | **70.85** | **2,578.65** | **362.77** | **212.06** | **25.41** | **549.42** | **2,029.23** | **2,265.71** |
| | **Total (A+B)** | **6,529.77** | **21.02** | **208.08** | **6,342.71** | **960.70** | **557.36** | **108.69** | **1,409.37** | **4,933.34** | **5,569.07** |
| | **Previous Year Total** | 5,910.60 | 660.06 | 40.90 | 6,529.77 | 447.10 | | 23.00 | 960.70 | 5,569.07 | 5,463.50 |

Note-1 : The above equipments have been leased on an operating lease basis to Gujarmal Modi Hospital & Research Centre for Medical Sciences

NOTES FORMING PART OF FINANCIAL STATEMENTS

| NOTE `3' | March 31, 2016 | March 31, 2015 |
|---|---|---|
| SHARE CAPITAL | Rs. In Lacs | Rs. In Lacs |
| -Authorised | | |
| 7,00,00,000 (Previous Year 7,00,00,000) Equity Shares of Rs. 10/- each | 7,000.00 | 7,000.00 |
| -Issued,Subscribed and fully paid up | | |
| * 2,91,46,700 (Previous Year : 2,91,46,700) Equity Shares of Rs. 10/- each fully paid-up. | 2,914.67 | 2,914.67 |
| **Total issued, subscribes and fully paid - up share capital** | **2,914.67** | **2,914.67** |

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

| | March 31, 2016 | | March 31, 2015 | |
|---|---|---|---|---|
| **Equity Shares** | **Nos** | **Rs. In Lacs** | **Nos** | **Rs. In Lacs** |
| At the beginning of the year | 29,146,700 | 2,914.67 | 29,146,700 | 2,914.67 |
| Issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | **29,146,700** | **2,914.67** | **29,146,700** | **2,914.67** |

**(b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

| | March 31, 2016 | | March 31, 2015 | |
|---|---|---|---|---|
| | **No.** | **(% holding in class)** | **No.** | **(% holding in class)** |
| **Equity Shares of Rs. 10 each fully paid** | | | | |
| Max Healhcare Institute Limited, the holding Company* (Max) | 14,864,817 | 51% | - | 0% |
| Smart Health City Pte Ltd., Singapore** (Smart Health City) | 14,281,883 | 49% | 29,146,700 | 100% |

**Out of above, equity shares held by Smart Health City ,10 shares are held by Mr. G S Negi as nominee of Smart Healthcity.

* Out of the equity shares held by Smart Health City as on 31st March 2015, Max Healtcare Institute Limited has acquired 14,864,817 equity shares on 27th November 2015, representing 51% holding.

**(c) Terms/ rights attached to equity shares**

(i) The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

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

(iii) Max has a call option right to require Smart Health City to sell all its holding in the equity shares of the Company at an aggregate amount of Rs. 37,500 Lacs with 12% return per annum compounded annualy calculated for the period between the completion date and the date of such payment to Smart Health City in accordance with the share holding aggreement dated November 27, 2015.

(iv) Smart Health City has the right to nominate two Directors to the Board who would be non-executive directors. Max has the right to nominate all the other Directors who shall be in Majority.

(v) Director nominated by Smart Health City shall be the Non-executive Chairman of the Board for the initial period. after the initial period or in the event the Chairman resigns or is unable to act as a director of a Company under the Act, One of the directors nominated by Max shall be appointed as the Chairman.

(vi) One of the directors nominated by Max shall be appointed as the Vice Chairman of the board.

(vii) To constitute the quorum, at least one director nominated by Smart Health City should be present in any meeting of the Board.

**(d ) Details of shareholders holding more than 5% shares in the Company**

| | March 31, 2016 | | March 31, 2015 | |
|---|---|---|---|---|
| | **No.** | **(% holding in class)** | **No.** | **(% holding in class)** |
| **Equity Shares of Rs. 10 each fully paid** | | | | |
| Max Healhcare Institute Limited, the holding company* | 14,864,817 | 51% | - | 0% |
| Smart Health City Pte Ltd., Singapore** | 14,281,883 | 49% | 29,146,700 | 100% |

*Out of above equity shares held by Max, 25.5% of the equity shares are pledged with Yes Bank Limited and another 25.5% of the equity shares are pledged with Axis Bank Limited as a security for term loan granted to the Company. Further, Axis Bank Limited has negative lien for 21% equity shares of the Company.

**Out of above equity shares held by Smart Health City Pte Ltd., Singapore, 10 shares are held by Mr. G S Negi as nominee of Smart Healthcity Pte. Ltd, Singapore.

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.

| NOTE `4' | | |
|---|---|---|
| **RESERVES AND SURPLUS** | **March 31, 2016** | **March 31, 2015** |
| **(Deficit) in the statement of profit and loss** | **Rs. In Lacs** | **Rs. In Lacs** |
| Balance as per Last financial statements | (2,362.67) | (1,974.01) |
| Add: (Loss) for the Year | (2,573.51) | (388.66) |
| Net (Deficit) in the statement of Profit and Loss | (4,936.18) | (2,362.67) |
| **Total Reserves and Surplus** | **(4,936.18)** | **(2,362.67)** |

**NOTE `5'**

**LONG TERM BORROWINGS**

| | Non-Current Portion | | Current maturities | |
|---|---|---|---|---|
| | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** |
| Loans from Banks (Secured) | 25,232.30 | - | - | - |
| Loan from Related Party (Unsecured) | 200.00 | 14,169.57 | - | 2,833.91 |
| Deferred payment facility from a body corporate (Secured) | 1,651.31 | 2,094.12 | 442.81 | 383.60 |
| Loans from Bodies Corporate (Unsecured) | - | 1,135.00 | - | - |
| Loans from Bodies Corporate (Secured) | 11.69 | 2,816.91 | 8.88 | 2.79 |
| Total | 27,095.30 | 20,215.60 | 451.69 | 3,220.30 |
| | | | | |
| **The above amount includes :** | | | | |
| Secured borrowings | 26,895.29 | 4,911.03 | 451.69 | 386.39 |
| Unsecured borrowings | 200.01 | 15,304.57 | - | 2,833.91 |
| Amount disclosed under the head " other current liabilities" (refer note 9 below) | - | - | (451.69) | (3,220.30) |
| **Net amount** | **27,095.30** | **20,215.60** | **-** | **-** |

| Lender | Current Year Loan Amount (Rs in Lacs) | Previous Year Loan Amount (Rs in Lacs) | Repayment terms | Security | Interest |
|---|---|---|---|---|---|
| Philips India Limited | 1,396.06 | 1,660.00 | Original loan was for Rs. 1820 lacs. Rs. 59.62 lacs was repayable at the end of 18th and 24th month i.e. in July 5, 2014 and January 5,2015. Balance is repayable alongwith interest in 60 monthly instalments starting from February 5, 2015 | The amount is secured by first charge on medical equipments purchased under this arrangement.The loan is further secured by way of corporate guarantee issued in favour of Philips India Ltd. by Smart Value Ventures Pvt. Ltd. | 7% per annum on original loan amount till January 5, 2015 as hedging charges and thereafter 13% per annum starting from January 6, 2015. |
| | 259.80 | 308.90 | Original loan was for Rs 337.60 lacs. Rs 10.55 lacs was repayable at the end of 18th and 24th month i.e July 5,2014 and January 5,2015. Balance is repayable alongwith interest in 60 monthly instalments starting from February 15,2015 . | | 7% per annum on original loan amount till January 15, 2015 as hedging charges and thereafter 13% per annum starting from January 16, 2015. |
| | 41.95 | 48.82 | Original loan was for Rs 50.40 lacs. Rs 1.58 lacs is repayable at the end of 18th and 24th month i.e December 5,2014 and June 5,2015. Balance is repayable alongwith interest in 60 monthly instalments starting from July 5, 2015 . | | 7% per annum on original loan amount till June 5, 2015 as hedging charges and thereafter 13% per annum starting from June 6, 2015. |
| | 396.31 | 460.00 | Loan is repayable in 60 monthly instalments starting from May 25,2015. | The amount is secured by first charge on medical equipments purchased under this arrangement. | 13% per annum starting from April 26, 2014 |
| Daimler Financial Services India Private Limited | 6.91 | 9.70 | Original loan was for Rs.14.23 lacs. Loan is repayable in 60 monthly instalments starting from June 22, 2013. | The loan is secured by way of hypothecation of the motor vehicle financed by the lender. | 8.54% per annum starting from June 22, 2013 |
| | 13.65 | - | Original loan was for Rs.18.00 lacs. Loan is repayable in 36 monthly instalments starting from June 2, 2015. | The loan is secured by way of hypothecation of the motor vehicle financed by the lender. | 12.50% per annum starting from May 3, 2015 |
| Spice Bulls Investment Limited* | - | 2,810.00 | Loan was repayable after three years from the date of execution of agreement i.e. April 17, 2017 | The loan was secured by mortgaging the equipments, having a book value of Rs.24.01 crore, as on March 31,2014. | 10.50% per annum on the outstanding balance, on March 31 every year. |
| Avon Mercantile Limited* | - | 1,135.00 | Loan was repayable on expiry of the term of the loan which was three years i.e. from June 2017 to March 2018 | | 10.50% per annum on the outstanding balance, on March 31 every year. |

| | | | | | |
|---|---|---|---|---|---|
| Smart Value Ventures Pvt. Ltd* | - | 17,003.48 | The Loan was repayable after the moratorium period upto March 31,2015 in 24 equal quarterly instalments starting from June 30,2015. | | 12% per annum on the outstanding balance, on March 31 every year starting from April 1,2015 and the first interest will be due on March 31,2016 |
| Yes Bank Limited | 12,627.53 | - | Loan is repayable in 48 structured quaterly instalments starting from December 2018 | - A first pari passu charge over Company's all present and future, moveable and immoveable, tangible and intangible fixed assets excluding fixed assets pledged to other lendors and current assets. The charge, however, is yet to be registered with ROC.<br>- Pledge of 25.50% share capital of the Company held by Max Healthcare Institute Limited .<br>- Unconditional and Irrevocable corporate guarantee by Max Healthcare Instutute Limited for the loan period. | Yes Bank Base Rate plus 1.15% i.e 11.40% p.a. presently payable monthly |
| Axis Bank Limited | 12,604.77 | - | Repayable in 52 structured quaterly instalments after 37 months from the date of disbursement starting from Jan, 1 2019. | - A first pari passu charge over Company's all present and future, moveable and immoveable, tangible and intangible fixed assets excluding fixed assets pledged to other lendors and current assets.<br>- Pledge of 25.50% share capital of the Company held by Max Healthcare Institute Limited .<br>- Further, there is negative lien for 21% shareholding of the Company.<br>- Unconditional and Irrevocable corporate guarantee by Max Healthcare Instutute Limited for the loan period. | Axis Bank Rate plus 1.95% i.e 11.45% p.a. presently payable monthly |
| Max Healthcare Institute Limited | 200.00 | - | Loan is repayable after 15 (fifteen) years from the date of first disbursement i.e January 2031 | | 13% per annum on the outstanding balance. |

* The loans have been repaid fully on December 01, 2015

| NOTE `6' | Long - Term | | Short - Term | |
|---|---|---|---|---|
| **PROVISIONS** | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** |
| Gratuity (Refer note 25) | 22.73 | 19.85 | 1.30 | 0.27 |
| Leave Encashment | - | - | 26.38 | 23.72 |
| **TOTAL** | **22.73** | **19.85** | **27.68** | **23.99** |

| NOTE `7' | | |
|---|---|---|
| **SHORT TERM BORROWINGS** | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** |
| Cash Credit from Banks (Secured) | 1,349.05 | - |
| | **1,349.05** | **-** |

| Lender | Current Year Loan Amount (Rs in Lacs) | Previous Year Loan Amount (Rs in Lacs) | Security | Interest |
|---|---|---|---|---|
| Yes Bank Limited | 603.75 | - | - A first pari passu charge over Company's all present and future, moveable and immoveable, tangible and intangible fixed assets excluding fixed assets pledged to other lendors and current assets. The charge, however, is yet to be registered with ROC.<br>- Pledge of 25.50% share capital of the Company held by Max Healthcare Institute Limited .<br>- Unconditional and Irrevocable corporate guarantee by Max Healthcare Instutute Limited for the loan period. | Yes Bank Base Rate plus 1.15% i.e 11.40% p.a. presently payable monthly |
| Axis Bank Limited | 745.30 | - | - A first pari passu charge over Company's all present and future, moveable and immoveable, tangible and intangible fixed assets excluding fixed assets pledged to other lendors and current assets.<br>- Pledge of 25.50% share capital of the Company held by Max Healthcare Institute Limited .<br>- Further, there is negative lien for 21% shareholding of the Company.<br>- Unconditional and Irrevocable corporate guarantee by Max Healthcare Instutute Limited for the loan period. | Axis Bank Rate plus 1.95% i.e 11.45% p.a. presently payable monthly |

| NOTE `8' | | |
|---|---|---|
| **TRADE PAYABLES** | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** |
| (a) Trade Payables | | |
| -total outstanding dues of micro and small enterprise | - | - |
| -total outstanding dues of creditors other than micro and small enterprise | 1,067.14 | 803.40 |
| **TOTAL** | **1,067.14** | **803.40** |

| NOTE `9' | | |
|---|---|---|
| **OTHER CURRENT LIABILITIES** | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** |
| TDS Payable | 56.44 | 101.42 |
| Interest Accrued and due on loans | 126.22 | 245.61 |
| Interest Accrued but not due on loans | 15.50 | 17.77 |
| Creditors for Fixed Assets | 4.15 | 6.97 |
| Current Maturity of Long Term Borrowings (refer note 5) | 451.69 | 3,220.30 |
| Other Payable | 10.63 | 1.99 |
| **TOTAL** | **664.65** | **3,594.06** |

| NOTE `11' | | | | |
|---|---|---|---|---|
| **LOANS AND ADVANCES** | **Non - Current** | | **Current** | |
| | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** | **March 31, 2016 Rs. In Lacs** | **March 31, 2015 Rs. In Lacs** |
| **Capital Advances** | | | | |
| Unsecured, considered doubtful | 10.76 | 10.76 | - | - |
| Less : Provision for Doubtful Advances | (10.76) | (10.76) | | |
| **(A)** | **-** | **-** | **-** | **-** |
| **Loans and advances to related parties (refer note 29)** | | | | |
| Secured, considered good (Refer (i) below) | - | 6,611.91 | - | 348.00 |
| **(B)** | **-** | **6,611.91** | **-** | **348.00** |
| **Advances receivable in cash or in kind** | | | | |
| Unsecured, considered good | | | | |
| Advance to Suppliers | - | - | 0.45 | 0.78 |
| Other advances | - | - | 2.90 | 3.80 |
| **(C)** | **-** | **-** | **3.35** | **4.58** |

| | | | | |
|---|---|---|---|---|
| **Other Loans and advances** | | | | |
| Unsecured,considered good | | | | |
| Prepaid Expenses | - | - | 6.10 | 6.04 |
| Refundable Security Deposits (Refer (iii) below) | 21,429.12 | - | - | - |
| DVAT Receivables | 0.77 | 13.09 | 159.77 | 170.18 |
| TDS Receivables | - | - | 343.25 | 332.48 |
| Balances with statutory authorities | - | - | 3.26 | 3.43 |
| MAT Credit Entitlement | - | - | 2.44 | 2.44 |
| **(D)** | **21,429.89** | **13.09** | **514.82** | **514.57** |
| **Total (A+B+C)** | **21,429.89** | **6,625.00** | **518.17** | **867.15** |

(i) The loan of Rs. 6,959.91 Lacs as on 31st March 2015 was due from Gujarmal Modi Hospital & Research Centre For Medical Sciences (Society). Loan was secured by way of hypothecation of all movable assets including equipment and current assets of the Society including inventory and book debts both present & future.The Company has converted the loan amount including interest thereon to Refundable Performance Security Deposits. (Refer (iii) below)

(ii) The Company has till date recognised Rs.2.44 lacs (Previous year Rs. 2.44 lacs) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above MAT credit entitlement.

(iii) Vide Termination Agreement dated November 27,2015, the Company has converted the loan amount including interest thereon alongwith trade receivables from Gujarmal Modi Hospital and Research Centre for Medical Sciences (Society) to Refundable Security Deposit. The said security deposit shall be repayable out of the surplus funds available with the society along with the interest agreed (upto 12% per annum).
During the year the Society has incurred deficit in the accounts and the shorfall is expected to be met out in the next year. Accordingly, Company has decided not to charge any interest on the Refundable Security Deposit from the Society as the recoverability of the interest is uncertain and contingent as of now.The security deposit is considered good of recovery based on the projected positive future cash flows.

| **NOTE `12'** | **March 31, 2016** | **March 31, 2015** |
|---|---|---|
| **INVENTORIES (Valued at lower of cost or net realisable value)** | **Rs. In Lacs** | **Rs. In Lacs** |
| Consumables | 2.96 | 6.63 |
| **TOTAL** | **2.96** | **6.63** |

**NOTE `13'**

| TRADE RECEIVABLES | Non - Current | | Current | |
|---|---|---|---|---|
| | March 31, 2016 Rs. In Lacs | March 31, 2015 Rs. In Lacs | March 31, 2016 Rs. In Lacs | March 31, 2015 Rs. In Lacs |
| **Unsecured, Considered Good** | | | | |
| Outstanding for a period exceeding six months from the date they are due for payment | - | - | - | 1,061.95 |
| Other receivables | - | 7,993.33 | 1,277.40 | 3,013.16 |
| **TOTAL** | **-** | **7,993.33** | **1,277.40** | **4,075.11** |

Vide termination agreement dated November 27, 2015, the Company has converted the trade receivable amounting to Rs. 13,292.43 Lacs on account of construction and healthcare services to Refundable Performance Security Deposit.

**NOTE `14'**

| OTHER ASSETS | Non - Current | | Current | |
|---|---|---|---|---|
| | March 31, 2016 Rs. In Lacs | March 31, 2015 Rs. In Lacs | March 31, 2016 Rs. In Lacs | March 31, 2015 Rs. In Lacs |
| Interest Accrued but Not Due | - | - | 0.21 | 0.89 |
| Interest Accrued on Income Tax Refund | - | - | - | 3.89 |
| Accrued Income | - | - | 13.79 | 35.25 |
| **TOTAL** | **-** | **-** | **14.00** | **40.03** |

**NOTE `15'**

| CASH AND BANK BALANCES | Non - Current | | Current | |
|---|---|---|---|---|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| **-Cash and Cash Equivalents** | Rs. In Lacs | Rs. In Lacs | Rs. In Lacs | Rs. In Lacs |
| Cash in Hand | - | - | 0.05 | 0.98 |
| Balance with Banks | | - | | |
| - In Current Accounts | - | - | 26.64 | 29.62 |
| | - | - | 26.69 | 30.60 |
| **-Other Bank Balances** | | | | |
| - Deposits with original maturity for more than 12 months | - | - | - | 2.00 |
| - Deposits with original maturity for more than 3 months but less than 12 months | - | - | 2.59 | - |
| **TOTAL** | - | **-** | **29.28** | **32.60** |

* Deposits of Rs. 2.59 Lacs (Previous Year Rs. 2 Lacs) are in the nature of margin money kept with bank against Bank Guarantee issued by the Bank and are deposited against Sales Tax Registration.

| Particulars | For the year ended on March 31, 2016 | | For the year ended on March 31, 2015 | |
|---|---|---|---|---|
| | Rs. In Lacs | Rs. In Lacs | Rs. In Lacs | Rs. In Lacs |
| **NOTE `16'** | | | | |
| **REVENUE FROM OPERATIONS** | | | | |
| **Sale of Services** | | | | |
| Revenue from Healthcare Services | 4,188.12 | | 3,621.68 | |
| Revenue from Operating Lease | 746.28 | 4,934.40 | 742.41 | 4,364.09 |
| **Other Operating Revenue** | | | | |
| Sponsorship and educational income | | 44.85 | | - |
| **TOTAL** | | **4,979.25** | | **4,364.09** |
| | | | | |
| **NOTE `17'** | | | | |
| **OTHER INCOME** | | | | |
| **Interest Income** | | | | |
| On Fixed deposits with banks | 3.06 | | 7.32 | |
| On Loans to Related Party | 593.94 | | | |
| On Income tax refund | 24.85 | 621.85 | 9.30 | 16.62 |
| Sundry Balance written back | | 2.61 | | 0.30 |
| **TOTAL** | | **624.46** | | **16.92** |
| | | | | |
| **NOTE `18'** | | | | |
| **EMPLOYEE BENEFIT EXPENSES** | | | | |
| Salaries, Wages, Bonus etc. | | 595.88 | | 594.13 |
| Contribution to Provident and other Funds | | 11.69 | | 8.97 |
| Gratuity Expense (Refer Note No. 25) | | 3.91 | | 13.31 |
| Staff Welfare expenses | | 3.45 | | 5.42 |
| **TOTAL** | | **614.93** | | **621.83** |
| | | | | |
| **NOTE `19'** | | | | |
| **DEPRECIATION AND AMMORTIZATION EXPENSES** | | | | |
| Depreciation of Tangible assets | | 544.67 | | 522.52 |
| Depreciation of Intangible assets | | 12.69 | | 14.08 |
| **TOTAL** | | **557.36** | | **536.60** |
| | | | | |
| **NOTE `20'** | | | | |
| **FINANCE COSTS** | | | | |
| Interest on Loans | | 3,019.23 | | 509.50 |
| Interest on Late deposit of Tax deducted at source | | 4.05 | | 1.53 |
| Other Finance Cost | | 405.24 | | - |
| **TOTAL** | | **3,428.52** | | **511.03** |
| | | | | |
| **NOTE `21'** | | | | |
| **OTHER EXPENSES** | | | | |
| Professional Medical Fees | | 2,419.87 | | 2,203.85 |
| Pathology Lab expenses | | 584.63 | | 586.76 |
| Radiology Expenses | | 5.71 | | 2.61 |
| Consumables | | 77.02 | | 69.50 |
| Repairs to Machinery | | 108.71 | | 1.66 |
| Repairs to Others | | 0.76 | | - |
| Insurance | | 8.82 | | 3.69 |
| Rates and Taxes | | 0.57 | | 0.46 |
| Professional Fee | | 74.15 | | 48.20 |
| Travelling & Conveyance | | 62.36 | | 19.64 |
| Vehicle Running & Maintenance | | 12.92 | | 10.46 |
| Telephone & Internet | | 4.40 | | 5.16 |
| Payment to Auditor | | 21.51 | | 19.22 |
| Meeting & Conference | | 30.90 | | 0.90 |
| Provision for Doubtful Advances | | - | | 10.76 |
| Irrecoverable Balances Written Off | | 0.39 | | 8.48 |
| Loss on sale / discard of Fixed assets (net) | | 79.84 | | 17.59 |
| Power & Fuel | | 48.49 | | 45.55 |
| Directors' Sitting fees | | 0.10 | | 4.49 |
| Housekeeping Charges | | 12.08 | | 9.45 |
| Printing & Stationery | | 6.78 | | 6.55 |
| Business Promotion | | 0.14 | | 7.87 |
| Miscellaneous expenses | | 5.26 | | 2.37 |
| Lease Rent | | 11.00 | | 15.00 |
| **TOTAL** | | **3,576.41** | | **3,100.21** |
| | | | | |
| **Payment to Auditors** | | | | |
| Audit Fee | | 18.32 | | 13.07 |
| Tax Audit Fee | | 0.69 | | 0.46 |
| Other Services | | - | | 4.94 |
| Out of Pocket Expenses | | 2.50 | | 0.75 |
| **TOTAL** | | **21.51** | | **19.22** |

| Particulars | For the year ended on March 31, 2016 | | For the year ended on March 31, 2015 | |
|---|---|---|---|---|
| | Unit | Rs. In Lacs | Unit | Rs. In Lacs |
| **NOTE `22'** | | | | |
| **EARNING PER SHARE** | | | | |
| (Loss) after tax being attributable to equity shareholders | Rs. In Lacs | (2,573.51) | Rs. In Lacs | (388.66) |
| Weighted average number of equity shares | Nos. | 29,146,700 | Nos. | 29,146,700 |
| Nominal Value of ordinary shares | Rs. | 10.00 | Rs. | 10.00 |
| Basic and diluted earning per share | Rs. | **(8.83)** | Rs. | **(1.33)** |

**NOTE '23': EXPENDITURE IN FOREIGN CURRENCY**

| | 2016 | 2015 |
|---|---|---|
| Travelling | 14.03 | 1.59 |
| Professional Fees | - | - |
| **TOTAL** | **14.03** | **1.59** |

**NOTE `24' : LEASE**

**Assets taken under Operating Lease**

Vehicles are obtained on Operating Lease. The lease terms are for 1 (one) year and renewable by mutual agreement of both the parties.

**Assets given under Operating Lease**

Medical & other equipments are given on operating lease. The lease term is for initial period of 5 (five) years and renewable by mutual consent of both the parties.

| | 2016 | 2015 |
|---|---|---|
| Lease Rent Paid | 11.00 | 15.00 |
| Lease Rent Received | 746.28 | 742.41 |

**NOTE `25': EMPLOYEE BENEFIT**

**Gratuity Plan**

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 or part thereof in excess of six months. The scheme is unfunded.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amount recognised in the balance sheet for the gratuity plan :-

**Statement of profit and loss**

**Net employee benefit expense (recognised in Employee costs)**

| Particulars | March 31, 2016 | March 31, 2015 |
|---|---|---|
| Current Service Cost | 6.52 | 8.66 |
| Past Service Cost | | - |
| Interest Cost | 1.68 | 0.66 |
| Net actuarial (gain)/loss recognized in the year | (4.30) | 4.00 |
| Expenses recognized in the Statement of Profit & Loss | 3.90 | 13.32 |

**Balance Sheet**

**Details of Provision for gratuity :**

| Particulars | March 31, 2016 | March 31, 2015 | March 31, 2013 | March 31, 2012 | March 31, 2011 |
|---|---|---|---|---|---|
| Present Value of Obligation as at the end of the year | 24.03 | 20.12 | 7.20 | 8.72 | 6.44 |
| Fair Value of Plan Assets as at end of the year | - | - | - | - | - |
| Net (Liability) Recognized in Balance Sheet | (24.03) | (20.12) | (7.20) | (8.72) | (6.44) |
| Experience adjustments on plan liabilities - (Loss)/ Gain | 4.30 | 1.06 | 0.33 | 0.04 | (0.35) |
| Experience adjustments on plan assets - (Loss)/ Gain | - | - | - | - | - |

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

| Particulars | March 31, 2016 | March 31, 2015 |
|---|---|---|
| Present Value of Obligations as at the beginning of the year | 20.12 | 7.20 |
| Interest Cost | 1.68 | 0.66 |
| Current Service Cost | 6.52 | 8.66 |
| Benefits paid | - | (0.39) |
| Actuarial (gain)/ loss on obligations | (4.30) | 4.00 |
| Present Value of obligations as at the end of the year | 24.02 | 20.11 |

**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below :**

| Particulars | March 31, 2016 | March 31, 2015 |
|---|---|---|
| | | |
| Discount Rate (Per Annum) | 7.90% | 7.80% |
| Future salary increase | 10.00% | 10.00% |
| Employee Turnover | 5% for all ages | 5% for all ages |
| Expected Average remaining working lives of employees (years) | 23.04 | 22.00 |

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

**Contribution to Defined contribution Plan**

| Particulars | March 31, 2016 | March 31, 2015 |
|---|---|---|
| | | |

| | | |
|---|---|---|
| Provident Fund | 10.59 | 8.07 |

**NOTE '26'**
**RELATED PARTY DISCLOSURES:**

**(A) Name of Related Parties with whom transaction were entered into during the year and their relationship**

| | | |
|---|---|---|
| A | **Holding Company** | Smart Health City Pte Ltd. Singapore ( till November 30, 2015)<br>Max Healthcare Institute Limited ( w.e.f. December 1, 2015) |
| | | |
| B | **Investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture** | Smart Health City Pte Ltd. Singapore ( w.e.f. November 30, 2015) |
| C | **Key Management Personnel** | Mr. Kamalapati Kashyap ( Whole Time Director till 27 Nov 2015)<br>Dr. Ashok Vardhan Chordiya ( Whole Time Director till 27 Nov 2015)<br>Ms. Anamika Sikri ( Whole Time Director till 27 Nov 2015) |
| D | **Enterprises owned or significantly influenced by key management personnel or their relatives** | Gujarmal Modi Hospital & Research Centre for Medical Sciences<br>Smart Value Ventures Private Limited |

**(B) Transactions with Related Parties**

**Rs. In Lacs**

| **Nature of Transactions** | | **Holding Company** | | **Key Managerial Personnel** | | **Enterprise having significant influence** | |
|---|---|---|---|---|---|---|---|
| | | **For the year ended on March 31, 2016** | **For the year ended on March 31, 2015** | **For the year ended on March 31, 2016** | **For the year ended on March 31, 2015** | **For the year ended on March 31, 2016** | **For the year ended on March 31, 2015** |
| **i)** | **Unsecured Borrowings** | | | | | | |
| | - Max Healthcare Institute Limited | 200.00 | - | - | - | - | - |
| **ii)** | **Unsecured Borrowings Repaid** | | | | | | |
| | - Smart Value Ventures Pvt. Ltd. | | | | | 17,003.48 | 1,000.00 |
| | | - | - | - | - | - | - |
| **iii)** | **Salary & Allowances** | | | | | | |
| | - Ms. Anamika Sikri | - | - | 47.91 | - | - | - |
| | - Mr. Kamalapati Kashyap | - | - | 7.81 | 0.21 | - | - |
| | - Dr. Ashok Vardhan Chordiya | - | - | 86.54 | 4.24 | - | - |
| | | | | | | | |
| **iv)** | **Revenue from Operating Lease** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | - | - | - | - | 746.28 | 742.41 |
| **v)** | **Income from Healthcare Services** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | - | - | - | - | 4,188.12 | 3,621.68 |
| **vi)** | **Interest Income** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | - | - | - | - | 593.94 | - |
| **vii)** | **Interest on Loans** | | | | | | |
| | - Smart Value Ventures Pvt. Ltd. | | | | - | 1,369.60 | - |
| | - Max Healthcare Institute Limited | 4.40 | | | | - | - |
| **viii)** | **Other finance cost** | | | | | | |
| | - Max Healthcare Institute Limited | 50.29 | | | - | - | - |
| **ix)** | **Payment made on behalf of the related party** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | | | | - | 49.53 | 49.14 |
| **x)** | **Payment made by the related party on behalf of the company** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | | | | - | 183.87 | 82.83 |
| **xi)** | | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | | | | | 156.66 | 235.16 |
| **xii)** | **Sale of Fixed Asset** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | | | | | 19.54 | - |
| **xiii)** | **Loan given** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | | | | - | 1,199.00 | 731.00 |
| **xiv)** | **Loan refund received** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | | | | - | 8,158.91 | 731.00 |
| **xv)** | **Security Deposits Paid** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | | | | - | 21,429.12 | - |
| **xvi)** | **Net Outstanding Dr./ (Cr.)** | | | | | | |
| | **Unsecured Loan** | | | | | | |
| | - Smart Value Ventures Pvt. Ltd. | - | - | | - | - | (17,003.48) |
| | - Max Healthcare Institute Limited | (200.00) | | | | | - |
| | **Secured Loan** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | - | - | - | - | - | 6,959.91 |
| | **Trade Receivable** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | - | - | | - | 1,277.40 | 12,068.45 |
| | **Security Deposits Paid** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | - | - | | - | 21,429.12 | - |
| | **Other Payable** | | | | | | |
| | - Max Healthcare Institute Limited | (49.86) | | | | | - |
| | **Accrued Income** | | | | | | |
| | - Gujarmal Modi Hospital & Research Centre For Medical Sciences | - | - | | - | 13.79 | 35.25 |

Note-1 : Smartvalue Ventures Pvt. Ltd. has given corporate guarantee in favour of Philips India Ltd. in respect of deferred credit loans of Rs 2,208 lacs taken from the party.

Note-2 : Out of equity shares held by Max Healthcare Institute Limited, the holding company, 25.5% of the shares are pledged with Axis Bank Limited and another 25.5% of the shares ae pledged with Yes Bank Limited as a security for term loan and cash credit limits granted to the Company.

Note-3 : There is no writeback / writeoff of amount due to / from related party.

**NOTE `27' : SEGMENT REPORTING**

The Company operates into three major segments: Healthcare Services, Leasing, and Construction.
Information by each reportable segment is as follows:

**Rs. In Lacs**

| Particulars | Construction | | Healthcare | | Leasing | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Revenue | - | - | 4,232.97 | 3,621.68 | 746.28 | 742.41 | 4,979.25 | 4,364.09 |
| Cost | - | - | 3,620.73 | 3,212.30 | 399.24 | 346.15 | 4,019.97 | 3,558.45 |
| Segment Result | - | - | 612.24 | 409.38 | 347.03 | 396.26 | 959.28 | 805.64 |
| Unallocated Expenses | | | | | | | 728.72 | 700.19 |
| Unallocated Income | | | | | | | 624.46 | 16.92 |
| Operating Profit | | | | | | | 855.02 | 122.37 |
| Financial Costs | | | | | | | 3,428.52 | 511.03 |
| (Loss) before Tax | | | | | | | (2,573.50) | (388.66) |
| Tax Expense | | | | | | | - | - |
| **Net (Loss)** | | | | | | | (2,573.50) | (388.66) |
| | | | | | | | | |
| Segment Assets | 150.92 | 9,033.43 | 3,060.90 | 5,171.08 | 3,137.31 | 3,571.65 | 6,349.13 | 17,776.16 |
| Unallocated Assets | | | | | | | 21,855.91 | 7,432.75 |
| **Total Assets** | | | | | | | **28,205.04** | **25,208.91** |
| Segment Liabilities | 36.89 | 57.01 | 855.65 | 655.65 | 13.11 | 6.97 | 905.65 | 719.62 |
| Unallocated Liabilities | | | | | | | 29,320.86 | 23,937.28 |
| **Total Liabilities** | | | | | | | **30,226.51** | **24,656.90** |
| Depreciation | | - | 194.99 | 185.53 | 345.30 | 331.29 | 540.29 | 516.82 |
| Unallocated Depreciation | | | | | | | 17.07 | 19.79 |

The Company operates in single geographical segment

**NOTE `28':**

In accordance with Accounting Standard 22 " Accounting for Taxes on Income " issued by the Institute of Chartered Accountants of India, the Company would have a net deferred tax asset. However, in view of losses in the current and earlier years, deferred tax losses on the timing differences and on unabsorbed depreciation and business losses have not been recognised in books as it is not virtually certain that they will be realised against future profits.

**NOTE `29'**

As at March 31, 2016, the Company has accumulated losses of Rs.4936.17 Lacs (Previous Year Rs.2362.66 Lacs) against equity of Rs.2914.67 (Previous Year Rs.2914.67) and also has net current liabilities of Rs.1266.71 Lacs (Previous Year Rs.600.07 Lacs (net assets)). The Company has incurred losses of Rs.2573.50 (Previous Year Rs.388.66) during the year. Financial statements do not include any adjustment relating to recoverables / payables and classification of recorded assets / liabilities that may be necessary if the entity is unable to continue as a going concern in view of the fact that Max Healthcare Institute Limited, the holding company has confirmed its intention to settle its obligations as and when they fall due and enable it to operate as a going concern.

**NOTE `30'**

Previous year's figures have been regrouped and reclassified wherever necessary to conform to current period classification.

As per our report of even date

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

S/d-
**per Anil Gupta**
(Partner)
Membership No. 87921

Place : Gurgaon
Date:

For & on behalf of Board of Directors of Saket City Hospitals Private Limited

S/d-
Sr. Manager (F&A)

S/d-
Kamalapati Kashyap
Director
DIN : 02359002

S/d-
Yogesh Kumar Sareen
Director
DIN : 00884252