

# **DHARMESH PARIKH & CO.**

## **CHARTERED ACCOUNTANTS**

303/304, "Milestone", Nr. Drive-in-Cinema, Opp. T.V Tower, Thaltej,  
Ahmedabad-380 054. Phone: 91-79-27474466 Fax: 91-79-27479955

### **INDEPENDENT AUDITOR'S REPORT**

**To the Members of ADANI HOSPITALS MUNDRA PRIVATE LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Adani Hospitals Mundra Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and 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 and presentation 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 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**

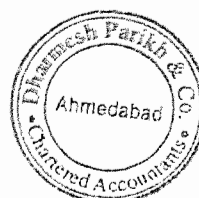
Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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.



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**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.

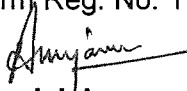
**Report on Other Legal and Regulatory Requirements**

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 A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those 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 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;
  - 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 B";
  - 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 does not have any pending litigations which would impact its financial position;
    - 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.

Place : Ahmedabad  
Date : 26 Apr 2016



For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W

  
**Anuj Jain**  
Partner  
Membership No. 119140

**DHARMESH PARIKH & CO.**  
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**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**  
**RE: ADANI HOSPITALS MUNDRA PRIVATE LIMITED**

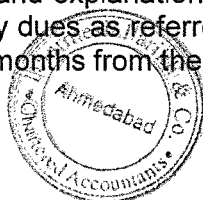
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(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us and representations made by the Management, the Company does not have any immovable property. Accordingly the provisions of paragraph 3 (i) (c) of the Order are not applicable.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of accounts.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted 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 paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of cost records as prescribed by the Central Government under section 148(1) of the Act are not applicable to the company for the year under review.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities generally. As explained to us, the Company did not have any dues on account of employees' state insurance, entry tax and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues as referred to above were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.



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- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly the provisions of paragraph 3 (viii) of the Order are not applicable.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place : Ahmedabad  
Date : 26 Apr 2016



For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W

**Anuj Jain**  
Partner  
Membership No. 119140

# DHARMESH PARIKH & CO.

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### **ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT RE: ADANI HOSPITALS MUNDRA PRIVATE LIMITED**

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#### **Report on the Internal Financial Controls under Clause i of sub-section 3 of section 143 of the Companies Act 2013 (the act).**

We have audited the internal financial controls over financial reporting of the Adani Hospitals Mundra Private Limited (the company) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

#### **Management's Responsibilities 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 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.

#### **Auditors Responsibility**

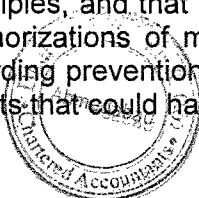
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed 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 judgment, 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 Company's 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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**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.

Place : Ahmedabad  
Date : 26 Apr 2016



For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W

A handwritten signature in black ink, appearing to read "Anuj Jain".

**Anuj Jain**  
Partner  
Membership No. 119140

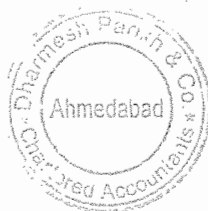
**Adani Hospitals Mundra Private Limited**  
**Balance Sheet as at March 31, 2016**

Particulars	Notes	Rs in lacs	
		As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	30.00	30.00
Reserves and Surplus	4	(10.86)	(88.54)
		<b>19.14</b>	<b>(58.54)</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	426.73	411.72
Long Term Provisions	6	-	1.85
		<b>426.73</b>	<b>413.57</b>
<b>Current Liabilities</b>			
Trade Payables	7	64.95	82.87
Other Current Liabilities	8	8.64	5.59
Short Term Provisions	9	-	0.56
		<b>73.59</b>	<b>89.02</b>
<b>Total</b>		<b>519.46</b>	<b>444.05</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		270.49	293.81
Intangible Assets		5.54	13.23
		<b>276.03</b>	<b>307.04</b>
Long Term Loans and Advances	11	64.63	23.48
		<b>340.66</b>	<b>330.52</b>
<b>Current Assets</b>			
Inventories	12	25.55	26.75
Trade Receivables	13	125.19	42.42
Cash and Cash Equivalents	14	17.18	36.24
Short Term Loans and Advances	15	10.88	8.12
		<b>178.80</b>	<b>113.53</b>
<b>Total</b>		<b>519.46</b>	<b>444.05</b>
Summary of significant accounting policies	2		

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

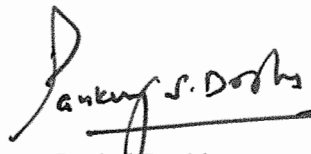
As per our report of even date  
For Dharmesh Parikh & Co.  
Firm Registration Number : 112054W  
Chartered Accountants

  
**Anuj Jain**  
Partner  
Membership No. 119140



Place : Ahmedabad  
Date : 26 APR 2016

For and on behalf of the board of directors of  
Adani Hospitals Mundra Private Limited

  
**Pankaj Doshi**  
Director  
DIN : 03600975

  
**K. M. Rao**  
Director  
DIN : 07337163



Place : Ahmedabad  
Date : 26 APR 2016

**Adani Hospitals Mundra Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2016**

Particulars	Notes	Rs in lacs	
		For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Income</b>			
Revenue from Operations	16	790.42	652.92
Other Income	17	0.79	0.64
<b>Total Revenue</b>		<b>791.21</b>	<b>653.56</b>
<b>Expenses</b>			
Operating expenses	18	243.98	234.63
Employee benefits expenses	19	38.73	154.04
Depreciation and amortisation expense	10	36.40	19.45
Other expenses	20	394.42	333.60
<b>Total Expenses</b>		<b>713.53</b>	<b>741.72</b>
<b>Profit / (Loss) Before Tax</b>		<b>77.68</b>	<b>(88.16)</b>
<b>Tax Expense</b>			
Current Tax (MAT)		11.10	-
MAT Credit Entitlement		(11.10)	-
Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) For The Year</b>		<b>77.68</b>	<b>(88.16)</b>
<b>Earning per Equity Share (in Rs) (Face value of Rs.10 each)</b>			
Basic & Diluted	24	25.89	(141.44)
Summary of significant accounting policies	2		

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

For Dharmesh Parikh & Co.  
 Firm Registration Number : 112054W  
 Chartered Accountants

*Anuj Jain*

Anuj Jain  
 Partner  
 Membership No. 119140



Place : Ahmedabad  
 Date : 26 APR 2016

For and on behalf of the board of directors of  
 Adani Hospitals Mundra Private Limited

*Pankaj Doshi*

Pankaj Doshi  
 Director  
 DIN : 03600975

*K.M. Rao*

K.M. Rao  
 Director  
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Place : Ahmedabad  
 Date : 26 APR 2016



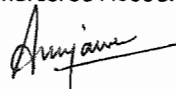
Adani Hospitals Mundra Private Limited  
Cash Flow Statement for the year ended March 31, 2016

Rs in lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax for the year	77.68	(88.16)
<b>Adjustment on account of :</b>		
Depreciation and amortisation expenses	36.40	19.45
Bad Debts written off	0.08	-
Interest paid/(received)	-	(0.60)
Operating Profit / (Loss) Before Working Capital Changes	<b>114.16</b>	<b>(69.31)</b>
<b>Movements in Working Capital :</b>		
(Increase) in Sundry Debtors	(82.85)	(42.42)
Decrease / (Increase) in Inventories	1.20	(26.75)
(Increase) in Short Term Loans & Advances	(2.76)	(5.66)
(Increase)/Decrease in Long Term Loans & Advances	-	3.04
Increase in Current Liabilities	3.05	5.60
(Decrease)/Increase in Provisions	(2.41)	2.41
(Decrease)/Increase in Trade Payables	(17.92)	82.76
<b>Cash Flow from/(used in) Operations</b>	<b>12.47</b>	<b>(50.33)</b>
Less : Direct Taxes Paid	(41.15)	-
<b>Net Cash Flow (used in) Operating Activities</b>	<b>(28.68)</b>	<b>(50.33)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Capital Work in Progress	(5.39)	(326.49)
<b>Net Cash (used in) Investing Activities</b>	<b>(5.39)</b>	<b>(326.49)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Issuance of Share Capital	-	25.00
Proceeds From Long Term Borrowings	15.01	341.72
Interest received	-	0.60
<b>Net Cash Flow From Financing Activities</b>	<b>15.01</b>	<b>367.32</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents ( I + II + III)</b>	<b>(19.06)</b>	<b>(9.50)</b>
Cash and Cash Equivalents at the beginning of the year	36.24	45.74
<b>Cash and Cash Equivalents at the end of the year ( refer note 14)</b>	<b>17.18</b>	<b>36.24</b>

The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements notified under section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date  
For Dharmesh Parikh & Co.  
Firm Registration Number : 112054W  
Chartered Accountants

  
Anuj Jain  
Partner  
Membership No. 119140



For and on behalf of the board of directors of  
Adani Hospitals Mundra Private Limited

  
Pankaj Doshi  
Director  
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DIN : 07337163



Place : Ahmedabad  
Date : 26 APR 2016

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## 1 Nature of Operation

Adani Hospitals Mundra Private Limited was incorporated on November 01, 2013 as a 100% subsidiary Company of Adani Ports and Special Economic Zone Limited (APSEZ). The company is a special purpose company promoted by APSEZ and is incorporated with the objective to set up and run Hospitals, to provide all kinds of medical, surgical & maternity facilities in Mundra for the benefit and use of its employees and other units established in SEZ being developed by APSEZ.

The company has been accorded the status of a co-developer in the Mundra SEZ vide approval letter bearing reference No. F.2/11/2003-SEZ dated 25th April, 2014 issued by the Board of approval, Ministry of Commerce, Government of India, New Delhi to develop, operate, maintain and provide IPD/OPD services to patients at the 100 Bed Hospital in the non-processing area of APSEZ.

## 2 Summary of Significant Accounting Policies

### a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the 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 under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy explained below.

### b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make judgment, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

### c) Current & Non-Current Classification

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

### d) Inventories

(i) Inventories are valued at lower of cost (FIFO Basis) or Net Realisable value.

(ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

### e) Cash And Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### f) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



**g) Depreciation**

(i) Depreciation on Fixed Assets is provided on straight-line method at rates and in the manner specified in Schedule II the Companies Act, 2013.

(ii) Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date addition / disposal.

**h) Revenue Recognition**

Revenue is recognised, when no significant uncertainty as to its determination or realization exists. Accordingly;

(i) Income from services rendered is recognised as and when the work is performed.

(ii) Sales of goods are recognised when the significant risk and rewards of ownership of the goods have been passed to the customer and net of Value added tax and return.

(iii) Interest income is recognised on time proportion basis, considering amount outstanding and rate applicable.

**i) Fixed Assets**

**1. Tangible Fixed Assets**

(i) Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Any capital expenditure in respect of assets, the ownership of which would not vest with the Company, is charged off to revenue in the year of incurrence.

**2. Intangible Fixed Assets**

Intangible assets are stated at cost of acquisition/ cost incurred less accumulated depreciation.

**j) Investments**

Current investments are carried at the lower of cost and fair value, computed category wise.

**k) Employee Benefits**

Employee benefits includes gratuity, compensated absences and contribution to provident fund, employees' state insurance.

**Short Term Employee Benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employees benefits and are recognised in the period in which the employee renders the related service.

**Post Employment Benefits**

**i) Defined Benefit Plan**

The employees' gratuity scheme is a defined benefit scheme. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on actuarial valuations, carried out by an independent actuary, using the Projected Unit Credit method. The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India ('LIC'). Actuarial gains and losses are recognised in the Statement of Profit and Loss.

**ii) Defined Contribution Plans**

Contribution to the provident fund scheme which is defined contribution scheme is charged to the statement of Profit and Loss as incurred.

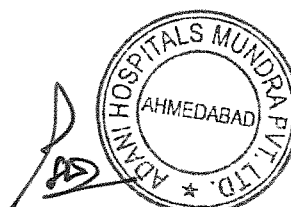
**iii) Long-term Employee Benefits**

Long term employee benefits comprise of compensated absences. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date. Actuarial gains and losses are recognised in the statement of Profit and Loss.

iv) For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary.

**l) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.



**m) Segment Accounting**

In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006 (as amended), the company has determined its business segment as Hospital Services. Since, there are no other business segments in which the company operates, there are no other primary reportable segments. Further since the company's services are currently limited to operation within India, it operates in a single geographical segment. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as reflected in the financial statements.

**n) Related Party Transactions**

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party disclosures" prescribed under The Companies (Accounting Standards) Rules, 2006 (as amended) has been set out in a separate note forming part of this schedule. Related Parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representation made by key managerial personnel and information available with the Company.

**o) Leases**

Lease arrangement where risk and rewards incidental to ownership of an asset substantially vest with the Lessor are recognised as Operating Leases. The Company's significant leasing arrangements are in respect of operating leases for immovable property for Hospital Premises. The aggregate lease rentals payable/receivables are recognised as expenditure/income in the Statement of Profit and Loss as per the lease agreement.

**p) Earnings Per Share**

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

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

**q) Taxes on Income**

**i) Deferred Taxation**

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, prescribed under The Companies (Accounting Standards) Rules, 2006 (as amended), the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

**ii) Current Taxation**

Current tax charge reflects provision for income tax based on the taxable income of the company after considering local tax laws as applicable for relevant assessment years. The current tax charge includes Minimum Alternate Tax (MAT) determined u/s 115JB of the Income Tax Act, 1961, if applicable

**ii) MAT Credit**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

**r) Impairment of Assets**

i) The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.



ii) The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognised in the Statement of Profit and Loss.

iii) The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the Statement of Profit and Loss.

**s) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**t) Applicability of other Accounting Standards**

Though other Accounting Standards also apply to the company by virtue of the Companies (Accounting Standards) Rules 2006 (as amended), no disclosure for the same is being made as the company has not done any transaction to which the said Accounting Standard apply.



**3 Share Capital**

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
<b>Authorised shares</b>		
3,00,000 Equity shares (Previous year 3,00,000 equity shares) of Rs. 10/- each	30.00	30.00
<b>Issued, subscribed fully paid-up shares</b>		
3,00,000 Equity shares (Previous year 3,00,000 equity shares) of Rs. 10/- each fully paid	30.00	30.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>30.00</b>	<b>30.00</b>

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

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Numbers	Rs in lacs	Numbers	Rs in lacs
At the beginning of the year	3,00,000	30.00	50,000	5.00
Issued during the year	-	-	2,50,000	25.00
<b>Outstanding at the end of the year</b>	<b>3,00,000</b>	<b>30.00</b>	<b>3,00,000</b>	<b>30.00</b>

**b. Terms / rights attached to equity shares**

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, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company.

**c. Shares held by holding company and/or their subsidiaries/associates**

Out of equity shares issued by the company, shares held by its holding company together with its nominees are as below :

Equity Shares by Holding Company	As at March 31, 2016		As at March 31, 2015	
	Numbers	Rs in lacs	Numbers	Rs in lacs
Adani Ports and Special Economic Zone Limited	3,00,000	30.00	3,00,000	30.00
	<b>3,00,000</b>	<b>30.00</b>	<b>3,00,000</b>	<b>30.00</b>

**d. Details of shareholders holding more than 5% shares in the company**

Equity Shares by Holding Company	As at March 31, 2016		As at March 31, 2015	
	Numbers	%	Numbers	%
Adani Ports and Special Economic Zone Limited (together with its nominees)	3,00,000	100%	3,00,000	100%
	<b>3,00,000</b>	<b>100%</b>	<b>3,00,000</b>	<b>100%</b>

**4 Reserves and Surplus**

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(88.54)	(0.38)
Profit / (Loss) for the year	77.68	(88.16)
<b>Net Deficit in the statement of profit and loss</b>	<b>(10.86)</b>	<b>(88.54)</b>
<b>Total Reserves and Surplus</b>	<b>(10.86)</b>	<b>(88.54)</b>



**5 Long Term Borrowings**

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Unsecured Loan from Holding Company	426.73	411.72
	<b>426.73</b>	<b>411.72</b>

Unsecured Loan from Adani Ports and Special Economic Zone Ltd, the holding company is interest free and is repayable after three years from the date of the loan and is further renewable on mutual consent.

**6 Long Term Provisions**

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	-	1.85
	-	<b>1.85</b>

**7 Trade Payables**

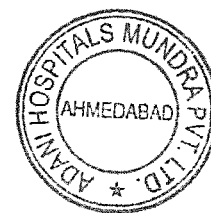
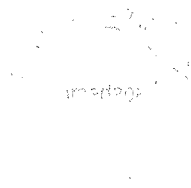
	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Trade Payables	64.95	81.15
Accrual For Employees	-	1.72
	<b>64.95</b>	<b>82.87</b>

**8 Other Current Liabilities**

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Advances from Customers	0.40	0.22
Statutory Liabilities ( Includes TDS Payable & Vat Payable)	5.87	3.96
Other payables	1.62	1.09
Retention Money	0.75	0.32
	<b>8.64</b>	<b>5.59</b>

**9 Short Term Provisions**

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	-	0.56
	-	<b>0.56</b>



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Adani Hospitals Mundra Private Limited  
Notes to the financial Statement for the year ended March 31, 2016

Note 10 - Fixed Asset

Rs in lacs

Particulars	Gross Block			Depreciation/Amortization			Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	During the year	Deductions	As at March 31, 2016	As at March 31, 2015
<b>Tangible Assets</b>								
Plant & Machinery	238.32	2.14	-	240.46	17.53	-	28.41	227.44
Furniture & Fixtures	36.59	0.90	-	37.49	3.73	-	5.68	34.64
Office Equipments	25.25	2.35	-	27.60	5.44	-	7.98	22.71
Computer Equipment	10.29	10.29	-	10.29	2.01	-	3.28	9.02
<b>TOTAL</b>	<b>310.45</b>	<b>5.39</b>	<b>-</b>	<b>315.84</b>	<b>28.71</b>	<b>-</b>	<b>45.35</b>	<b>293.81</b>
<b>Intangible Assets</b>								
Software	16.04	-	-	16.04	7.69	-	10.50	13.23
<b>TOTAL</b>	<b>16.04</b>	<b>-</b>	<b>-</b>	<b>16.04</b>	<b>7.69</b>	<b>-</b>	<b>10.50</b>	<b>13.23</b>
<b>Total</b>	<b>326.49</b>	<b>5.39</b>	<b>-</b>	<b>331.88</b>	<b>36.40</b>	<b>-</b>	<b>55.85</b>	<b>307.04</b>
<b>Previous Year</b>	<b>-</b>	<b>326.49</b>	<b>-</b>	<b>326.49</b>	<b>19.45</b>	<b>-</b>	<b>307.04</b>	<b>-</b>





**11 Long Term Loans and Advances**

(Unsecured, considered good)

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Advance payment of taxes ( net of provision)	53.53	23.48
Mat Credit Entitlement	11.10	-
	<b>64.63</b>	<b>23.48</b>

**12 Inventories**

(Valued at lower of cost and net realizable value)

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Medicines and other consumables	25.55	26.75
	<b>25.55</b>	<b>26.75</b>

**13 Trade Receivables**

(Unsecured, Considered Good)

	Rs in lacs	
	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	13.25	16.60
Others Receivables	111.94	25.82
	<b>125.19</b>	<b>42.42</b>

**14 Cash and Cash Equivalents**

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Cash-In-Hand	1.02	0.53
<b>Balances with banks</b>		
In current accounts	16.16	35.71
	<b>17.18</b>	<b>36.24</b>

**15 Short Term Loans and Advances**

(Unsecured, considered good)

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Adv. Recoverable in Cash or Kind or for value to be received	5.98	5.41
Balance With Government Authorities	1.39	0.25
Prepaid Expenses	3.51	2.46
	<b>10.88</b>	<b>8.12</b>

**16 Revenue from Operations**

	Rs in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Income from Health Care Services	589.15	474.74
Sale of Medicines	201.27	178.18
	<b>790.42</b>	<b>652.92</b>



*[Handwritten signature]*

17 Other Income

	Rs in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income	-	0.60
Miscellaneous Income	0.64	-
Sale of Scrap	0.15	0.04
	<b>0.79</b>	<b>0.64</b>

18 Operating expenses

	Rs in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Consumption of Materials	220.17	215.04
Direct Operating Expenses	23.81	10.47
Power & Fuel Consumed	-	9.12
	<b>243.98</b>	<b>234.63</b>

19 Employee Benefit Expenses

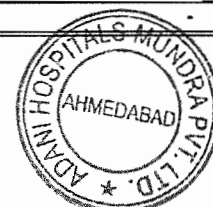
	Rs in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	17.86	107.37
Contribution to provident and other funds	1.09	6.69
Gratuity cost	-	1.30
Staff welfare expenses	19.78	38.68
	<b>38.73</b>	<b>154.04</b>

20 Other Expenses

	Rs in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Rates & Taxes	0.02	1.80
Communication expenses	2.56	3.22
Office Expenses	46.09	51.38
Security Charges	0.16	20.19
Travelling & conveyance expenses	20.33	26.54
Professional Charges	240.19	167.56
<u>Repair &amp; Maintenance</u>		
- Plant & Machinery	13.35	1.43
- Building	23.56	10.07
- Others	17.62	21.32
Legal Expenses, Fees & Subscription	0.09	0.97
Payment to Auditors - Audit Fees	0.43	0.11
- Certification fees	0.10	0.09
Stationery and Printing Expenses	6.71	5.26
Miscellaneous Expenses	6.03	10.61
Selling and Distribution Expenses	0.07	0.69
Insurance Expense	0.84	0.56
Supervision and Testing Expense	16.19	11.80
Bad debts written off	0.08	-
	<b>394.42</b>	<b>333.60</b>

21 Contingent Liabilities & Commitments  
(to the extent not provided for)

	Rs in lacs	
	As at March 31, 2016	As at March 31, 2015
Contingent Liabilities	-	-
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	-	8.53
		<b>8.53</b>



*[Handwritten signature]*

22 Related Party Disclosures

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2016 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

Criteria	Name of the Company
Holding Company	Adani Ports And Special Economic Zone Limited
Fellow Subsidiary	MPSEZ Utilities Private Limited Adani International Container Terminal Private Limited
Entities under common significant influence ( With whom transactions done during the year)	Adani Power Limited Adani Wilmar Limited Adani Foundation
Key Management Personnel (KMP)	1. Dr. Pankaj Doshi 2. Krishnamohan Rao 3. Mukesh Saxena

Particulars	Rs in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>(A) Volume of Transactions</b>		
<b>Equity Capital Received</b>		
Adani Ports And Special Economic Zone Limited	-	25.00
<b>Loan Obtained</b>		
Adani Ports And Special Economic Zone Limited	15.01	341.72
<b>Service Rendered</b>		
Adani Ports And Special Economic Zone Limited	41.23	50.85
MPSEZ Utilities Pvt. Ltd.	-	0.55
Adani Power Limited	93.23	23.89
Adani Wilmar Limited	6.40	2.72
Adani International Container Terminal Private Limited	-	0.10
Adani Foundation	236.98	330.59
<b>Electricity Charges</b>		
MPSEZ Utilities Pvt. Ltd.	-	9.14
<b>Service Received</b>		
Adani Ports And Special Economic Zone Limited	-	3.29
<b>(B) Balance at the end of the year</b>		
<b>Dues Payable</b>		
Adani Ports And Special Economic Zone Limited (Unsecured Loan)	426.73	411.72
<b>Receivable</b>		
Adani Ports And Special Economic Zone Limited	28.94	1.34
MPSEZ Utilities Pvt. Ltd.	-	0.49
Adani Power Limited	36.39	2.47
Adani Wilmar Limited	0.26	1.52
Adani Foundation	15.15	22.40



**23 Disclosures under MSMED Act**

Management represents that, based on the information available, the company has not been informed by any supplier of being covered under the Micro, Small and Medium Enterprises Development Act 2006. As a result, no interest provision or payments have been made by the Company to such suppliers, if any and no related disclosures are made in these accounts.

**24 Earning Per Share (EPS)**

	Rs in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/(Loss) for calculation of basic and diluted EPS (Rs in lacs)	77.68	(88.16)
Weighted average number of equity shares for calculating Basic & diluted EPS	3,00,000	62,329
Face value of equity shares	10	10
Basic & Diluted Earning Per Share (in Rs)	25.89	(141.44)

**25 Other Disclosures**

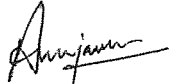
- (a) In the opinion of the management and to the best of their knowledge and belief, the value under the head of Current and Non-Current Assets (other than Fixed Assets and Non-Current Investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- (b) The Hospital Premises is owned by the Holding Company, Adani Ports and Special Economic Zone Limited and is given on Lease to the company at a token lease rental of Rs. 1 per annum till the company makes a positive profit and recovers all its losses and there after @ 30% of Profit after tax.
- (c) The Company has entered into an arrangement with M/s Gujarat Institute of Medical Sciences, Bhuj (GAIMS) to operate as its Rural Health Training Center due to which it gets support of manpower including provision of trained staff.
- (d) Other Statutory Information :

	Rs in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Value of imports calculated on CIF basis	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil
Earnings in Foreign Currency	Nil	Nil

**26 Previous Year Comparatives**

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

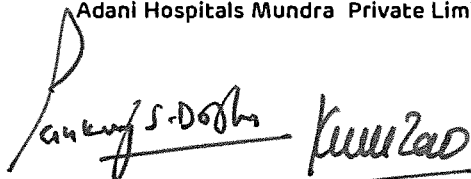
As per our report of even date  
For Dharmesh Parikh & Co.  
Firm Registration Number : 112054W  
Chartered Accountants



Anuj Jain  
Partner  
Membership No. 119140

Place : Ahmedabad  
Date : 26 APR 2016

For and on behalf of the board of directors of  
Adani Hospitals Mundra Private Limited



Pankaj Doshi      K.M. Rao  
Director              Director  
DIN : 03600975      DIN : 07337163



Place : Ahmedabad  
Date : 26 APR 2016