

## VRUNDAVAN SHALBY HOSPITALS LIMITED

Reg. Off: Vrundavan Shalby Hospitals, Karaswada P Otivim, Industrial Estate Bardez, Goa- 403507

CIN: U85110GA1995PLC001851

Tel: +91 8326713535, Fax: +91 8326713550, [info@vrundavanshalby.com](mailto:info@vrundavanshalby.com)

### DIRECTORS' REPORT

To,  
 The Members  
 Vrundavan Shalby Hospitals Limited  
 Goa

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report of the Company for the year ended on 31<sup>st</sup> March, 2017.

#### 1. FINANCIAL PERFORMANCE

(Amount in Rs.)

Sr. No.	Particulars	Year Ended on 31/03/2017	Year Ended on 31/03/2016
1	Healthcare Income	1,34,61,505	3,39,03,038
2	Interest Expenses	91,81,652	65,81,359
3	Depreciation	45,06,253	45,59,290
4	EBITDA	(83,85,137)	(1,72,14,081)
4	Profit/(Loss) Before Taxation	(2,20,73,042)	(2,83,54,730)
5	Taxation	3,81,766	(20,189)
6	Profit/(Loss) After Tax	(2,24,54,808)	(2,83,34,541)
7	Reserves & Surplus	(3,30,54,730)	(1,05,99,922)

During the year under review the Healthcare Income was 134,61,505/- as compared to the previous year which was Rs. 3,39,03,038/-. The Company suffered the Loss before taxation of Rs.2,20,73,042/- and the Loss after tax was Rs 2,24,54,808/-.

#### 2. DIVIDEND

In view of losses incurred by the Company, your Directors do not recommend any dividend during the year under review.

#### 3. FUTURE OUTLOOK

The Company expects that ongoing legal dispute between the management will reach to finality during the year thereafter a plan for infusion of funds and revival of business can be framed and acted upon.

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#### 4. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company had conducted free health check up camps in and around Goa.

#### 5. DEPOSITS

During the year, your Company has not accepted any deposits from the public within the meaning of Section 73 to 76 read with The Companies (Acceptance of Deposits) Rules, 2013 the Companies Act 2013 as amended and Rules made there under.

#### 6. EXTRACT OF ANNUAL RETURN:

The extract of the annual return pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, is enclosed as Annexure A to this report.

#### 7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186

During the year under review, there were no any transactions by the Company u/s. 186 of the Companies Act, 2013.

#### 8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY U/S 188

Particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso, is enclosed as Annexure B in terms of form AOC 2 to this report.

#### 9. PETITION AS TO OPPRESSION AND MIS-MANAGEMENT OF COMPANY'S AFFAIRS

As all members of the Company are aware, two shareholders of the Company namely Dr. Digambar Naik & Mrs. Mangala Naik have filed the petition u/s. 397 to 403 of the Companies Act, 1956 before the Company Law Board, Mumbai vide Company Petition No. 18/2015. Said Company Petition 18/2015 along with Company Application No. 122 and 133/ 2015 was disposed of by order dated 25/27-04-2016 by Company Law Board – New Delhi Bench (CLB) inter alia directing the other shareholder of the Company i.e. Shalby Ltd. to purchase / acquire 81,000 equity shares of the Company held by two shareholders, i.e. Dr. Digambar Naik and Mrs. Mangala Naik with prescribed method of valuation of shares. Shalby Limited challenged said order dated 25/27-04-2016 of CLB before the Hon'ble High Court of Mumbai at Goa vide Company Appeal No. 1/2016. The Hon'ble High Court of Bombay at Goa

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vide order dated 29-07-2016 stayed the order dated 25/27-04-2016 of CLB and further said Hon'ble court has vide its order dated 22-12-2016 quashed and set aside the impugned order of Company Law Board dated 25-04-2015 and remanded back to National Company Law Tribunal, Mumbai Bench the said matter and directed to decide the said petition/ applications afresh after hearing parties in accordance with the law. Accordingly, presently the matter is subjudice before National Company Law Tribunal and is posted for Arguments.

### **10. TO SUSPEND THE OPERATIONS OF BOTH HOSPITALS LOCATED AT MAPUSA AND PANJIM**

The Board of Directors of the company has vide circular resolution deemed to be passed on 9th December, 2016 consented to suspend the operations of both hospitals located at Mapusa and Panjim to surrender available licenses, bio medical authorization and other licenses & approval of both hospitals, to close pharmacy with immediate effect and also to apply for cancellation of power connection. The personnel authorized to act upon are in the process of honouring the board resolution.

### **11. ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has adopted and implemented the Internal Financial Control and procedures for ensuring the orderly and efficient conduct of its business, including 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.

### **12. RISK MANAGEMENT:**

The Company implemented the process of understanding, evaluating and addressing the risks associated with the business, to mitigate the risk and maximize the chances of objectives being achieved and ensuring organizations, individuals and communities are sustainable. All the fixed assets are adequately insured.

### **13. BOARD OF DIRECTORS:**

The Board of Directors emphasize on maximization of shareholder's returns, effective execution of Company's plans and efficient performance by the management. It has the responsibility to participate directly in developing and approving the mission of the Company's business, its objectives and goals, and the strategy for their achievement. It is entrusted with the supervision of the management of the business and affairs of the Company.

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The composition of the Board of Directors satisfies the requirements of provisions of the Companies Act, 2013. Your Company has received the declaration as to disqualification in terms of provision of section 164 of Companies Act, 2013 from all directors. As per the declarations received by the Company, none of the Directors are disqualified under Section 164 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

### 14. BOARD MEETINGS:

Being the apex body constituted by the shareholders for overseeing the overall functioning of the Company, the Board evaluates the proposals involving strategic decision making on a collective consensus basis.

The Company has convened at least one Board meeting in a quarter and the maximum time gap between any two meetings is not more than 120 days.

The Board meetings held during the financial year 2016-17 are:

Date of BM	Total Strength of Board	No. of Director's present
29.06.2016	4	2
25.08.2016	4	3
27.09.2016	4	3
22.12.2016	4	3
27.01.2017	4	3
18.03.2017	4	3

### 15. SEXUAL HARASSMENT POLICY

The Company has in place an anti sexual harassment policy in place in line with the requirement of the sexual harassment of women at the workplace act 2013. Complaint committee has been set up to redress complaint received regarding sexual harassment. The Company has not received any complaint relating to sexual harassment during the year 2016-17.

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### 16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis; and
5. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies act 1956, read with the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, relating to conservation of Energy, Technology, Absorption and Foreign Exchange earning and outgo is as under

**(i) Energy conservation, research & development and Technology absorption:**

As the company is a service industry the particulars required under this clause are not applicable. However the Company has taken initiative to conserve the energy wherever possible.

**(ii) Foreign exchange earnings and expenditure:**

(Amount in Rs.)

Particulars	2016-2017	2015-2016
Earnings in Foreign Currency		2,83,497
Remittances in Foreign Currency	--	--

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CIF Value of Imports	--	--
Expenditure in Foreign Currency	--	--

### (iii) Technology absorption, adaption and innovation

There were no technology absorption, adaption and innovation or any technology was imported during the year.

### 18. PARTICULARS OF EMPLOYEES

None of the employees of the Company is covered under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended. (Email confirmation is required from HR-Goa)

### 19. DIRECTORS

Mr. Digambar Nail (DIN: 01682688), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board of Directors recommends his re-appointment.

### 20. AUDITORS

M/s. G. K. Choksi & Co., (Firm Registration Number- 101895W) Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and are eligible for re-appointment. Your directors recommend their reappointment for a period of one year i.e. till the conclusion of the next Annual General Meeting.

The Auditors have made the following adverse remark/qualification/observation in the Auditors' report which are as under along with management response;

1) The Balances including adverse and non moving balances of trade payables, trade receivables, loans and advances and borrowings from Directors are subject to reconciliation and confirmation by the respective parties.

Management Response: Although one of the directors who has provided the amount outstanding according to his records which is not in agreement with the books is not considered in the present accounts for the reasons mentioned in note 30 to the financial statements. The impact of such non reconciliation and consequent adjustments, if any, on loss for the current year is not ascertained.

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### 21. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable co-operation and support received from all Doctors and their team, Bankers, Government Authorities, Auditors and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of employees of the Company at all level for its success and look forward for their continued support.

FOR AND ON BEHALF OF  
VRUNDAVAN SHALBY HOSPITALS LIMITED



Maitreya Shah  
Director  
(DIN: 02208064)



Ravi Bhandari  
Director  
(DIN: 06395271)

Date: 15/05/2017  
Place: Ahmedabad

**VRUNDAVAN SHALBY HOSPITALS LIMITED**

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**Annexure A  
Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1	<b>CIN</b>	U85110GA1995PLC001851
2	<b>Registration Date</b>	10th May, 1995
3	<b>Name of the Company</b>	Vrundavan Shalby Hospitals Limited
4	<b>Category/ Sub-Category of the Company</b>	Unlisted Public Limited Company
5	<b>Address of the Registered office and Contact Details</b>	Vrundavan Shalby Hospital, Karaswada P Otimim Industrial Estate, Goa 403507
6	<b>Whether listed Company</b>	No
7	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Healthcare Services	86	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Shalby Limited, Opp. Karnavati Club, S. G. Road, Ahmedabad 15	U85110GJ2004PLC044667	Holding Company	55	2(46)

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

*i) Category-wise Share Holding*



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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/ HUF	-	81000	81000	45	-	81000	81000	45	-
b) Bodies Corp.	-	99000	99000	55	-	99000	99000	55	-
<b>Sub-Total (A)(1)</b>	-	<b>180000</b>	<b>180000</b>	<b>100</b>	-	<b>180000</b>	<b>180000</b>	<b>100</b>	-
<b>2. Foreign</b>	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>180000</b>	<b>180000</b>	<b>100</b>	-	<b>180000</b>	<b>180000</b>	<b>100</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institution</b>	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non- Institution</b>									
a) Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Net Total (B) = (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Net Total (1+2)</b>	-	<b>180000</b>	<b>180000</b>	<b>100</b>	-	<b>180000</b>	<b>180000</b>	<b>100</b>	-

### (ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shalby Limited (Including nominee shareholders)	99000	55	NIL	99000	55	NIL	NIL
2	Dr. Digambar Naik	40500	22.5	NIL	40500	22.5	NIL	NIL
3	Dr. Mangala Naik	40500	22.5	NIL	40500	22.5	NIL	NIL
	<b>Total</b>	<b>180000</b>	<b>100</b>	<b>NIL</b>	<b>180000</b>	<b>100</b>	<b>NIL</b>	<b>NIL</b>

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**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

During the year, there is no change in the Promoters' Shareholding.

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

Not Applicable

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No	For each of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Dr. Digambar Naik</b>				
	Opening as on 01.04.2016	40500	22.5	40500	22.5
	Increase / Decrease shareholding during FY 2016-17	NIL	NIL	NIL	NIL
	Closing as on 31.03.2017	40500	22.5	40500	22.5
<b>2</b>	<b>Ravi Bhandari (Shareholding as a nominee of Shalby Ltd.)</b>				
	Opening as on 01.04.2016	2	0.00	2	0.00
	Increase / Decrease shareholding during FY 2016-17	NIL	NIL	NIL	NIL
	Closing as on 31.03.2017	2	0.00	2	0.00
<b>3</b>	<b>Shyamal Joshi (Shareholding as a nominee of Shalby Ltd.)</b>				
	Opening as on 01.04.2016	1	0.00	1	0.00
	Increase / Decrease shareholding during FY 2016-17	NIL	NIL	NIL	NIL
	Closing as on 31.03.2017	1	0.00	1	0.00
<b>4</b>	<b>Maitreya Shah (Shareholding as a nominee of Shalby Ltd.)</b>				
	Opening as on 01.04.2016	1	0.00	1	0.00
	Increase / Decrease shareholding during FY 2016-17	NIL	NIL	NIL	NIL
	Closing as on 31.03.2017	1	0.00	1	0.00

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### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1. Principal Amount	NIL	6,30,08,763	NIL	6,30,08,763
2. Interest due but not paid	NIL	1,64,79,156	NIL	1,64,79,156
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (1+2+3)</b>	NIL	7,94,87,919	NIL	7,94,87,919
<b>Change in Indebtedness during the financial year</b>				
Addition	NIL	25,53,504	NIL	25,53,504
Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	25,53,504	NIL	25,53,504
<b>Indebtedness at the end of the financial year</b>				
1. Principal Amount	NIL	6,55,62,267	NIL	6,55,62,267
2. Interest due but not paid	NIL	2,47,42,645	NIL	2,47,42,645
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (1+2+3)</b>	NIL	9,03,04,912	NIL	9,03,04,912

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors: NIL

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

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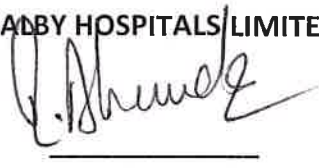
Tel: +91 8326713535, Fax: +91 8326713550, [info@vrundavanshalby.com](mailto:info@vrundavanshalby.com)

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Directors</b>					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF  
VRUNDAVAN SHALBY HOSPITALS LIMITED

  
 Manisha Shah  
 Director  
 (DIN: 02208064)

  
 Ravi Bhandari  
 Director  
 (DIN: 06395271)

Date: 15/05/2017  
Place: Ahmedabad

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**Annexure B**

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto,**

1. Details of contracts or arrangements or transactions not at arm's length basis: NA

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship: Dr. Digambar Naik, Mangala Naik, Dr. Richa Naik

(b) Nature of contracts/arrangements/transactions: Professional fees


(c) Duration of the contracts / arrangements/transactions: NA

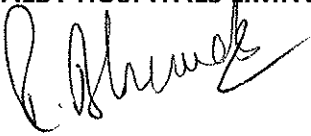
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA

(e) Date(s) of approval by the Board, if any: 10.09.2011

(f) Amount paid as advances, if any: NA

**FOR AND ON BEHALF OF  
VRUNDAVAN SHALBY HOSPITALS LIMITED**

  
\_\_\_\_\_  
Maitreya Shah  
Director  
(DIN: 02208064)

  
\_\_\_\_\_  
Ravi Bhandari  
Director  
(DIN: 06395271)

Date: 15/05/2017

Place: Ahmedabad

**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**ANNUAL ACCOUNTS**

**2016-2017**



*G. K. Choksi & Co.*  
*Chartered Accountants*

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.  
Dial : 91 - 79 - 30012009, 9925174555-56 Fax : 91 - 79 - 26569929 E-mail : info@gkcco.com

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
**VRUNDAVAN SHALBY HOSPITALS LIMITED**  
Ahmedabad.

**Report on the Financial Statements**

We have audited the accompanying financial statements of **VRUNDAVAN SHALBY HOSPITALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 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 provision 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 qualified audit opinion on financial statements

708-709, Raheja Chambers, Free Press Journal Road, Nariman Point, **MUMBAI - 400 021.**  
Dial : 91-22-66324446/47 FAX : 91-22-22882133 Email : mumbai@gkcco.com

207, Tolstoy House, Tolstoy Marg, Janpath, **NEW DELHI - 110 001**  
Dial : 91-11-43717773-74; Email : info@gkcco.com

Branches :

'Surya Bhavan', Station Road, **PETLAD - 388 450.** Dial : 91-2697-224108





### **Basis for Qualified Opinion**

The company has carried forward the balances including adverse and non moving balances of trade payables, trade receivables and borrowings from director as disclosed in the Balance Sheet. The same are subject to reconciliation and confirmation by respective parties. Although one of the directors who has provided the amount outstanding according to his records which is not in agreement with the books is not considered in the present accounts for the reasons mentioned in note 30 to the financial statements. The impact of such non-reconciliation and consequent adjustments, if any, on the loss for the year is not ascertained. This matter was also qualified in our report on the financial statements for the year ended 31<sup>st</sup> March, 2016.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid 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<sup>st</sup> March, 2017 and its loss and its cash flows for the year ended on that date.

### **Emphasis of Matters**

1. We refer to note 28 to the financial statements for the year ended on 31<sup>st</sup> March, 2017 with regard to Board of Directors, vide circular resolution, deemed to be passed on 9<sup>th</sup> December, 2016, consented to suspend the business operations, to surrender licenses, to close the pharmacy with immediate effect and to apply for cancellation of power supply. In spite of above referred resolution and company's net worth having been eroded on account of net accumulated loss of ₹ 3,30,54,730/- as at 31<sup>st</sup> March 2017, the company has prepared its financial statements on "Going Concern" assumption in view of matters set forth in note 28.
2. We refer to note 29 to the financial statements for the financial year ended 31<sup>st</sup> March, 2017 whereby the attention is drawn to the fact that proceedings of the Company's Appeal is pending for final disposal by appropriate authority and issues in dispute are subjudice.

We have not qualified our opinion in the above referred to matters.

### **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 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, *except the information as described in the basis for Qualified Opinion paragraph.*
  - (b) *Except for the effect of the matter described in the basis for Qualified Opinion paragraph above*, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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"; and
- (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 and to our best of our information and according to the explanations given to us :
- (i) The Company has disclosed pending litigations which would have impact on its financial position (Refer notes 29 & 31 to the financial statements).
  - (ii) The Company did not have any long-term contracts including derivatives 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.
  - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 are in accordance with the books of accounts maintained by the company. – Refer note no. 36 to the financial statements.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

*Shaunak V. Muzumdar.*

**SHAUNAK V. MUZUMDAR**  
Partner  
Mem. No. 37571

Place : Ahmedabad  
Date : 15<sup>th</sup> May, 2017



**Annexure - A to the Independent Auditors' Report of even date on financial statements of Vrundavan Shalby Hospitals Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records produced by the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to information and explanation given to us, since the Company does not have any stock at year end, the physical verification of inventory is not conducted.
- (iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section (1) of Section 148 of the Companies Act, 2013.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31<sup>st</sup> March, 2017 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the company has following disputed outstanding statutory dues,

Name of the Statute	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Demand Notice issued by Sales Tax Department	10,92,414	F.Y. 2011-2012	Assistant Commissioner of Commercial Tax
Sales Tax	Demand Notice issued by Sales Tax Department	22,58,126	F.Y. 2013-2014	Assistant Commissioner of Commercial Tax
TDS	TDS demand	5,17,480	F.Y. 2007-08 to 2015-16	TDS department/Traces

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The company has not raised any money by way of term loans.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.



- (xi) According to the information and explanations give to us, the Company has not paid / provided for any managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us, the Company has not made preferential allotment shares. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*



**SHAUNAK V. MUZUMDAR**  
*Partner*  
Mem. No. 37571

Place : Ahmedabad  
Date : 15<sup>th</sup> May, 2017





**Annexure - B to the Independent Auditors' Report of even date on the Financial Statements of Vrundavan Shalby Hospitals Limited**

**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 **Vrundavan Shalby Hospitals Limited** ("the Company") as of 31 March 2017 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 ('ICAI'). 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 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.



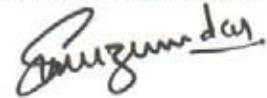
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 31<sup>st</sup> March 2017, 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.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*



**SHAUNAK V. MUZUMDAR**  
*Partner*  
Mem. No. 37571

Place : Ahmedabad  
Date : 15<sup>th</sup> May, 2017





**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Balance Sheet as at March 31, 2017**

[Amount in ₹]

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	2	1 80 00 000	1 80 00 000
Reserves and Surplus	3	(3 30 54 730)	(1 05 99 922)
		(1 50 54 730)	74 00 078
<b>Non-Current liabilities</b>			
Long term provisions	4	0	11 73 613
<b>Current liabilities</b>			
Short term Borrowings	5	6 55 62 267	6 30 08 763
Trade payables			
Due to Micro, Small and Medium Enterprises	35	0	0
Others	6	47 04 033	1 38 88 439
Other current liabilities	7	2 58 27 714	1 88 91 637
Short term provisions	8	0	1 12 551
		9 60 94 014	9 59 01 390
<b>Total :</b>		<b>8 10 39 284</b>	<b>10 44 75 081</b>
<b>ASSETS</b>			
<b>Non-Current assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	7 64 81 950	8 09 37 919
Intangible assets	10	0	1 67 950
Deferred tax Assets	11	15 659	3 97 425
Long term - loans and Advances	12	32 65 781	62 64 786
Other non-current assets	13	2 43 749	2 27 487
		8 00 07 139	8 79 95 567
<b>Current Assets</b>			
Inventories	14	0	15 10 495
Trade receivables	15	5 02 639	73 26 136
Cash & cash balance	16	4 72 998	66 47 170
Short term loans and advances	17	53 046	9 16 133
Other current assets	18	3 462	79 580
		10 32 145	1 64 79 514
<b>Total :</b>		<b>8 10 39 284</b>	<b>10 44 75 081</b>
Significant Accounting Policies	1		

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

As per our report of even date

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

*Shaunak V. Muzumdar*  
**SHAUNAK V. MUZUMDAR**  
Partner  
Mem. No. 37571



**FOR AND ON BEHALF OF THE BOARD**

*Maitreya Shah*      *Ravi Bhandari*  
**MAITREYA SHAH**      **RAVI BHANDARI**  
Director                      Director  
DIN : 02208064          DIN : 06395271

Place : Ahmedabad  
Date : **15 MAY 2017**

Place : Ahmedabad  
Date : **15 MAY 2017**

**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Statement of Profit and Loss for the year ended March 31, 2017**

[Amount in ₹]

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>INCOME</b>			
Revenue from operations	19	1 34 61 505	3 39 03 038
Other Income	20	<u>75 22 071</u>	<u>24 85 313</u>
<b>Total Revenue</b>		<b>2 09 83 576</b>	<b>3 63 88 351</b>
<b>EXPENSES</b>			
Purchase of traded goods(Net of purchase	21	1 17 115	16 42 728
Operative and other expenses	22	89 13 686	2 83 18 055
Changes in inventories	23	8 94 893	2 86 670
Employee benefits expenses	24	98 69 652	1 62 13 144
Finance costs	25	91 81 652	65 81 359
Depreciation and amortization expenses		45 06 253	45 59 290
Administrative and other expenses	26	95 73 367	66 97 197
Prior Period Expenses (Net)		<u>0</u>	<u>4 44 638</u>
<b>Total Expenses</b>		<b>4 30 56 618</b>	<b>6 47 43 081</b>
<b>Profit before tax</b>		<b>(2 20 73 042)</b>	<b>(2 83 54 730)</b>
<b>Tax Expenses</b>			
Current Tax		0	0
Deferred Tax		<u>3 81 766</u>	<u>( 20 189)</u>
<b>Profit for the period</b>		<b>3 81 766</b>	<b>( 20 189)</b>
		<b>(2 24 54 808)</b>	<b>(2 83 34 541)</b>
Earnings per equity share			
Basic and diluted (')	27	( 124.75)	( 157.41)

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

As per our report of even date

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

Chartered Accountants

*Shaunak V. Muzumdar*

**SHAUNAK V. MUZUMDAR**

Partner

Mem. No. 37571



**FOR AND ON BEHALF OF THE BOARD**

*Maitreya Shah* *Ravi Bhandari*

**MAITREYA SHAH RAVI BHANDARI**

Director

Director

DIN : 02208064

DIN : 06395271

Place : Ahmedabad

Date : 15 MAY 2017

Place : Ahmedabad

Date : 15 MAY 2017



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Cash Flow Statement for the year ended March 31, 2017**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year before taxation	( 2 20 73 042)	( 2 83 54 730)
Adjustments for :		
Depreciation	45 06 253	45 59 290
Provision for bad & doubtful debts	44 87 749	0
Provision for bad & doubtful debts no longer required	( 2 62 225)	( 2 73 005)
Sundry Balances Written Back	( 66 38 083)	( 15 37 235)
Fixed Asset Written off	1 68 861	0
Provision for Impairment Loss	0	5 31 000
Interest Income	( 53 485)	( 73 751)
Interest Expenses	91 81 652	65 81 359
Operating profit before working capital changes	<u>( 1 06 82 320)</u>	<u>( 1 85 67 072)</u>
Adjustments for :		
Loans & Advances and other current assets	1 10 126	( 7 49 487)
Inventories	15 10 495	2 79 909
Trade and other receivables	25 97 973	4 78 452
Short Term Loans & Advances	8 63 087	6 89 771
Trade payables	( 25 46 323)	( 6 21 909)
Other Current liabilities	( 13 27 412)	( 3 09 795)
Provisions	<u>( 12 86 164)</u>	<u>( 3 92 715)</u>
	( 78 218)	( 6 25 774)
Cash generated from operations	( 1 07 60 538)	( 1 91 92 846)
Direct taxes Refund/(paid)	28 88 879	14 02 145
Net cash from operating activities	<b>[A] ( 78 71 659)</b>	<b>( 1 77 90 701)</b>
<b>B. Cash flow from investing activities</b>		
Purchase / Adjustment of fixed assets	( 51 195)	( 7 54 272)
Proceeds from maturity of fixed deposits	4 82 203	0
Interest received	1 13 341	34 862
Net cash used in investing activities	<b>[B] 5 44 349</b>	<b>( 7 19 410)</b>
<b>C. Cash flow from financing activities</b>		
Procurement/(Repayment) of long/ short term borrowings	25 53 504	2 32 00 000
Interest paid	( 9 18 163)	( 6 58 136)
Net cash flow from financial activities	<b>[C] 16 35 341</b>	<b>2 25 41 864</b>
Net Increase/(Decrease) in cash and cash equivalents:	<b>[A+B+C] ( 56 91 969)</b>	<b>40 31 753</b>
Cash and cash equivalents opening	60 47 170	20 15 417
Cash and cash equivalents closing	3 55 201	60 47 170
Components of Cash and cash Equivalents		
Balances with Banks	3 49 847	58 78 718
Cash in hand	5 354	1 68 452
	<u>3 55 201</u>	<u>60 47 170</u>

**Explanatory Notes to Cash Flow Statement**

- The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India & as per Accounting Standard 3 as prescribed by the Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

As per attached report of even date

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]  
Chartered Accountants

*Shaunak V. Muzumdar*

**SHAUNAK V. MUZUMDAR**  
Partner

Mem. No. 37571



**FOR AND ON BEHALF OF THE BOARD**

*Maitreya Shah*  
**MAITREYA SHAH**  
Director

DIN : 02208064

*Ravi Bhandari*  
**RAVI BHANDARI**  
Director

DIN : 06395271

Place : Ahmedabad

Date : 15 MAY 2017

Place : Ahmedabad

Date : 15 MAY 2017



Notes forming part of accounts

1. Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

- (i) The financial statements of the company have been prepared and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. These financial statements have been prepared as going concern and comply, in all material respects, with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- (ii) The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(b) Use of Estimates

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(c) Fixed Assets and Depreciation

- (i) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.
- (ii) Intangible assets are recognised at the consideration paid for acquisition of such assets are carried at cost less accumulated amortisation and impairment
- (iii) Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013 read with the relevant notifications issued by the Department of Company affairs, except depreciation in respect of below mentioned asset is provided on straight line method over the useful lives estimated by the management. The management estimates useful life for such assets as under.

Hospital Building (\*) : 30 Years

(\*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which management expects to use this assets. Hence the useful life for this asset is different from useful life as prescribed under Part C of schedule ii to the Companies Act 2013.

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the company for its use. The management estimates useful life for intangible asset comprising of computer software as follows:

Computer Software : Over a period of three years

- (iv) Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- (v) Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.
- (vi) An assessment is done to determine whether there is any indication of impairment. An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

The company has adopted the policy of carrying out impairment test once in the span of every three financial years.



Notes forming part of accounts

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**(d) Borrowing Cost**

Borrowing cost including interest, guarantee fees commitment charges etc., that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to period the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset, is apportioned on rational basis, the remaining borrowing cost is charged to revenue.

**(e) Investment**

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the management.

**(f) Inventories**

- (i) The inventories of all medicines, Medicare items traded and dealt with by the Company are valued at cost. The net realisable value is not applicable in the absence of any further modification / alteration before sale. Cost is after adjusting Value Added Tax wherever applicable applying the FIFO Method.
- (ii) Materials and consumables and general stores are charged to Profit and Loss Account as and when they are procured.

**(g) Revenue Recognition**

- (i) Income from Healthcare Services is recognised based on completed service method. Income from Healthcare Services in respect of Indoor/ Outdoor patients as at Balance Sheet date is recognised on proportionate basis to the extent of services rendered.
- (ii) Pharmacy Sales are stated net of returns, discounts and adjusted for Value Added Tax wherever applicable.

**(h) Retirement Benefits**

- (i) Defined Contribution Plan

The Company has Defined Contribution Plan for its employees' retirement benefit comprising of provident fund. The company and eligible employees make monthly contributions to such schemes equal to specified percentage of the covered employees' salary.

The company has no further obligations to the above referred plans beyond its monthly contributions.

- (ii) Defined Benefit Plan

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in the Profit and Loss Account for the period in which they occur.





Notes forming part of accounts

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**(i) Transactions in Foreign Currency**

- (i) Transactions denominated in foreign currencies are normally recorded at the monthly average exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- (iii) Any income or expense on account of exchange difference either on settlement or on transaction is recognised in the profit and loss account.

**(j) Taxation**

- (i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.
- (ii) The Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax on timing differences other than those referred above is recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such assets can be realised.

**(k) Earnings Per Share**

In determining the earnings per share, the Company considers the net profit after tax and extraordinary items and includes post-tax effect of any extraordinary items. The number of shares used in computing the earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity is added to the above weighted average number of shares.

**(l) Prior Period Items and Extra - Ordinary Items**

Adjustments arising due to errors or omission in the financial statements of earlier years are accounted under "Prior Period". Items of Income & Expenditure, which are not of recurring nature viz., damages due to floods, earth quakes etc. are disclosed as extra ordinary items.

**(m) Provision, Contingent Liabilities and Contingent Assets**

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



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**2 Share Capital**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
<b>(a) Authorised</b>		
2,00,000 (P.Y. 2,00,000) Equity Shares of ₹ 100/-	2 00 00 000	2 00 00 000
	<u>2 00 00 000</u>	<u>2 00 00 000</u>
<b>(b) Issued, Subscribed and fully Paidup Equity Shares</b>		
1,80,000 (P.Y. 1,80,000) Equity Shares of ₹ 100/- each fully paid up	1 80 00 000	1 80 00 000
	<u>1 80 00 000</u>	<u>1 80 00 000</u>

**Note :**

During the period of five financial years immediately preceeding the Balance Sheet date, the company has not:

- (i) allotted any fully paidup equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) bought back any equity shares

**(c) Reconciliation of number of shares Equity Shares**

[In Numbers]

Particulars	As at March 31, 2017	As at March 31, 2016
<b>At the beginning of the year</b>	1 80 000	1 80 000
<b>Add</b>		
Shares issued for Cash or Right Issue	0	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	<u>1 80 000</u>	<u>1 80 000</u>
<b>Less : Shares bought back / Redemption</b>	0	0
<b>At the end of the period / year</b>	<u>1 80 000</u>	<u>1 80 000</u>

**(d) Rights, Preferences and Restrictions**

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 100/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

- (i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;
- (ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

The holders of equity shares are entitled to receive dividends as declared from time to time. No dividend shall be payable except out of profits of the Company arrived at in the manner provided for in Section 123 of the Companies Act, 2013.

**(e) Details of Shareholdings  
Shareholders holding more than 5% shares**

Particulars	Number of Equity Shares		% of Holding	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Dr. Digambar S. Naik	40 500	40 500	22.50	22.50
Mrs. Mangala D. Naik	40 500	40 500	22.50	22.50
Shalby Ltd. (with nominees)	99 000	99 000	55.00	55.00





**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**3 Reserves and surplus**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Securities Premium Account</b>		
Balance as per previous financial statements	7 51 00 000	7 51 00 000
Add : Additions during the period / year	0	0
Balance at the end of the period / year	<u>7 51 00 000</u>	<u>7 51 00 000</u>
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>		
Balance as per previous financial statements	(8 56 99 922)	(5 73 65 381)
Add : Profit / (Loss) for the period / year	(2 24 54 808)	(2 83 34 541)
Add : Adjustment on account of change in estimate	0	0
	<u>(10 81 54 730)</u>	<u>(8 56 99 922)</u>
<b>Net Surplus / (Deficit)</b>	<u>(3 30 54 730)</u>	<u>(1 05 99 922)</u>

**4 Long term provisions**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
For Employee Benefits [Refer note - 32]		
Gratuity Obligations	0	9 83 461
Leave Encashment	0	3 02 703
	<u>0</u>	<u>12 86 164</u>
Less : Amount disclosed under the head Short Term Provision		
Gratuity	0	70 511
Leave Encashment	0	42 040
	<u>0</u>	<u>1 12 551</u>
	<u>0</u>	<u>11 73 613</u>

**5 Short term borrowings**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured (Repayable on demand)		
From Directors	46 88 263	46 88 263
From Holding Company	2 99 20 500	2 99 20 500
From Others - Inter Corporate	3 09 53 504	2 84 00 000
	<u>6 55 62 267</u>	<u>6 30 08 763</u>

**6 Trade payables**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
For Goods and Services		
Related Party (Refer note 34)	5 41 211	39 46 211
Others	41 62 822	99 42 228
	<u>47 04 033</u>	<u>1 38 88 439</u>



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**7 Other current liabilities**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
Book Overdraft	4 15 610	0
Security Deposits	0	0
Advance From Customers	9 438	1 13 911
Interest Accrued and Due	2 47 42 645	1 64 79 156
Other Payables		
Statutory dues	3 11 961	10 72 237
Payable to Employees	2 97 383	12 26 333
Others	50 677	0
	<u>6 60 021</u>	<u>22 98 570</u>
	<u>2 58 27 714</u>	<u>1 88 91 637</u>

**8 Short term provisions**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Provision for Employee Benefits</b>		
Gratuity Obligations	0	70 511
Leave Encashment	0	42 040
	<u>0</u>	<u>1 12 551</u>



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**9 Tangible Assets**

Description of Assets	Gross Block at Cost			Depreciation / Amortisation			Net Book Value			
	As at 1st April, 2016	Additions during the year	Deletions/ Adjustment during the year	As at 31st March, 2017	Up to 31st March, 2016	For the year	Deletions/ Adjustment during the year	Up to 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Land	3 50 000	0	0	3 50 000	0	0	0	0	3 50 000	3 50 000
Hospital Premises	6 35 42 357	0	0	6 35 42 357	85 78 820	22 85 151	0	1 08 63 971	5 26 78 386	5 49 63 537
Building & Flats	1 01 18 030	0	0	1 01 18 030	14 04 501	2 37 573	0	16 42 074	84 75 956	87 13 529
Medical Equipments	5 59 69 049	0	31 68 810	5 28 00 239	4 52 71 521	10 27 537	31 68 750	4 31 30 308	96 69 931	1 06 97 528
Plant and Machinery	64 11 677	44 000	15 750	64 39 927	47 55 568	2 73 623	15 026	50 14 165	14 25 762	16 56 109
Hospital Electrification	28 39 200	0	0	28 39 200	9 28 849	2 20 839	0	11 49 688	16 89 512	19 10 351
Office Equipments	15 07 024	0	2 94 330	12 12 694	13 79 195	31 996	2 94 330	11 16 861	95 833	1 27 829
Computers	28 38 179	7 195	5 46 560	22 98 814	27 09 882	28 984	5 46 433	21 92 433	1 06 381	1 28 297
Furniture & Fixtures	90 77 860	0	0	90 77 860	75 57 103	1 79 845	0	77 36 948	13 40 912	15 20 757
Vehicles	32 93 956	0	0	32 93 956	24 23 974	2 20 705	0	26 44 679	6 49 277	8 69 982
<b>Total :</b>	<b>15 59 47 332</b>	<b>51 195</b>	<b>40 25 450</b>	<b>15 19 73 077</b>	<b>7 50 09 413</b>	<b>45 06 253</b>	<b>40 24 539</b>	<b>7 54 91 127</b>	<b>7 64 81 950</b>	<b>8 09 37 919</b>
<b>Previous Year :</b>	<b>15 51 93 060</b>	<b>7 54 272</b>	<b>0</b>	<b>15 59 47 332</b>	<b>6 99 73 219</b>	<b>45 05 194</b>	<b>5 31 000</b>	<b>7 50 09 413</b>	<b>8 09 37 919</b>	



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**10 Intangible Assets**

Description of Assets	[Amount in ₹]									
	As at April 01, 2016	Additions during the year	Deletions/ Adjustment during the year	As at March 31, 2017	Up to March 31, 2016	For the year	Deletions/ Adjustment during the year	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Softwares	14 78 313	0	14 78 313	0	13 10 363	0	13 10 363	0	0	1 67 950
<b>Total :</b>	14 78 313	0	14 78 313	0	13 10 363	0	13 10 363	0	0	1 67 950
<b>Previous Year</b>	14 78 313	0	0	14 78 313	12 56 267	54 096	0	13 10 363	1 67 950	





**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**11 Deferred tax Assets / (Liabilities)**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Deferred Tax Liabilities</b>		
Difference of book depreciation and tax depreciation	( 53 71 159)	( 44 53 437)
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation	53 71 159	44 53 437
Disallowance u/s. 43(b) allowable on payment	15 659	3 97 425
<b>Net Deferred Tax Assets</b>	<u>15 659</u>	<u>3 97 425</u>

**12 Long term loans and advances**

(Unsecured, considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
Advance Tax (Net of Provisions)	32 65 781	61 54 660
Security Deposits	0	1 10 126
	<u>32 65 781</u>	<u>62 64 786</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	NIL

**13 Other non current assets**

(Unsecured, considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
Fixed Deposits with Bank [having maturity period exceeding 12 months]	2 00 000	2 00 000
Interest accrued on fixed deposit	43 749	27 487
	<u>2 43 749</u>	<u>2 27 487</u>

**14 Inventories**

(As taken, valued and certified by the Management)

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
Medicines and Medicare Items	0	13 82 791
General Store	0	1 27 704
	<u>0</u>	<u>15 10 495</u>

**Note:**

Inventory items have been valued considering the significant accounting policy in note no. 1(f) to these financial statement.



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**15 Trade receivable**

(Unsecured, considered good, unless otherwise stated)

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
Debt outstanding for the period exceeding six months		
Considered Good	0	62 42 948
Considered Doubtful	1 77 30 400	1 32 42 651
	<u>1 77 30 400</u>	<u>1 94 85 599</u>
<b>Less : Provision for Bad Doubtful Debts</b>	<b>1 77 30 400</b>	<b>1 32 42 651</b>
	<u>0</u>	<u>62 42 948</u>
Others debts		
Considered Good	5 02 639	10 83 188
	<u>5 02 639</u>	<u>73 26 136</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	NIL

**16 Cash & cash balance**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Cash &amp; cash equivalent</b>		
Balances with scheduled banks		
Current Accounts	3 49 847	58 78 718
Cash in hand	5 354	1 68 452
<b>Other bank balance</b>		
HDFC Bank Fixed Deposit	1 17 797	6 00 000
	<u>4 72 998</u>	<u>66 47 170</u>

**17 Short-term loans and advances**

(Considered good unless otherwise stated)

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
Balance with Revenue Authorities	4 470	35 982
Others		
Prepaid Expenses	36 204	99 995
Other Recoverable		
Others	12 372	7 56 924
From Staff	0	23 232
	<u>48 576</u>	<u>8 80 151</u>
	<u>53 046</u>	<u>9 16 133</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	NIL



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**18 Other current assets**

[Amount in ₹]

Particulars	As at March 31, 2017	As at March 31, 2016
Interest receivable on fixed deposits	3 462	79 580

**19 Revenue from operations**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Products	11 92 569	24 81 540
Sales of Services	1 22 32 986	3 12 72 882
Other Operating Revenue	35 950	1 48 616
	<b>1 34 61 505</b>	<b>3 39 03 038</b>
<b>Breakup of sales of products</b>		
Medicines & Medicare Items	11 92 569	24 81 540
<b>Breakup of Sales of Services</b>		
Income from Healthcare Services		
In Patient Discharge	39 83 354	1 56 75 082
Out Patient Discharge	69 60 391	1 23 68 847
Diagnostic Services	12 89 241	32 28 953
	<b>1 22 32 986</b>	<b>3 12 72 882</b>
<b>Breakup of Other Operating Revenue</b>		
Allied Services (Ambulance, Visitor Passes, Dormitory, Ethics committee etc etc.)	35 950	1 48 616

**20 Other Income**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest		
on Fixed Deposit	53 485	73 751
on Income Tax Refund	4 84 467	3 67 115
Dividend	0	3 750
Rent	19 000	63 100
Foreign Exchange Fluctuation	0	34 903
Other Non-Operating Income		
Sundry balances written back (Net)	66 38 083	15 37 235
Miscellaneous Income	64 811	1 32 454
Provision no longer required		
Bad and doubtful debt Expenses	0	92 889
	<b>2 62 225</b>	<b>1 80 116</b>
	<b>75 22 071</b>	<b>24 85 313</b>





**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**21 Purchase of traded goods**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchase- Medicines and Medicare Items	<u>1 17 115</u>	<u>16 42 728</u>

**22 Operative and other expenses**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Materials and Consumables	10 58 174	37 38 564
Diagnostic Expenses	5 44 825	23 08 384
Fees to Doctors and Consultants	52 78 390	1 89 80 621
Power, Fuel and Water Charges	18 56 368	24 20 581
Housekeeping Expense	25 505	80 634
Linen & Uniform	0	15 700
Other Operative Expenses	1 50 424	7 73 571
	<u>89 13 686</u>	<u>2 83 18 055</u>

**23 Changes in inventories**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Closing Stock		
Medicine and Medical Items	0	13 82 791
Opening Stock		
Medicine and Medical Items (net of stock returned & written off)	8 94 893	16 69 461
<b>Decrease / (Increase) in Inventories</b>	<u>8 94 893</u>	<u>2 86 670</u>

**24 Employees benefits expenses**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salary, Allowances & Bonus	89 16 989	1 50 68 958
Contribution to Provident & other funds	9 52 663	11 16 641
Staff Welfare expenses	0	27 545
	<u>98 69 652</u>	<u>1 62 13 144</u>

**25 Finance cost**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on unsecured loans	91 81 652	65 81 359
	<u>91 81 652</u>	<u>65 81 359</u>



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**26 Administrative and other expenses**

[Amount in ₹]

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent, Rates and Taxes	2 37 794	5 51 883
Stationery and Printing	3 85 752	3 66 328
Insurance	76 849	1 07 292
Fees and Legal	1 92 436	3 54 290
Auditors' Remuneration	2 87 500	2 86 250
Travelling and Conveyance	4 33 716	1 23 869
Communication	1 81 325	4 95 454
Repairs and Maintenance		
Building	61 462	36 318
Machinery	3 58 137	9 60 088
Others	5 92 555	10 47 480
Advertising and Publicity	1 27 239	3 23 556
Security Expense	11 30 780	11 09 345
Other Expenses	8 51 212	4 04 044
Assets Discarded	6 99 861	0
Less : Provision for impairment loss no longer required	( 5 31 000)	0
Provision for impairment loss	1 68 861	0
Provision for Bad & Doubtful Debts	0	5 31 000
Bad Debts	44 87 749	0
Less : Provision for Bad & Doubtful Debts no longer required	0	1 29 978
	0	1 29 978
	0	0
	<b>95 73 367</b>	<b>66 97 197</b>
<b>Auditors' Remuneration is made up of</b>		
Statutory Audit fees	<b>2 87 500</b>	<b>2 86 250</b>

**27 Earning per Share**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net Profit/(Loss) for the period / year ₹	(2 24 54 808)	(2 83 34 541)
Number of equity shares (Weighted Average )	1 80 000	1 80 000
Nominal value of the share	100	100
Basic and diluted Earning per Share ₹	( 124.75)	( 157.41)

The Company has not issued any equity shares during the year.





## VRUNDAVAN SHALBY HOSPITALS LIMITED

### Notes forming part of accounts

28. The Board of Directors of the company has vide circular resolution deemed to be passed on 9<sup>th</sup> December, 2016 consented to suspend the operations of both hospitals located at Mapusa and Panjim to surrender available licences, bio medical authorisation and other licences & approval of both hospitals, to close pharmacy with immediate effect and also to apply for cancellation of power connection. The personnel authorized to act upon are in the process of honouring the board resolution.

Reference is also invited to note 29 below with the respect to legal proceedings pending final disposal. The Management intends to resume operations if the event of verdict / award of such proceedings is favourable for infusing further funds so as to overcome the critical & financial constraints.

29. Two of the shareholders of the Company had instituted proceedings u/s. 397-398 of the Companies Act, 1956 before the Company Law Board, Mumbai vide Company Petition No. 18/2015. Said Company Petition 18/2015 along with Company Application No. 122 and 133/ 2015 was disposed of by order dated 25/27-04-2016 by Company Law Board – New Delhi Bench (CLB) interalia directing the other shareholder of the Company i.e. Shalby Ltd. to purchase / acquire 81,000 equity shares of the Company held by two shareholders, i.e. Dr. Digambar Naik and Mrs. Mangala Naik with prescribed method of valuation of shares. Shalby Limited challenged said order dated 25/27-04-2016 of CLB before the Hon'ble High Court of Mumbai at Goa vide Company Appeal No. 1/2016. The Hon'ble High Court of Bombay at Goa vide order dated 29-07-2016 stayed the order dated 25/27-04-2016 of CLB and further said Hon'ble court has vide its order dated 22-12-2016 quashed and set aside the impugned order of Company Law Board dated 25-04-2015 and remanded back to National Company Law Tribunal, Mumbai Bench the said matter and directed to decide the said petition/ applications afresh after hearing parties in accordance with the law. Accordingly, presently the matter is subjudice before National Company Law Tribunal and is posted for Arguments.

30. While attending the Board Meeting held on 15th May, 2017 and also vide e-mail / hand delivery dated 12th May, 2017, Dr. Digambar Naik, one of the directors of the company has raised his objections towards adoption of Draft Balance Sheet for the Financial Year 2016-17 and expressed his concerns stating that Draft Balance Sheet is incomplete, incorrect and prepared on wrongly adopted figures. Further vide e-mail referred above and also vide e-mail dated 22nd August, 2016, Dr. Digambar Naik has expressed his concern towards discrepancies in respect of outstanding balances due to him between books of account of the company and as per his own records without providing any reconciliation and / or explanations and also stated that company has failed to pay dues on account of professional fees / salary and assets purchased by the company from him.

The Board of Directors in the Board Meeting referred above, adopted and approved the financial statements for financial year ended on 31st March, 2017 by majority decision and with dissent of Dr. Digambar Naik.

Besides, above stated facts, the outstanding amount stated in email correspondence mentioned, also included fixed monthly professional fees payable to Dr. Digambar Naik and his wife Dr. Mangla Naik on account of Non-Compete Clause entered by the Company with them. On appeal by Dr. Digambar Naik to the Company Law Board to absolve him and his wife to work exclusively for the company, the adjudicating Authority passed order in favour of the appellant vide its order dated 27th April, 2016.

In pursuance to such order, provision for non-compete professional fees for the period commencing from 1st January, 2015 to 31st March, 2016 is not warranted and accordingly the same has been written back.



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**31. Contingent Liabilities and Capital Commitments**

[Amount in ₹]

Particulars	As at March 31, 2017	As at 31st March, 2016
<b>(A) Contingent Liabilities</b>		
Sales Tax Demand including Interest & Penalty for Assessment Years		
2011-2012	10 92 414	--
2012-2013	--	1 06 213
2013-2014	22 58 126	--
(ii) TDS demand for F.Y.2007-08 to F.Y.2015-16 (refer note below)	5,17,480	12,26,118

Note : The company had received the aforesaid claim on account of inclusion of incorrect Permanent Account Numbers in Return of TDS in the previous year. The company is in the process of rectifying the same and accordingly has not provided for aforesaid liability.

**32. Employee Benefits**

(a) Defined contribution to provident fund

The company makes contribution towards Employees' Provident Fund. In accordance with the provisions of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company has, during the year, recognized the sum of ₹ 5,27,071/- (P.Y. ₹ 10,82,004/-) as expense towards contributions to these plans.

(b) Defined Benefit Plan

The following table sets out the status of the defined benefit plans as at March 31, 2017.

[Amount in ₹]

Particulars	2016-17	2015-2016	2016-17	2015-2016
	Gratuity	Gratuity	Leave encashment	Leave encashment
	Unfunded	Unfunded	Unfunded	Unfunded
<b>Changes in the present value of obligation</b>				
1. Present value of obligation (Opening)	9,83,461	12,20,833	3,02,703	4,19,923
2. Interest cost	--	92,640	--	31,536
3. Past service cost	--	--	--	--
4. Current service cost	--	3,19,938	--	1,61,813
5. Curtailment Cost / (Gain)	--	--	--	--
6. Settlement Cost / (Gain)	--	--	--	--
7. Benefits paid/payable	(9,33,851)	(3,09,077)	(40,799)	(52,304)
8. Actuarial (Gain) / Loss/ balances written back	--	(3,40,873)	(2,60,837)	(2,58,265)
9. Present value of obligation (Closing)	49,610	9,83,461	1,067	3,02,703
<b>Changes in the fair value of plan assets</b>				
1. Present value of plan assets (Opening)	--	--	--	--
2. Expected return on plan assets	--	--	--	--
3. Actuarial Gain / (Loss)	--	--	--	--
4. Employers Contributions	--	--	--	--
5. Employees Contributions	--	--	--	--
6. Benefits paid	--	--	--	--
7. Fair Value of Plan Assets (Closing)	--	--	--	--

... Continued..





**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

(b) Defined Benefit Plan

The following table sets out the status of the defined benefit plans as at March 31, 2017.

[Amount in ₹]

Particulars	2016-17	2015-2016	2016-17	2015-2016
	Gratuity	Gratuity	Leave encashment	Leave encashment
	Unfunded	Unfunded	Unfunded	Unfunded
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>				
1. Bank Deposits	--	--	--	--
2. Debt Instruments	--	--	--	--
3. Administered by Life Insurance Corporation of India	--	--	--	--
4. Others	--	--	--	--
<b>Reconciliation of the present value of defined benefit obligation and the fair value of assets</b>				
1. Present value of funded obligation as at the year end	--	--	--	--
2. Fair value of plan assets as at year end	--	--	--	--
3. Funded (Asset)/Liability recognized in the balance sheet	--	--	--	--
4. Present value of unfunded obligation as at the year end	49,610	9,83,461	1,067	3,02,703
5. Unrecognized past service cost	--	--	--	--
6. Unrecognized Actuarial (Gains) / Losses	--	--	--	--
7. Unfunded net liability recognized in the balance sheet	49,610	9,83,461	1,067	3,02,703
<b>Amount recognized in the balance sheet</b>				
1. Present value of obligation as at the year end	49,610	9,83,461	1,067	3,02,703
2. Fair value of plan assets as at the year end	--	--	--	--
3. (Asset) / Liability recognized in the balance sheet	49,610	9,83,461	1,067	3,02,703
<b>Expenses recognized in the Statement of Profit and Loss</b>				
1. Current service cost	--	3,19,938	--	1,61,813
2. Past service cost	--	--	--	--
3. Interest cost	--	92,640	--	31,536
4. Expected return on plan assets	--	--	--	--
5. Curtailment Cost / (Credit)	--	--	--	--
6. Settlement Cost / (Credit)	--	--	--	--
7. Net Actuarial (Gain) / Loss	--	(3,40,873)	--	(2,58,265)
8. Employee's Contribution	--	--	--	--
9. Total expenses recognized in the profit and loss account	--	71,705	--	(64,916)
<b>Principal actuarial assumption</b>				
1. Rate of discounting	--	7.80%	--	7.80%
2. Expected return on plan assets	--	--	--	--
3. Rate of increase in salaries	--	6.00%	--	6.00%

During the current financial period, all the employees have submitted their resignations from the services of the organization and left the organization except three employees who also submitted the applications subsequent to Balance Sheet date. The benefit on account of gratuity payable to employees have therefore now been considered as 'Other Current Liabilities' and classified





**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

accordingly. Further, excess provision in respect of leave encashment has been written back during the financial period.

**33. Segment Reporting**

The company's primary business segment is Health Care Services. Based on the guiding principles given in Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, this activity falls within a single primary business segment and accordingly the disclosure requirements of Accounting Standard 17 in this regard are not applicable.

**34. Related party disclosures**

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties and relationship:

Sr. No.	Name of related party	Relationship
1 2	Dr. Digambar S. Naik Mrs. Mangala Naik	Individuals Exercising Significant Influence
3	Dr. Richa Naik	Relative of Individuals Exercising Significant Influence
4	Shalby Limited	Holding Company
5 6 7 8	Shalby (Kenya) Ltd. Yogeshwar Healthcare Ltd. Shalby International Ltd Griffin Mediquip LLP	Fellow subsidiaries
9 10 11 12 13	Bhagirathi Surya Naik Memorial Trust Vrundavan Cardiac Center / Institute Golden Health Services IIMT Vrundavan Reachout	Other Relatives- Enterprise over which individuals referred to at Sr. No. 1, 2 and / or 3 above exercise significant influence

(b) Transactions with related parties

[Amount in ₹]

Sr. No.	Nature of transaction	Relation	2016-17	2015-2016
(i)	Professional Fees - Dr. Digambar Naik	Individuals Exercising Significant Influence	0	30,00,000
	- Mangala Naik	Individuals Exercising Significant Influence	0	6,00,000
	- Dr. Richa Naik	Relative of Individuals Exercising Significant Influence	0	45,000
(ii)	Interest Expense - Shalby Ltd.	Holding Company	53,08,168	47,90,767
(iv)	Reimbursement of Expenditure - Shalby Ltd.	Holding company	99,280	123,966
(v)	Purchase of Medicine, Materials & Consumables - Griffin Mediquip LLP	Fellow Entity	6,690	0
(vi)	Sale of Medicine, materials & Consumables – Griffin Mediquip LLP	Fellow Entity	5,05,871	0



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

(c) Outstanding Balances as at March 31, 2017

[Amount in ₹]

Sr. No.	Nature of transaction	Relation	2016-17	2015-2016
(i)	<b>Balance Payable</b>			
	Professional Fees			
	- Dr. Digambar S. Naik	Individuals Exercising Significant Influence	2,25,000	27,75,000
	- Mrs. Mangala Naik	Individuals Exercising Significant Influence	--	8,55,000
	- Dr. Richa Naik	Relative of Individuals Exercising Significant Influence	3,16,211	3,16,211
	Short term Borrowings (Unsecured Loan)			
	- Shalby Ltd.	Holding Company	2,99,20,500	2,99,20,500
	Other Payable			
	- Shalby Ltd.	Holding Company	--	4,52,075
	Interest on loans			
	- Shalby Ltd.	Holding Company	1,90,91,589	1,43,14,236
	Unsecured Loan			
	- Dr. Digambar S. Naik	Individuals Exercising Significant Influence	46,88,263	46,88,263
	Interest on Loan			
	- Dr. Digambar S. Naik	Individuals Exercising Significant Influence	5,24,390	5,24,390
	Trade Payable			
	- Griffin Mediquip LLP	Fellow Entity	--	0
	- Shalby Ltd.	Holding Company	--	0
	Trade Receivable			
	- Griffin Mediquip LLP	Fellow Entity	4,99,181	0



**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

**35. Due to Micro, Small and Medium Enterprise**

[Amount in ₹]

Sr. No.	Particulars	2016-17	2015-2016
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). In the absence of complete information relating to the suppliers registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, the balance due to Micro, Small and Medium Enterprises at year end and interest paid or payable under MSMED Act, 2006 during the year could not be compiled and disclosed.

**36. Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination notes as defined in the MAC notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

[Amount in ₹]

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	25,500	35,123	60,623
(+) Permitted receipts	-	4,44,820	4,44,820
(-) Permitted payments	-	87,137	87,137
(-) Amount deposited in Banks	25,500	3,73,070	3,98,570
Closing cash in hand as on 30th December, 2016	-	19,736	19,736





**VRUNDAVAN SHALBY HOSPITALS LIMITED**

**Notes forming part of accounts**

- \* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India in the Ministry of Finance Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016

**37. Expenditures / Earnings in foreign currency**

[Amount in ₹]

Particulars	2016-17	2015-2016
Earnings in Foreign Currency	--	2,83,497
Remittances in Foreign Currency	--	--
CIF Value of Imports	--	--
Expenditure in Foreign Currency	--	--

**38. Statement of Management**

- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Balance Sheet and Statement of Profit & Loss and Cash Flow Statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.
39. The previous year's figures have been reworked, regrouped and reclassified wherever necessary to correspond with the current year's classification / disclosure.

**FOR G. K. CHOKSI & CO**  
 [Firm Registration No. 101895W]  
 Chartered Accountants

*Shaunak V. Muzumdar*

**SHAUNAK V. MUZUMDAR**  
 Partner  
 Mem. No. 37571

Place : Ahmedabad  
 Date : 15 MAY 2017



**FOR AND ON BEHALF OF BOARD**

*Maitreya Shah*

**MAITREYA SHAH**  
 Director  
 DIN : 02208064

Place : Ahmedabad  
 Date : 15 MAY 2017

*Ravi Bhandari*

**RAVI BHANDARI**  
 Director  
 DIN : 06395271

