

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED  
Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone



Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Emphasis of Matters

We draw attention to the following matters in the Notes forming part of the standalone Ind AS financial statements:

- a) Notes 35(a), 35(b), 37(a) and 37(b) to the standalone Ind AS financial statements, describe uncertainty related to the outcome of income tax assessments and arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA).
- b) Note 37(c) to the standalone Ind AS financial statements, which describes matter related to non-compliance with the order of the Honourable High Court of Delhi in relation to provision of free treatment / beds to poor.

Based on the advice by external legal counsel, no provision/ adjustment has been considered necessary by the Management in this regard in the standalone Ind AS financial statements.

Our opinion is not modified in respect of these matters.

## Other Matters

The comparative financial information of the Company for the transition date opening balance sheet as at 01 April, 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March, 2015 dated 28 May, 2015 expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.



Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) The matter described in sub-paragraph (a) and (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 34, 37(a), 37(b) and 37(c) of notes forming part of the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 33 of notes forming part of the financial statements.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 33 of notes forming part of the financial statements.



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- iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016 of the Group entities as applicable. However, as stated in note 47 to the Standalone Ind AS financial statements, the Management have received amount aggregating Rs. 13.18 lacs from transactions which are not permitted. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained for the purpose of preparation of the standalone Ind AS financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366 W/W-100018)



A handwritten signature in black ink, appearing to read "Rashim Tandon".

**RASHIM TANDON**  
Partner  
(Membership No. 095540)

RT/JB/2017  
Gurugram  
30 MAY 2017

## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting 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 **ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, to the best of our information and according to the explanations given to us, 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, 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 **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366 W/W-100018)



A handwritten signature in black ink, appearing to read "Rashim Tandon".

**RASHIM TANDON**  
Partner  
(Membership No. 095540)

RT/JB/2017  
Gurugram  
**30 MAY 2017**

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of land	Gross Block as at 31 March, 2017 (Rupees in lacs)	Net Block as at 31 March, 2017 (Rupees in lacs)	Remarks
Leasehold land of the hospital*	398.22	398.22	The lease deed is in the name of "Escorts Heart Institute and Research Centre, Delhi", which amalgamated into Escorts Heart Institute and Research Centre, Chandigarh under Societies Registration Act.  Escorts Hearth Institute and Research Centre, Chandigarh was thereafter incorporated as company "Escorts Heart Institute and Research Centre Limited" under the Companies Act, 1956.

\*In respect of the above leasehold land, Delhi Development Authority (DDA) has terminated the lease deed and allotment letters as explained in note 38(a) and 38(b) to the financial statements. The Company has appealed against the termination and matter is pending before the Supreme Court.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.



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- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Works Contract Tax, Customs Duty and cess with the appropriate authorities during the year and that there are no undisputed amounts in respect of these dues which have remained outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.

We are informed that the operations of the Company during the period did not give rise to any liability for Excise Duty, Sales Tax and Value Added Tax.

- (b) Details of dues of Income-tax and Customs Duty which have not been deposited as on March 31, 2017 on account of disputes are given below:-





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Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rupees in lacs)	Amount Involved (Rupees in lacs)
Central Excise and Customs Law	Custom Duty	Central Excise and Service Tax Appellate Tribunal	1990-91 to 1993-94 and 2002-03	678.02	528.02
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2001-02 (Delhi Society)	12,436.90	9,123.29
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2001-02 (Chandigarh Society)	10,532.16	8,716.96
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2004-05	214.67	214.67
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2005-06	83.16	83.16
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2006-07	99.33	99.33
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2007-08	56.48	56.48
Income Tax Act	Income Tax & Interest Thereon	Supreme Court of India	2003-04 to 2007-08	1,512.47	1,512.47
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2009-10	109.03	109.03
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2010-11, 2011-12	91.25	91.25
Income Tax Act	Income Tax & Interest Thereon	Income Tax Appellate Tribunal, Delhi	2003-04	22.77	22.77
Income Tax Act	Income Tax & Interest Thereon	High Court of Rajasthan	2009-10	0.37	0.37
			<b>TOTAL</b>	<b>25,836.61</b>	<b>20,557.80</b>



# Deloitte Haskins & Sells LLP

We are informed that there are no dues in respect of Service Tax, Works Contract Tax and Cess as at 31 March, 2017 which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank. The Company has not issued any debentures during the year.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its offices or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or holding Company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366 W/W-100018)



A handwritten signature in black ink, appearing to read "Rashim Tandon".

**RASHIM TANDON**  
Partner  
(Membership No. 095540)

RT/JB/2017  
Gurugram

**30 MAY 2017**

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2017**

Particulars	Notes	As at March 31, 2017 (Rupees in Lacs)	As at March 31, 2016 (Rupees in Lacs)	As at April 01, 2015 (Rupees in Lacs)
<b>ASSETS</b>				
<b>A. Non-current assets</b>				
(a) Property, Plant and Equipment	4	12,118.63	8,699.58	7,826.06
(b) Capital work-in-progress	4(a)	89.94	291.48	125.33
(c) Intangible assets	5	377.25	499.04	627.63
(d) Intangible assets under development	5(a)	135.35	-	-
(e) Financial assets				
(i) Investments				
a) Investment in subsidiaries	6	16,174.62	16,174.62	12,720.52
b) Investment in fellow subsidiary	6	65,000.00	30,000.00	-
(ii) Other financial assets	9	655.83	647.94	585.46
(f) Deferred tax assets (Net)	13	2,937.30	2,790.70	2,269.15
(g) Other non-current assets	12	583.62	563.23	6,663.78
<b>Total non-current assets (A)</b>		<b>98,072.54</b>	<b>59,666.59</b>	<b>30,817.93</b>
<b>B. Current assets</b>				
(a) Inventories	10	711.17	411.23	524.84
(b) Financial assets				
(i) Investment in subsidiary	6	-	-	3,454.10
(ii) Trade receivables	7	4,250.73	4,590.05	3,787.64
(iii) Cash and cash equivalents	11	153.42	257.97	368.90
(iv) Loans	8	1,675.00	28,973.00	64,563.12
(v) Other financial assets	9	1,149.87	5,731.94	13,271.53
(c) Other current assets	12	559.61	374.90	664.19
<b>Total current assets (B)</b>		<b>8,499.80</b>	<b>40,339.09</b>	<b>86,634.32</b>
<b>Total assets (A+B)</b>		<b>106,572.34</b>	<b>100,005.68</b>	<b>117,452.25</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A. Equity</b>				
(a) Equity share capital	14	200.03	200.03	200.03
(b) Compulsory convertible preference share capital	14	40.18	40.18	40.18
(c) Other equity	15	80,416.55	79,683.39	73,637.08
<b>Total equity (A)</b>		<b>80,656.76</b>	<b>79,923.60</b>	<b>73,877.29</b>
<b>Liabilities</b>				
<b>B. Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	3,243.91	2,754.46	3,931.66
(b) Provisions	18	1,478.76	1,026.57	875.07
<b>Total non-current liabilities (B)</b>		<b>4,722.67</b>	<b>3,781.03</b>	<b>4,806.73</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	19	8,819.01	7,630.00	10,068.16
(ii) Trade payables	20	7,328.45	4,824.59	4,259.52
(iii) Other financial liabilities	17	2,708.60	2,303.18	22,083.10
(b) Provisions	18	1,602.95	954.63	1,117.17
(c) Other current liabilities	21	733.90	588.65	1,240.28
<b>Total current liabilities (C)</b>		<b>21,192.91</b>	<b>16,301.05</b>	<b>38,768.23</b>
<b>Total liabilities (B+C)</b>		<b>25,915.58</b>	<b>20,082.08</b>	<b>43,574.96</b>
<b>Total equity and liabilities (A+B+C)</b>		<b>106,572.34</b>	<b>100,005.68</b>	<b>117,452.25</b>

See accompanying notes forming part of the standalone financial statements 1-50

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

  
**RASHIM TANDON**  
Partner  
Membership No: 095440

Place: **GURUGRAM**  
Date: **30 MAY 2017**



For and on behalf of the Board of Directors  
**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**

  
**AVINASH KHAITAN**  
Director  
DIN: 06987510

Place: **GURUGRAM**  
Date: **22 MAY 2017**



  
**JASBIR SINGH GREWAL**  
Director  
DIN: 01113910



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

	Notes	Year ended March 31, 2017 (Rupees in Lacs)	Year ended March 31, 2016 (Rupees in Lacs)
<b>I</b> Revenue from operations	22	43,255.42	37,227.35
<b>II</b> Other income	23	804.41	9,163.64
<b>III Total income (I+II)</b>		<b>44,059.83</b>	<b>46,390.99</b>
<b>IV Expenses</b>			
i) Purchases of medical consumable and drugs		11,041.26	9,407.59
ii) Changes in inventories of medical consumable and drugs	24	(299.94)	31.66
iii) Employee benefits expense	25	11,285.63	10,216.80
iv) Finance costs	26	1,570.15	1,864.96
v) Depreciation and amortisation expense	27	1,568.00	2,149.36
vi) Other expenses	28	16,997.62	13,357.44
<b>Total expenses (IV)</b>		<b>42,162.72</b>	<b>37,027.81</b>
<b>V Profit before exceptional item/ tax (III-IV)</b>		<b>1,897.11</b>	<b>9,363.18</b>
<b>VI Exceptional Loss</b>	29	-	185.94
<b>VII Profit before tax (V-VI)</b>		<b>1,897.11</b>	<b>9,177.24</b>
<b>VIII Tax expense</b>			
i) Current tax	30	764.47	3,510.00
ii) Deferred tax charge / (credit)	30	42.38	(472.24)
<b>Total tax expense</b>		<b>806.85</b>	<b>3,037.76</b>
<b>IX Profit after tax (VII-VIII)</b>		<b>1,090.26</b>	<b>6,139.48</b>
<b>Other comprehensive income</b>			
i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		546.09	142.48
ii) Deferred tax relating to items that will not be reclassified to profit or loss	30	(188.99)	(49.31)
<b>X Total other comprehensive income</b>		<b>357.10</b>	<b>93.17</b>
<b>XI Total comprehensive income for the year (IX-X)</b>		<b>733.16</b>	<b>6,046.31</b>
<b>Earnings per equity share (for continuing operations):</b>			
i) Basic (in Rupees)	41	53.37	258.48
ii) Diluted (in Rupees)	41	53.37	258.48

See accompanying notes forming part of the standalone financial statements 1-50

In terms of our report attached,

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

  
**RASHIM TANDON**  
Partner  
Membership No: 095440



Place: **GURUGRAM**  
Date: **30 MAY 2017**

For and on behalf of the Board of Directors  
**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**

  
**AVINASH KHAITAN**  
Director  
DIN: 06987510

  
**JASBIR SINGH GREWAL**  
Director  
DIN: 01113910

Place: **GURUGRAM**  
Date: **22 MAY 2017**





**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

	Notes	Year ended March 31, 2017 (Rupees in Lacs)	Year ended March 31, 2016 (Rupees in Lacs)
<b>Cash flows from operating activities</b>			
Profit Before tax		1,897.11	9,177.24
Adjustments for:			
Finance costs recognised in profit or loss		1,432.74	1,827.42
Interest income recognised in profit or loss		(804.41)	(7,296.76)
Unclaimed balances and excess provisions written back		(384.02)	(531.75)
Loss on disposal of property, plant and equipment		1.14	10.38
Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss		-	(325.78)
Bad Debts written off		20.96	-
Impairment loss recognised on trade receivables		443.75	675.22
Provision for Doubtful advances		30.21	31.33
Depreciation and amortisation of non-current assets		1,568.00	2,149.36
Provision for Contingencies		-	8.66
Loss arising on effective settlement of legal claims		347.64	-
		<b>4,553.13</b>	<b>5,725.32</b>
<b>Movements in working capital:</b>			
(Increase)/decrease in trade and other receivables		(125.40)	(1,477.63)
(Increase)/decrease in inventories		(299.94)	113.61
(Increase)/decrease in other assets		(133.92)	5,804.83
(Increase)/decrease in financial assets		36.12	301.71
Increase/ (Decrease) in trade payables		2,504.41	565.94
Increase/ (Decrease) in financial liabilities		(752.84)	498.07
Increase/ (Decrease) in provisions		1,393.63	115.62
Increase/ (Decrease) in other liabilities		145.25	(651.63)
<b>Cash generated from operations</b>		<b>7,320.44</b>	<b>10,995.85</b>
Income taxes paid		(1,374.10)	(3,510.00)
<b>Net cash generated by operating activities</b>		<b>5,946.34</b>	<b>7,485.85</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of assets		2.81	29.78
Payments for property, plant and equipment		(4,880.37)	(3,065.33)
Payments for intangible assets		(175.37)	(71.82)
Investment in Deposits		(44.22)	(42.58)
Loans to subsidiary Company		27,298.00	35,590.12
Investment in Subsidiary Company		(35,000.00)	(30,000.00)
Interest received		5,351.20	14,452.76
<b>Net cash (used in)/generated by investing activities</b>		<b>(7,447.95)</b>	<b>16,892.93</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		2,193.25	-
Repayment of Long Term borrowings		(1,200.00)	(18,917.49)
(Repayment) / proceeds of Short Term borrowings		1,189.01	(2,438.16)
Loan Arrangement fees		-	1,035.12
Interest paid		(785.20)	(4,169.16)
<b>Net cash (used in) / flows from financing activities</b>		<b>1,397.06</b>	<b>(24,489.69)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(104.55)</b>	<b>(110.92)</b>
Cash and cash equivalents at the beginning of the year	11	257.97	368.90
<b>Cash and cash equivalents at the end of the year</b>	11	<b>153.42</b>	<b>257.98</b>

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

  
**RASHIM TANDON**  
Partner  
Membership No: 095440



Place: **GURUKRAM**  
Date: **30 MAY 2017**

For and on behalf of the Board of Directors  
**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**

  
**AVINASH KHAITAN**  
Director  
DIN: 06987510



Place: **GURUKRAM**  
Date: **22 MAY 2017**

  
**JASBIR SINGH GREWAI**  
Director  
DIN: 01113910

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	(Rupees in lacs)
<b>a. Equity share capital</b>	
Balance at April 1, 2015	200.03
Changes in equity share capital during the year	-
Balance at March 31, 2016	200.03
Changes in equity share capital during the year	-
Balance at March 31, 2017	200.03
<b>b. Convertible non-participating preference share capital</b>	
Balance at April 1, 2015	40.18
Changes in preference share capital during the year	-
Balance at March 31, 2016	40.18
Changes in preference share capital during the year	-
Balance at March 31, 2017	40.18

Particular	Reserve and surplus			Retained earnings	Total
	Securities premium reserve	General Reserve	Capital reserve		
<b>Balance at April 1, 2015</b>	29,960.15	848.20	10,683.74	32,144.99	73,637.08
Profit for the year (a)	-	-	-	6,139.48	6,139.48
Other comprehensive income for the year, net of income tax (b)	-	-	-	(93.17)	(93.17)
<b>Total comprehensive income for the year (a+b)</b>	<b>29,960.15</b>	<b>848.20</b>	<b>10,683.74</b>	<b>38,377.63</b>	<b>79,683.39</b>
<b>Balance at March 31, 2016</b>	<b>29,960.15</b>	<b>848.20</b>	<b>10,683.74</b>	<b>38,377.63</b>	<b>79,683.39</b>
Profit for the year (c)	-	-	-	1,090.26	1,090.26
Other comprehensive income for the year, net of income tax (d)	-	-	-	(357.10)	(357.10)
<b>Total comprehensive income for the year (c+d)</b>	<b>29,960.15</b>	<b>848.20</b>	<b>10,683.74</b>	<b>39,825.00</b>	<b>80,416.55</b>
<b>Balance at March 31, 2017</b>	<b>29,960.15</b>	<b>848.20</b>	<b>10,683.74</b>	<b>39,825.00</b>	<b>80,416.55</b>

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants



*Rashim Tandon*  
**RASHIM TANDON**  
Partner  
Membership No: 095440

Place : **GULVGRAM**  
Date : **30 MAY 2017**

For and on behalf of the Board of Directors  
**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**

*Avinash Khaitan*  
**AVINASH KHAITAN**  
Director  
DIN: 06987510

*Jasbir Singh Grewal*  
**JASBIR SINGH GREWAL**  
Director  
DIN: 01113910



Place : **GULVGRAM**  
Date : **22 MAY 2017**

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**1) Nature of operations**

Escorts Heart Institute and Research Centre Limited ('EHIRCL' or the 'Company') was incorporated in the year 2000. Presently, EHIRCL is a limited company and is engaged to provide the highest standards of cardiac care to patients. The Company has also set up various Heart Command Centers/ Satellite Centers.

The registered office of the Company is located at SCO 11, Sector-11-D, Chandigarh -160011 and the principal place of business of the Company is located at Escorts Heart Institute and Research Centre Limited, Okhla Road, New Delhi – 110025.

**2) Application of new and revised Ind ASs**

On 16 February 2015, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules, 2015. The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and set out dates of applicability. Escorts Heart Institute and Research Centre Limited, being subsidiary of Fortis Healthcare Limited, from whom Ind AS is applicable from April 1, 2016 as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules 2015 and accordingly the Company has adopted Ind AS from April 1, 2016 with transition dates as April 1, 2015.

As at the date of authorisation of the financial statements, the Company has not applied the following revisions to the Ind AS that have been issued by MCA but are not yet effective:

Ind AS 102 (Amendment)	Measurement of cash settled awards, modification of cash settled awards and equity settled awards that includes a 'net settlement' feature
Ind AS 7 (Amendment)	Disclosure of changes in liabilities on account of financing activities.

The directors of the Company do not expect that the adoption of the amendments to the standards will have an impact on the financial statements of the Company.

**3) Significant accounting policies**

**3.1 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all the periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These are the Company first Ind AS financial statements and the date of transition to Ind AS is April 1, 2015. Detailed explanation of how the transition from previous GAAP to Ind AS has affected the Company Balance Sheet, financial performance and cash flows is given under Note 48.

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

**3.2 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical Cost is generally based on the fair value of the consideration given in exchange of goods and services.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **3.3 Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in a subsidiary, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

### **3.4 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

The Company assessed its revenue arrangements against specific criteria to determine it is acting as principal or agent. The Company has concluded that it is acting as a principal in all its revenue arrangements.

#### Operating Income (IPD and OPD)

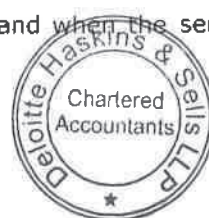
Operating income is recognised as and when the services are rendered / pharmacy items (medical consumables and drugs) are sold. Revenue from sale of goods are recognised when all the significant risks and rewards of ownership of goods have been passed to the buyer which coincides with the delivery of goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

#### Income from Satellite Centers

Income from satellite centers is recognised on accrual basis in accordance with the terms of respective agreements entered into in respect thereof.

#### Income from Clinical Research

Income from clinical research is recognised as and when the services are rendered in accordance with the terms of the respective agreements.





**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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Income from Sponsorships

Sponsorship income is recognised when the underlying obligations are completed as per contractual terms.

Income from Rent

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis except where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

Export benefits

Income from 'Service Export from India Scheme' (SEIS) is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Company.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **3.5 Leasing**

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

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Leases where the lessor effectively transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases and are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in Property, plant and equipment. Rental income on operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight line basis over the lease term.

### **3.6 Foreign currencies**

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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At the end of each reporting period

- i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii) Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for:

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings;

### **3.7 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### **3.8 Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and such grants can reasonably have a value placed upon them.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

### **3.9 Employee benefits**

- i) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans like provident fund, employee state insurance are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurement



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense' and "Finance Cost" respectively. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit.

A liability for a termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

ii) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

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

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

iii) Contributions to provident fund

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined benefit scheme the contribution of which is being deposited with "Escorts Heart Institute and Research Centre Employees Provident Fund Trust" managed by the Company; such contribution to the trust additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date.

### 3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassess unrecognised deferred tax assets and, the Company recognises a previously unrecognised Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

iii) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**3.11 Property, plant and equipment(PPE)**

For transition to Ind AS, The Company has elected to continue with the carrying value of all of its Property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Land and Building held for use in the supply of services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. . Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Land under lease with perpetual lease term is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**Components of costs**

The cost of an asset includes the purchase cost including import duties and non-refundable taxes, borrowing costs if capitalisation criteria are met and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Subsequent expenditure related to an item of Property, plant and equipment is added to its carrying value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising of direct cost, related incidental expenses and attributable interest and such properties are classified to the appropriate categories of Property, plant and equipment when completed and ready to use.

The carrying amount of a Property, plant and equipment is de-recognised upon disposal of Property, plant and equipment or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Depreciation commences when the assets are ready for their intended use. Depreciation on all Property, plant and equipment except land are provided on a written down value basis till 31 March 2016. With effect from 1 April 2016, Management has decided to change the depreciation method to straight line method based on the reassessment of pattern of economic usage of the assets over their remaining useful life. Accordingly, the remaining written down value of the existing assets as on 1 April 2016 have been depreciated on straight line basis over their remaining useful life. Also, the fixed assets acquired on or after 1 April 2016 are depreciated on a straight line basis for their respective costs net of residual value estimated over the estimated useful lives. The estimated useful life of Property, plant and equipment, are as follows:

<b>Property, plant and equipment</b>	<b>Useful Lives</b>
Building	30 Years
Plant and Machinery	15 years
Medical Equipment	13 years
Computers	3 years
Furniture and fittings	10 years
Office equipment's	5 years
Vehicles	4 - 8 years

Depreciation on leasehold improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

Buildings constructed over the land under lease are depreciated over the shorter of estimated life or lease period.

The useful life of Property, plant and equipment are reviewed at the end of each reporting period if the expected useful life of the asset changes significantly from previous estimates, the effect of such change in estimates are accounted for prospectively.

**3.12 Intangible Assets**

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortisation and accumulated impairment losses, if any.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction, or, when applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Indian Accounting Standards.

Depreciation commences when the assets are ready for their intended use.

#### Software

Cost of software is amortised over a period of 3-6 years, being the estimated useful life as per the management estimates.

The amortisation period and method are reviewed at the end of each reporting period if the expected useful life of the asset changes from previous estimates, the effect of such change in estimates are accounted for prospectively.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

### **3.13 Impairment of tangible and intangible asset other than goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

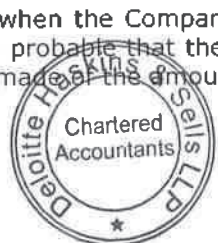
### **3.14 Inventories**

Inventories of medical consumables, drugs, and stores and spares are valued at lower of cost or net realisable value. Cost is determined on weighted average basis.

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

### **3.15 Provision**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



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The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **3.16 Contingent Liabilities**

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

### **3.17 Segment Reporting**

The Company is primarily engaged in the business of healthcare services which is the only reportable business segment as per Ind AS 108 'Operating Segments'. Healthcare services include various patient services delivered through clinical establishment, medical service companies, pathology and radiology services etc.

The Company's business activity primarily falls within a single geographical segment.

### **3.18 Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

### **3.19 Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **3.20 Financial Instrument**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial



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recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

**Classification of financial assets**

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI financial assets. For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'.

All other financial assets are subsequently measured at fair value.

**Effective interest method**

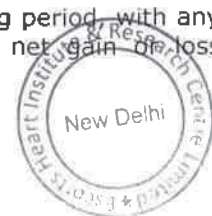
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**Financial assets at fair value through profit or loss (FVTPL)**

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss





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recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

**Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company



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recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss since there are no designated hedging instruments in a hedging relationship.

#### **Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **Compound financial instruments**

All the material component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.



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The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

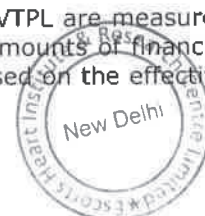
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective



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interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Commitments to provide a loan at a below-market interest rate**

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### **Derivative financial instruments**

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks which includes foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated



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and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

**Embedded derivatives**

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

**Cash and cash equivalents (for the purpose of Cash Flow Statement)**

Cash and cash equivalents in Cash Flow Statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**3.21 First time adoption – mandatory exceptions, optional exemptions**

**Overall principle**

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

**a) Exceptions: -**

**Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively.

**Assessment of embedded derivatives**

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

**b) Optional Exemptions: -**

**Past business combinations**

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;



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The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

**Deemed cost for property, plant and equipment, investment property, and intangible assets**

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Determining whether an arrangement contains a lease**

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

**Investments in subsidiaries**

The company has elected to measure its investments in subsidiaries and joint ventures at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**3.22 Critical Accounting Judgements**

The following are the critical judgements, apart from those involving estimations (refer note 3.24 below), that the directors have made in the process of applying the Company accounting policies and that have the most significant effect on the amounts recognised in the Standalone financial statements.

**Ongoing Litigation on the Company**

Note 35 and 37 disclosed in the notes to financial statements describes certain litigations relating to income tax demands, termination of certain land leases allotted by Delhi Development Authority (DDA), and non-compliance with the order of the Honorable High Court of Delhi in relation to provision of free treatment/beds to poor.

The above litigation may have an effect on the operations of the Company / numbers presented in the financial statement.

Management has engaged external specialist (Legal Counsel) to defend its position in the ongoing litigation. The directors of the company have assessed that no provision / adjustment is required to be made in the financial statements for the above matters as they expects a favorable decision basis the advice given by external legal counsel of the Company.

**Classification of Fortis Healthstaff Limited as a subsidiary**

Fortis Healthstaff Limited is a subsidiary of the company although the company owns only 29.4 % ownership interest in Fortis Healthstaff Limited. The Company have control over Fortis Healthstaff Limited by virtue of its contractual right to appoint all the directors of the Fortis Healthstaff Limited. The Board of directors have power to take decisions on the relevant activities of the Company.

**3.23 Critical Accounting Estimates**

**Expected Credit Loss / Impairment of Financial Instrument**

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.



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**Note 4: Property, Plant and Equipment**

Particulars	Leasehold land (refer note (a) & (c) )	Building	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Vehicles	(Rupees in Lacs)	
									Total	
<b>Cost or deemed cost</b>										
<b>Gross Block</b>										
<b>As at April 1, 2015</b>	<b>398.22</b>	<b>2,111.41</b>	<b>1,077.59</b>	<b>3,556.49</b>	<b>123.26</b>	<b>64.29</b>	<b>0.67</b>	<b>494.13</b>	<b>7,826.06</b>	
Additions	-	105.54	370.85	1,854.65	10.92	61.99	21.09	437.60	2,862.63	
Disposals	-	-	20.47	12.19	0.90	0.83	5.34	7.12	46.85	
Reclassification (Refer note (b) )	-	7.47	(67.39)	(11.10)	9.37	1.30	62.65	(2.30)	-	
<b>As at March 31,2016</b>	<b>398.22</b>	<b>2,224.42</b>	<b>1,360.58</b>	<b>5,387.85</b>	<b>142.65</b>	<b>126.75</b>	<b>79.07</b>	<b>922.31</b>	<b>10,641.85</b>	
Additions	-	772.61	132.40	3,478.51	32.05	27.04	17.33	375.72	4,835.66	
Disposals	-	-	7.44	4.82	-	0.42	1.25	-	13.93	
<b>As at March 31,2017</b>	<b>398.22</b>	<b>2,997.03</b>	<b>1,485.54</b>	<b>8,861.54</b>	<b>174.70</b>	<b>153.37</b>	<b>95.16</b>	<b>1,298.03</b>	<b>15,463.59</b>	
<b>Accumulated Depreciation</b>										
<b>As at April 1, 2015 (Refer note (d) )</b>	-	-	-	-	-	-	-	-	-	
Charge for the year	-	185.71	217.96	1,016.33	27.59	66.68	14.94	419.75	1,948.95	
Disposals	-	-	1.97	2.86	0.13	0.29	1.14	0.29	6.69	
<b>As at March 31,2016</b>	-	<b>185.71</b>	<b>215.99</b>	<b>1,013.46</b>	<b>27.46</b>	<b>66.39</b>	<b>13.80</b>	<b>419.46</b>	<b>1,942.27</b>	
Charge for the year	-	205.32	161.76	603.29	25.25	34.76	13.64	362.18	1,406.19	
Disposals	-	-	0.84	2.42	-	0.06	0.19	-	3.51	
<b>As at March 31,2017</b>	-	<b>391.03</b>	<b>376.91</b>	<b>1,614.32</b>	<b>52.71</b>	<b>101.09</b>	<b>27.26</b>	<b>781.64</b>	<b>3,344.95</b>	
<b>Deemed Cost(As at April 01,2015)</b>	<b>398.22</b>	<b>2,111.41</b>	<b>1,077.59</b>	<b>3,556.49</b>	<b>123.26</b>	<b>64.29</b>	<b>0.67</b>	<b>494.13</b>	<b>7,826.06</b>	
<b>Net Block(As at March 31,2016)</b>	<b>398.22</b>	<b>2,038.71</b>	<b>1,144.59</b>	<b>4,374.39</b>	<b>115.19</b>	<b>60.36</b>	<b>65.27</b>	<b>502.85</b>	<b>8,699.58</b>	
<b>Net Block(As at March 31,2017)</b>	<b>398.22</b>	<b>2,606.00</b>	<b>1,108.63</b>	<b>7,247.22</b>	<b>121.99</b>	<b>52.28</b>	<b>67.90</b>	<b>516.39</b>	<b>12,118.63</b>	

**Note 4 (a) : Capital work-in-progress**

Capital work in progress as at March 31, 2017 is Rupees 89.94 lacs (as at March 31, 2016 Rupees 291.48 lacs and as at April 01, 2015 Rupees 125.33 lacs).

Notes :

(a) During the financial year 2005-06, Delhi Development Authority has terminated all the allotment letter lease/ deeds for which the Company has filed appeal in the Delhi High Court. Repossession of land has been stayed by an interim stay order passed by Delhi High Court (refer note 38).

(b) Some of the assets have been regrouped during the previous year.

(c) No amortisation has been made in respect to leasehold land, since it has been taken on a perpetual lease.

(d) The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS. Refer note 3.2.1



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**Note 5 : Intangible assets**

Particulars	(Rupees in Lacs)	
	Software	Total
<b>Cost or deemed cost</b>		
<b>Gross Block</b>		
<b>As at April 1, 2015</b>	<b>627.63</b>	<b>627.63</b>
Additions	71.82	71.82
Deletions	-	-
<b>As at March 31, 2016</b>	<b>699.45</b>	<b>699.45</b>
Additions	40.02	40.02
Deletions	-	-
<b>As at March 31, 2017</b>	<b>739.47</b>	<b>739.47</b>
<b>Amortization and impairment</b>		
<b>As at April 1, 2015</b>	-	-
Charge for the year	200.41	200.41
Deletions	-	-
<b>As at March 31, 2016</b>	<b>200.41</b>	<b>200.41</b>
Charge for the year	161.81	161.81
Deletions	-	-
<b>As at March 31, 2017</b>	<b>362.22</b>	<b>362.22</b>
<b>Deemed Cost(As at April 01, 2015)</b>	<b>627.63</b>	<b>627.63</b>
<b>Net block (As at March 31, 2016)</b>	<b>499.04</b>	<b>499.04</b>
<b>Net block (As at March 31, 2017)</b>	<b>377.25</b>	<b>377.25</b>
<b>Note 5 (a) : Intangible assets under development</b>		
Intangible assets under development as at March 31, 2017 is Rupees 135.35 lacs (as at March 31, 2016 Nil and as at April 01, 2015 Nil).		

Notes :

The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS. Refer note 3.21



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Particulars	As at March 31, 2017 (Rupees in Lacs)	As at March 31, 2016 (Rupees in Lacs)	As at April 01, 2015 (Rupees in Lacs)
<b>6. Investments (refer note (a) below)</b>			
<b>Current</b>			
<b>Unquoted Investments (all fully paid)</b>			
<b>(a) Investment in Debt Instruments</b>			
<b>Investment in subsidiaries (measured at cost)</b>			
Fortis Asia Healthcare Pte Limited 10,000,000 (10,000,000 as at March 31, 2016 and 10,000,000 as at April 01, 2015) Redeemable preference shares of SGD 1/- each redeemable on expiry of 5 years from date of allotment at a premium of 5% per annum (refer note 47)	-	-	3,454.10
* The Company has subscribed to the preference shares of Fortis Asia Healthcare Pte. Limited on December 14, 2010. The shares were allotted on December 15, 2010 were redeemable on December 15, 2015 which has been now redeemable on March 31, 2019 as per revised addendum dated 14 December 2015. (refer note 47)	-	-	-
<b>TOTAL AGGREGATE UNQUOTED INVESTMENTS</b>	<b>-</b>	<b>-</b>	<b>3,454.10</b>
<b>Non Current</b>			
<b>Unquoted Investments (all fully paid)□</b>			
<b>(a) Investments in Equity Instruments</b>			
<b>Investment in subsidiaries (measured at cost)</b>			
i) Fortis Asia Healthcare Pte Limited 32,722,596 (32,722,596 as at March 31, 2016 and 32,722,596 as at April 01, 2015) ordinary shares of SGD 1/- each	12,720.52	12,720.52	12,720.52
ii) Fortis Healthstaff Limited 1,440,000 (1,440,000 as at March 31, 2016 and 1,440,000 as at April 01, 2015) equity shares of Rupees 10/- each	144.00	144.00	144.00
Less: Provision for diminution in value other than temporary	(144.00)	(144.00)	(144.00)
<b>(b) Investment in Debt Instruments</b>			
<b>Investment in subsidiaries (measured at cost)</b>			
Fortis Asia Healthcare Pte Limited 10,000,000 ( 10,000,000 as at March 31, 2016) Redeemable preference shares of SGD 1/- each redeemable on expiry of 5 years from date of allotment at a premium of 5% per annum*	3,454.10	3,454.10	-
* The Company has subscribed to the preference shares of Fortis Asia Healthcare Pte. Limited on December 14, 2010. The shares were allotted on December 15, 2010 were redeemable on December 15, 2015 which has been now redeemable on March 31, 2019 as per revised addendum dated 14 December 2015. (refer note 46)			
<b>Investment in fellow subsidiaries (measured at cost)</b>			
Fortis Hospitals Limited 13,000,000 (6,000,000 as at March 31, 2016 and Nil as at March 31, 2015) .01% Non-Cumulative Compulsory Convertible Preference Shares of face value of Rupees 10 each compulsory convertible into equal number of equity shares on expiry of 10 years from date of allotment.	65,000.00	30,000.00	-
<b>TOTAL AGGREGATE UNQUOTED INVESTMENTS</b>	<b>81,174.62</b>	<b>46,174.62</b>	<b>12,720.52</b>
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>81,174.62</b>	<b>46,174.62</b>	<b>12,720.52</b>
<b>Aggregate carrying value of unquoted investments</b>	<b>81,174.62</b>	<b>46,174.62</b>	<b>16,174.62</b>



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Particulars	As at March 31, 2017 (Rupees in Lacs)	As at March 31, 2016 (Rupees in Lacs)	As at April 01, 2015 (Rupees in Lacs)
<b>a. Investments</b>			
<b>(a) Financial Assets measured at cost</b>			
i) Equity Instruments - Equity Shares	12,720.52	12,720.52	12,720.52
ii) Equity Instruments - compulsory convertible preference shares	65,000.00	30,000.00	-
	<u>77,720.52</u>	<u>42,720.52</u>	<u>12,720.52</u>
<b>(a) Financial Assets measured at cost</b>			
i) Debt instruments - Redeemable preference shares	3,454.10	3,454.10	3,454.10
	<u>3,454.10</u>	<u>3,454.10</u>	<u>3,454.10</u>
<b>7. Trade receivables (Unsecured)</b>			
<b>Current (measured at amortised cost)</b>			
(a) Considered good	4,250.73	4,590.05	3,787.64
(b) Considered doubtful	3,755.16	3,294.26	3,139.47
Allowance for doubtful debts (expected credit loss allowance)	(3,755.16)	(3,294.26)	(3,139.47)
	<u>4,250.73</u>	<u>4,590.05</u>	<u>3,787.64</u>

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. There are customers who represents more than 5% of the total balance of trade receivable. The risk of non-payment from these customers is considered low as most of these balances relates to Government bodies / Government enterprises for which the default risk is considered low by the management.

The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. The provision matrix used to compute the expected credit loss allowance for different categories of trade receivables is as follows.

Ageing	Expected Credit Allowance %
0 - 1 year	0% - 50%
1 - 2 year	15% - 100%
2 - 3 year	40% - 100%
More than 3 years	70% - 100%

The Company has recorded an allowance of Rupees 3,755.16 lacs towards trade receivables. The Management believes that there is no further provision required in excess of the allowance for doubtful debts.

The trade receivables are pledged as security towards borrowings taken by the Company.

**8. Loans (Unsecured)**

**Current (measured at amortised cost)**

**Considered good**

(a) Loans to fellow subsidiary (Refer Note 43)	1,675.00	28,973.00	3,400.00
(b) Loans to subsidiary company (Refer Note 43)	-	-	61,163.12
	<u>1,675.00</u>	<u>28,973.00</u>	<u>64,563.12</u>

**Doubtful**

(a) Loans to body corporates and others	966.92	966.92	954.42
	<u>966.92</u>	<u>966.92</u>	<u>954.42</u>

Provision for doubtful advances

	(966.92)	(966.92)	(954.42)
	<u>1,675.00</u>	<u>28,973.00</u>	<u>64,563.12</u>



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Particulars	As at March 31, 2017 (Rupees in Lacs)	As at March 31, 2016 (Rupees in Lacs)	As at April 01, 2015 (Rupees in Lacs)
<b>9. Other financial assets (Unsecured)</b>			
<b>Non current (measured at amortised cost)</b>			
<b>Considered good</b>			
(a) Security deposits	90.95	114.65	110.69
(b) Deposit accounts with banks*	537.56	493.34	450.76
(c) Interest accrued and due on bank deposit	27.32	39.95	24.01
	<u>655.83</u>	<u>647.94</u>	<u>585.46</u>
*Fixed deposits is under lien with banks and is restricted from being exchanged for more than 12 months from the Balance Sheet date.			
<b>Current (Fair value through FVTPL)</b>			
<b>Considered good</b>			
(a) Fair value of foreign currency forward contract	-	-	709.34
<b>Current (measured at amortised cost)</b>			
<b>Considered good</b>			
(a) Security deposits	38.23	-	-
(b) Interest accrued and due on loans and deposits	27.01	4,565.08	11,740.47
(c) Advances recoverable from related parties	470.57	639.99	259.03
(d) Staff advance	4.55	4.10	9.94
(e) Accrued operating income	609.51	522.77	552.76
	<u>1,149.87</u>	<u>5,731.94</u>	<u>13,271.53</u>
<b>Doubtful</b>			
(a) Advances recoverable	16.07	222.05	220.89
(b) Staff advance	47.04	19.01	19.01
	<u>63.11</u>	<u>241.06</u>	<u>239.90</u>
<b>Provision for Doubtful financial assets</b>			
(a) Advances recoverable	(16.07)	(222.05)	(220.89)
(b) Staff advance	(47.04)	(19.01)	(19.01)
	<u>(63.11)</u>	<u>(241.06)</u>	<u>(239.90)</u>
	<u>1,149.87</u>	<u>5,731.94</u>	<u>13,271.53</u>
<b>10. Inventories</b>			
<b>(Valued at lower of cost and net realisable value)</b>			
Medical consumables and drugs	711.17	411.23	442.90
Stores and spares	-	-	81.94
	<u>711.17</u>	<u>411.23</u>	<u>524.84</u>
<b>11. Cash and cash equivalents</b>			
For the purposes of the standalone statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the standalone statement of cash flows can be reconciled to the related items in the standalone balance sheet as follows:			
(a) Balances with Banks			
- on current accounts	103.50	192.24	297.86
(b) Cheques on hand	-	-	0.68
(c) Cash			
- on hand	44.31	65.73	70.36
- Forex on hand	5.61	-	-
<b>Cash and cash equivalents as per balance sheet</b>	<u>153.42</u>	<u>257.97</u>	<u>368.90</u>
<b>Total</b>	<u>153.42</u>	<u>257.97</u>	<u>368.90</u>



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Particulars	As at March 31, 2017 (Rupees in Lacs)	As at March 31, 2016 (Rupees in Lacs)	As at April 01, 2015 (Rupees in Lacs)
<b>12. Other assets (Unsecured)</b>			
<b>Non-current</b>			
(a) Capital advances	54.00	120.96	133.62
(b) Balances with customs excise and other authorities paid under protest	150.00	150.00	497.64
(c) Deposits with income tax authorities	-	-	5,139.62
(d) Prepaid expenses	61.33	45.16	60.78
(e) Advance income tax (net of provision for taxation)	318.29	247.11	832.12
	<b>583.62</b>	<b>563.23</b>	<b>6,663.78</b>
<b>Current</b>			
(a) SEIS licences in hand	151.87	48.20	27.34
(b) Accrued SEIS income	106.28	121.61	258.63
(c) Advance to vendors	129.13	96.89	96.05
(d) Prepaid expenses	124.07	100.59	153.24
(e) Advances others	48.26	7.61	128.93
	<b>559.61</b>	<b>374.90</b>	<b>664.19</b>
<b>Doubtful</b>			
(a) SEIS licences in hand	76.36	76.35	78.65
(b) Advance to vendors	43.12	18.60	21.38
(c) Advances others	23.88	22.75	-
	<b>143.36</b>	<b>117.70</b>	<b>100.03</b>
<b>Provision for doubtful assets</b>			
(a) SEIS licences in hand	(76.36)	(76.35)	(78.65)
(b) Advance to vendors	(43.12)	(18.60)	(21.38)
(c) Advances others	(23.88)	(22.75)	-
	<b>(143.36)</b>	<b>(117.70)</b>	<b>(100.03)</b>
	<b>559.61</b>	<b>374.90</b>	<b>664.19</b>

**13. Deferred tax (Net)**

The following is the analysis of deferred tax assets/(liabilities)

Recognised in profit and loss account and Other Comprehensive Income

Deferred tax assets/(liabilities) in relation to:	As at March 31, 2016	Credit / (Charge) to Profit or loss	Credit / (Charge) to Other Comprehensive Income	As at March 31, 2017
Property, plant and equipment	614.37	(231.81)	-	382.56
Intangible assets	3.32	13.89	-	17.21
Provision for expected credit loss on advances	464.78	(56.83)	-	407.95
Provision for expected credit loss on receivables	1,140.07	159.51	-	1,299.58
Employee benefits	568.16	72.86	188.99	830.00
	<b>2,790.70</b>	<b>(42.38)</b>	<b>188.99</b>	<b>2,937.30</b>

Deferred tax assets/(liabilities) in relation to:

	As at April 01, 2015	Credit / (Charge) to Profit or loss	Credit / (Charge) to Other Comprehensive Income	As at March 31, 2016
Property, plant and equipment	475.98	138.39	-	614.37
Intangible assets	(7.65)	10.97	-	3.32
Provision for expected credit loss on advances	190.52	274.26	-	464.78
Provision for expected credit loss on receivables	1,067.11	72.96	-	1,140.07
Employee benefits	543.19	(24.34)	49.31	568.16
	<b>2,269.15</b>	<b>472.24</b>	<b>49.31</b>	<b>2,790.70</b>



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Particulars	As at	As at	As at
	March 31, 2017 (Rupees in Lacs)	March 31, 2016 (Rupees in Lacs)	April 01, 2015 (Rupees in Lacs)
<b>14 (i) Share capital</b>			
<b>Authorised Share Capital:</b>			
2,050,000 (2,050,000 as at March 31, 2016 and 2,050,000 as at April 01, 2015) Equity Shares of Rupees 10 each	205.00	205.00	205.00
450,000 (450,000 as at March 31, 2016 and 450,000 as at April 01, 2015) 0.01% Compulsory Convertible Preference Shares ("CCPS") of Rupees 10 each	45.00	45.00	45.00
<b>Total authorised share capital</b>	<b>250.00</b>	<b>250.00</b>	<b>250.00</b>
<b>Issued, subscribed and fully paid up shares</b>			
2,000,310 (2,000,310 as at March 31, 2016 and 2,000,310 as at April 01, 2015) Equity Shares of Rupees 10 each	200.03	200.03	200.03
401,769 (401,769 as at March 31, 2016 and 401,769 as at April 01, 2015) 0.01% CCPS of Rupees 10 each	40.18	40.18	40.18
<b>Total issued, subscribed and fully paid up share capital</b>	<b>240.21</b>	<b>240.21</b>	<b>240.21</b>

**Notes :**

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

**Equity Shares**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number	(Rupees in Lacs)	Number	(Rupees in Lacs)	Number	(Rupees in Lacs)
At the beginning of the year	2,000,310	200.03	2,000,310	200.03	2,000,310	200.03
<b>Outstanding at the end of the year</b>	<b>2,000,310</b>	<b>200.03</b>	<b>2,000,310</b>	<b>200.03</b>	<b>2,000,310</b>	<b>200.03</b>

**Preference Shares**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number	(Rupees in Lacs)	Number	(Rupees in Lacs)	Number	(Rupees in Lacs)
At the beginning of the year	401,769	40.18	401,769	40.18	401,769	40.18
<b>Outstanding at the end of the year</b>	<b>401,769</b>	<b>40.18</b>	<b>401,769</b>	<b>40.18</b>	<b>401,769</b>	<b>40.18</b>

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

The Company has only one class of equity shares having par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Terms/ rights attached to Compulsory convertible preference Shares**

During the year ended March 31, 2013, the Company issued 401,769 0.01% Compulsory Convertible Preference shares of Rupees 10 each at a premium of Rupees 7,456.98 per share. These shares are convertible into equal number of equity shares, provided price for conversion of investor CCPS into equity share shall not be less than the investment valuation. The holders of each CCPS shall be entitled to receive dividends in respect of the par value of the Investor CCPS at a rate of 0.01%, payable at the end of period of 15 years from the closing date. Holder of CCPS shall have voting rights relating to liquidation or a resolution or any other matter which directly affects or varies the right of the holders. 0.01% CCPS are compound instruments as it also contain liability towards payment of 0.01% dividend at the end of the period of 15 years. Such liability component is insignificant to the total instrument and therefore, not segregated from the instrument value.

**(d) Shares held by the holding/ ultimate holding company and/ or their subsidiaries**

**Equity Shares**

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	(Rupees in Lacs)	No. of Shares held	(Rupees in Lacs)	No. of Shares held	(Rupees in Lacs)
Fortis Healthcare Limited*, the Holding company	2,000,310	200.03	2,000,310	200.03	2,000,310	200.03

\*including 50 equity shares held by its nominees.

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

**Equity Shares**

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited*, the Holding company	2,000,310	100%	2,000,310	100%	2,000,310	100.00%

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

**Compulsory Convertible Preference Shares**

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
International Hospital Limited	-	-	401,769	100%	401,769	100%
Fortis Hospitals Limited ,fellow subsidiary (Refer Note 38)	401,769	100%	-	0%	-	0%



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Particulars	As at March 31, 2017 (Rupees in Lacs)	As at March 31, 2016 (Rupees in Lacs)
<b>15 Other Equity</b>		
<b>(A) Securities premium account</b>		
Opening balance	29,960.15	29,960.15
<b>Closing balance</b>	<b>29,960.15</b>	<b>29,960.15</b>
<b>(B) General reserves</b>		
Opening balance	848.20	848.20
<b>Closing balance</b>	<b>848.20</b>	<b>848.20</b>
<b>(C) Capital reserve</b>		
Opening balance	10,683.74	10,683.74
<b>Closing balance</b>	<b>10,683.74</b>	<b>10,683.74</b>
<b>(D) Surplus in the statement of profit and loss</b>		
Opening balance	38,191.29	32,144.99
Profit / (Loss) for the year	1,090.26	6,139.48
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(357.10)	(93.17)
<b>Net surplus in the statement of profit and loss</b>	<b>38,924.45</b>	<b>38,191.29</b>
<b>Total (A+B+C+D)</b>	<b>80,416.55</b>	<b>79,683.39</b>



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Particulars	As at	As at	As at
	March 31, 2017 (Rupees in Lacs)	March 31, 2016 (Rupees in Lacs)	April 01, 2015 (Rupees in Lacs)
<b>16. Non current borrowings</b>			
<b>Secured - at amortised cost</b>			
(a) Term Loans - from banks			
- ICICI Bank *	2,776.84	3,954.46	4,531.66
- HDFC Bank **	2,193.25	-	-
Current Maturities of term loans (Refer Note 17)			
- ICICI Bank	(1,200.00)	(1,200.00)	(600.00)
- HDFC Bank	(526.18)	-	-
	<u>3,243.91</u>	<u>2,754.46</u>	<u>3,931.66</u>

\*The term loan has been taken from ICICI Bank @12% p.a. secured against first pari passu charge over movable assets and the second pari passu charge over the current assets of the company. The loan is further secured by Irrevocable and unconditional corporate guarantee from Fortis Healthcare Limited. The current average effective interest rate is 10.55% p.a. , payable on monthly basis. The Loan is repayable in 18 structured quarterly instalments beginning at the end of seven quarters (December 27, 2014) from first draw down date i.e. March 28, 2013 upto March 27, 2019.

\*\*The term loan has been taken from HDFC Bank at 3 years HDFC MCLR+ 0.65% per annum for purchase of fixed assets. The Loan has first and exclusive charge on the fixed assets purchased. The current average effective interest rate is 9.90% p.a. , payable on monthly basis. The Loan is repayable in 13 structured quarterly installments beginning from first draw down date.

The terms of repayment of term loans and other loans are stated below.

As at March 31, 2017					
S.no	Particulars	Carrying Amount	Amount outstanding	Terms of repayment	Rate of interest
1	Term Loan from ICICI Bank	2,776.84	2,800.00	The Loan is repayable in 18 structured quarterly instalments beginning at the end of seven quarters from first draw down date	I Base Plus Spread of 1.75% p.a
2	Term Loan from HDFC Bank	2,193.25	2,193.25	The Loan is repayable in 13 structured quarterly instalments beginning from first draw down date.	3years HDFC MCLR+ 0.65% p.a

As at March 31, 2016					
S.no	Particulars	Carrying Amount	Amount outstanding	Terms of repayment	Rate of interest
1	Term Loan from ICICI Bank	3,954.46	4,000.00	The Loan is repayable in 18 structured quarterly instalments beginning at the end of seven quarters from first draw down date	I Base Plus Spread of 1.75% p.a

As at April 01, 2015					
S.no	Particulars	Carrying Amount	Amount outstanding	Terms of repayment	Rate of interest
1	Term Loan from ICICI Bank	4,531.66	4,600.00	The Loan is repayable in 18 structured quarterly instalments beginning at the end of seven quarters from first draw down date	I Base Plus Spread of 1.75% p.a

**17. Other financial liabilities**

**Current**

**Secured - at amortised cost**

(a) Current maturities of long term debt (refer note 16)	1,726.18	1,200.00	600.00
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**Unsecured**

(a) Loan from related party*	-	-	18,317.49
(b) Book Overdrafts	-	12.68	-
(c) Security deposits	25.83	21.63	31.53
(d) Interest accrued and due on borrowings from related party	653.22	158.06	2,629.77
(e) Interest accrued and due on borrowings from bank	16.47	-	-
(f) Capital creditors	114.09	159.32	248.10
(g) Payable to related parties	-	544.25	180.38
(h) Employee payable	172.81	207.24	75.83
	<u>2,708.60</u>	<u>2,303.18</u>	<u>22,083.10</u>

\*Loan of Rupees Nil (As at March 31, 2016 Rupees Nil and As at April 01, 2015 Rupees 18,317.49 lacs from holding company at the rate of 14% and repayable by March 31, 2016. The loan was repaid during the year ended March 31, 2016.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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Particulars	As at March 31, 2017 (Rupees in Lacs)	As at March 31, 2016 (Rupees in Lacs)	As at April 01, 2015 (Rupees in Lacs)
<b>18. Provisions</b>			
<b>Non current</b>			
(a) Provision for gratuity (refer Note 39)	1,478.76	1,026.57	875.07
	<u>1,478.76</u>	<u>1,026.57</u>	<u>875.07</u>
<b>Current</b>			
(a) Provision for gratuity (refer Note 39)	175.91	108.30	254.06
(b) Provision for compensated absences	743.62	506.83	468.96
<b>Others</b>			
(a) Provision for contingencies**	5.40	9.12	51.77
(b) Provision for litigation (refer Note 36)*	678.02	330.39	330.39
(c) Provision for wealth tax	-	-	12.00
	<u>1,602.95</u>	<u>954.63</u>	<u>1,117.17</u>

\* In the financial year ended March 31, 2017, Provision of Rupees 347.63 lacs is made on account of penalty levied by the department towards classification of imported surgical machine under custom regulations.

Further, provision of Rupees 330.39 Lacs recorded in earlier years towards custom duty liability on import of medical equipments, spares and consumables levied on the Company considering it to be as a commercial establishment under Custom Duty Act, 1962.

The Company has challenged the aforesaid matters and the provision will be settled on closure of the matter.

\*\* Provision for contingencies :

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance:	9.12	51.77
Add: provision made during the year	-	8.66
Less: utilized during the year	3.72	51.31
Closing balance	<u>5.40</u>	<u>9.12</u>

Provision for contingency is made against clinical research studies and amount of refund due to the patients, which is expected to be settled in due course and therefore considered as current in nature.

**19. Current Borrowings**

**Secured - at amortised cost**

(a) Bank overdraft*	1,864.01	1,500.00	538.16
	<u>1,864.01</u>	<u>1,500.00</u>	<u>538.16</u>

**Unsecured - at amortised cost**

(a) Loan from a fellow subsidiary**	6,955.00	6,130.00	6,130.00
(b) Loan from a holding company***	-	-	3,400.00
	<u>6,955.00</u>	<u>6,130.00</u>	<u>9,530.00</u>
	<u>8,819.01</u>	<u>7,630.00</u>	<u>10,068.16</u>

\* The bank overdraft facility limit of Rupees 2,000 lacs has been taken from HDFC Bank at the interest rate of 9.6228%, secured against the exclusive charge on current assets. As at March 31, 2016 and April 01, 2015, the Company had taken bank overdraft facility limit of Rupees 1,500 lacs from Royal Bank of Scotland ("RBS") at the interest rate of 10.25% per annum, secured against the first charges on current assets and the second charge on the Corporate Guarantee given by Fortis Healthcare Limited.

\*\* The loan from Malar Star Medicare Limited and Fortis Malar Limited has been taken on an interest rate of 10.50% and 11.50% respectively which is repayable on or before March 31, 2018 and interest is repayable on demand or maturity.

\*\*\* The loan from Fortis Healthcare Limited has been taken on an interest rate of 14% and was repayable on or before March 31, 2016. The loan has been repaid during the year ended March 31, 2016.

**20. Trade Payable**

(a) Total outstanding dues of micro enterprises and small enterprises. (refer Note 44)	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,328.45	4,824.59	4,259.52
	<u>7,328.45</u>	<u>4,824.59</u>	<u>4,259.52</u>

**21. Other current liabilities**

(a) Advance from patients	403.92	273.47	560.10
(b) Statutory payable	288.81	314.09	664.48
(c) Others	41.17	1.09	15.70
	<u>733.90</u>	<u>588.65</u>	<u>1,240.28</u>





**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

Particulars	Year ended March 31, 2017 (Rupees in Lacs)	Year ended March 31, 2016 (Rupees in Lacs)
<b>22. Revenue from operations</b>		
<b>(a) Sale of services</b>		
i) Operating Income - In Patient Department (IPD)	38,487.46	33,501.13
ii) Operating Income - Out Patient Department (OPD)	4,143.90	3,445.54
iii) Income from medical services	689.15	723.35
iv) Income from satellite centres	136.03	98.37
v) Income from clinical research	85.74	110.96
	<b>43,542.28</b>	<b>37,879.35</b>
Less: Trade discounts	1,081.31	1,785.97
	<b>42,460.97</b>	<b>36,093.38</b>
<b>(b) Other operating revenues</b>		
i) Income from rent (refer note 32)	176.20	144.70
ii) Export benefits	98.60	277.83
iii) Sponsorship income	109.92	128.09
iv) Scrap sale	15.62	15.34
v) Sale of plasma	9.80	9.15
vi) Excess liabilities towards operating expenses no longer required written back	384.02	531.75
vii) Miscellaneous income	0.29	27.11
	<b>794.45</b>	<b>1,133.97</b>
<b>Total Revenue from operation (a+b)</b>	<b>43,255.42</b>	<b>37,227.35</b>
<b>23. Other Income</b>		
<b>(a) Interest income</b>		
i) Bank deposits	44.18	47.59
ii) Interest on financial assets carried at amortised cost	3.90	3.45
iii) Interest on loans	626.44	5,907.62
iv) Interest on income tax refund	129.89	1,338.10
<b>(b) Others Gains and losses</b>		
i) Net gain on foreign currency transactions and translation	-	1,541.09
ii) Net gain & losses arising on financial assets designated at FVTPL	-	325.78
<b>Total other Income (a+b)</b>	<b>804.41</b>	<b>9,163.64</b>



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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Particulars	Year ended March 31, 2017 (Rupees in Lacs)	Year ended March 31, 2016 (Rupees in Lacs)
<b>24. Changes in inventories of medical consumable and drugs</b>		
(a) Inventory at the beginning of the year	411.23	442.90
(b) Inventory at the end of the year	711.17	411.24
Decrease/ (increase) in inventories [(a)+(b)]	<u>(299.94)</u>	<u>31.66</u>
<b>25. Employee benefits expense</b>		
(a) Salaries, wages and bonus	10,535.49	9,565.94
(b) Gratuity expense	101.10	40.97
(c) Compensated absences	79.20	77.45
(d) Contribution to provident and other funds	474.44	438.25
(e) Staff welfare expenses	95.39	94.19
	<u>11,285.63</u>	<u>10,216.80</u>
<b>26. Finance costs</b>		
(a) Interest expense□		
- on term loans□	523.00	492.55
- on cash credit	108.82	43.57
- on others	665.00	1,161.34
- on defined benefit plan	113.54	107.17
- on financial liabilities carried at amortised cost	22.38	22.79
(b) Bank charges	137.41	37.54
	<u>1,570.15</u>	<u>1,864.96</u>

The weighted average capitalisation rate on funds borrowed (as determined by the management) is 11% per annum (2015-2016: 11% per annum).

**27. Depreciation and amortisation expense**

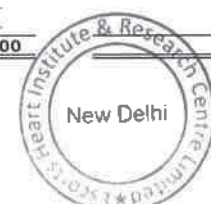
(a) Depreciation of Property, Plant and Equipment	1,406.19	1,948.95
(b) Amortisation of intangible assets	161.81	200.41
	<u>1,568.00</u>	<u>2,149.36</u>

**28. Other expenses**

(a) Contractual manpower	1,296.63	1,229.10
(b) Power, fuel and water	1,181.89	1,312.99
(c) Housekeeping expenses including consumables	298.53	188.09
(d) Patient food and beverages	720.81	728.13
(e) Pathology laboratory expenses	1,734.45	1,411.10
(f) Radiology expenses	245.40	240.03
(g) Consultation fees to doctors	1,074.90	633.50
(h) Professional charges to doctors	4,770.12	2,676.83
(i) Repairs and maintenance -		
- Building	5.56	21.64
- Plant and machinery□	534.84	667.37
- Others□	433.04	238.76
(j) Rent-		
- Equipments□	323.76	260.23
- Others□	194.02	179.33
(k) Donations	50.00	74.76
(l) Legal and professional fee (refer note (i) below)	391.19	240.79
(m) Travel and conveyance	226.68	250.54
(n) Rates and taxes	95.72	100.72
(o) Recruitment & training	10.70	13.11
(p) Printing and stationary	150.47	156.34
(q) Communication expenses	75.81	86.46
(r) Insurance	194.25	169.18
(s) Marketing and business promotion	1,849.30	1,620.38
(t) Loss on sale of assets (net)	1.14	10.38
(v) Foreign exchange fluctuation loss (net)	135.53	-
(w) Bad debts and sundry balances written off (net)	20.96	-
(x) Provision for doubtful receivables	443.75	675.22
(y) Provision for doubtful advances	30.21	31.33
(z) Provision for contingencies	-	8.66
(aa) Provision for litigations	347.64	-
(ab) Corporate social responsibility expenses (refer note 47)	129.72	116.82
(ac) Miscellaneous expenses	30.60	15.64
	<u>16,997.62</u>	<u>13,357.44</u>

**Note i : Auditor's remuneration comprises (excluding service tax)**

For audit	12.75	12.75
For taxation matters	8.25	8.25
For company law matters	3.00	3.00
For other services	-	-
For reimbursement of expenses	-	1.89
	<u>24.00</u>	<u>25.89</u>



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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Particulars	Year ended March 31, 2017 (Rupees in Lacs)	Year ended March 31, 2016 (Rupees in Lacs)
<b>29. Exceptional Loss</b>		
(a) Statutory bonus (refer note 42)	-	185.94
	<u>-</u>	<u>185.94</u>
<b>30. Income tax</b>		
<b>Recognised in Profit or loss account</b>		
<b>Current tax</b>		
(a) In respect of the current year	764.47	3,312.19
(b) In respect of prior year	-	197.81
	<u>764.47</u>	<u>3,510.00</u>
<b>Deferred tax</b>		
(a) In respect of the current year	42.38	(472.24)
	<u>42.38</u>	<u>(472.24)</u>
<b>Tax expense recognised through profit &amp; loss account</b>	<u><b>806.85</b></u>	<u><b>3,037.76</b></u>
<b>Recognised in Other Comprehensive Income</b>		
<b>Deferred tax</b>		
In respect of the current year	(188.99)	(49.31)
<b>Tax credit recognised through Other Comprehensive Income</b>	<u><b>(188.99)</b></u>	<u><b>(49.31)</b></u>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations	1,897.11	9,177.24
Enacted income tax rate in India	34.608%	34.608%
Income tax expense calculated	656.55	3,176.06
Effect of expenses not deductible in determining taxable profit	150.30	28.58
Prior period adjustment of deferred tax assets	-	(324.41)
Effect on deferred balances due to change in income tax rates from 33.99% to 34.608%	-	(40.29)
<b>Total</b>	<b>806.85</b>	<b>2,839.94</b>
Adjustments recognised in the current year in relation to prior years	-	197.82
<b>Income tax expense recognised in profit or loss</b>	<b>806.85</b>	<b>3,037.76</b>

The tax rate used for the 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED  
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**31. Related party disclosures**

Names of Related Parties and related party relationship	
Ultimate Holding Company	RHC Holding Private Limited (holding company of Fortis Healthcare Holdings Private Limited)
	Fortis Healthcare Holdings Private Limited.(holding company of Fortis Healthcare Limited)
Holding Company	Fortis Healthcare Limited ('FHL')
Subsidiary Companies	Fortis Asia Healthcare Pte Limited ('FAHPL')
Fellow Subsidiaries (parties with whom transactions have taken place)	Fortis Healthstaff Limited ('FHSL')
	RWL Healthworld Limited (formerly known as Religare Wellness Limited)
	SRL Limited
	Fortis Hospitals Limited ('FHsL')
	Fortis Emergency Services Limited ('FESL')
	Medsorce Healthcare Private Limited ('MHPL')
	Fortis Malar Limited ("FML")
	Stellant Capital Advisory Services Private Limited
	Malar Stars Medicare Limited ("MSML")
	Dr. Somesh Kumar Mittal (Whole time Director)
Key Management Personnel Individuals having control over voting power Enterprises owned or significantly influenced by key management personnel or their relatives	Mr. Shivinder Mohan Singh
	Mr. Malvinder Mohan Singh
	Religare Technova IT Services Limited
	Oscar Investments Limited
	Religare Technologies Limited
	Escorts Heart Centre Limited

Note: Related parties have been identified by the management.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED  
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**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Relationship</b>	<b>2016-2017 (Rupees in Lacs)</b>	<b>2015-2016 (Rupees in Lacs)</b>
<b>Transactions made during the year:</b>			
<b>Interest income</b>			
Fortis Asia Healthcare Pte Limited	Subsidiary Company	-	638.69
Fortis Healthstaff Limited	Subsidiary Company	-	7.27
Fortis Hospitals Limited	Fellow Subsidiaries	626.35	5,072.31
<b>Rent income</b>			
RWL Healthworld Limited (formerly known as Religare Wellness Limited)	Fellow Subsidiaries	93.49	75.58
<b>Interest expense</b>			
Fortis Healthcare Limited	Holding Company	-	424.64
Malar Stars Medicare Limited	Fellow Subsidiaries	643.65	645.41
Fortis Malar Limited	Fellow Subsidiaries	21.35	-
<b>Pathology laboratory expenses</b>			
SRL Limited	Fellow Subsidiaries	1,645.56	1,059.15
<b>Travel and conveyance</b>			
Fortis Emergency Services Limited	Fellow Subsidiaries	110.95	71.94
<b>Legal &amp; professional expense</b>			
Stellant Capital Advisory Services Private Limited	Fellow Subsidiaries	80.50	-
<b>Income from Medical Services</b>			
Fortis Healthcare Limited	Holding Company	41.29	60.36
Fortis Healthstaff Limited	Subsidiary Company	5.88	99.70
Fortis Hospitals Limited	Fellow Subsidiaries	299.13	239.68
SRL Limited	Fellow Subsidiaries	112.01	110.96



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Relationship</b>	<b>2016-2017 (Rupees in Lacs)</b>	<b>2015-2016 (Rupees in Lacs)</b>
<b>Employee benefits Reimbursement</b>			
Fortis Healthcare Limited	Holding Company	-	29.59
Fortis Healthstaff Limited	Subsidiary Company	12.91	3.30
Fortis Hospitals Limited	Fellow Subsidiaries	3.24	32.82
Fortis Emergency Services Limited	Fellow Subsidiaries	0.20	-
<b>Consultation fees to doctors</b>			
Fortis Healthcare Limited	Holding Company	-	1.68
Fortis Hospitals Limited	Fellow Subsidiaries	462.11	144.17
<b>Purchase/ transfer of fixed assets</b>			
Fortis Healthcare Limited	Holding Company	52.04	-
Fortis Hospitals Limited	Fellow Subsidiaries	107.61	9.57
<b>Intangible assets under development</b>			
Healthfore Technologies Limited	Fellow Subsidiaries	135.35	-
<b>IPD/ OPD revenue</b>			
Fortis Healthcare Limited	Holding Company	0.09	0.10
Fortis Hospitals Limited	Fellow Subsidiaries	6.71	5.32
Fortis Emergency Services Limited	Fellow Subsidiaries	-	0.28
<b>Purchase of medical consumables and drugs</b>			
RWL Healthworld Limited (formerly known as Religare Wellness Limited)	Fellow Subsidiaries	11.20	69.45
<b>Managerial remuneration</b>			
Dr. Somesh Kumar Mittal	Key Management Personnel	81.07	54.42



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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<b>Particulars</b>	<b>Relationship</b>	<b>2016-2017 (Rupees in Lacs)</b>	<b>2015-2016 (Rupees in Lacs)</b>
<b>Loan/Advances given</b>			
Fortis Healthstaff Limited	Subsidiary Company	-	200.00
Fortis Hospitals Limited	Fellow Subsidiaries	6,665.08	59,965.00
<b>Loan/Advances received back</b>			
Fortis Healthstaff Limited	Subsidiary Company	-	200.00
Fortis Asia Healthcare Pte Limited	Subsidiary Company	-	61,163.12
Fortis Hospitals Limited	Fellow Subsidiaries	33,963.08	30,992.00
<b>Loans/Advances paid back</b>			
Fortis Healthcare Limited	Holding Company	-	24,204.42
<b>Expenses incurred on behalf of</b>			
Fortis Healthcare Limited	Holding Company	9.78	-
Fortis Emergency Services Limited	Fellow Subsidiaries	-	7.04
Fortis Hospitals Limited	Fellow Subsidiaries	60.18	79.25
SRL Limited	Fellow Subsidiaries	-	0.64
Escorts Heart Centre Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	3.62	3.25
<b>Expenses incurred on behalf of the Company by</b>			
Fortis Healthcare Limited	Holding Company	-	24.95
<b>Collection by company on behalf of</b>			
Fortis Healthcare Limited	Holding Company	63.04	181.40
Fortis Hospitals Limited	Fellow Subsidiaries	1,131.67	25.18
Fortis Health Management Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	-	0.34
<b>Collection on behalf of company by</b>			
Fortis Healthcare Limited	Holding Company	498.80	889.03
Fortis Hospitals Limited	Fellow Subsidiaries	-	1,039.62



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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(Rupees in lacs)

Balances Outstanding at Year End:	Relationship	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Loans / Advances recoverable</b>				
Fortis Healthcare Limited	Holding Company	77.85	-	-
Fortis Hospitals Limited	Fellow Subsidiaries	1,675.00	28,973.00	-
<b>Unsecured loans received</b>				
Malar Stars Medicare Limited	Fellow Subsidiaries	6,130.00	6,130.00	6,130.00
Fortis Malar Limited	Fellow Subsidiaries	825.00	-	-
<b>Interest accrued but not due-payable</b>				
Fortis Healthcare Limited	Holding Company	-	-	2,486.93
Malar Stars Medicare Limited	Fellow Subsidiaries	643.65	158.06	142.84
<b>Interest accrued but not due-receivable</b>				
Fortis Hospitals Limited	Fellow Subsidiaries	24.60	4,565.08	-
<b>Trade payables</b>				
SRL Limited	Fellow Subsidiaries	696.87	226.96	242.01
Fortis Emergency Services Limited	Fellow Subsidiaries	51.73	-	-
Fortis Malar Limited	Fellow Subsidiaries	19.22	-	-
Stellant Capital Advisory Services Private Limited	Fellow Subsidiaries	73.50	-	-
<b>Trade receivables</b>				
Fortis Healthcare Limited	Holding Company	181.96	-	25.78
Fortis Healthstaff Limited	Subsidiary Company	182.46	263.64	-
Fortis Hospitals Limited	Fellow Subsidiaries	6.31	-	331.63
RWL Healthworld Limited (formerly known as Religare Wellness Limited)	Fellow Subsidiaries	72.89	26.89	9.82
Fortis Emergency Services Limited	Fellow Subsidiaries	-	23.47	-
Fortis Health Management Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	-	182.51	-





**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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(Rupees in lacs)

Balances Outstanding at Year End:	Relationship	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Escorts Heart Centre Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	-	56.90	-
<b>Investments in Equity/Debt</b>				
Fortis Asia Healthcare Pte Limited	Subsidiary Company	16,174.62	16,174.62	16,174.62
Fortis Healthstaff Limited	Subsidiary Company	144.00	144.00	144.00
Fortis Hospitals Limited	Fellow Subsidiaries	65,000.00	30,000.00	-
<b>Compulsory Convertible Preference Share</b>				
Fortis Hospitals Limited	Fellow Subsidiaries	40.18	-	-
International Hospital Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	-	40.18	40.18

**32. Leases**

**(a) Assets taken on Operating Lease:**

- i) The Company has entered into operating lease arrangements for residential premises. The leases are cancellable in nature subject to lock in. The future minimum lease expense in respect of period of lease of the premises, including the optional period of lease is as follows :

The total future minimum lease payments under the non-cancellable operating leases are as under:

Particulars	(Rupees in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Minimum lease payments :			
Not later than one year	75.23	118.16	136.46
Later than one year but not later than five years	-	75.23	193.38
<b>Total</b>	<b>75.23</b>	<b>193.38</b>	<b>329.85</b>

The total lease payments in respect of such leases recognised in the statement of profit and loss for the year are Rupees 194.02 Lacs (FY 2015-16 Rupees 179.33 Lacs)

- ii) The Company has also entered into operating lease arrangement for medical equipment. The lease is cancellable in nature.



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Lease payments recognised in the Statement of Profit and Loss for the year are Rupees 323.75 Lacs (FY 2015-16 Rupees 260.23 Lacs).

**(b) Assets given on Operating Lease**

The Company has entered into operating lease arrangements as a lessor for some portion of hospital premises. The leases are cancellable in nature.

Lease income recognised in the Statement of Profit and Loss for the year are Rupees 176.20 Lacs (FY 2015-16 Rupees 144.70 Lacs)

**33. Commitments:**

**(Rupees in Lacs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances of Rupees 54.00 Lacs (as at March 31, 2016 Rupees 120.96 Lacs and as at April 01, 2015 Rupees 133.62 Lacs)	136.70	84.34	256.74
(b) Lease Commitments (Refer Note 32)			
(c) Commitments relating to provision for free treatment/beds to poor. (Refer Note 37(c))			
(d) 0.01% dividend payable on CCPS at the end of period of 15 years from the closing date			
(e) Going Concern support in form of funding and operational support letters issued by the Company in favor of Fortis Healthstaff Limited			

The company has other commitments, for purchase/sales orders which are issued after considering requirements as per operating cycle for purchase/sale of services, employee's benefits. The company does not have any long term commitments or material non-cancellable contractual commitments/contracts, for which there were any material foreseeable losses.

There were not amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**34. Contingent liabilities (not provided for) in respect of:**

**(Rupees in Lacs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on expert opinion obtained and internal assessment, the management believes that the Company has good chance of success in these cases and no liability is likely to arise on company.	7,343.43	4,212.51	3,617.12



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Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Income tax litigations for various years are pending, as further explained in detail in note 35 below. The amount is after adjusting Rupees 22,969.06 lacs (Previous year Rupees 22,969.06 lacs) for which the company has a legal right to claim from erstwhile promoters.	9,606.27	9,606.27	10,059.90
In respect of the Company, Customs duty/ Penalty for mis-declaration of imported goods, case for which is pending with Central Excise and Service Tax Appellate Tribunal (Refer Note 36 below)	-	-	770.27
Matters relating to provision of free treatment/beds to poor pending with Directorate of Health Services (Refer Note 37(c) below)	50,336.53	50,336.53	73,266.15
<b>Total</b>	<b>64,155.31</b>	<b>64,155.31</b>	<b>87,713.44</b>

**35. Income Tax Matters**

- (a) The Income Tax Authorities carried out a survey on August 21, 2003 (certain statutory records of the Company were impounded, which are still in possession of the Authorities), regarding amalgamation of Escorts Heart Institute and Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society), and later on, registration of the amalgamated Society as a company.

Pursuant to the survey, the Income Tax Authorities have re-opened the assessments of Delhi Society and Chandigarh Society. The Assessing Officer, Delhi completed the reopened assessments of the Delhi Society for four assessment years i.e. assessment years 1997-98, 1998-99, 1999-00 and 2000-01 wherein, the exemption availed by the erstwhile Delhi Society by virtue of being an approved scientific research organization was denied in respect of these years. The past accumulated income up to March 31, 1996 was brought to tax and the income of the subsequent years adjudicated to tax as normal business income, thereby raising a cumulative demand of Rupees 10,102.04 lacs (as at March 31, 2016 Rupees 10,102.04 lacs and as at April 01, 2015 Rupees 10,102.04 lacs) [including interest of Rupees 6,012.57 lacs (as at March 31, 2016 Rupees 6,012.57 lacs and as at April 01, 2015 Rupees 6,012.57 lacs)].

The Company challenged the reopening of assessment for those assessment years before the Hon'ble High Court of Delhi in a Writ Petition. The Writ Petition for assessment year 1997-98 was decided in favour of the Company vide order dated January 25, 2012. Further, Hon'ble Delhi High Court in its order dated December 10, 2012 directed that all proceedings for the assessment years 1998-99 to 2000-01 are liable to be quashed. The appeals filed by the assessee before the CIT (A)-IV, New Delhi against the aforesaid orders for assessment years 1997-98 to 2000-01 were also allowed in light of the orders passed by Delhi High Court. Department further, filed SLP before the Supreme Court, which was dismissed.

The Assessing Officer had also assessed the income for assessment year 2001-02, whereby the entire accumulations and allowances made in earlier years were brought to tax, thereby raising a demand of Rupees 12,436.90 lacs (Previous year Rupees 12,436.90 lacs) [including interest of Rupees 6,945.99 lacs (Previous year Rupees 6,945.99 lacs)]. The Company filed an appeal before the Commissioner of Income Tax (Appeals) Delhi against this order, which was decided in favour of the Company. Income Tax Department has filed an appeal before ITAT, and the matter is currently pending at ITAT.

- (b) The Additional Commissioner of Income Tax, Chandigarh, had also raised a demand of tax in respect of the Company for the assessment year 2001-02 amounting to Rupees 5,233.05 lacs (Previous year Rupees 5,233.05 lacs) and interest thereon amounting to Rupees 2,915.79 lacs (Previous year Rupees 2,915.79 lacs) by treating the excess of assets over liabilities as short term capital gains on registration of Amalgamated Society as a company. The Company is of the view that the above registration does not give rise to transfer of assets and consequent capital gains



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and, therefore, preferred an appeal before the Income Tax Appellate Tribunal (ITAT), Chandigarh. The Tribunal, vide its Order dated March 18, 2008, had remanded the matter back to the Assessing Officer for fresh adjudication. The Assessing Officer, Delhi completed the assessment vide order dated March 31, 2010 and raised a fresh demand of Rupees 10,532.16 lacs (Previous year Rupees 10,532.16 lacs) [including interest of Rupees 5,465.27 lacs (Previous year Rupees 5,465.27 lacs)]. The Company filed an appeal before the Commissioner of Income Tax (Appeals), Delhi against the said assessment order of the Assessing Officer, which was decided in favour of the Company during the previous year. Income Tax Department has filed an appeal before ITAT, and the matter is currently pending at ITAT.

Pursuant to the share purchase agreement dated September 25, 2005, wherein the Company is a party, the above mentioned income-tax demands, in respect of (a) and (b) above, are the responsibility of one of the erstwhile promoters to the extent of Rupees 10,213 lacs (Previous year Rupees 10,973 lacs) after adjusting necessary funds deposited in an escrow account. Further, as per the share purchase agreement, one third of any excess of these demands after adjusting the recovery from escrow account would be borne by the said erstwhile promoters and the rest by the Company, if any. During the year 2012-13, Income tax department has recovered the said amount deposited in the escrow account and has adjusted the amount against the aforesaid tax liability relating to Delhi Society. However, Delhi High Court vide order dated July 24, 2013 has held the adjustment to be erroneous and asked the revenue authorities to restore the amount so adjusted back to the escrow account and revenue authorities restored the same along with interest to the escrow account for relevant assessment year.

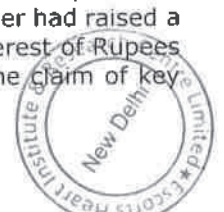
- (c) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2003-04 whereby the Assessing Officer had raised demands of Rupees 424.17 lacs (Previous year Rupees 424.17 lacs) [including interest of Rupees 35.10 lacs (Previous year Rupees 35.10 lacs)] by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Further, the Assistant Commissioner of Income Tax, Delhi has passed an order dated March 31, 2010 under sections 154/ 250/ 143(3) of Income Tax Act, 1961 for the assessment year 2003-04 whereby a demand of Rupees 22.77 lacs (Previous year Rupees 22.77 lacs) [including interest of Rupees 3.95 lacs (Previous year Rupees 3.95 lacs)] has been raised on the Company by disallowing partial depreciation on electrical installation and transformers, UPS etc. Appeal filed with the Commissioner of Income Tax (Appeals), Delhi, against the disallowances made in the assessment order has been dismissed and the company has filed appeal before the ITAT, New Delhi, which is pending disposal.

- (d) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2004-05 whereby the Assessing Officer had raised demands of Rupees 404.22 lacs (Previous year Rupees 404.22 lacs) [including interest of Rupees 97.55 lacs (Previous year Rupees 97.55 lacs)] by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2004-05 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of Rupees 214.67 lacs (Previous year Rupees 214.67 lacs) was raised by disallowing depreciation amounting to Rupees 349.30 lacs (Previous year Rupees 349.30 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to Rupees 13.85 lacs (Previous year Rupees 13.85 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. Company filed further appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the current year.

- (e) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2005-06 whereby the Assessing Officer had raised a demand of Rupees 282.03 lacs (Previous year Rupees 282.03 lacs) [including interest of Rupees 56.79 lacs (Previous year Rupees 56.79 lacs)] on the Company by disallowing the claim of key



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man insurance premium and holding software development charges as capital expenditure. The Company had filed an appeal with the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated October 31, 2008 had allowed partial relief to the Company and had confirmed the balance amount of demand raised by Assessing Officer. The Company filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of the Company and both the disallowances were deleted. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department has filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of the Company. The department has filed further appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2005-06 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of Rupees 83.16 lacs (Previous year Rupees 83.16 lacs) was raised by disallowing depreciation amounting to Rupees 270.40 lacs (Previous year Rupees 270.40 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to Rupees 6.40 lacs (Previous year Rupees 6.40 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. Company filed further appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the current year.

- (f) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2006-07 whereby the Assessing Officer had raised a demand of Rupees 305.16 lacs (Previous year Rupees 305.16 lacs) [including interest of Rupees 44.23 lacs (Previous year Rupees 44.23 lacs)] on the Company by disallowing the claim of key man insurance premium. The Company had filed an appeal with the Commissioner of Income Tax (Appeals), Delhi against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated July 23, 2009 had allowed partial relief to the Company and had confirmed the balance amount of demand raised by Assessing Officer. The Company filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of the Company. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department had filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of the Company. Department has filed further appeal before the Supreme Court against the said orders of Delhi High Court which is yet to be fixed.

Assessment for the A.Y. 2006-07 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of Rupees 99.33 lacs (Previous year Rupees 99.33 lacs) was raised by disallowing depreciation amounting to Rupees 136.43 lacs (Previous year Rupees 136.43 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to Rupees 18.79 lacs (Previous year Rupees 18.79 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. Company filed further appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the current year.

- (g) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2007-08 vide order dated December 24, 2009, whereby the Assessing Officer had raised a demand of Rupees 96.90 lacs (Previous year Rupees 96.90 lacs) [including interest of Rupees .76 lacs (Previous year Rupees .76 lacs) on the Company by disallowing the claim of key man insurance premium and software development charges. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2007-08 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of Rupees 56.48 lacs (Previous year Rupees 56.48 lacs) was raised by disallowing depreciation amounting to Rupees 115.96 lacs (Previous year Rupees 115.96 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as



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'profit' on sale of such assets and working out capital gain amounting to Rupees 10.31 lacs (Previous year Rupees 10.31 lacs) and including the same in income. An appeal has been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. Company filed further appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the current year.

- (h) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2008-09 vide order dated December 31, 2010, whereby the Assessing Officer had made additions of Rupees 407.94 lacs (Previous year Rupees 407.94 lacs) including a sum of Rupees 307.63 lacs (Previous year Rupees 307.63 lacs) out of interest expenses holding that outstanding against group companies/subsidiaries were not for business purposes and a sum of Rupees 100.30 lacs (Previous year Rupees 100.30 lacs) out of the depreciation claimed by the Company on its assets. Thus, reducing the loss from Rupees 2,955.28 lacs (Previous year Rupees 2,955.28 lacs) to Rupees 2,547.34 lacs (Previous year Rupees 2,547.34 lacs). The appeal had been filed with the Commissioner of Income Tax (Appeals), Delhi which has been decided in favour of the company. Income Tax Department has further filed an appeal before ITAT which is yet to be fixed for hearing.
- (i) The Assessing Officer (TDS) - Jaipur had passed an order dated February 10, 2010, in respect of the Company for the assessment years 2008-09 and 2009-10, thereby raising the following demands:
- a) A.Y. 2008-09 - Rupees 16.74 lacs (Previous year Rupees 16.74 lacs) on account of non-deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), payments to retainer doctors (alleging that TDS was deductible u/s 192 instead of 194J) and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) - Jaipur and was decided vide order dated January 4, 2011 thereby giving partial relief to the company and the demand raised has been brought down from Rupees 16.74 lacs (Previous year Rupees 16.74 lacs) to Rupees 5.61 lacs (Previous year Rupees 5.61 lacs) as per order dated December 7, 2011. The Company on protest had paid a sum of Rupees 8.37 lacs (Previous year Rupees 8.37 lacs) and subsequent to appeal effect order dated December 7, 2011, a refund has been received amounting to Rupees 3.36 lacs (Previous year Rupees 3.36 lacs).
- b) A.Y. 2009-10 - Rupees .37 lacs (Previous year Rupees .37 lacs) on account of non-deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), and payment to Fortis Health world Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) - Jaipur which was allowed vide order dated August 30, 2011. The Company on protest had paid a sum of Rupees .19 lacs (Previous year Rupees .19 lacs) and subsequent to appeal effect order dated December 7, 2011, a refund of Rupees .42 lacs (Previous year Rupees .42 lacs) is receivable.

The company filed an appeal before the Income-tax Appellate Tribunal, Jaipur against balance issues confirmed vide said orders of CIT (A). Department also filed appeal before ITAT against said orders of CIT (A). As per order dated December 16, 2013, appeal has been decided partially in favour of the Company through Third member reference, the Company has filed appeal before the Hon'ble High Court - Jaipur on the issue of tax deducted u/s 194J by the Company on payments made to retainer doctors as against u/s 192 held to be deductible by the department which is pending disposal.

- (j) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2009-10, whereby the Assessing Officer had raised a demand of Rupees 109.03 lacs (Previous year Rupees 109.03 lacs) [including interest of Rupees 23.24 lacs (Previous year Rupees 23.24 lacs)] by making (i) disallowance u/s 36(1)(iii) Rupees 307.89 lacs (Previous year Rupees 307.89 lacs), (ii) disallowance of depreciation - Rupees 69.69 lacs (Previous year Rupees 69.69 lacs), (iii) adding profit on sale of assets - Rupees 20.78 lacs (Previous year Rupees 20.78 lacs), (iv) disallowance u/s 14A - Rupees 54.69 lacs (Previous year Rupees 54.69 lacs), (v) disallowance of short term capital loss - Rupees 592.80 lacs (Previous year Rupees 592.80 lacs) and (vi) addition of exempt income Rupees 640.09 lacs (Previous year Rupees 640.09 lacs). An appeal was filed with the Commissioner of Income Tax (Appeals), Chandigarh, against the disallowances made in the assessment order, which was dismissed.



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Company filed further appeal before ITAT, which vide its orders dated August 23, 2013, has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which is pending disposal.

- (k) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of the Company for assessment year 2010-11, whereby the Assessing Officer has raised a demand of Rupees 83.25 lacs (Previous year Rupees 83.25 lacs) by making i) disallowance u/s 36(1)(iii) Rupees 33.67 lacs (Previous year Rupees 33.67 lacs), ii) disallowance of depreciation Rupees 59.14 lacs (Previous year Rupees 59.14 lacs) and iii) adding profit on sale of assets Rupees 6.31 lacs (Previous year Rupees 6.31 lacs). The matter is currently pending as Income Tax Appellate Tribunal, which is pending disposal.
- (l) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of the Company for assessment year 2011-12, whereby the Assessing Officer has raised a demand of Rupees 8 lacs (Previous year Rupees 8 lacs) by making i) disallowance u/s 36(1)(iii) Rupees 105 lacs (Previous year Rupees 105 lacs), ii) disallowance of interest on Capital work in progress for Rupees 26.86 lacs (Previous year Rupees 26.86 lacs), iii) disallowance of depreciation of Rupees 50.68 lacs (Previous year Rupees 50.68 lacs), iv) adding profit on sale of assets Rupees 4.20 lacs (Previous year Rupees 4.20 lacs). The matter is currently pending as Income Tax Appellate Tribunal, which is pending disposal.

**36. Provision for litigations - for Custom matters**

- (a) The Commissioner of Customs (Import and General), Delhi had raised a demand on the Company of Rupees 770.27 lacs (Previous year Rupees 770.27 lacs) [including Rupees 347.64 lacs (Previous year Rupees 347.64 lacs) as penalty for mis-declaration of the imported surgical machine with a redemption fine of Rupees 75 lacs (Previous year Rupees 75 lacs) for release of the said machine] on June 8, 2007. The mis-declaration refers to the classification of the underlying machine for customs duty purposes. The Company had filed a stay application with the Central Excise and Service Tax Appellate Tribunal against the above order and deposited Rupees 347.64 lacs (Previous year Rupees 347.64 lacs) under protest. During the previous year, final order was received in which the demand amount was restricted to Rupees 347.64 lacs and the department thereafter filed an appeal with the High Court for penalty of Rupees 347.64 lacs which was considered as contingent liability. During the current year, the High Court has confirmed the penalty amount, which the Company has contested and also provided in the books of accounts by the Company.
- (b) The Assistant Collector of Customs had issued an assessment order in earlier year raising a demand of Rupees 330.38 lacs (Previous year Rupees 330.38 lacs) holding the Company to be a commercial establishment in relation to the import of medical equipment's, spares and consumables. The Company filed an appeal with the Collector of Customs (Appeals), against the order of the Assistant Collector of Customs, which has been rejected. The Company filed a further appeal and an application for stay before the Central Excise and Service Tax Appellate Tribunal. The Tribunal had ordered for the stay and to deposit a sum of Rupees 150 lacs (Previous year Rupees 150 lacs) with the customs authority. The Company had deposited the amount with the customs authority and has made a provision of Rupees 330.38 lacs (Previous year Rupees 330.38 lacs) in the books of accounts in the earlier years.

**37. Contingent Liabilities – Other Matters**

- (a) Delhi Development Authority ('DDA') vide its Order dated October 6, 2005 ('DDA Order') had terminated the lease deeds and allotment letters of the Company. The Company had filed an Original Miscellaneous Petition ('OMP') and Civil Suit in the Hon'ble High Court of Delhi seeking a declaration that the DDA Order is illegal and praying for a permanent injunction restraining DDA from dispossessing the Company without the due process of law. The Hon'ble High Court of Delhi had granted a stay restraining DDA from recovering physical possession of the property and had made the interim order granted in the OMP absolute till the award is passed. The Company also filed an application for appointment of sole Arbitrator and reference of disputes to Arbitration in the Hon'ble High Court of Delhi. The arbitration application has been dismissed during the year 2013-14. The Civil Suit is still pending with the Hon'ble High Court of Delhi.



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- (b) Pursuant to the above order in 37(a), The Estate Officer of the DDA issued a show cause notice dated November 9, 2005 and initiated eviction proceedings against the Company. The Company filed a Civil Writ Petition in the Hon'ble High Court of Delhi challenging the show cause notice issued by the Estate Officer, which was dismissed by the Hon'ble Single Judge. The Company thereafter had filed Letters Patent Appeal ('LPA') against the above order before the Hon'ble High Court of Delhi. The Division bench of the Hon'ble High Court of Delhi vide its order dated September 3, 2007 had dismissed the LPA. The Estate Officer thereafter issued a notice under section 4(1) of Public Premises Act dated October 8, 2007 to the Company for resuming the proceedings under the said Act. The Company had filed an appeal by way of SLP in the Hon'ble Supreme Court against the judgement in the LPA matter. The Hon'ble Supreme Court vide its order dated November 16, 2007 had ordered that proceedings before the Estate Officer may continue but no final order to be passed.
- (c) In relation to the order of Hon'ble High Court of Delhi relating to provision of free treatment/beds to poor, Directorate of Health Services, Government of NCT of Delhi ('DHS') appointed a firm to calculate "unwarranted profits" arising to it due to non-compliance. The special committee of DHS stated that before giving a formal hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed firm, which as per their method of calculations amounts to Rupees 73,266.15 lacs, seeking hospital's comments and inputs if any. The Company responded to such intimation explaining errors and objections to the calculations and is awaiting a formal hearing in the matter with the DHS. During the previous year, the Company received notice from DHS to appear for a formal and final hearing raising demand of recoverable amount to Rupees 50,336.53 lacs for the period till FY 2006-2007 in terms of above referred judgement. On receipt of hearing notice, the Company has responded to such notice explaining errors and objections to the calculations. During the current year, DHS issued a demand notice dated June 9, 2016 directing EHIRCL to deposit Rupees 50,336.53 lacs within one month. EHIRCL challenged the demand notice by way of a writ petition in Hon'ble High Court of Delhi which vide order dated August 1, 2016 has set aside the demand of Rupees 50,336.53 lacs. DHS agreed to grant hearing to EHIRCL on the reply submitted to it. Hearing has been held before DHS and no order has been passed till date. Based on its internal assessment and advice from its counsels on the basis of the documents available, management believes that it is in compliance of conditions of free treatment and free beds to the poor and does not anticipate liability after proper hearing with DHS.

**38. Put- Call Options on Compulsory Convertible Preference Shares ("CCPS") issued to Kanishka Healthcare Limited ('KHL') for Rupees 30,000 lacs outstanding as on March 31, 2016:**

During the year ended on March 31, 2013, the Company issued 401,769 CCPS of face value of Rupees 10 each at a premium of Rupees 7,456.98 per CCPS to Kanishka Healthcare Limited (Kanishka Healthcare Limited merged with International Hospital Limited) with a maturity period of 15 years aggregating to Rupees 30,000 lacs. The holder of CCPS is entitled to receive, only out of fund legally available for the payment of dividends, dividends in respect of the par value of the invested CCPS at a per annum rate of 0.01%. The fixed dividend shall be payable on a cumulative basis at the end of 15 years. On conversion date, each CCPS will be convertible into one equity share, provided that the price for conversion shall not at any instance be lesser than the investment valuation. Other key terms of CCPS agreement effective upto July 08, 2016.

- (a) CCPS Put Option – KHL is entitled to exercise an unconditional and irrevocable right to require FHL or its nominee to buy all of CCPS held by KHL upon occurrence of KHL having exercised Fortis Hospotel Limited ('FHTL') Put Option or FHTL Call Option under shareholders agreement entered between FHL, FHTL and FHML. The considerations payable by FHL to KHL is as follows :-
- i. In case of FHTL call option - FHL is required to pay sum equal to the fair valuation of Equity Shares of the Company as per DCF Method.
  - ii. In case of FHTL put option - FHL is required to purchase, subject to due compliance with law, all CCPS at consideration equal to KHL's contribution along with coupon rate agreed.
- (b) CCPS Call Option - If KHL becomes entitled to exercise the CCPS Put Option, but does not exercise the CCPS Put Option within 90 business days thereof, then FHL shall at any time after the expiry of such 90 business days, be entitled to require KHL to sell all of the CCPS to the FHL for a consideration equal to the CCPS Subscription amount along with the coupon of 0.01% accrued thereon as of such date.





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During the current year ended 31 March, 2017, CCPS have been purchased by Fortis Hospitals Limited, fellow subsidiary, pursuant to CCPS purchase agreement dated 08 July, 2016 and there are no Put/Call options outstanding as at year end.

**39. Employee Benefits:**

**Defined Contribution Plan**

The Company's contribution towards its provident fund is a defined contribution retirement plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognised by the Income Tax authorities.

The Company recognised Rupees. 474.44 lacs (previous year Rupees 438.25 lacs) for Provident Fund and Employee state insurance contribution in the statement of profit and loss account. The Contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

**Defined Benefit Plan**

The Company has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service subject to a maximum limit of Rupees 1,000,000 in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service. The Gratuity fund is unfunded.

The following table summarizes the components of net benefit expenses recognised in the statement of profit and loss and the amounts recognized in the balance sheet.

(Rupees in Lacs)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
<b>i. Movement in Net Liability</b>			
Present value of obligation at the beginning of the year	1,134.87	1,129.13	1,054.18
Current service cost	101.10	89.38	96.03
Interest cost	80.42	77.61	86.34
Amount recognised to OCI	546.09	142.48	134.08
Plan Amendments Cost / (Credit)	-	(48.41)	-
Benefits paid	(207.81)	(255.32)	(241.50)
Present value of obligations at the end of the year	<b>1,654.67</b>	<b>1,134.87</b>	<b>1,129.13</b>

(Rupees in Lacs)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Present value of unfunded obligation	1,654.67	1,134.87	1,129.13
Amounts in the Balance Sheet			
(a) Liabilities	1,654.67	1,134.87	1,129.13
(b) Assets	-	-	-
(c) Net liability/(asset) recognised in the balance sheet	<b>1,654.67</b>	<b>1,134.87</b>	<b>1,129.13</b>
Current Liability	175.91	108.30	254.06
Non-Current Liability	1,478.76	1,026.57	875.07
	<b>1,654.67</b>	<b>1,134.87</b>	<b>1,129.13</b>

ii. Expense recognised in Statement of Profit and Loss is as follows :	Year ended	Year ended
	March 31, 2017	March 31, 2016
<b>Employee Benefit Expense</b>		
Service cost	101.10	89.38
Past Service Cost	-	(48.41)
<b>Finance Cost</b>		
Interest cost	80.42	77.61
<b>Amount charged to Statement to Profit and Loss</b>	<b>181.52</b>	<b>118.58</b>



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<b>iii. Expense recognised in Statement of Other comprehensive income is as follows :</b>		
Net actuarial loss / (gain) due to experience adjustment recognised during the year	103.88	142.48
Net actuarial loss / (gain) due to assumptions changes recognised during the year	442.21	-
<b>Amount charged to Other Comprehensive income</b>	<b>546.09</b>	<b>142.48</b>

The Principal assumptions used in determining gratuity and compensated absences obligation for the Company's plan is shown below:

Principal Actuarial assumptions for Gratuity and compensated absences	Year ended	Year ended	Year ended
	March 31, 2017	March 31, 2016	April 31, 2015
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected salary increase rate	7.50%	3.75%	3.75%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	6%	6%
Age from 31 to 44 years	6%	2%	2%
Age above 44 years	2%	1%	1%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience gain/(loss) adjustments on plan liabilities (Rupees in lacs)	103.88	142.48	134.08

**Notes:**

- a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- b) Significant actuarial assumption for the determination of the defined obligation are discounted rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.
  - If the discount rate is 0.5% higher (Lower), the defined benefit obligation would decrease by Rs.57.59 Lacs (Increase by Rupees. 61.52 Lacs) (as at March 31, 2016: decrease by Rupees. 39.50 lacs (increase by Rupees. 42.19 Lacs).
  - If the expected salary growth increases (decreases) by 1% the defined benefit obligation would increase by Rupees. 125.86 Lacs (Decrease by Rupees. 112.38 Lacs) as at March 31, 2016: increase by Rupees. 86.32 lacs (decrease by Rupees. 77.08 lacs).

**40. Financial Instruments**

**40.1 Capital Management**

The Company manages its capital to ensure that the company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 16, 17 and 19 offset by cash and bank balances) and total equity of the company.

The company is not subject to any externally imposed capital requirements.

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2017 of 17.74%. (See below)



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**Gearing ratio**

The gearing ratio at end of the reporting period was as follows.

(Rupees in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt*	14,458.78	11,742.52	35,547.08
Cash and bank balances	(153.42)	(257.97)	(368.90)
<b>Net debt</b>	<b>14,305.36</b>	<b>11,484.56</b>	<b>35,178.19</b>
<b>Total equity</b>	<b>80,656.75</b>	<b>79,923.60</b>	<b>73,877.29</b>
Net debt to equity ratio	17.74%	14.37%	47.62%

\*Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration).

**40.2 Categories of financial instruments**

(Rupees in lacs)

Financial assets	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Measured at fair value through profit or loss (FVTPL)</b>			
Foreign currency forward contract	-	-	709.34
<b>Measured at amortised cost</b>			
Investment in Redeemable preference shares	3,454.10	3,454.10	3,454.10
Cash and bank balances	153.42	257.97	368.90
Loans	1,675.00	28,973.00	64,563.12
Trade Receivables	4,250.73	4,590.05	3,787.64
Other financial assets - non current	655.83	647.94	585.46
Other financial assets - current	1,149.87	5,731.94	12,562.20
<b>Total</b>	<b>11,338.95</b>	<b>43,655.00</b>	<b>86,030.76</b>

(Rupees in lacs)

Financial liabilities	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2015
<b>Measured at amortised cost</b>			
Borrowings - non current	3,243.91	2,754.46	3,931.66
Borrowings - current	8,819.01	7,630.00	10,068.16
Trade payables	7,328.32	4,824.62	4,259.54
Other financial liabilities	2,708.60	2,303.18	22,083.10
<b>Total</b>	<b>22,100.52</b>	<b>17,512.23</b>	<b>40,342.44</b>

**40.3 Financial risk management objectives**

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Company through internal risk reports which analyse exposure by magnitude of risk. The company has limited exposure from the international market as the Company operations are in India. The Company has limited exposure towards foreign currency risk it earns approx. 10% of its revenue in foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Company has not taken any derivative contracts to hedge the exposure. However the exposure towards foreign currency foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign Currency.

**40.4 Market Risk**

The company's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.



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**40.5 Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows.

Particulars		(In lacs)					
		As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Currency	Equivalent (Rupees)	Currency	Equivalent (Rupees)	Currency	Equivalent (Rupees)
Import trade payable	USD	1.40	91.89	-	-	0.27	16.81
Receivable	USD	-	-	14.92	987.11	9.28	578.38
Loans given including interest accrued thereon	SGD	-	-	-	-	239.00	10,858.37
Loans given including interest accrued thereon	USD	-	-	-	-	506.00	31,541.76

**40.6 Foreign currency sensitivity analysis**

The Company is mainly exposed to the USD currency.

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupees against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity where the Rupees strengthens 5% against the relevant currency. For a 5% weakening of the Rupees against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

If increase by 5%	Particulars	(Rupees in lacs)	
		Currency Impact	
		Year ended 31-Mar-17	Year ended 31-Mar-16
	Impact on profit or loss for the year	(4.59)	49.36
	Impact on total equity as at the end of the reporting period	(4.59)	49.36

If decrease by 5%	Particulars	(Rupees in lacs)	
		Currency Impact	
		Year ended 31-Mar-17	Year ended 31-Mar-16
	Impact on profit or loss for the year	4.59	(49.36)
	Impact on total equity as at the end of the reporting period	4.59	(49.36)

**40.7 Interest rate risk management**

The Company is exposed to interest rate risk because company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The fixed rate loans are generally annual loans wherein the interest rate is reset annually based on the market rate of interest.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.



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**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities (basis lending rates of respective bank plus spread), the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(Rupees in lacs)

Particulars	Interest impact	
	Year ended	Year ended
	31-Mar-17	31-Mar-16
<b>If increase by 50 basis point</b>		
Impact on profit or loss for the year	(24.85)	(19.77)
Impact on total equity as at the end of the reporting period	(24.85)	(19.77)

Particulars	Interest impact	
	Year ended	Year ended
	31-Mar-17	31-Mar-16
<b>If decrease by 50 basis point</b>		
Impact on profit or loss for the year	24.85	19.77
Impact on total equity as at the end of the reporting period	24.85	19.77

**40.8 Other price risk**

The company investment are in the group companies and are held for strategic purposes rather than for trading purposes.

**40.9 Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The company takes due care while extending any credit as per the approval matrix approved by Board of Directors.

**40.10 Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the Management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

**Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.



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(Rupees in lacs)

Particulars	Within 1 year	1-2 year	More than 2 year	Total	Carrying amount
<b>As at March 31, 2017</b>					
Borrowings	2,154.61	2,365.68	1,312.95	5,833.23	4,970.09
Bank overdraft	1,864.01	-	-	1,864.01	1,864.01
Loan from a fellow subsidiary	7,693.53	-	-	7,693.53	6,955.00
Trade payables	7,328.32	-	-	7,328.32	7,328.32
Security deposits	25.83	-	-	25.83	25.83
Interest accrued and due on borrowings from related party	653.22	-	-	653.22	653.22
Interest accrued and due on borrowings from bank	16.47	-	-	16.47	16.47
Capital creditors	114.09	-	-	114.09	114.09
Employee payable	172.81	-	-	172.81	172.81
<b>Total</b>	<b>20,022.88</b>	<b>2,365.68</b>	<b>1,312.95</b>	<b>23,701.51</b>	<b>22,099.84</b>

(Rupees in lacs)

Particulars	Within 1 year	1-2 year	More than 2 year	Total	Carrying amount
<b>As at March 31, 2016</b>					
Borrowings	1,575.62	1,448.06	1,705.67	4,729.46	3,954.46
Bank overdraft	1,500.00	-	-	1,500.00	1,500.00
Loan from a fellow subsidiary	6,773.65	-	-	6,773.65	6,130.00
Trade payables	4,824.62	-	-	4,824.62	4,824.62
Book Overdrafts	12.68	-	-	12.68	12.68
Security deposits	21.63	-	-	21.63	21.63
Interest accrued and due on borrowings	158.06	-	-	158.06	158.06
Capital creditors	159.32	-	-	159.32	159.32
Payable to related parties	544.25	-	-	544.25	544.25
Employee payable	207.24	-	-	207.24	207.24
<b>Total</b>	<b>15,777.07</b>	<b>1,448.06</b>	<b>1,705.67</b>	<b>18,930.92</b>	<b>17,512.26</b>

(Rupees in lacs)

Particulars	Within 1 year	1-2 year	More than 2 year	Total	Carrying amount
<b>As at April 01, 2015</b>					
Borrowings	1,083.16	1,575.62	3,153.73	5,812.51	4,531.66
Bank overdraft	538.16	-	-	538.16	538.16
Current maturities of long term borrowings from related party	20,881.94	-	-	20,881.94	18,317.49
Loan from a fellow subsidiary	6,773.65	-	-	6,773.65	6,130.00
Loan from a holding company	3,876.00	-	-	3,876.00	3,400.00
Trade payables	4,259.54	-	-	4,259.54	4,259.54
Security deposits	31.53	-	-	31.53	31.53



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Particulars	Within 1 year	1-2 year	More than 2 year	Total	Carrying amount
Interest accrued and due on borrowings	2,629.77	-	-	2,629.77	2,629.77
Capital creditors	248.10	-	-	248.10	248.10
Payable to related parties	180.38	-	-	180.38	180.38
Employee payable	75.83	-	-	75.83	75.83
<b>Total</b>	<b>40,578.05</b>	<b>1,575.62</b>	<b>3,153.73</b>	<b>45,307.40</b>	<b>40,342.46</b>

The following table details the company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

**40.11 Fair value measurement**

- i) Fair value of the company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Particulars	Fair value as at (Rupees in lacs)			Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2017	March 31, 2016	April 01, 2015		
<b>Financial assets</b>					
Foreign currency forward contracts	-	-	709.34	Level 2	Discounted cash flows estimate based on forward exchange rates at the end of reporting period

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There was no transfer between Level 1, Level 2 and Level 3 in the year.

Fair value of the company's financial assets and financial liabilities that are measured at fair value on a non-recurring basis

- ii) Financial Instrument measured at Amortised Cost.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**41. Earnings per share**

Earnings per share (EPS)	Denomination	Year ended	Year ended
		March 31, 2017	March 31, 2016
Profit as per statement of profit and loss	Rupees in Lacs	1,281.94	6,208.80
Weighted average number of equity shares in calculating Basic EPS	Numbers	2,402,079	2,402,079
Weighted average number of equity shares in calculating Diluted EPS	Numbers	2,402,079	2,402,079
Basic EPS	Rupees	53.37	258.48
Diluted EPS	Rupees	53.37	258.48



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**42. Exceptional Item**

Statutory bonus amounting to Rupees 185.94 lacs recorded in the previous year ended March 31, 2016 represents the amounts accrued for bonus payable to existing employees for the period from April 1, 2014 to December 31, 2015 due to enactment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014 for which notification was issued in January, 2016 and considered as exceptional item by the Management.

**43. Details of loans given to subsidiaries and fellow subsidiaries**

(Rupees in Lacs)

Particulars	Maximum amount outstanding during the year			Closing balance		
				March 31, 2017	March 31, 2016	April 01, 2015
	March 31, 2017	March 31, 2016	April 01, 2015	(Current)	(Current)	(Current)
<b>Subsidiaries/Fellow Subsidiaries</b>						
Fortis Asia Healthcare Pte. Limited	-	-	61,163.12	-	-	61,163.12
Fortis Healthstaff Limited	-	200.00	-	-	-	-
Fortis Hospitals Limited	33,538.08	59,865.00	3,400.00	1,675.00	28,973.00	3,400.00
<b>Total</b>	<b>33,538.08</b>	<b>121,228.12</b>	<b>61,163.12</b>	<b>1,675.00</b>	<b>28,973.00</b>	<b>64,563.12</b>

(Rupees in Lacs)

Name of the party	Rate of Interest	Due date	Secured/unsecured	March 31, 2017	March 31, 2016	April 01, 2015
<b>Subsidiaries/Fellow Subsidiaries</b>						
Fortis Asia Healthcare Pte. Limited	5.50%	31-Mar-16	Unsecured	-	-	37,288.62
	8%	31-Mar-16	Unsecured	-	-	23,874.50
Fortis Hospitals Limited	11%	31-Mar-17	Unsecured	-	28,973.00	3,400.00
	11.50%	31-Mar-18	Unsecured	1,675.00	-	-
<b>Total</b>				<b>1,675.00</b>	<b>28,973.00</b>	<b>64,563.12</b>

The above loans have been given for meeting the working capital requirements, purchase of capital assets and investments.

**44. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

Based on information available with the Company, the balance due to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is Rupees Nil (Previous year Rupees Nil) and no interest during the year has been paid or payable under the terms of MSMED Act, 2006. Micro and Small enterprises as defined in section 7(1) of the MSMED Act, 2006 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by auditors.

**45. Corporate social responsibility**

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of CSR expenditures, as certified by the Management, are as follows :

(Rupees in lacs)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
Balance to be spent as per previous year	(A)	-	-
Amount required to be spent for the current year	(B)	155.70	116.82
Gross amount required to be spent	(A+B)	-	116.82
Spent during the year (including monitoring expenses)		129.72	116.82
Balance unspent at the end of the year		25.98	-





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- 46.** The Company has made an investment in non-cumulative Redeemable Preference shares of Fortis Asia Healthcare Pte Limited, subsidiary of the Company. These preference shares were allotted on December 15, 2010 and redeemable on December 15, 2015, at a premium of 5% per annum

These preference shares are now redeemable on March 31, 2019 as per revised addendum dated 14 December, 2015.

The Company has not accrued for any premium receivable on redemption of Preference Shares due to uncertainty of the recoverability of premium amount, in view of the inability of the subsidiary company to generate surplus cash required for payment of premium due on redemption. Accordingly the Company has not recognised income aggregating to Rupees 172.71 lacs for the current year and Rupees 1,087.80 Lacs as at March 31, 2017.

Based on Management's review of the net assets position of the subsidiary, the amount of investment made in the equity shares of subsidiary company aggregating to Rupees 3,454.10 Lacs and in Redeemable Preference shares aggregating to Rupees 12,720.52 Lacs has been considered good and fully recoverable by Management.

**47. Specified Bank Notes (SBN)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 the denomination wise SBNs and other notes as per the notification is given below:

Particulars	(Rupees in lacs)		
	SBNs	Other Denomination Notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	45.40	0.65	46.05
(+) Not Permitted receipts	13.18	-	13.18
(+) Permitted receipts	-	348.71	348.71
(+) Cash Withdrawal	-	6.70	6.70
(-) Permitted payments	-	7.65	7.65
(-) Amount deposited in Banks	58.58	333.55	392.12
<b>Closing cash in hand as on 30.12.2016</b>	-	<b>14.86</b>	<b>14.86</b>

\* 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 08 November 2016.

**48. First Time Adoption**

For all periods up to and including the year ended March 31, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following

- a) Effect of Ind AS adoption on the standalone balance sheet as at March 31, 2016 and April 01, 2015.
- b) Reconciliation of total equity as at March 31, 2016 and April 01, 2015.
- c) Effect of Ind AS adoption on the standalone profit and loss for the year ended March 31, 2016



Note : 48 (a)

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**EFFECT OF IND AS ADOPTION ON THE STANDALONE BALANCE SHEET AS AT MARCH 31, 2016 AND APRIL 01, 2015**

Particulars	Note No	IGAAP as on 1 April 2016 (Rupees in Lacs)	Opening Ind AS Adjustment (Rupees in Lacs)	Ind AS as on 31 March 2016 (Rupees in Lacs)	IGAAP as on 1 April 2015 (Rupees in Lacs)	Opening Ind AS Adjustment (Rupees in Lacs)	Ind AS as on 1 April 2015 (Rupees in Lacs)
<b>ASSETS</b>							
<b>A. NON-CURRENT ASSETS</b>							
(a) Property, plant and equipment		8,699.58	-	8,699.58	7,826.06	-	7,826.06
(b) Capital work-in-progress		291.48	-	291.48	125.33	-	125.33
(c) Other intangible assets		499.04	-	499.04	627.63	-	627.63
(d) Financial assets							
(i) Investments							
a) Investments in subsidiary		16,174.62	-	16,174.62	12,720.52	-	12,720.52
b) Investments in others		30,000.00	-	30,000.00	-	-	-
(ii) Other financial assets		653.83	(5.89)	647.94	594.80	(9.34)	585.46
(e) Deferred tax assets (Net)		2,790.70	-	2,790.70	2,215.77	53.38	2,269.15
(f) Other non-current assets		561.27	1.96	563.23	6,658.96	4.82	6,663.78
<b>Total non-current assets (A)</b>		<b>59,670.52</b>	<b>(3.93)</b>	<b>59,666.59</b>	<b>30,769.07</b>	<b>48.86</b>	<b>30,817.94</b>
<b>B. CURRENT ASSETS</b>							
(a) Inventories		411.23	-	411.23	524.84	-	524.84
(b) Financial assets							
(i) Other investments		4,590.05	-	4,590.05	3,454.10	-	3,454.10
(ii) Trade receivables		257.97	-	257.97	3,787.64	-	3,787.64
(iii) Cash and cash equivalents		28,973.00	-	28,973.00	368.90	-	368.90
(iv) Loans		5,731.94	-	5,731.94	64,563.12	-	64,563.12
(v) Other financial assets		372.04	2.86	374.90	13,428.60	(157.07)	13,271.53
(c) Other current assets					660.94	3.25	664.19
<b>Total current assets (B)</b>		<b>40,336.23</b>	<b>2.86</b>	<b>40,339.09</b>	<b>86,788.14</b>	<b>(153.82)</b>	<b>86,634.32</b>
<b>C. Total assets (A+B)</b>		<b>100,006.75</b>	<b>(1.07)</b>	<b>100,005.68</b>	<b>117,557.21</b>	<b>(104.96)</b>	<b>117,452.25</b>
<b>EQUITY AND LIABILITIES</b>							
<b>A. EQUITY</b>							
(a) Share capital		200.03	-	200.03	200.03	-	200.03
(b) Compulsory Convertible preference share capital		40.18	-	40.18	40.18	-	40.18
(c) Other equity		79,658.70	24.69	79,683.39	73,711.05	(73.97)	73,637.08
<b>Equity attributable to owners of the Company (A)</b>		<b>79,898.91</b>	<b>24.69</b>	<b>79,923.60</b>	<b>73,951.26</b>	<b>(73.97)</b>	<b>73,877.29</b>
<b>B. NON-CURRENT LIABILITIES</b>							
(a) Financial Liabilities							
(i) Borrowings		2,772.03	(17.57)	2,754.46	3,962.64	(30.98)	3,931.66
(b) Provisions		1,026.57	-	1,026.57	875.07	-	875.07
(c) Other non-current liabilities		6.90	(6.90)	-	-	-	-
<b>Total non-current liabilities (B)</b>		<b>3,805.50</b>	<b>(24.47)</b>	<b>3,781.03</b>	<b>4,837.71</b>	<b>(30.98)</b>	<b>4,806.73</b>
<b>C. CURRENT LIABILITIES</b>							
(a) Financial liabilities							
(i) Borrowings		7,630.00	-	7,630.00	10,068.16	-	10,068.16
(ii) Trade payables		4,824.59	-	4,824.59	4,259.53	(0.01)	4,259.52
(iii) Other financial liabilities		2,303.18	-	2,303.18	22,083.10	-	22,083.10
(b) Provisions		954.63	-	954.63	1,117.17	-	1,117.17
(c) Other current liabilities		589.94	(1.29)	588.65	1,240.28	-	1,240.28
<b>Total current liabilities (C)</b>		<b>16,302.34</b>	<b>(1.29)</b>	<b>16,301.05</b>	<b>38,768.24</b>	<b>(0.01)</b>	<b>38,768.23</b>
<b>D. Total liabilities (B+C)</b>		<b>20,107.84</b>	<b>(25.76)</b>	<b>20,082.09</b>	<b>43,605.95</b>	<b>(30.99)</b>	<b>43,574.96</b>
<b>E. Total equity and liabilities (A+D)</b>		<b>100,006.75</b>	<b>(1.07)</b>	<b>100,005.68</b>	<b>117,557.21</b>	<b>(104.96)</b>	<b>117,452.25</b>



Note : 48 (b)

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**RECONCILIATION OF TOTAL EQUITY AS AT MARCH 31, 2016 AND APRIL 01, 2015**

	As at March 31, 2016 (Rupees in Lacs)	As at April 1, 2015 (Rupees in Lacs)
<b>Total equity (shareholder's funds) under previous GAAP</b>	<b>79,898.91</b>	<b>73,951.26</b>
<b>Adjustment made :</b>		
(a) Forward Contract	-	(103.67)
(b) Security Deposit	(0.74)	(1.28)
(c) Loan at effective rate of interest	17.58	30.98
(d) Change in value of Depreciation	-	-
(e) Reversal of lease equalisation	7.84	-
<b>Total adjustment</b>	<b>24.69</b>	<b>(73.97)</b>
<b>Total equity (shareholder's funds) under per IND AS</b>	<b>79,923.60</b>	<b>73,877.29</b>

(a) Under Ind AS, the foreign currency forward contracts are measured at Fair Value through Profit and Loss at each period end and changes have been recognised in the Statement of Profit and Loss. Deferred tax is recognised on the balance of forward contract.

(b) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. Also, Interest cost on defined benefit obligation have been classified under finance cost.

(c) Under Ind AS, interest cost on loans is measured at amortised cost which have been determined using effective interest rate method.

(d) Under previous GAAP, Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Under Ind AS, such expense is not recognised on a straight line basis for leases where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The Management has analysed the increase in certain lease arrangements and has determined that such increase is to compensate the cost inflation, being in line with general cost inflation and therefore reversal of lease equalisation reserve have been done.

(e) Under Ind AS, security deposit have been measured at amortised cost. Accordingly, where security deposits of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the deposit were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the company.

(f) Deferred tax adjustment on the aforesaid item has been considered under Ind AS.



Note : 48 (c)

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**EFFECT OF IND AS ADOPTION ON THE STANDALONE OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

	Notes No	Year ended March 31, 2016		
		IGAAP (Rupees in Lacs)	Opening Ind AS Adjustment (Rupees in Lacs)	Ind AS (Rupees in Lacs)
<b>I</b> Revenue from operations		37,227.35	-	37,227.35
<b>II</b> Other income	(a , e)	9,003.14	160.50	9,163.64
<b>III Total Income (I+II)</b>		<b>46,230.49</b>	<b>160.50</b>	<b>46,390.99</b>
<b>IV Expenses</b>				
(a) Purchases of medical consumable and drugs		9,407.59	-	9,407.59
(b) Changes in inventories of medical consumable and drugs		31.66	-	31.66
(c) Employee benefits expense	(b)	10,479.55	(262.75)	10,216.80
(d) Finance costs	(c , b)	1,735.00	129.96	1,864.96
(e) Depreciation and amortisation expense		2,149.36	-	2,149.36
(f) Other expenses	(d, e)	13,358.66	(1.22)	13,357.44
<b>Total Expenses</b>		<b>37,161.82</b>	<b>(134.01)</b>	<b>37,027.81</b>
<b>V Profit before exceptional item and tax (III-IV)</b>		<b>9,068.67</b>	<b>294.51</b>	<b>9,363.18</b>
Exceptional item		185.94	-	185.94
<b>VI Profit before tax</b>		<b>8,882.73</b>	<b>294.51</b>	<b>9,177.24</b>
<b>VII Tax expense</b>				
(a) Current tax		3,510.00	-	3,510.00
(b) Deferred tax	(c)	(574.92)	102.68	(472.24)
		<b>2,935.08</b>	<b>102.68</b>	<b>3,037.76</b>
<b>VIII Profit for the period (VI+VII)</b>		<b>5,947.65</b>	<b>191.83</b>	<b>6,139.48</b>
<b>Other comprehensive Income</b>				
A (I) Items that will not be reclassified to profit or loss				
a) Remeasurement of the defined benefit plan	(b)	-	142.48	142.48
B (I) Deferred tax relating to items that will not be reclassified to profit or loss	(b)	-	(49.31)	(49.31)
<b>IX Total other comprehensive income</b>		<b>-</b>	<b>93.17</b>	<b>93.17</b>
<b>X Total comprehensive income for the period (VIII+IX)</b>		<b>5,947.65</b>	<b>98.66</b>	<b>6,046.31</b>



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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49. Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.
50. The comparative financial information of the Company for the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended 31 March 2015 have been restated to comply with Ind AS and in accordance with the format prescribed in MCA Circular Notification No. GSR 404(E) (F.NO.17/62/2015CLV), dated April 06, 2016.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

*@crista .*

*Jasbir*

**AVINASH KHAITAN**  
Director  
DIN: 06987510

**JASBIR SINGH GAREWAL**  
Director  
DIN: 01113910



Place: GURUGRAM  
Date: 22 MAY 2017



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