

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF FORTIS HEALTHSTAFF LIMITED**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of M/s Fortis Healthstaff Limited which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

**Management's Responsibility for the 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 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, read with relevant rules issued thereunder.

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 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of



material misstatement of the 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 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 Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 including the Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its financial performance including, comprehensive profit, its cash flows and statement of changes in equity for the year ended on that date.

### **Emphasis of Matter**

*We draw attention to Note 20 in the financial statements, which indicates that the company's current liabilities exceeded its current assets position. The accompanying financial statements have been prepared on going concern assumption. Our opinion is not qualified in respect of this matter*

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;



- e. On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position;
  - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



**BHAVNA GARG**  
Membership No. 524347  
Partner  
For and on Behalf of  
**D B M S & ASSOCIATES**  
Chartered Accountants  
FRN - 026573N  
New Delhi; 22 June, 2018



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2018, we report that:

1. (a) As the Company has maintained proper records showing full particulars , including quantitative detail and situation of fixed asset.  
  
(b)The fixed asset have been physically verified by the management during the year and no discrepancies were noticed on such verification. In our opinion , the frequency of verification of the fixed asset is reasonable having regard to the size of the company and the nature of its asset.  
  
(c) The company does not hold any immovable property (in the nature of 'Property, plant and equipment). Accordingly , the provisions of clause 3 (i)(c) of the order are not applicable.
2. As the Company does not have any inventory, accordingly clause (ii) of paragraph 3 of the Order is not applicable to the Company.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of Companies Act. Accordingly the clause (iii) of paragraph 3 of the Order is not applicable to the Company.
4. The Company has not given any loans, investments, and security, accordingly the clause (iv) of Paragraph 3 of the Order is not applicable to the company.
5. According to the information and explanation given to us, the Company has not accepted any deposits during the year.
6. According to the information and explanation given to us, we are informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.
7. According to the information and explanation given to us, in respect of statutory dues:
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with the appropriate authorities as applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.



- b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as on 31st March 2018 which have not been deposited on account of disputes.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, clause (viii) of the paragraph 3 of the Order is not applicable.
  9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of the paragraph 3 of the Order is not applicable.
  10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  11. As the Company does not paid any managerial remuneration, accordingly clause (xi) of paragraph 3 of the Order is not applicable to the Company.
  12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company
  13. According to the information and explanation given to us, all transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Ind AS Financial Statement etc., as required by the applicable accounting standards.
  14. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
  15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
  16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

  
**BHAVNA GARG**  
Membership No. 524347  
Partner  
For and on Behalf of  
**D B M S & ASSOCIATES**  
Chartered Accountants  
FRN – 026573N  
New Delhi; 22 June, 2018



**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE  
ON THE IND AS FINANCIAL STATEMENTS OF FORTIS HEALTHSTAFF  
LIMITED**

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

We have audited the internal financial controls over financial reporting of M/s Fortis Healthstaff Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the 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.

**Auditors' Responsibility**

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

  
**BHAVNA GARG**  
Membership No. 524347  
Partner  
For and on Behalf of  
**D B M S & ASSOCIATES**  
Chartered Accountants  
FRN - 026573N  
New Delhi; 22 June, 2018



Fortis Healthstaff Limited  
Balance Sheet as at March 31, 2018

Particulars	Notes	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,173,139	1,760,352
Financial Assets			500,000
Others	4	2,929,211	2,995,737
Other non-current assets	5	4,102,350	5,256,089
<b>Total non-current assets</b>			
<b>Current assets</b>			
Financial assets			5,107,420
Trade receivables	6	12,993,185	360,000
Cash and cash equivalents	7	931,500	5,467,420
<b>Total current assets</b>		13,924,685	5,467,420
<b>Total assets</b>		18,027,035	10,723,509
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital		49,000,000	49,000,000
Other equity	8	(132,309,494)	(136,402,675)
<b>Total equity</b>		(83,309,494)	(87,402,675)
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			79,450,000
Borrowings	9	79,450,000	18,629,902
Trade payables	10	15,686,938	-
Other Financial Liabilities	11	5,564,657	46,282
Other current liabilities	12	634,934	98,126,184
<b>Total current liabilities</b>		101,336,529	98,126,184
<b>Total equity and liabilities</b>		18,027,035	10,723,509

The accompanying notes (1 to 26) are an integral part of the financial statements.  
As per our report of even date

**BHAVNA GARG**  
Membership No. 524347  
Partner  
For and on behalf of  
**DBMS & ASSOCIATES**  
Chartered Accountants  
FRN-026573N



For and on behalf of the Board of Directors of  
Fortis Healthstaff Limited

Director

Director

New Delhi; 22 June, 2018



*Handwritten signature*



**Fortis Healthstaff Limited**  
**Statement of profit and loss for the year ended March 31, 2018**

	Notes	For the Year March 31, 2018 (Amount in ₹)	For the Year March 31, 2017 (Amount in ₹)
Revenue from operations	13	12,924,416	4,799,365
Other income	14	-	6,692,459
<b>Total income</b>		<b>12,924,416</b>	<b>11,491,824</b>
<b>Expenses</b>			
Cost of medical service	15	915,935	1,007,589
Finance costs	16	6,183,070	-
Depreciation	3	587,213	587,213
Other expenses	17	726,089	914,980
<b>Total expenses</b>		<b>8,412,307</b>	<b>2,509,782</b>
<b>Profit before tax</b>		<b>4,512,109</b>	<b>8,982,042</b>
<b>Tax expense</b>			
Current tax		221,976	476,486
MAT credit entitlement		-	(476,486)
Tax receivable (net of MAT credit entitlement) for earlier year not recoverable, written off		196,952	-
		<b>418,928</b>	<b>-</b>
<b>Profit for the year</b>		<b>4,093,181</b>	<b>8,982,042</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>4,093,181</b>	<b>8,982,042</b>
Earnings per equity share (EPS)			
Basic and diluted EPS	18	0.84	1.83

The accompanying notes (1 to 26) are an integral part of the financial statements.

As per our report of even date

  
**BHAVNA GARG**  
 Membership No. 524347  
 Partner  
 For and on behalf of  
**DBMS & ASSOCIATES**  
 Chartered Accountants  
 FRN-026573N



For and on behalf of the Board of Directors of  
**Fortis Healthstaff Limited**

  
 Director

Director

New Delhi ;22 June, 2018





Fortis Healthstaff Limited  
Statement of cash flow for the year ended March 31, 2018

Particulars	For the Year ended March 31, 2018 (Amount in ₹)	For the Year ended March 31, 2017 (Amount in ₹)
<b>A. Cash flow from operating activities</b>		8,982,042
Net profit/(loss) before tax and exceptional items	4,512,109	-
Adjustments for:		587,213
Depreciation expense	587,213	-
Loss on sale of investments	-	-
Provision for doubtful debts	-	(6,638,199)
Provision written back	-	-
Interest expense	6,182,952	-
	<b>11,282,274</b>	<b>2,931,056</b>
<b>Operating profit before working capital changes</b>		3,566,283
Movements in working capital:	(7,885,764)	(1,141,939)
Decrease/(increase) in trade receivables	500,000	(8,077,430)
Decrease/(increase) in loans and advances and other Assets	(2,972,608)	(2,722,030)
(Decrease)/increase in trade payables and other liabilities	<b>923,902</b>	<b>1,205,900</b>
<b>Cash (used in)/generated from operations</b>	<b>(352,402)</b>	<b>(1,516,130)</b>
Income tax refund/(paid)	571,500	-
<b>Net cash generated (used in)/from operating activities (A)</b>		
<b>B. Cash flow from investing activities</b>		
Sale of current investments	-	-
Interest on refund of income tax	-	-
<b>Net cash generated from investing activities (B)</b>		
<b>C. Cash flow from financing activities</b>		
Proceeds from short-term borrowings	79,450,000	-
Repayment of short-term borrowings	(79,450,000)	-
Interest paid	-	-
<b>Net cash used in financing activities (C)</b>	<b>571,500</b>	<b>(1,516,130)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>360,000</b>	<b>1,876,130</b>
Total cash and cash equivalents at the beginning of the year	<b>931,501</b>	<b>360,000</b>
Cash and cash equivalents at the end of the year (refer note 7)		
<b>Components of cash and cash equivalents:</b>		
Balances with banks on current and cash credit accounts	931,500	360,000
<b>Total</b>	<b>931,500</b>	<b>360,000</b>

The accompanying notes (1 to 26) are an integral part of the financial statements.  
As per our report of even date

  
**BHAVNA GARG**  
Membership No. 524347  
Partner  
For and on behalf of  
**DBMS & ASSOCIATES**  
Chartered Accountants  
FRN 026573N  
New Delhi; 22 June, 2018



For and on behalf of the Board of Directors of  
Fortis Healthstaff Limited

  
Director

  
Director



**Fortis Healthstaff Limited**  
**Statement of changes in equity for the year ended March 31, 2018**

(Amount in ₹)

Particulars	Equity share capital	Other equity	Total equity attributable to equity holder of the Company
	Equity	Retained earnings	
<b>Balance as at March 31, 2016</b>	49,000,000	(145,384,717)	(96,384,717)
Changes in equity for the year ended March 31, 2016	-	8,982,042	8,982,042
Profit for the year	-	-	-
Other comprehensive income for the year, net of income tax	-	-	(87,402,675)
<b>Balance as at March 31, 2017</b>	49,000,000	(136,402,675)	(87,402,675)
Changes in equity for the year ended March 31, 2017	-	-	-
Profit for the year	-	4,093,181	4,093,181
Other comprehensive income for the year, net of income tax	-	-	-
<b>Balance as at March 31, 2018</b>	49,000,000	(132,309,494)	(83,309,494)

The accompanying notes (1 to 26) are an integral part of the financial statements.

As per our report of even date:

*Bhavna Garg*  
**BHAVNA GARG**  
 Membership No. 524347  
 Partner  
 For and on behalf of  
**DBMS & ASSOCIATES**  
 Chartered Accountants  
 FRN-026573N



For and on behalf of the Board of Directors of  
**Fortis Healthstaff Limited**

*[Signature]*  
 Director

Director

New Delhi ; 22 June, 2018



*[Signature]*

## Fortis HealthStaff Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

#### 1. Corporate information

Fortis HealthStaff Limited (the 'Company') was incorporated on January 31, 1984. The Company is engaged in the business of providing healthcare solutions.

#### 2. Recent Accounting Pronouncements

##### Amendment to Ind AS 7 - Statement of cash flows

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

#### 2.1 Basis of accounting and preparation of financial statements

##### a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Ind As notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the followings assets and liabilities which have been measured at fair value:

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees ('INR').

##### b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) **Income from medical services at satellite centres and in patient services**  
Revenue is recognised as and when the services are rendered, net of discount and allowances.

- ii) **Interest income**  
Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

##### c) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

1. Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.



## Fortis HealthStaff Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Minimum Alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### d) Property, plant and equipment (PPE)

For transition to Ind AS, The Company has elected to continue with the carrying value of all of its PPE 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.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an asset includes the purchase cost including import duties and non-refundable taxes, borrowing costs if capitalization 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 PPE is added to its carrying value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.



## Fortis HealthStaff Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

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.

The carrying amount of a PPE is de-recognised upon disposal of PPE 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 PPE 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 on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to adjustments arising out of the transitional provisions of Schedule II to the Companies Act, 2013.

The useful life of PPE 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.

Depreciation commences when the assets are ready for their intended use. Depreciation on all Property, plant and equipment except land are provided on straight line method based on the reassessment of pattern of economic usage of the assets over their remaining useful life. The estimated useful life of Property, plant and equipment, are as follows:

Property, plant and equipment	Useful Lives
Vehicle	8 Years

#### e) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount, the recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### f) Provisions and contingent liabilities

The Company makes a provision when there is a present, obligation (legal and constructive) as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- (1) Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- (2) Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- (3) Present obligation, where a reliable estimate cannot be made.



## Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

### g) Earnings per share

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

### h) Cash and cash equivalents

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.

### i) 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.

### j) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### k) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



## Fortis HealthStaff Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### **1) Financial instrument**

##### **Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

##### **Subsequent measurement**

##### **Non-derivative financial instruments**

##### **(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

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

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### **(iv) Financial liabilities**





## Fortis HealthStaff Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

Financial liabilities are subsequently carried at amortized cost using the effective interest method, consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### m) Equity instruments

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

#### n) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations discharged, cancelled or have expired. An exchange between with a lender of debt instruments substantially different terms is accounted for as an extinguishment of the original financial liability the recognition of a new financial liability. Similarly, a substantial modification of the terms of 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 financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.



**Fortis Healthstaff Limited**  
**Notes forming part of the financial statements as at March 31, 2018**

**3. Property, plant and equipment**

Particulars	(Amount in ₹)	
	Vehicles	Total
<b>Gross block</b>		
As at April 01, 2017	4,550,719	4,550,719
Additions/deletions	-	-
As at March 31, 2018	4,550,719	4,550,719
<b>Accumulated depreciation</b>		
As at March 31, 2017	2,790,367	2,790,367
Charge for the year	587,213	587,213
As at March 31, 2018	3,377,580	3,377,580
Net block (As at March 31, 2017)	1,760,352	1,760,352
Net block (As at March 31, 2018)	1,173,139	1,173,139



**Fortis Healthstaff Limited**

Notes forming part of the financial statements as at March 31, 2018

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)
<b>4. Financial Assets</b>		
(a) Others (security Deposit)	-	500,000
<b>Total</b>	-	500,000
<b>5. Other non current assets</b>		
(a) Advance income tax (net of provision for taxation)	2,117,662	1,789,938
(b) Mat credit entitlement	811,549	1,205,799
<b>Total</b>	2,929,211	2,995,737
<b>6. Trade receivables</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good		
Due more than 6 months	8,895,476	3,065,888
Unsecured, considered doubtful	15,630,584	15,630,584
Less : Provision for doubtful debts	(15,630,584)	(15,630,584)
	8,895,476	3,065,888
 Others	 4,097,709	 2,041,532
	4,097,709	2,041,532
<b>Total</b>	12,993,185	5,107,420
<b>7. Cash and cash equivalents</b>		
(a) Balances with banks		
- in current accounts	931,500	360,000
<b>Total</b>	931,500	360,000



Fortis Healthstaff Limited  
Notes forming part of the financial statements as at March 31, 2018

Particulars	As at	
	March 31, 2018	March 31, 2017
	(Amount in ₹)	
<b>8 (a) Equity share capital</b>		
<b>Authorised Share Capital:</b>		
4,900,000 (previous year 4,900,000) equity shares of ₹ 10 each	49,000,000	49,000,000
100,000 (previous year 100,000) 10% non cumulative redeemable preference shares of Rs 10 each	1,000,000	1,000,000
<b>Total authorised share capital</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and fully paid up shares</b>		
4,900,000 (previous year 4,900,000) equity shares of ₹ 10 each fully paid up	49,000,000	49,000,000
<b>Total issued, subscribed and fully paid up share capital</b>	<b>49,000,000</b>	<b>49,000,000</b>

**Notes:**

There has been no change in share capital during the current and preceding financial year.

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

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends 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, holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

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

**Equity Shares**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	(Amount in ₹)	Number	(Amount in ₹)
At the beginning of the year	4,900,000	49,000,000	4,900,000	49,000,000
Outstanding at the end of the year	4,900,000	49,000,000	4,900,000	49,000,000

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

**Equity Shares**

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eccellen Health Institute & Research Centre Limited	4,900,000	100%	1,160,000	24%
RHC Holding Private Limited	-	-	2,300,000	47%
Fortis Healthcare Holding Limited**	-	-	1,440,000	29%
<b>Total</b>	<b>4,900,000</b>	<b>100%</b>	<b>4,900,000</b>	<b>100%</b>

\*including 600 equity shares held by its nominees

\*\*including 6 equity shares held by its nominees

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.

e) The Company has not issued bonus shares, equity shares issued for considerations other than cash and also no shares have been bought back during the period of five years immediately preceding March 31, 2018.



**Fortis Healthstaff Limited**  
**Notes forming part of the financial statements as at March 31, 2018**

Particulars	As at	As at
	March 31, 2018 (Amount in ₹)	March 31, 2017 (Amount in ₹)
<b>9. Borrowings</b>		
<b>Unsecured</b>		
(a) From body corporate*	-	79,450,000
(b) From holding company**	79,450,000	-
	<u>79,450,000</u>	<u>79,450,000</u>

\* Rs. Nil (March 31, 2017- Rs 79,450,000;) loan is from a body corporate(RHC Holding private Limited )and carries no interest and is repayable on demand which has been paid off during the Year .

\*\* Rs 79,450,000 (March 31, 2017- Rs. Nil;) loan is from a holding company (Escorts Heart Institute & research Centre Limited )@ 11.5% interest and is repayable on 31st March, 2019.

**10. Trade payables**

Due to micro, small and medium enterprises (refer note 'a' below)  
 Due to Others (related party)  
 Expenses payable

15,584,338	18,252,876
102,600	377,026
<u>15,686,938</u>	<u>18,629,902</u>

(a) The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2018 and March 31, 2017 has been made in the financial statements based on the information received and available with the Company. Based on the information currently available with the Company, there are no dues payable to Micro and Small 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

**11. Other Financial liabilities**

Interest accrued but not due on borrowings(Net of TDS)  
 Total

5,564,657	-
<u>5,564,657</u>	<u>-</u>

**12. Other current liabilities**

Statutory dues payable  
 Total

634,934	46,282
<u>634,934</u>	<u>46,282</u>



**Fortis Healthstaff Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2018**

Particulars	For the Year ended March 31, 2018 (Amount in ₹)	For the Year ended March 31, 2017 (Amount in ₹)
<b>13. Revenue from operations</b>		
<b>Sale of services</b>		
Income from satellite centers	12,254,622	4,007,264
Income from medical services	669,794	792,101
<b>Total</b>	<u>12,924,416</u>	<u>4,799,365</u>
<b>14. Other income</b>		
Provision written back	-	6,638,199
Interest on income tax refund	-	54,260
<b>Total</b>	<u>-</u>	<u>6,692,459</u>
<b>15. Cost of medical services</b>		
Cost of medical services	915,935	1,007,589
<b>Total</b>	<u>915,935</u>	<u>1,007,589</u>
<b>16. Finance costs</b>		
Interest on loan	6,182,952	-
Bank charges	118	-
<b>Total</b>	<u>6,183,070</u>	<u>-</u>
<b>17. Other expenses</b>		
Legal and professional fee	121,306	462,950
Travel and conveyance	18,000	15,176
Rates and taxes	-	1,090
Communication expenses	4,400	4,000
Insurance	5,964	5,964
Business support service	456,500	415,000
Prior Period Tax audit Fee	92,040	-
Miscellaneous Expenses	27,879	10,800
<b>Total</b>	<u>726,089</u>	<u>914,980</u>
<b>Payment to auditor (excluding Service tax/GST)(included in Legal and professional fee)</b>		
<b>As auditor</b>		
Audit Fee	60,000	300,000
Tax Audit Fee	35,000	63,000
Out of Pocket Expenses	-	35,000
<b>Total</b>	<u>95,000</u>	<u>398,000</u>
<b>18. Earning per share</b>		
Profit/(loss) after tax (A) (₹)	4,093,181	8,982,042
Weighted average number of equity shares (basic/diluted) (B)	4,900,000	4,900,000
Nominal value of equity share(₹)	10	10
Earnings per share(A/B) (₹)	0.84	1.83



**Fortis HealthStaff Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**19. Disclosure as required by Indian Accounting Standard (Ind AS 24) "Related Party Disclosures"**

**(i) List of related parties over which control exist**

	Name of related party	Relationship
(a)	Escorts Heart Institute and Research Centre Limited	Immediate holding company of Fortis Healthstaff Limited
(b)	Fortis Healthcare Limited	Immediate holding company of Escorts Heart Institute and Research Centre Limited
(c)	Fortis Healthcare Holdings Limited	Immediate holding company of Fortis Healthcare Limited
(d)	RHC Holding Private Limited	Immediate holding company of Fortis Healthcare Holdings Limited

**(ii) List of related parties with whom transactions have taken place during the period and description of relationship, as identified and certified by the management, are:**

(Amount in ₹)

Name of Related Party	Nature of Relationship	Particulars	For the year ended	
			March 31, 2018	March 31, 2017
Escorts Heart Institute Research Centre Limited	Holding company	<i>Transactions during the year</i>		
		Cost of medical services	9,15,935	1,007,589
		Business support charges	456,500	415,000
		Expenses incurred on behalf of company	2,69,589	4,99,980
		Interest on Loan	6,182,952	Nil
		Loan taken during the year	79,450,000	Nil
		<i>Outstanding balances</i>		
		Trade payables	15,584,338	18,252,876
		Loan Payable	79,450,000	Nil
		Interest Payable(net of TDS)	5,564,657	Nil
RHC Holding Private Limited	Holding company	<i>Transactions during the year</i>		
		Loan Repaid during the year	79,450,000	Nil
		<i>Outstanding balances (payables)</i>		
		Unsecured interest free short term borrowings	Nil	79,450,000



**Fortis HealthStaff Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

20. Though the Company has earned profit during the year, the Company's accumulated losses have completely eroded its net worth at the end of the year. However, the financial statements have been prepared on going concern basis considering the Company's plans and the continuing support committed by Escorts Heart Institute & Research Centre Limited for the next 12 months.
21. In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in balance sheet and provisions for all known liabilities have been made.
22. The Company is engaged in the business of providing healthcare solutions, which as per Indian Accounting Standard (Ind AS) 108 on "Segment Reporting" of Companies (Accounts) Rules, 2014 (as amended), is considered to be the only significant reportable business segment. The Company is operating in India and there is no other significant geographical segment.

**23. FINANCIAL ASSETS AND LIABILITIES**

Fair value of carrying amounts of assets and liabilities presented in the statement of financial position relates to the following categories of assets & liabilities:

(Amount in ₹)

Financial Assets	March 31, 2018	March 31, 2017
<b>Non-Current Assets</b>		
Others		
<b>Current Assets</b>		500,000
Trade Receivables	12,993,185	5,107,420
Cash & cash equivalent	931,500	360,000
<b>Total</b>	<b>13,924,685</b>	<b>5,967,420</b>
<b>Financial Liabilities</b>		
<b>Current Liabilities</b>		
Borrowings	79,450,000	79,450,000
Trade payables	15,686,938	18,629,902
Other Financial Liabilities	5,564,657	-
<b>Total</b>	<b>100,701,595</b>	<b>98,079,902</b>

Fair Value of financial assets and liabilities carried at amortized cost are approximately same as to their respective carrying amounts.

A description of the Company's financial instrument risks, including risk management objectives and policies is given in note 24.





**Fortis HealthStaff Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**24. FINANCIAL INSTRUMENT**

**A. Capital risk management**

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital and accumulated reserves disclosed in the Statement of Changes in Equity. The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements.

**B. Financial Risk Management**

**a. Market risk**

The Company does not have any overseas operations. Thus there is no currency risk. The company does not have any borrowings, thus no implications of interest risk.

**b. Credit risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of only dealing with creditworthy customers.

**c. Liquidity risk**

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company.

25. In the view of losses, provision for tax has not been recognised. Further the deferred tax asset arising out of timing difference has not been recognised since it is not probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised.
26. The figure of previous year were audited by a firm of Chartered Accountants other than D B M S & Associates. Previous year figures have been regrouped/ rearranged wherever consider necessary to make them comparable with those of the current year.

**BHAVNA GARG**  
Membership No. 524347  
Partner  
For and on behalf of  
**D B M S & ASSOCIATES**  
Chartered Accountants  
FRN-026573N

New Delhi; 22 June, 2018



For and on behalf of the Board of Director of  
**Fortis Healthstaff Limited**

Director

Director

