

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORTIS EMERGENCY SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **FORTIS EMERGENCY SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, 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 financial statements – **Refer Note 12 to the Ind AS financial statements.**

ii) The Company does not have any long-term contracts including derivatives contracts as at March 31, 2019 for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor and Education and Protection Fund by the Company during the year ended March 31, 2019.

**For I. M. Puri & Co.
Chartered Accountants
(Firm Regn. No.006352N)**

**Prakash Barnwal
(Partner)
Membership No.512224**



**Gurgaon
Date: May 21st, 2019**

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Fortis Emergency Services Limited of even date)

- i. In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the order are not applicable to the Company and hence not commented upon.
- ii. The Company is in the business of providing emergency ambulances services and medical services, and does not have any physical inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
- iii. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus paragraphs 3(iii) (a) & (b) of the Order are not applicable.
- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the companies Act, 2013 with respect to the loans and investments made.
- v. As per the information and explanation given to us, the company has not accepted any deposits. Thus paragraph 3(v) of the Order is not applicable.
- vi. To the best of our knowledge and according to the explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for any of the services rendered by the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us, there are no material dues of Goods and Service Tax, duty of customs, duty of excise, value added tax and cess which



have not been deposited with the appropriate authorities on account of any dispute as at 31st March, 2019.

- viii. Based on our audit procedures the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to any financial institution, banks and government. There are no debenture holders of the company.
- ix. According to the information and explanations given to us, the company has not raised any moneys by way of initial public offer or further public offer. The term loans raised during the year have been applied for the purposes for which they were raised.
- x. According to the information and explanation given to us, no material fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us, company has not paid or provided any managerial remuneration. Thus, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanation given to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- xv. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(XV) of the order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For I. M. Puri & Co.
Chartered Accountants
(Firm Regn. No.006352N)
Prakash Barnwal
(Partner)
Membership No.512224



Gurgaon
Date: May 21st, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Fortis Emergency Services Limited 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 **FORTIS EMERGENCY SERVICES LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective 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 internal financial controls over financial reporting of the Company 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being



made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


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, 2019, 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 I. M. Puri & Co.
Chartered Accountants
(Firm Regn. No. 006352N)


Prakash Barnwal
(Partner)
Membership No.512224



Gurgaon
Date: May 21st, 2019

**FORTIS EMERGENCY SERVICES LIMITED
BALANCE SHEET AS AT 31 MARCH 2019**

| Particulars | Notes | As at March 31, 2019 (Rupees in Lacs) | As at March 31, 2018 (Rupees in Lacs) |
|---|---------|---|---|
| ASSETS | | | |
| A. Non-current assets | | | |
| (a) Property, plant and equipment | 4(i) | 42.58 | 52.29 |
| (b) Other intangible assets | 4(ii) | 0.74 | 1.43 |
| (i) Other financial assets | 4(iii) | - | 1.23 |
| (c) Non-Current tax assets (Net) | 4(vii) | 31.18 | 38.15 |
| (d) Other non-current assets | 4(iv) | 707.37 | 707.37 |
| Total non-current assets (A) | | 781.87 | 800.47 |
| B. Current assets | | | |
| (a) Financial assets | | | |
| (i) Trade receivables | 4(v) | 105.68 | 124.56 |
| (ii) Cash and cash equivalents | 4(vi) | 23.92 | 2.99 |
| (iii) Bank balances other than (ii) above | 4(vi) | 104.63 | 99.15 |
| (iv) Other financial assets | 4(iii) | 8.73 | 8.36 |
| (b) Other current assets | 4(iv) | 0.38 | 0.32 |
| Total current assets (B) | | 243.34 | 235.38 |
| Total assets (A+B) | | 1,025.21 | 1,035.85 |
| EQUITY AND LIABILITIES | | | |
| A. Equity | | | |
| (a) Equity share capital | 4(viii) | 5.00 | 5.00 |
| (b) Other equity | 4(ix) | (5,816.77) | (5,003.00) |
| Total equity (A) | | (5,811.77) | (4,998.00) |
| Liabilities | | | |
| B. Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 4(x) | 5,893.50 | 5,280.90 |
| (b) Provisions | 4(xii) | 6.96 | 6.47 |
| Total non-current liabilities (B) | | 5,900.46 | 5,287.37 |
| C. Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 4(xiii) | 10.17 | 2.35 |
| (ii) Other financial liabilities | 4(xi) | 743.47 | 670.26 |
| (b) Provisions | 4(xii) | 111.77 | 5.09 |
| (c) Other current liabilities | 4(xiv) | 71.11 | 68.78 |
| Total current liabilities (C) | | 936.52 | 746.48 |
| Total liabilities (B+C) | | 6,836.98 | 6,033.85 |
| Total equity and liabilities (A+B+C) | | 1,025.21 | 1,035.85 |

The accompanying notes forming part of the 1-13 standalone financial statements

As per our report of even date attached.

For I.M.Puri & Co
Chartered Accountants
Firm Registration Number:-006352N

Prakash Barnwal
(Partner)
Membership No:-512224



For and on behalf of the Board of Directors of
Fortis Emergency Services Ltd

Arnab Acharya
Director
DIN: 08283323

Gaurav Chugh
Director
DIN: 08283311

Place : Gurgaon
Date : 21 May, 2019

Place : Gurgaon
Date : 21 May, 2019

Place : Gurgaon
Date : 21 May, 2019



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FORTIS EMERGENCY SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Notes | Year ended March 31, 2019 (Rupees in Lacs) | Year ended March 31, 2018 (Rupees in Lacs) |
|--|----------|--|--|
| I Revenue from operations | 4(xv) | 169.54 | 204.00 |
| II Other income | 4(xvi) | 13.42 | 6.95 |
| III Total Income (I+II) | | 182.96 | 210.95 |
| IV Expenses | | | |
| Employee benefits expense | 4(xvii) | 122.51 | 159.72 |
| Finance costs | 4(xviii) | 692.73 | 621.07 |
| Depreciation and amortisation expense | 4(xix) | 10.41 | 60.92 |
| Other expenses | 4(xx) | 170.10 | 115.83 |
| Total Expenses IV | | 995.75 | 957.54 |
| V Loss before tax (III-IV) | | (812.79) | (746.59) |
| VI Tax expense | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| Total tax expense | | - | - |
| VII Loss after tax (V-VI) | | (812.79) | (746.59) |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | 4(xxi) | (0.98) | 1.79 |
| B (ii) Income tax relating to items that may be reclassified to profit or loss | | - | - |
| VIII Total other comprehensive income | | (0.98) | 1.79 |
| IX Total comprehensive income for the year (VII+VIII) | | (813.77) | (744.80) |
| Earnings per equity share (for continuing operations): | 11 | | |
| (1) Basic (in Rs.) | | (1,627.54) | (1,489.60) |
| (2) Diluted (in Rs.) | | (1,627.54) | (1,489.60) |
| The accompanying notes forming part of the standalone financial statements | 1-13 | | |

As per our report of even date attached.

For I.M.Puri & Co
Chartered Accountants
Firm Registration Number:-006352N


Prakash Barnwal
(Partner)
Membership No:-512224



For and on behalf of the Board of Directors of
Fortis Emergency Services Ltd


Arnab Acharya
Director
DIN: 08283323


Gaurav Chugh
Director
DIN: 08283311

Place :Gurgaon
Date : 21 May, 2019

Place : Gurgaon
Date : 21 May, 2019

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Date : 21 May, 2019



FORTIS EMERGENCY SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

| | Year ended March 31, 2019 (Rupees in Lacs) | Year ended March 31, 2018 (Rupees in Lacs) |
|---|--|--|
| Cash flows from operating activities | | |
| Loss for the year | (813.77) | (744.80) |
| Adjustments for: | | |
| Finance costs recognised in profit or loss | 692.73 | 621.07 |
| Interest income recognised in profit or loss | (7.11) | (6.93) |
| Gain/ (Loss) on disposal of property, plant and equipment | | 10.16 |
| Depreciation and amortisation of non-current assets (continuing and discontinued operations) | 10.41 | 60.92 |
| | (117.74) | (59.58) |
| Movements in working capital: | | |
| (Increase)/decrease in trade and other receivables | 18.87 | (33.70) |
| (Increase)/decrease in other assets | (4.68) | 3.51 |
| Increase/ (Decrease) in trade payables | 7.82 | (10.54) |
| Increase/ (Decrease) in provisions | 107.17 | 0.03 |
| Increase/ (Decrease) in other liabilities | (4.59) | 7.82 |
| Cash generated from operations | 6.85 | (92.45) |
| Income taxes paid | 6.97 | 14.50 |
| Net cash generated by operating activities | 13.82 | (77.95) |
| Cash flows from investing activities | | |
| Interest received | 7.11 | 6.93 |
| Proceeds from Sale of property, plant and | - | 35.41 |
| Net cash (used in)/generated by investing activities | 7.11 | 42.34 |
| Cash flows from financing activities | | |
| Net cash used in financing activities | - | - |
| Net increase in cash and cash equivalents | 20.93 | (35.62) |
| Cash and cash equivalents at the beginning of the year (refer note 4(vi)) | 2.99 | 38.61 |
| Cash and cash equivalents at the end of the year | 23.92 | 2.99 |

The accompanying notes forming part of the standalone financial statements

1-13

As per our report of even date attached.

For I.M.Puri & Co
Chartered Accountants
Firm Registration Number:-006352N


Prakash Barnwal
 (Partner)
 Membership No:-512224



For and on behalf of the Board of Directors of Fortis Emergency Services Ltd


Arnab Acharya
 Director
 DIN: 08283323


Gaurav Chugh
 Director
 DIN: 08283311

Place :Gurgaon
 Date : 21 May, 2019

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 Date : 21 May, 2019

Place : Gurgaon
 Date : 21 May, 2019





FORTIS EMERGENCY SERVICES LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in Lacs)

| Particular | Equity | Reserve and Surplus | Total |
|--|----------------------|---------------------|-------------------|
| | Equity Share Capital | Retained earnings | |
| Balance at April 1, 2017 | 5.00 | (4,258.20) | (4,253.20) |
| Loss for the year | - | (746.59) | (746.59) |
| Other comprehensive income for the year, net of income tax | - | 1.79 | 1.79 |
| Balance at March 31, 2018 | 5.00 | (5,003.00) | (4,998.00) |
| Loss for the year | - | (812.79) | (812.79) |
| Other comprehensive income for the year, net of income tax | - | (0.98) | (0.98) |
| Balance at March 31, 2019 | 5.00 | (5,816.77) | (5,811.77) |

The accompanying notes forming part of the standalone financial statements

1-13

As per our report of even date attached.

For I.M.Puri & Co
Chartered Accountants
Firm Registration Number:-006352N

Prakash Barnwal
Prakash Barnwal
 (Partner)
 Membership No:-512224



For and on behalf of the Board of Directors of Fortis Emergency Services Ltd

Arnab Acharya
Arnab Acharya
 Director
 DIN: 08283323

Gaurav Chugh
Gaurav Chugh
 Director
 DIN: 08283311

Place :Gurqaon
 Date : 21 May, 2019

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 Date : 21 May, 2019

Place : Gurqaon
 Date : 21 May, 2019

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FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Corporate Information

Fortis Emergency Services Limited (the 'Company') was incorporated on on April 30, 2009 to undertake and to carry on the work of providing emergency ambulances services and medical services, quality improvement in health delivery channels, skills up gradation and adaption of best management practices in delivering emergency medical care, research and development of techniques for administering emergency medical care, adoption of information technology, global positioning system and state of the art life support medical equipment's to provide the best emergency medical services to the public at large. The company is a subsidiary of Fortis Healthcare Holdings Pvt Ltd.

The registered office of the company is located Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025, and the corporate office of the company is located at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41 Gurgaon 122001, Haryana.

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year except for changes in revenue recognition and accounting for foreign currency transactions due to amendment in applicable accounting guidance (also refer to respective policies for these two captions).

(a) Basis of preparation

(i) Statement of compliance

These Standalone Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in thousands of Indian Rupees ('INR') and are rounded to the nearest thousands, except per share data and unless stated otherwise.

The financial statements have been authorized for issue by the Company's Board of Directors on 20 May 2019.

(ii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(c) Critical estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 5
- Financial instruments - Note 8
- Fair value measurement – Note 9
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 7
- Assessment of useful life of property, plant and equipment and intangible asset – 4(i) and note 2(e)
- Valuation of inventories – Note 2(h) and 4(viii)

(d) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(e) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price..

All repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Intangible assets

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
 - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.



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- Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired and implementation of software system are measured initially at cost.
- After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

| Category of assets | Useful life as per Schedule II |
|------------------------|--------------------------------|
| Medical Equipment | 13 years |
| Computers | 3 years |
| Furniture and fixtures | 10 years |
| Office equipment | 5 years |
| Vehicles | 4-8 years |

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

Estimated useful lives of the intangible assets are as follows:

| | |
|-------------------|-----------|
| Computer software | 3-6 years |
|-------------------|-----------|

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date/month of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.



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(iv) Derecognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible 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.

(f) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



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Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.



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Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



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Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Inventories

Inventories are valued at lower of cost or net realizable value except scrap, which is valued at net estimated realizable value.

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

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of change in values.

(j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.



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(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(l) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the consolidated statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as sales tax, excise duty, value added tax and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognized as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without



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assuming the risks and rewards of ownership have been reported on a net basis.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises of revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, clinical research activities, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognized as and when services are performed.

Interest Income

Interest income on financial assets (including deposits with banks) is recognized using the effective interest rate method on a time proportionate basis

(m) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) **Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.

b) **Provident fund**

(i) The Company makes contribution of provident fund with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) The Company's contribution to the provident fund is charged to Statement of Profit and Loss.



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Other long-term employee benefits:

Compensated absences:

As per the Company's policy, eligible leaves can be accumulated by the employees can be utilized within next 12 months. 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 12 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. 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.

Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).



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(n) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(o) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.



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Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

For operations carried out in under tax holiday facilities, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(p) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

The Company accounts for assets taken under lease arrangement in the following manner:

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Assets subject to operating leases are included in Property, Plant and Equipment.

The Company accounts for assets given under lease arrangement in the following manner:



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Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized 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 recognized 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.

(q) Segment reporting

As the Company's business activity primarily falls within a single business of healthcare services and a single geographical segment, there are no additional disclosures to be provided in the Ind AS 108 on 'Operating Segments')

(r) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

Note 3. Applicable standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases (Ind AS 116)

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases (Ind AS 17) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease



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payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of-use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019 using the modified retrospective approach and elected to measure the right-of-use assets at an amount equal to the lease liability as at the date of initial application.

For nature of lease arrangement as lessee refer note 5 of the financial statements. The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.



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Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Company does not currently have joint control of a business that is a joint operation.



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 4(i) : Property, Plant & Equipment

(Rupees in Lacs)

| Particulars | Medical equipments | Furniture & fittings | Computers | Office equipments | Vehicles | Total |
|---|--------------------|----------------------|-------------|-------------------|---------------|---------------|
| Cost or deemed cost | | | | | | |
| Gross Block | | | | | | |
| As at April 1, 2017 | 62.45 | 0.16 | 4.05 | 2.18 | 785.14 | 853.98 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | (732.97) | (732.97) |
| Disposals on sale of subsidiaries | - | - | - | - | - | - |
| As at March 31, 2018 | 62.45 | 0.16 | 4.05 | 2.18 | 52.17 | 121.01 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| As at March 31, 2019 | 62.45 | 0.16 | 4.05 | 2.18 | 52.17 | 121.01 |
| Accumulated Depreciation | | | | | | |
| As at April 1, 2017 | 17.56 | 0.05 | 2.97 | 1.19 | 674.41 | 696.18 |
| Charge for the year | 6.24 | 0.05 | 0.65 | 0.45 | 52.54 | 59.93 |
| Disposals | - | - | - | - | (687.39) | (687.39) |
| As at March 31, 2018 | 23.80 | 0.10 | 3.62 | 1.64 | 39.56 | 68.72 |
| Charge for the year | 5.38 | 0.05 | 0.24 | 0.27 | 3.78 | 9.72 |
| Disposals | - | - | - | - | - | - |
| As at March 31, 2019 | 29.18 | 0.15 | 3.86 | 1.91 | 43.34 | 78.44 |
| Net Block (As at March 31, 2017) | 44.89 | 0.11 | 1.08 | 0.99 | 110.73 | 157.80 |
| Net Block (As at March 31, 2018) | 38.65 | 0.06 | 0.43 | 0.54 | 12.61 | 52.29 |
| Net Block (As at March 31, 2019) | 33.27 | 0.01 | 0.19 | 0.27 | 8.83 | 42.58 |



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 4(ii) : Intangible assets

(Rupees in Lacs)

| Particulars | Software | Total |
|---------------------------------------|-------------|-------------|
| Gross Block | | |
| As at April 1, 2017 | 7.18 | 7.18 |
| Additions | - | - |
| As at March 31,2018 | 7.18 | 7.18 |
| As at March 31,2019 | 7.18 | 7.18 |
| Amortization and impairment | | |
| As at April 1, 2017 | 4.76 | 4.76 |
| Charge for the year | 0.99 | 0.99 |
| As at March 31,2018 | 5.75 | 5.75 |
| Charge for the year | 0.69 | 0.69 |
| As at March 31,2019 | 6.44 | 6.44 |
| Net block | | |
| Net Block(As at March 31,2018) | 1.43 | 1.43 |
| Net Block(As at March 31,2019) | 0.74 | 0.74 |



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars | As at March 31, 2019 (Rupees in Lacs) | As at March 31, 2018 (Rupees in Lacs) |
|--|---|---|
| 4(iii) Other financial assets | | |
| Non current | | |
| Unsecured, considered good | | |
| Security deposits | 0.00 | 1.23 |
| | 0.00 | 1.23 |
| Current | | |
| Unsecured, considered good | | |
| Interest accrued but not due on loans and deposits | 4.64 | 3.72 |
| Full and Final Settlement Employees Recoverable | 3.12 | - |
| Full Final Settlement Retainership Charges Recoverable | 0.97 | - |
| Staff Advance | 0.00 | 4.64 |
| | 8.73 | 8.36 |
| 4(iv) Other assets | | |
| Non-current | | |
| Unsecured | | |
| Capital Advances | 707.37 | 707.37 |
| | 707.37 | 707.37 |
| Current | | |
| Unsecured | | |
| Prepaid Expenses | 0.38 | 0.32 |
| | 0.38 | 0.32 |
| 4(v) Trade Receivables | | |
| current | | |
| (a) Secured, considered good | 105.68 | 124.56 |
| (b) Unsecured, considered good | - | - |
| | 105.68 | 124.56 |
| Expected credit loss(%) | | |
| Age of receivables | | |
| Within the credit period | | |
| 1-30 days past due | 8.25 | 0.67 |
| 31-60 days past due | 34.53 | 2.90 |
| 61-90 days past due | 23.87 | 2.61 |
| More than 90 days past due | 39.03 | 118.38 |
| | 105.68 | 124.56 |
| 4(vi) Cash and cash equivalents | | |
| Balances with Banks | | |
| - on current accounts | 23.61 | 2.88 |
| Cash on hand | 0.31 | 0.11 |
| Cash and cash equivalents as per balance sheet | 23.92 | 2.99 |
| Other bank balances | | |
| Deposits with maturity of more than 12 months | 104.63 | 99.15 |
| | 104.63 | 99.15 |
| 4(vii) Non-Current tax assets and liabilities | | |
| Non Current tax assets | | |
| Advance income tax (net of provision for taxation) | 31.18 | 38.15 |
| | 31.18 | 38.15 |



FORTIS EMERGENCY SERVICES LTD
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars | As at March 31, 2019 (Rupees in Lacs) | As at March 31, 2018 (Rupees in Lacs) |
|---|---|---|
| 4(viii) Share capital | | |
| Authorised Shares | | |
| 50,000 (Previous year 50,000) Equity shares of Rupees 10 each | 5.00 | 5.00 |
| Total authorised share capital | 5.00 | 5.00 |
| Issued, subscribed and fully paid up shares | | |
| 50,000 (Previous year 50,000) Equity shares of Rupees 10 each | 5.00 | 5.00 |
| Total issued, subscribed and fully paid up share capital | 5.00 | 5.00 |

Notes :

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

Equity Shares

| Particulars | March 31, 2019 | | March 31, 2018 | |
|---|----------------|----------------|----------------|----------------|
| | Number | Rupees in Lacs | Number | Rupees in Lacs |
| At the beginning of the year | 50,000 | 5.00 | 50,000 | 5.00 |
| Outstanding at the end of the year | 50,000 | 5.00 | 50,000 | 5.00 |

(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. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. 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) Shares held by the holding/ ultimate holding company and/ or their subsidiaries

Equity Shares

| Name of Shareholder | March 31, 2019 | | March 31, 2018 | |
|----------------------|----------------|----------------|----------------|----------------|
| | Number | Rupees in Lacs | Number | Rupees in Lacs |
| Fortis Hospitals Ltd | 50,000 | 5.00 | 50,000 | 5.00 |

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

Equity Shares

| Name of Shareholder | March 31, 2019 | | March 31, 2018 | |
|----------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Fortis Hospitals Ltd | 50,000 | 100% | 50,000 | 100% |

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.

| 4(ix) Other Equity excluding non controlling interest Surplus in the statement of profit and loss | (Rupees in Lacs) | |
|--|-------------------|-------------------|
| | March 31, 2019 | March 31, 2018 |
| Opening balance | (5,003.00) | (4,258.20) |
| Loss for the year | (813.77) | (744.80) |
| Net Surplus in statement of profit and loss | (5,816.77) | (5,003.00) |



FORTIS EMERGENCY SERVICES LIMITED
NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | As at March 31, 2019 (Rupees in Lacs) | As at March 31, 2018 (Rupees in Lacs) |
|--|---|---|
| 4(x) Non Current Borrowings | | |
| Unsecured - at amortised cost | | |
| Loans from body corporates | 5,893.50 | 5,280.90 |
| | 5,893.50 | 5,280.90 |
| 4(xi) Other current financial liabilities | | |
| Interest accrued but not due on borrowings | 622.77 | 551.34 |
| Capital creditors | 75.00 | 75.00 |
| Other Liabilities | 45.70 | 43.92 |
| | 743.47 | 670.26 |
| 4(xii) Provisions | | |
| Non current | | |
| Provision for gratuity | 6.96 | 5.62 |
| Others | | |
| Provision for restoration and maintenance | - | 0.85 |
| | 6.96 | 6.47 |
| current | | |
| Provision for employees' benefits | | |
| Provision for gratuity | 1.35 | 0.95 |
| Provision for leave encashment | 5.41 | 4.14 |
| Others | | |
| Provision for litigation | 105.01 | - |
| | 111.77 | 5.09 |
| 4(xiii) Trade Payable | | |
| Trade payables | 10.17 | 2.35 |
| | 10.17 | 2.35 |
| 4(xiv) Other current liabilities | | |
| Statutory payable | 71.11 | 68.78 |
| | 71.11 | 68.78 |



FORTIS EMERGENCY SERVICES LIMITED
NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

| Particulars | Year ended March 31, 2019 (Rupees in Lacs) | Year ended March 31, 2018 (Rupees in Lacs) |
|--|--|--|
| 4(xv) Revenue from operations | | |
| (a) Sale of services | | |
| Income from medical services | 169.54 | 204.00 |
| | 169.54 | 204.00 |
| Less: Trade discounts | - | - |
| | 169.54 | 204.00 |
| 4(xvi) Other Income | | |
| Interest on bank deposits | 7.11 | 6.93 |
| Miscellaneous income | 5.45 | 0.02 |
| Interest on Refund | 0.85 | - |
| | 13.42 | 6.95 |
| 4(xvii) Employee benefits expense | | |
| Salaries, wages and bonus | 110.91 | 144.16 |
| Gratuity expense | 1.32 | 1.65 |
| Leave encashment | 1.91 | 2.25 |
| Contribution to provident and other funds | 8.33 | 9.96 |
| Staff welfare expenses | 0.04 | 1.70 |
| | 122.51 | 159.72 |
| 4(xviii) Finance costs | | |
| Interest expense | | |
| -on others | 691.99 | 620.34 |
| -on defined benefit plan | 0.73 | 0.72 |
| Bank charges | 0.01 | 0.01 |
| | 692.73 | 621.07 |
| 4(xix) Depreciation and amortisation expense | | |
| Depreciation of tangible assets | 9.72 | 59.93 |
| Amortisation of intangible assets | 0.69 | 0.99 |
| | 10.41 | 60.92 |
| 4(xx) Other expenses | | |
| Contractual manpower | - | 5.97 |
| Power, fuel and water | 2.26 | 2.55 |
| Housekeeping expenses including consumables | 0.90 | 1.80 |
| Professional charges to doctors | - | 3.76 |
| Cost of medical services | 40.56 | 53.11 |
| Repairs and maintenance - | | |
| - Plant and machinery | 7.14 | 17.17 |
| - Others | - | 0.89 |
| Legal and professional fee (See note 1 below) | 10.81 | 7.33 |
| Travel and conveyance | 0.54 | 0.51 |
| Printing and stationary | 0.01 | 0.14 |
| Communication expenses | 0.53 | 0.65 |
| Insurance | 0.03 | 2.33 |
| Ground rent | - | 7.98 |
| Expenses & Loss on sale of assets | - | 10.16 |
| Auditors' remuneration | 1.42 | 1.42 |
| Provision for contingencies | 105.01 | - |
| Miscellaneous expenses | - | 0.06 |
| Expenses written off & Disallowed | 0.89 | - |
| | 170.10 | 115.83 |
| Note :1 | | |
| Payments to Auditors (Exclusive of indirect tax) | | |
| (a) Statutory audit fee | 1.00 | 1.00 |
| (b) Tax audit fee | 0.20 | 0.20 |
| | 1.20 | 1.20 |
| 4(xxi) Other Comprehensive Income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of the defined benefit plans | (0.98) | 1.79 |
| | (0.98) | 1.79 |



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

5) Related party disclosures

Names of related parties and related party relationship

Names of Related parties (as certified by the management):-

| | | |
|--|---|--|
| Ultimate Holding Company | RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited) | |
| Holding Company | Fortis Healthcare Holdings Private Limited | |
| Fellow Subsidiaries (with whom transactions have been taken place) | 1 | Fortis Healthcare Limited ('FHL') |
| | 2 | Fortis Hospitals Limited('FHSL') |
| | 3 | Escorts Heart Institute And Research Centre Limited ('EHIRCL') |
| | 4 | Fortis C-Doc Healthcare Limited ('C-DOC') |
| | 5 | Fortis Health Management (East) Limited ('FHM(E)L') |
| | 6 | Fortis Malar Hospitals Limited ('FMHL') |
| | 7 | Fortis Health Staff Limited ('FHSL') |

The disclosures in respect of Related Party Transactions are as under:

| Transactions details | For the Year ended March 31, 2019(Rupees in Lacs) | For the Year ended March 31, 2018(Rupees in Lacs) |
|---|---|---|
| Transactions during the year | | |
| Interest expense on loan taken from | | |
| RHC Holding Private Limited (ultimate holding company) | - | 7.73 |
| Fortis Hospitals Limited (fellow subsidiary) | 691.99 | 612.60 |
| Loans taken during the year | | |
| Fortis Hospitals Limited (fellow subsidiary) | 612.60 | 731.83 |
| Income of Medical Services | | |
| Escorts Heart Institute & Research Centre Limited (fellow subsidiary) | 28.20 | 38.71 |
| Fortis Hospitals Ltd (fellow subsidiary) | 43.99 | 66.75 |
| Fortis Healthcare Ltd (fellow subsidiary) | 43.85 | 35.30 |
| Fortis C-Doc Healthcare Ltd (fellow subsidiary) | 0.06 | 0.09 |
| Reimbursement of Expenses | | |
| Escorts Heart Institute & Research Centre Ltd (fellow Subsidiary) | 2.07 | 4.54 |

| Balance outstanding at the year end | As at March 31, 2019 (Rupees in Lacs) | As at March 31, 2018 (Rupees in lacs) |
|---|---------------------------------------|---------------------------------------|
| Borrowings | | |
| Fortis Hospitals Limited (fellow subsidiary) | 5893.50 | 5280.90 |
| Interest accrued but not due on borrowings | | |
| Fortis Hospitals Limited (fellow subsidiary) | 622.77 | 551.34 |
| Sundry Debtors | | |
| Escorts Heart Institute & Research Centre Ltd (fellow subsidiary) | 51.26 | 65.87 |
| Fortis Hospitals Ltd (fellow subsidiary) | 18.87 | 33.46 |
| Fortis Healthcare Ltd (fellow subsidiary) | 31.37 | 23.55 |
| Fortis C-Doc Healthcare Ltd (fellow subsidiary) | - | 1.03 |



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

| | | |
|---|------|------|
| Fortis Health Management (East) Limited (fellow subsidiary) | 0.15 | 0.15 |
|---|------|------|

All the above related party transaction mentioned above is at arm's length.

Notes:

The loans availed by above companies against guarantee given have been used by the respective companies for acquiring fixed assets and meeting working capital requirements.

The above outstanding are unsecured and will be settled in cash. No expenses has been recognized in the current or prior years for bad or doubtful debt in respect of the amounts owned by related party

6) Long term borrowings

(i) Unsecured Loans

| Particulars | Note | As at | As at |
|---------------------------------|------|-------------|-------------|
| | | 31-March-19 | 31-Mar-18 |
| | | Non-Current | Non-Current |
| Term loan from a body corporate | (a) | 5893.50 | 5280.90 |

(a) The loan has been taken from Body corporates and Inter-company carrying interest rate from 11.75 % to 14.50%.

7) Employee Benefits Plan:

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 recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

| Particulars | (Rupees in lacs) | |
|---|--------------------------------|--------------------------------|
| | Gratuity (Unfunded) 2018-19 | Gratuity (Unfunded) 2017-18 |
| Net employee benefit expenses (recognized in Personnel Expenses) | | |
| Opening defined benefit obligation | 6.57 | 6.47 |
| Current Service Cost | 1.32 | 1.65 |
| Interest Cost on benefit obligation | 0.45 | 0.46 |
| Plan Amendments Cost/(Credit) | | - |
| Benefits Paid | (1.01) | (0.22) |
| Actuarial loss / (gain) recognized in the year | 0.98 | (1.79) |
| Closing defined benefit obligation | 8.31 | 6.57 |
| Discount rate | 7.50% | 7.50% |
| Expected rate of return on plan assets | N/A | N/A |
| Expected rate of salary increase | 5% | 5% |
| Mortality table referred | IALM 2006-08 Ultimate | IALM 2006-08 Ultimate |
| Withdrawal Rate / Employee Turnover Rate | - | - |



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

| | | |
|----------------------|--------|--------|
| Age from 20-30 years | 12.50% | 12.50% |
| Age from 31-44 years | 15.00% | 15.00% |
| Age from 45-58 years | 15.00% | 15.00% |

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.

8) Financial Instruments

i) Capital Management

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

ii) Categories of financial instruments

(Rupees in lacs)

| Financial assets | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Measured at amortized cost | | |
| (a) Cash in hand | 0.31 | 0.11 |
| (b) Balances with Banks | 128.24 | 102.03 |
| (c) Trade Receivables (current) | 105.68 | 124.56 |
| (d) Other Financial assets (Non current and current) | 8.73 | 9.59 |
| Total | 242.96 | 236.29 |

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the company's maximum exposure to credit risk for such financial assets.

(Rupees in lacs)

| Financial liabilities | As at March 31, 2019 | As at March 31, 2018 |
|-----------------------------------|-------------------------|-------------------------|
| Measured at amortized cost | | |
| (a) Borrowings | 5893.50 | 5,280.90 |
| (b) Trade payables | 10.17 | 2.35 |
| (c) Other financial liabilities | 743.47 | 670.26 |

iii) Financial risk management objectives

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

The Audit & Risk Committee manages the financial risk of the company through internal risk reports which analyses exposure by magnitude of risk.



a) Interest rate risk management

The company is not exposed to interest rate risk because company borrow funds at fixed interest rates.

b) Credit risk management

Credit risk refers to the risk that a counterparty 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 ECRM.

c) 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.

(Rupees in lacs)

| Particulars | Weighted average effective interest rate (%) | Within 1 year | More than 1 year | Total | Carrying amount |
|-----------------------------|--|---------------|------------------|----------------|-----------------|
| As at March 31, 2019 | | | 5893.50 | 5893.50 | 5893.50 |
| Borrowings | | | | | |
| Trade payables | | 2.88 | 7.29 | 10.17 | 10.17 |
| Capital creditors | | | 75.00 | 75.00 | 75.00 |
| Other financial liabilities | | 668.47 | - | 668.47 | 668.47 |
| Total | | 671.35 | 5975.79 | 6647.14 | 6647.14 |

(Rupees in lacs)

| Particulars | Weighted average effective interest rate (%) | Within 1 year | More than 1 year | Total | Carrying amount |
|-----------------------------|--|---------------|------------------|----------------|-----------------|
| As at March 31, 2018 | | | | | |
| Borrowings | | - | 5280.80 | 5280.90 | 5280.90 |
| Trade payables | | 2.35 | - | 2.35 | 2.35 |
| Capital Creditors | | - | 75.00 | 75.00 | 75.00 |
| Other financial liabilities | | 595.26 | - | 595.26 | 595.26 |
| Total | | 597.61 | 5355.80 | 5953.51 | 5953.51 |



FORTIS EMERGENCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

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.

(Rupees in lacs)

| Particulars | Weighted average effective interest rate (%) | Within 1 year | More than 1 year | Total | Carrying amount |
|-----------------------------|--|---------------|------------------|---------------|-----------------|
| As at March 31, 2019 | | | | | |
| Trade receivables | | 18.88 | 86.80 | 105.68 | 105.68 |
| Cash and cash equivalents | | 0.31 | - | 0.31 | 0.31 |
| Bank balances | | 128.24 | - | 128.24 | 128.24 |
| Other Financial assets | | 8.73 | - | 8.73 | 8.73 |
| Total | | 156.16 | 86.80 | 242.96 | 242.96 |

| Particulars | Weighted average effective interest rate (%) | Within 1 year | More than 1 year | Total | Carrying amount |
|-----------------------------|--|---------------|------------------|---------------|-----------------|
| As at March 31, 2018 | | | | | |
| Trade receivables | | 33.69 | 90.87 | 124.56 | 124.56 |
| Cash and cash equivalents | | 0.11 | - | 0.11 | 0.11 |
| Bank balances | | 102.03 | - | 102.03 | 102.03 |
| Other Financial assets | | 9.91 | - | 9.59 | 9.59 |
| Total | | 145.74 | 90.87 | 236.29 | 236.29 |

9) Fair value measurement

- i) There is no financial assets and financial liabilities that are measured at fair value on a recurring basis
- ii) There is no financial assets and financial liabilities that are measured at fair value on a non-recurring basis

10) Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

During the period ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

11) Earning per share(EPS)

| Particulas | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-------------------------|-------------------------|
| Loss as per ststatement of profit and loss (Rupees in Lacs) | (813.77) | (744.80) |
| Weighted average number of equity shares in calculating Basic EPS and DPS (Numbers) | 50,000 | 50,000 |
| Basic and Diluted EPS | (1627.54) | (1489.60) |



12) Matters related to litigations and claims :

The Company had procured 76 Ambulances under the PPP agreement on behalf of The Principal Secretary, Department of Health and Family Welfare, Govt. Of Delhi. After inspection of the ambulances, the Govt. Of Delhi raised the issues relating to the quality of the ambulances and refused to accept the ambulances. The matter went into Mediation process and the matter was unresolved in mediation. With the mutual consent of the company and the Govt. Of Delhi, an application was made to Hon'ble Delhi High Court for the nomination of the Arbitrator in the case. The application is still pending with the Hon'ble Delhi Court. Further, the Management is hopeful of recovering the amount incurred on behalf of the Delhi Government, therefore, no provision has been made so far. Apart from the above a provision of Rs 105.00Lacs has been created towards the below mention cases.

| BRIEF PARTICULARS OF CASE | Amount (Rupees in Lacs) |
|---|----------------------------|
| Perfect Mechanical Industries, Faridabad has also filed a claim application with the Micro and Small Enterprises Facilitation Council of Haryana claiming a sum of Rs. 28.00Lacs along with interest. The Council has referred the matter for arbitration before Ld. Arbitrator Mr. O P Gupta. | 28.00 |
| Fortis Emergency Services Limited (FESL) vide purchase cum work order dated November 20, 2009 (PO) placed an order on Bafna Healthcare Private Limited (Bafna) for fabrication of 37 vehicles and purchase of medical equipments for 74 Ambulances. In the terms of the PO Bafna was suppose to deliver the 37 fabricated vehicles from December 23, 2009 till January 05, 2010. Further it was also stated in the PO that in the event of delay, Rs. 0.05Lacs per day per vehicle shall be charged as penalty towards late delivery. Against the PO FESL has advanced sum of Rs 46.98Lacs on 16.12.2009 and Rs.20.37Lacs on 19.12.2009 to Bafna. The fabricated ambulances were delivered by Bafna beyond the agreed time lines (18.01.2010 till March 31, 2010) and medical equipments were delivered from January 01, 2010 till March 31, 2010. Bafna through their legal counsel sent a legal notice dated September 10, 2010 for recovery of Rs.127.27Lacs. Bafna has alleged that FESL only delivered 18 ambulances instead of 37 ambulances as provided in the Purchase order. It is further alleged that FESL entered into criminal conspiracy with the business rival of Bafna and blocked the material purchased by Bafna by not providing other 19 ambulances. FESL through their legal counsel replied to the abovesaid notice and denied all the allegations. FESL further stated that FESL obligation to pay Bafna the balance amount arises only after approval of fabricated vehicle by Principal Secretary Department of Health and Family Welfare. FESL further stated that the approval is still pending with the Department. Also FESL has also made payment Rs. 18.34Lacs to Assistant Commissioner, Central Excise which is suppose to be made by Bafna. The matter has been decided against Fortis by the Council. Fortis filed appeal before District Court Chandigarh whihc was also decided against Fortis. Now Fortis has filed an an appeal before Chandigarh High Court. | 77.00 |

13) The previous year's figures has been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date attached.

For I.M.Puri & Co
Chartered Accountants
Firm Registration Number:-006352N


Prakash Barnwal
 (Partner)
 Membership No:-512224



For and on behalf of the Board of Directors of Fortis Emergency Services Ltd


Arnab Acharya
 Director
 DIN: 08283323


Gaurav Chugh
 Director
 DIN: 08283311

Place :Gurgaon
 Date : 21 May, 2019

Place : Gurgaon
 Date : 21 May, 2019

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