

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FORTIS HEALTHSTAFF LIMITED

Report on the audit of the Ind AS Financial Statements

**Opinion**

We have audited the accompanying Ind AS financial statements of M/s Fortis HealthStaff Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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

**Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Relating to Going Concern**

We draw attention to Note 21 in the financial statements, which indicates that the Company incurred a net loss of Rs. 17,67,906 during the year ended March 31 2019 and, as of that date, the Company's current liabilities exceed its current assets by Rs. 31,92,830. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	Auditor's Response
<p><b>Recoverability of Tax</b></p> <p>As at March 31, 2019, Advance income tax amounting to Rs 21,17,662 which are pending for refund and Mat credit entitlement Rs 8,11,549.</p> <p>Refer Note 4 to the IND AS Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures, included:</p> <ul style="list-style-type: none"> <li>— Analysing the internal procedures and processes and checking the operating effectiveness of the controls over the measurement of advance income tax and MAT credit entitlement;</li> <li>— Analysing documents and discussing the method used to calculate the taxes with the relevant internal departments, including in the light of the progress of the existing dispute compared to the previous year;</li> <li>— We examined the tax calculation for the financial year 2019 to verify the proper recognition.</li> <li>— Assessing the appropriateness of the disclosures provided in the notes.</li> </ul>
<p><b>Recoverability of Trade Receivables</b></p> <p>Refer Note 5 to the IND AS Financial Statements.</p> <p>As on 31<sup>st</sup> March 2019 the trade receivable balance net of provision was Rs. 2,30,94,611 (P/Y 2017-18 Rs 1,29,93,185).</p> <p>The recoverability of trade receivables and the level of provisions for bad debts are considered to be a key risk due to the significance of these balances to the financial statements, and the judgements required in making appropriate provisions.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> <li>— Tested the accuracy of aging of trade receivables at the year end.</li> <li>— Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management</li> <li>— Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and</li> <li>— Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, if any.</li> </ul> <p>We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p>





## Other information

The Company's Board of Director is responsible for the other information. The other information comprises the Directors' Report, but does not include the Ind AS financial statements and our auditor's report thereon.

The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## Responsibilities of management and those charged with governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the company's financial reporting process.



## Auditor's responsibilities for the audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in equity and the statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31st March, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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. As the Company has not paid any managerial remuneration, accordingly the provisions of section 197 read with schedule V of the act are not applicable to the company.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position;
    - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;



- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*Bhavna*

**BHAVNA GARG**

Membership No. 524347

Partner

For and on Behalf of

**D B M S & ASSOCIATES**

Chartered Accountants

FRN – 026573N



New Delhi; *22<sup>th</sup> May 2019*



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2019, we report that:

1. (a) As the Company has maintained proper records showing full particulars, including quantitative detail and situation of fixed asset.  
  
(b) The fixed asset have been physically verified by the management during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed asset is reasonable having regard to the size of the company and the nature of its asset.  
  
(c) The company does not hold any immovable property (in the nature of 'Property, plant and equipment). Accordingly, the provisions of clause (i) of paragraph 3 of the Order are not applicable to the Company.
2. As the Company does not have any inventory, accordingly clause (ii) of paragraph 3 of the Order is not applicable to the Company.
3. According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of Companies Act. Accordingly the clause (iii) of paragraph 3 of the Order is not applicable to the Company.
4. The Company has not given any loans, investments, and security, accordingly the clause (iv) of Paragraph 3 of the Order is not applicable to the company.
5. The Company has not accepted any deposit during the year, therefore the provisions of the clause (v) of Paragraph 3 of the Order are not applicable to the Company.
6. According to the information and explanation given to us, we are informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013 therefore the provisions of the clause (vi) of Paragraph 3 of the Order are not applicable to the Company.
7. According to the information and explanation given to us, in respect of statutory dues:
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues as applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to it were outstanding, as at 31st March 2019 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax and Goods and Services Tax as on 31st March 2019 which have not been deposited on account of disputes.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, clause (viii) of the paragraph 3 of the Order is not applicable.
  9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of the paragraph 3 of the Order is not applicable.
  10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  11. According to the information and explanation given by the management, the provision of section 197 read with schedule V of the Act are not applicable to the company and hence reporting under clause (xi) of the paragraph 3 of the order are not applicable to the company and hence not commented upon.
  12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company
  13. According to the information and explanation given to us, all transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Ind AS Financial Statement etc., as required by the applicable accounting standards.
  14. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
  15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
  16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934

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



New Delhi; 22<sup>nd</sup> May 2019



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

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

We have audited the internal financial controls over financial reporting of M/s Fortis HealthStaff Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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



## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

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

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



New Delhi; 22<sup>nd</sup> May 2019



Fortis HealthStaff Limited  
Balance Sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019 (Amount in ₹)	As at March 31, 2018 (Amount in ₹)
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	568,840	1,173,139
(b) Other non-current assets	4	2,561,247	2,929,211
<b>Total non-current assets</b>		<b>3,130,087</b>	<b>4,102,350</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	5	23,094,611	12,993,185
(ii) Cash and cash equivalents	6	72,168	931,500
(b) Current Tax Assets (net)	7	367,964	-
(c) Other current assets	8	25,756	-
<b>Total current assets</b>		<b>23,560,499</b>	<b>13,924,685</b>
<b>Total assets</b>		<b>26,690,586</b>	<b>18,027,035</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9	49,000,000	49,000,000
(b) Other equity		(134,077,400)	(132,309,494)
<b>Total equity</b>		<b>(85,077,400)</b>	<b>(83,309,494)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	85,014,657	79,450,000
<b>Total non-current liabilities</b>		<b>85,014,657</b>	<b>79,450,000</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises; and			
b) total outstanding dues of creditors other than micro enterprises and small enterprises."	11	16,909,236	15,686,938
(ii) Other Financial Liabilities	12	8,799,018	5,564,657
(b) Other current liabilities	13	1,045,075	634,934
<b>Total current liabilities</b>		<b>26,753,329</b>	<b>21,886,529</b>
<b>Total equity and liabilities</b>		<b>26,690,586</b>	<b>18,027,035</b>

Significant accounting policies and notes accompanying to the IND AS financial statements. 1 to 29

As per our report of even date

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



New Delhi; 22<sup>nd</sup> May 2019

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

*[Signature]*  
Director  
Din  
Date  
Place

*[Signature]*  
Director  
Din  
Date  
Place

*[Signature]*  
*[Signature]*

	Notes	Year ended March 31, 2019 (Amount in ₹)	Year ended March 31, 2018 (Amount in ₹)
Revenue from operations	14	10,101,427	12,924,416
Other income	15	25,756	-
<b>Total income</b>		<b>10,127,183</b>	<b>12,924,416</b>
<b>Expenses</b>			
(i) Cost of medical service	16	648,339	915,935
(ii) Finance costs	17	9,776,687	6,183,070
(iii) Depreciation	3	604,299	587,213
(iv) Other expenses	18	865,764	726,089
<b>Total expenses</b>		<b>11,895,089</b>	<b>8,412,307</b>
<b>Profit before tax</b>		<b>(1,767,906)</b>	<b>4,512,109</b>
<b>Tax expense</b>			
Current tax		-	221,976
Tax receivable (net of MAT credit entitlement) for earlier years not recoverable		-	196,952
		-	<b>418,928</b>
<b>Profit for the year</b>		<b>(1,767,906)</b>	<b>4,093,181</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(1,767,906)</b>	<b>4,093,181</b>
<b>Earnings per equity share (EPS)</b>			
Basic EPS	19	(0.4)	0.8
Diluted EPS	19	(0.4)	0.8


Significant accounting policies and notes accompanying to the IND AS financial statements. 1 to 29  
As per our report of even date

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



New Delhi; 22<sup>th</sup> May 2019

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



Director  
Din  
Date  
Place



Director  
Din  
Date  
Place



Fortis HealthStaff Limited  
Statement of cash flow for the year ended March 31, 2019

Particulars	(Amount in ₹) For Year ended March 31, 2019	(Amount in ₹) For Year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Net profit/(loss) before tax and exceptional items	(1,767,906)	4,512,109
Adjustments for:	-	-
Depreciation expense	604,299	587,213
Interest expense	9,776,687	6,182,952
Interest on income tax refund	(25,756)	
<b>Operating profit before working capital changes</b>	<b>8,587,324</b>	<b>11,282,274</b>
Movements in working capital :		
Decrease in trade receivables	(10,101,426)	(7,885,765)
Decrease/(increase) in loans and advances	-	500,000
(Decrease)/increase in trade payables and other liabilities	654,770	(2,972,608)
<b>Cash (used in)/generated from operations</b>	<b>(859,332)</b>	<b>923,902</b>
Income tax refund /(paid)	-	(352,402)
<b>Net cash generated (used in)/from operating activities (A)</b>	<b>(859,332)</b>	<b>571,500</b>
<b>B. Cash flow from investing activities</b>		
<b>Net cash generated from investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from short-term borrowings	79,450,000	79,450,000
Repayment of short-term borrowings	(79,450,000)	(79,450,000)
<b>Net cash used in financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents (A + B+C)</b>	<b>(859,332)</b>	<b>571,500</b>
Total cash and cash equivalents at the beginning of the year	931,500	360,000
<b>Cash and cash equivalents at the end of the year (refer note 6)</b>	<b>72,168</b>	<b>931,500</b>
<b>Components of cash and cash equivalents:</b>		
Balances with banks on current and cash credit accounts	72,168	931,500
<b>Total</b>	<b>72,168</b>	<b>931,500</b>

Significant accounting policies and notes accompanying (1 to 29) to the IND AS financial statements.

As per our report of even date

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



New Delhi; 22<sup>nd</sup> May 2019

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

*Hardhay*  
Director  
Din  
Date  
Place

*Yannikapala*  
Director  
Din  
Date  
Place

*G. Jay*



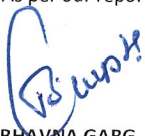
Fortis HealthStaff Limited  
Statement of changes in equity for the year ended March 31, 2019

(Amount in ₹)

Particulars	Equity share capital	Other equity	Total equity attributable to equity holder of the Company
	Equity	Retained earnings	
Balance as at April 1, 2017	49,000,000	(136,402,675)	(87,402,675)
Changes in equity for the year ended March 31, 2017			
Profit for the year	-	4,093,181	4,093,181
Other comprehensive income for the year, net of income tax	-	-	-
Balance as at March 31, 2018	49,000,000	(132,309,494)	(83,309,494)
Changes in equity for the year ended March 31, 2018			
Profit for the year	-	(1,767,906)	(1,767,906)
Other comprehensive income for the year, net of income tax	-	-	-
Balance as at March 31, 2019	49,000,000	(134,077,400)	(85,077,400)

The accompanying notes (1 to 29) are an integral part of the financial statements.

As per our report of even date

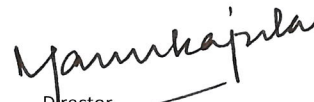
  
BHAVNA GARG  
Membership No. 524347  
Partner  
For and on behalf of  
D B M S & ASSOCIATES  
Chartered Accountants  
FRN-026573N



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



Director  
Din  
Date  
Place



Director  
Din  
Date  
Place

New Delhi, 22<sup>nd</sup> May 2019





## Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

### 1. Corporate information

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

### 2. Basis of accounting and preparation of financial statements

#### a) Statement of compliance

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

The financial statements have been prepared on a historical cost basis, and the financial statements are presented in Indian Rupees ('INR').

#### b) Revenue recognition

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

##### i) Income from medical services at satellite centres and inpatient services

Revenue is recognised as and when the services are rendered, net of discount and allowances.

##### ii) Interest income

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### c) Income taxes

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

1. Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.
2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

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

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



## Fortis HealthStaff Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

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

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

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

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

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

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

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

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





## Fortis HealthStaff Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

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

Property, plant and equipment	Useful Lives
Vehicle	8 Years

#### e) Impairment of assets

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

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

#### f) Provisions and contingent liabilities

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

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

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

#### g) Earnings per share

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

#### h) Cash and cash equivalents

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

#### i) Operating cycle

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



## Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

### j) Use of estimates

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

### k) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### l) Financial instrument

#### Initial recognition

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



## Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

### Subsequent measurement

#### Non-derivative financial instruments

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

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

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

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

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

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

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

##### (iv) Financial liabilities

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

#### m) Equity instruments

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

#### n) Derecognition of financial liabilities

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





## 3 Property, plant and equipment

Particulars	(Amount in ₹)	
	Vehicles	Total
<b>Gross block</b>		
As at April 01, 2017	4,550,719	4,550,719
Additions/deletions	-	-
As at March 31, 2018	4,550,719	4,550,719
Additions/deletions	-	-
As at March 31, 2019	4,550,719	4,550,719
<b>Accumulated depreciation</b>		
As at March 31, 2017	2,790,367	2,790,367
Charge for the year	587,213	587,213
As at March 31, 2018	3,377,580	3,377,580
Charge for the year	604,299	604,299
As at March 31, 2019	3,981,879	3,981,879
<b>Net block (As at March 31, 2018)</b>	<b>1,173,139</b>	<b>1,173,139</b>
<b>Net block (As at March 31, 2019)</b>	<b>568,840</b>	<b>568,840</b>



Fortis HealthStaff Limited

Notes forming part of the financial statements for the year ended March 31, 2019

Particulars	As at March 31, 2019 (Amount in ₹)	As at March 31, 2018 (Amount in ₹)
<b>4. Other non-current assets</b>		
(a) Advance income tax (net of provision for taxation)	1,749,698	2,117,662
(b) Mat credit entitlement	811,549	811,549
<b>Total</b>	<b>2,561,247</b>	<b>2,929,211</b>
<b>5 Trade receivables</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good		
- Due less than 6 months	4,347,064	
- Due more than 6 months	18,747,547	8,895,476
Unsecured, considered doubtful	15,630,584	15,630,584
Less : Provision for doubtful debts	(15,630,584)	(15,630,584)
	<b>23,094,611</b>	<b>8,895,476</b>
Others	-	4,097,709
<b>Total</b>	<b>23,094,611</b>	<b>12,993,185</b>
<b>6 Cash and cash equivalents</b>		
(a) Balances with banks		
- In current accounts	72,168	931,500
<b>Total</b>	<b>72,168</b>	<b>931,500</b>
<b>7 Current Tax Assets (net)</b>		
TDS Receivable for A/Y 2017-2018	367,964	-
<b>Total</b>	<b>367,964</b>	<b>-</b>
<b>8 Other Current assets</b>		
Interest Receivable on Income Tax Refund	25,756	-
<b>Total</b>	<b>25,756</b>	<b>-</b>



Fortis HealthStaff Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Particulars	As at	
	March 31, 2019	March 31, 2018
	(Amount in ₹)	(Amount in ₹)
<b>9 (a) Equity share capital</b>		
<b>Authorised Share Capital:</b>		
4,900,000 (previous year 4,900,000) equity shares of ₹ 10 each	49,000,000	49,000,000
100,000 (previous year 100,000) 10% non-cumulative redeemable preference shares of Rs 10 each	1,000,000	1,000,000
<b>Total authorised share capital</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and fully paid up shares</b>		
4,900,000 (previous year 4,900,000) equity shares of ₹ 10 each fully paid up	49,000,000	49,000,000
<b>Total issued, subscribed and fully paid up share capital</b>	<b>49,000,000</b>	<b>49,000,000</b>

**Notes :**

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

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

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

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

**Equity Shares**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	(Amount in ₹)	Number	(Amount in ₹)
At the beginning of the year	4,900,000	49,000,000	4,900,000	49,000,000
<b>Outstanding at the end of the year</b>	<b>4,900,000</b>	<b>49,000,000</b>	<b>4,900,000</b>	<b>49,000,000</b>

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

**Equity Shares**

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Escorts Heart Institute & Research Centre Limited*	4,900,000	100%	4,900,000	100%
Total	4,900,000	100%	4,900,000	100%

\*including 600 equity shares held by its nominees

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

- (e) The Company has not issued bonus shares, equity shares issued for considerations other than cash and also no shares have been bought back during the period of five years immediately preceding March 31, 2019.





Particulars	As at	As at
	March 31, 2019 (Amount in ₹)	March 31, 2018 (Amount in ₹)
<b>10 Borrowings</b>		
<b>Unsecured</b>		
(a) From holding company*	85,014,657	79,450,000
<b>Total</b>	<b>85,014,657</b>	<b>79,450,000</b>

\* The Company has obtained Inter Corporate deposits (ICD) from Escorts Heart Institute & Research Centre Ltd (Holding Company) Rs 79,450,000 (rate of interest 11.50%). The original date of maturity of ICD was 31st March 2019 and the company has obtained addendum to MOU with Holding Company in which loan amounting Rs 7,94,50,000 shall be repaid by 31st March 2022 with the same terms & conditions as mentioned in MOU. Further, during the year, loan amount also includes the interest accrued and due on borrowings amounting Rs 55,64,657/-.

**11 Trade payables**

a) total outstanding dues of micro enterprises and small enterprises; and	-	-
b) total outstanding dues of creditors other than micro enterprises and small		
-Related Party	16,083,389	15,584,338
-Others	825,847	102,600
<b>Total</b>	<b>16,909,236</b>	<b>15,686,938</b>

(a) Based on the information available with the Company and confirmations sent to all suppliers, there are no dues outstanding in respect of Micro, Small and Medium enterprises at the balance sheet date. No amounts were payable to such enterprises which were outstanding for more than 45 days. Further, no interest during the year has been paid or payable in respect thereof. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company and confirmation received. This has been relied upon by the auditors.

**12 Other Financial liabilities**

Interest Accrued but not due on borrowings (Net of TDS)	8,799,018	5,564,657
<b>Total</b>	<b>8,799,018</b>	<b>5,564,657</b>

**13 Other current liabilities**

Statutory dues payable	1,045,075	634,934
<b>Total</b>	<b>1,045,075</b>	<b>634,934</b>



Particulars	Year ended March 31, 2019 (Amount in ₹)	Year ended March 31, 2018 (Amount in ₹)
<b>14 Revenue from operations</b>		
Sale of services		
Income from satellite centers	9,671,499	12,254,622
Income from medical services	429,928	669,794
<b>Total</b>	<b>10,101,427</b>	<b>12,924,416</b>
<b>15 Other income</b>		
Interest on Income Tax Refund	25,756	-
<b>Total</b>	<b>25,756</b>	<b>-</b>
<b>16 Cost of medical services</b>		
Cost of medical services	648,339	915,935
<b>Total</b>	<b>648,339</b>	<b>915,935</b>
<b>17 Finance costs</b>		
Interest on loan	9,776,687	6,182,952
Bank charges	-	118
<b>Total</b>	<b>9,776,687</b>	<b>6,183,070</b>
<b>18 Other expenses</b>		
Insurance	-	5,964
Rates and taxes	1,800	-
Legal and professional fee	804,632	121,306
Communication expenses	-	4,400
Travel and conveyance	-	18,000
Business support service	-	456,500
Prior Period Tax audit Fee	-	92,040
Bank Balance written off	59,332	-
Miscellaneous Expenses	-	27,879
<b>Total</b>	<b>865,764</b>	<b>726,089</b>
<b>Payment to auditor (included in Legal and professional fee)</b>		
<b>As auditor</b>		
Audit Fee	70,800	60,000
Tax Audit Fee	41,300	35,000
<b>Total</b>	<b>112,100</b>	<b>95,000</b>
<b>19 Earning per share</b>		
Profit / (loss) after tax (A) (₹)	(1,767,906)	4,093,181
Weighted average number of equity shares (basic/diluted) (B)	4,900,000	4,900,000
Nominal value of equity share (₹)	10	10
Earnings per share (A/B) (₹)	(0.4)	0.8



**Fortis HealthStaff Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019**

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

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

**(a) Ultimate Holding Company**

1. IHH Healthcare Berhad (Ultimate Holding Company) (w.e.f November 13, 2018).
2. RHC Holding Private Limited (Holding company of Fortis Healthcare Holdings Private Limited) (Up to February 16, 2018).

**(b) Intermediate Holding Company**

1. Integrated Healthcare Holdings Limited (Intermediate Holding Company) (w.e.f November 13, 2018).
2. Parkway Pantai Limited (Intermediate Holding Company) (w.e.f November 13, 2018).
3. Northern TK Venture Pte Ltd (Intermediate Holding Company) (w.e.f November 13, 2018).
4. Fortis Healthcare Holdings Private Limited (Holding company of Fortis Healthcare Limited) (Up to February 16, 2018).
5. Fortis Healthcare Limited ('FHL').

**(c) Holding Company**

1. Escorts Heart Institute & Research Centre Limited.

**NOTE**

- 1) Fortis Healthcare Holdings Private Limited ('FHHPL') ceased to be the parent company of the Fortis Healthcare Limited (Holding Company) w.e.f. May 10, 2017 since its shareholding was reduced to 34.33%. However, Mr Malvinder Mohan Singh, Executive Chairman of the Holding Company till his resignation on February 8, 2018 (accepted by the Board of Holding Company in its meeting held on February 13, 2018 w.e.f. February 8, 2018) directly/indirectly controlled one half of the shareholding of FHHPL. Therefore by virtue of Ind AS-110 – Consolidated Financial Statements, FHHPL continued to be the parent company of the Holding Company till the resignation of Mr. Malvinder Mohan Singh. Subsequent to the resignation of Mr. Malvinder Mohan Singh, by virtue of its shareholding being more than 20%, FHHPL still continued to exercise significant influence over the holding company till 16th February 2018 when consequent to the order of Hon'ble Supreme Court of India, the shares pledged by FHHPL were revoked by its lenders and the shareholding of FHHPL reduced to 0.66%.
- 2) On November 13, 2019, IHH Healthcare Berhad, Malaysia acquired 31.10% stake in the Company, thereby becoming the controlling shareholder of the Company.
- 3) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 are as identified by the Management. In this regard, in the absence of





Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties have been identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Company and, hence, not known to the Management.

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

(Amount in ₹)

Name of Related Party	Nature of Relationship	Particulars	For the year ended		
			March 31, 2019	March31,2018	
Escorts Institute Research Limited	Heart and Centre	Holding company	<i>Transactions during the year</i>		
			Cost of medical services	5,89,287	9,15,935
			Business support charges	Nil	456,500
			Expenses incurred on behalf of company	7,09,763	2,69,589
			Interest on Loan	9,776,687	6,182,952
			Loan taken during the year	Nil	79,450,000
			<i>Outstanding balances</i>		
Trade payables	16,083,389	15,584,338			
		Loan Payable	85,014,657	79,450,000	
		Interest Payable(net of TDS)	8,799,018	5,564,657	
RHC Private Limited	Holding company	Holding company	<i>Transactions during the year</i>		
			Loan Repaid during the year	Nil	79,450,000

21. For the year ended March 31, 2019, the financial statement reflects a loss of Rupees 17,67,906 and excess of current liability over current assets of Rupees 31,92,830. The Company's ability to operate as a going concern is dependent on its ability to obtain working capital financing and support from the Intermediate Holding Company (Fortis Healthcare Limited).

However, the Company's operations during the year continued to generate positive cash flows and the Management believes that the events stated above do not impact the Company's ability to continue as a going concern due to the following:

- i. Continued support from the Holding Company for a minimum of 12 months from the date of signing off of these financial statements;



## Fortis HealthStaff Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

- ii. Capital infusion was done into the Group of INR 4,000 crores by Northern TK Venture Pte Ltd, Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue") which was used for acquisition of the entire Indian assets portfolio of RHT Health Trust (RHT)
- iii. The consummation of the transaction relating to consolidation of the entire Indian assets portfolio of RHT was completed in January 2019 which is funded through equity and debt. This has resulted in synergies and saving of cash flows which was earlier moving outside the Group.

Accordingly, the Company's financial statements have been prepared on a going concern basis.

22. In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in balance sheet and provisions for all known liabilities have been made.
23. The Company is engaged in the business of providing healthcare solutions, which as per Indian Accounting Standard (Ind AS) 108 on "Segment Reporting" of Companies (Accounts) Rules, 2014 (as amended), is considered to be the only significant reportable business segment. The Company is operating in India and there is no other significant geographical segment.

#### 24. FINANCIAL ASSETS AND LIABILITIES

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

(Amount in ₹)

Financial Assets	March 31, 2019	March 31, 2018
<b>Non-Current Assets</b>		
Others	-	-
<b>Current Assets</b>		
Trade Receivables	23,094,611	12,993,185
Cash & cash equivalent	72,168	931,500
<b>Total</b>	<b>23,166,779</b>	<b>13,924,685</b>
<b>Financial Liabilities</b>		
<b>Current Liabilities</b>		
Borrowings	85,014,657	79,450,000
Trade payables	16,909,236	15,686,938
Other Financial Liabilities	8,799,018	5,564,657
<b>Total</b>	<b>110,722,911</b>	<b>100,701,595</b>

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

A description of the Company's financial instrument risks, including risk management objectives and policies is given in note 22.



Fortis HealthStaff Limited  
Summary of significant accounting policies and other explanatory information for the  
year ended March 31, 2019

25. FINANCIAL INSTRUMENT

A. Capital risk management

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

B. Financial Risk Management

a. Market risk

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

b. Credit risk

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

c. Liquidity risk

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

26. In the view of losses, deferred tax assets (net) out of timing difference has not been recognised since it is not probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised.
27. Contingent Liability: - Nil.
28. Accounts Balance with certain parties and banks are subject to reconciliation and confirmation and the impact of the same on the loss of the Company is not currently ascertainable.
29. Previous year figures have been regrouped/ rearranged wherever consider necessary to make them comparable with those of the current year.

  
BHAVNA GARG

Membership No. 524347

Partner

For and on behalf of

**DBMS & ASSOCIATES**

Chartered Accountants

FRN-026573N

New Delhi; 22<sup>nd</sup> May 2019




For and on behalf of the Board of Director of  
Fortis Health staff Limited

  
Director

Din

Date

Place

  
Director

Din

Date

Place



