

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF LALITHA HEALTHCARE PRIVATE LIMITED**

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of **LALITHA HEALTHCARE PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

#### **Management's Responsibility for the Financial Statements**

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

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143 (11) of the Act.

I conducted my audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



position in its financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the Management representation, I report that the disclosures are in accordance with books of account maintained by the Company and as produced to me by the management-Refer Note 33 to the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, I give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**N. Srinivasan**  
**Chartered Accountant**  
Membership No. 025560  
No. 12, 13<sup>th</sup> Cross, 8<sup>th</sup> Main,  
Malleshwaram,  
Bangalore-560003



Dated: September 18, 2017

and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.
- (viii) In my opinion and according to the information and explanations given to me, the Company has not defaulted in the repayment of loans or borrowings to banks. There are no borrowings from financial institutions or government and the Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a Private Company and hence the provisions of Section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In my opinion and according to the information and explanations given to me the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

**In my opinion and according to the information and explanations given to me, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and**

(xv) hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



*N. Srinivasan*

**N. Srinivasan**

**Chartered Accountant**

Membership No. 025560

No. 12, 13<sup>th</sup> Cross, 8<sup>th</sup> Main,  
Malleswaram,

**Bangalore-560003**

Dated: September 18, 2017

**Lalitha Healthcare Private Limited**  
**Balance Sheet as at March 31, 2017**

	Notes	As at March 31, 2017	As at March 31, 2016
<b>Amounts in ₹</b>			
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital			81,15,680
Reserves and surplus	3	81,15,680	81,15,680
	4	(18,88,50,543)	(15,97,13,152)
		<b>(18,07,34,863)</b>	<b>(15,15,97,472)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	-
Long-term provisions	6	-	4,97,000
		-	<b>4,97,000</b>
<b>Current liabilities</b>			
Short-term borrowings	7	22,49,59,645	17,75,72,043
Trade payables	8	5,36,87,375	6,23,54,335
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		-	44,468
(ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		5,36,87,375	6,23,09,867
Other current liabilities	8	23,13,526	1,96,12,369
Short-term provisions	6	1,79,336	5,27,000
		<b>28,11,39,882</b>	<b>26,00,65,747</b>
<b>TOTAL</b>		<b>10,04,05,019</b>	<b>10,89,65,275</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	8,98,05,998	9,15,24,512
Intangible assets	10	1,66,773	3,04,667
Non-current investments	11	25,001	25,001
Loans and advances	12	1,02,80,826	1,22,11,058
Other non-current assets	13	-	-
		<b>10,02,78,598</b>	<b>10,40,65,238</b>
<b>Current assets</b>			
Inventories	14	-	20,63,456
Trade receivables	15	71,433	6,76,007
Cash and bank balances	16	32,301	66,522
Loans and advances	12	-	20,38,379
Other current assets	13	22,687	55,673
		<b>1,26,421</b>	<b>49,00,037</b>
<b>TOTAL</b>		<b>10,04,05,019</b>	<b>10,89,65,275</b>
Summary of significant accounting policies	2.1		

See accompanying notes forming part of the financial statements.

This is the Balance Sheet referred to in my report of even date

For and on behalf of the Board of Directors of  
**Lalitha Healthcare Private Limited**

*N. Srinivasan*

**N. Srinivasan**  
**Chartered Accountant**  
**Membership No: 025560**

*Rajeev Kumar Dua*

**Rajeev Kumar Dua**  
**Director**  
**DIN: 06974102**

*Jasbir Singh Grewal*

**Jasbir Singh Grewal**  
**Director**  
**DIN: 01113910**

Place: Bangalore  
 Date: 18th September 2017

Place: Delhi  
 Date: 18th September 2017

Place: Delhi  
 Date: 18th September 2017




**Lalitha Healthcare Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2017**

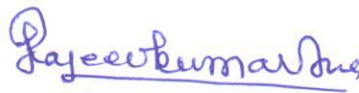
	Notes	March 31, 2017	Amounts in ₹ March 31, 2016
<b>Income</b>			
Revenue from operations			
Other income	17	2,49,246	11,28,88,811
<b>Total revenue (I)</b>	18	<u>73,51,720</u>	<u>82,23,148</u>
		<u>76,00,966</u>	<u>12,11,11,959</u>
<b>Expenses</b>			
Purchase of medical consumables and pharmacy		-	2,22,41,310
Changes in inventories of medical consumables and pharmacy			24,33,137
Employee benefits expenses	19	20,63,455	2,86,99,043
Depreciation and amortisation expense	20	13,48,387	1,27,19,833
Finance costs	21	18,56,408	2,02,55,322
Other expenses	22	2,35,68,841	12,27,43,314
<b>Total (II)</b>	23	<u>79,01,265</u>	<u>20,90,91,959</u>
		<u>3,67,38,357</u>	<u>20,90,91,959</u>
<b>Profit / (loss) before tax</b>			
<b>Tax expenses</b>	1 & 35	<u>(2,91,37,390)</u>	<u>(8,79,80,000)</u>
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
		<u>-</u>	<u>-</u>
<b>Profit / (loss) for the year</b>		<u>(2,91,37,390)</u>	<u>(8,79,80,000)</u>
Earnings / (loss) per equity share [nominal value of share ₹10/- each (March 31, 2016: ₹10)]			
Basic and diluted	28	(35.90)	(108.41)
<b>Summary of significant accounting policies</b>	2.1		


See accompanying notes forming part of the financial statements.

This is the Statement of Profit and Loss referred to in my report of even date

For and on behalf of the Board of Directors of  
**Lalitha Healthcare Private Limited**

  
**N. Srinivasan**  
Chartered Accountant  
Membership No: 025560

  
**Rajeev Kumar Dua**  
Director  
DIN: 06974102

  
**Jasbir Singh Grewal**  
Director  
DIN: 01113910

Place: Bangalore  
Date: 18th September 2017

Place: Delhi  
Date: 18th September 2017

Place: Delhi  
Date: 18th September 2017





**Lalitha Healthcare Private Limited**  
**Cash flow statement for the year ended March 31, 2017**

	March 31, 2017	March 31, 2016
<b>Amounts in ₹</b>		
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax from operations	(2,91,37,390)	(8,79,80,000)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortization	18,56,408	1,27,19,833
Loss on sale of fixed assets	-	10,24,998
Profit on sale of fixed assets	-	(13,439)
Provision for impairment of fixed assets	-	4,27,08,863
Provision for doubtful debts and advances	(9,21,626)	32,96,413
Bad debts and Other balances written off	7,07,756	58,17,006
Amortisation of ancillary borrowing costs	55,673	3,32,260
Liability no longer required written back	(61,03,580)	(70,93,637)
Other Items written Off	18,27,166	-
Interest income	(2,33,604)	-
Interest expense	2,35,13,168	1,95,58,694
<b>Operating profit before working capital changes</b>	<b>(84,36,029)</b>	<b>(96,29,011)</b>
Movements in working capital :		
Increase/ (decrease) in trade payables	(25,63,379)	14,81,143
Increase / (decrease) in other current liabilities	(3,48,300)	(64,46,854)
Increase/ (decrease) in short term provisions	(3,47,664)	(7,30,000)
Increase/ (decrease) in long term provisions	(4,97,000)	(5,20,000)
(Decrease)/ increase in trade receivables	8,18,444	24,30,794
Decrease / (increase) in inventories	20,63,455	24,33,136
Decrease / (increase) in short term loans and advances	2,22,383	7,53,391
Decrease / (increase) in long term loans and advances	(13,50,162)	3,80,909
Decrease / (increase) in other current assets	(22,687)	11,07,385
Cash generated from operations	<b>(1,04,60,939)</b>	<b>(87,39,105)</b>
Net Income Tax Refund/(Paid)	32,69,224	(5,80,110)
<b>Net cash from operating activities (A)</b>	<b>(71,91,715)</b>	<b>(93,19,215)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets including intangibles and capital advances	-	(13,18,068)
Proceeds from sale of fixed assets	-	52,514
Interest received	2,33,604	-
<b>Net cash used in investing activities (B)</b>	<b>2,33,604</b>	<b>(12,65,554)</b>
<b>Cash flows from financing activities</b>		
Repayment of long - term borrowings (net)	(1,68,88,373)	(2,32,03,823)
Proceeds from short-term borrowings (net)	4,73,87,602	5,31,51,326
Interest paid	(2,35,75,338)	(1,96,42,344)
<b>Net cash used in financing activities (C)</b>	<b>69,23,891</b>	<b>1,03,05,159</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(34,220)</b>	<b>(2,79,610)</b>
Total cash and cash equivalents at the beginning of the year	66,522	3,46,132
<b>Add: Cash and cash equivalents in respect of subsidiaries acquired/ (disposed off) during the period</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>32,301</b>	<b>66,522</b>



**Lalitha Healthcare Private Limited**  
**Cash flow statement for the year ended March 31, 2017**

Amounts in ₹

**Components of cash and cash equivalents:**

Cash on hand		
Cheques on hand	635	15,886
With banks - on current account	-	-
Balances with scheduled bank on deposit account	31,666	50,636
<b>Total cash and cash equivalents (note 16)</b>	<b>-</b>	<b>-</b>
Summary of significant accounting policies	2.1	
	<b>32,301</b>	<b>66,522</b>

See accompanying notes forming part of the financial statements.

As per my attached report of even date

For and on behalf of the Board of Directors of  
**Lalitha Healthcare Private Limited**

*N. Srinivasan*

**N.Srinivasan**  
**Chartered Accountant**  
**Membership No: 025560**

*Rajeev Kumar Dua* *Jasbir Singh Grewal*

**Rajeev Kumar Dua**  
**Director**  
**DIN: 06974102**

**Jasbir Singh Grewal**  
**Director**  
**DIN: 01113910**

Place: Bangalore  
 Date: 18th September 2017

Place: Delhi  
 Date: 18th September 2017

Place: Delhi  
 Date: 18th September 2017



**1. Corporate information**

Lalitha Healthcare Private Limited (the 'Company') was set up on March 21, 2005 under the Companies Act, 1956 in India. The Company operates a multispecialty hospital in Bangalore. These operations among other things include inpatient and outpatient services and sale of medicines from its pharmacy. The Board of Directors of the Company in its board meeting held on December 8, 2015 have decided to scale down the operations and undertake a detailed assessment of the existing infrastructure of the hospital. During the period of assessment from January 2016 to March 2016, the Company has scaled down its operations and carried out only Out-patient services, diagnostics and pharmacy facilities. Consequent to the assessment study, the company has suspended its operation completely and is exploring the possibility of restructuring the infrastructure and other facilities to suit its requirements.

The Company has incurred losses during the year and as at the year end its net worth is fully eroded and current liabilities exceeded its current assets. However, considering the financial and operational support committed by the parent company, the Company believes that it will be able to realise its assets and meet all its obligations in the normal course of business and has accordingly has prepared these financial statements on a going concern basis.

**Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.1 Summary of significant accounting policies****(a) Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**(b) Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(c) Depreciation on tangible fixed assets**

Based on management's assessment, the estimated useful lives of the following classes of assets, which are lower than or equal to those indicated in Schedule II. Depreciation is provided on Straight Line Method (SLM), over the estimated useful life of assets as follows:-

	Useful life estimated by the management (years)	Schedule II Estimated Useful Life (years)
Buildings	60	60
Office equipments	5	5
Medical equipments	13	13
Plant and machinery	14	15
Computers	3	
Furniture & Fittings	10	
Vehicles	8	

Pro-rata depreciation is provided from/upto the date of purchase or disposal, for assets purchased or sold during the year.



**(d) Intangibles**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets comprise computer software held for use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policy applied to the

Useful life estimated by the management (years)

Software

6

**(e) Leases**

**Where the Company is lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(f) Impairment on tangible and intangible assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

**(g) Inventories**

Medical consumables and pharmacy items are valued at lower of cost and net realisable value and cost is determined on first in first out basis.

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

**(h) 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. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Income from pharmacy items are recognized net of returns, discounts and VAT wherever applicable.

**Income from services**

Revenue from services are recognized as and when the services are rendered, net of discounts and allowances.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.



**(i) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity liability under the Payment of Gratuity Act is a defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gain and losses are recognized in full in the period in which they occur in the statement of profit and loss.

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**(j) Investments**

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(k) Income tax**

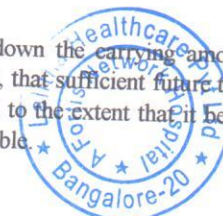
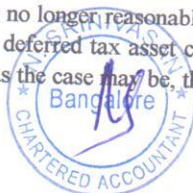
Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



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

**(l) Earnings per share**

Basic earnings 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 period.

For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(m) Borrowing cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(n) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at reporting date and adjusted to reflect the current best estimates.

**(o) 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.

**(p) Foreign currency transaction**

**Initial recognition :**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion :**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**Exchange differences :**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**(q) Segment Reporting**

**Identification of segments**

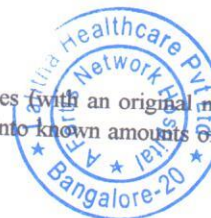
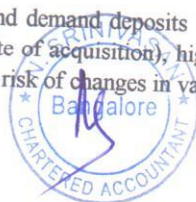
The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(r) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

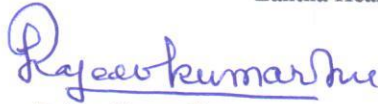
(t) Operating cycle

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.

For and on behalf of the Board of Directors of  
Lalitha Healthcare Private Limited



N.Srinivasan  
Chartered Accountant  
Membership No: 025560



Rajeev Kumar Dua  
Director  
DIN: 06974102



Jasbir Singh Grewal  
Director  
DIN: 01113910

Place: Bangalore  
Date: 18th September 2017

Place: Delhi  
Date: 18th September 2017

Place: Delhi  
Date: 18th September 2017



**3 Share capital**

	March 31, 2017	March 31, 2016
	₹	₹
<b>Authorised shares</b>		
2,000,000 (March 31, 2016: 2,000,000) equity shares of ₹ 10/- each	2,00,00,000	2,00,00,000
2,250,000 (March 31, 2016: 2,250,000) preference shares of ₹ 10/- each	2,25,00,000	2,25,00,000
<b>Issued, subscribed and fully paid-up shares.</b>		
811,568 (March 31, 2016: 811,568) equity shares of ₹ 10/- each fully paid up	81,15,680	81,15,680
<b>Issued share capital</b>	<b>81,15,680</b>	<b>81,15,680</b>

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

## Equity Shares

	March 31, 2017		March 31, 2016	
	In No's	₹	In No's	₹
At the beginning of the year	8,11,568	81,15,680	8,11,568	81,15,680
Issued during the year	-	-	-	-
Outstanding at the end of the year	8,11,568	81,15,680	8,11,568	81,15,680

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

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the company, shares held by its holding company is as below:

	March 31, 2017	March 31, 2016
	₹	₹
<i>Equity shares of ₹ 10 each fully paid</i>		
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited), the Holding Company		
644,596 (March 31, 2016: 644,596) equity shares	64,45,960	64,45,960

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

Name of the Shareholder	March 31, 2017		March 31, 2016	
	Nos.	% of holding	Nos.	% of holding
<i>Equity shares of ₹ 10 each fully paid</i>				
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited), holding company	6,44,596	79.43%	6,44,596	79.43%
Dr. Lakshmi Narayana Raju	84,972	10.47%	84,972	10.47%

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**Lalitha Healthcare Private Limited**  
**Notes to the financial statements for the year ended March 31, 2017**

**4 Reserves and surplus**

	March 31, 2017 ₹	March 31, 2016 ₹
<b>Securities premium account</b>		
Balance as per the previous financial statements	9,48,14,550	9,48,14,550
<b>Closing Balance</b>	<b>9,48,14,550</b>	<b>9,48,14,550</b>
<b>Surplus / (deficit) in statement of profit and loss</b>		
Balance as per the previous financial statements	(25,45,27,702)	(16,65,47,702)
Profit / (loss) for the year	(2,91,37,390)	(8,79,80,000)
Net deficit in the statement of profit and loss	<b>(28,36,65,093)</b>	<b>(25,45,27,702)</b>
<b>Total reserves and surplus</b>	<b>(18,88,50,543)</b>	<b>(15,97,13,152)</b>

**5 Long term borrowings**

	Non-current portion		Current portion	
	March 31, 2017 ₹	March 31, 2016 ₹	March 31, 2017 ₹	March 31, 2016 ₹
Term loan from bank (secured)	-	-	-	1,68,88,373
<b>Total</b>	-	-	-	<b>1,68,88,373</b>
<b>The above amount includes</b>				
Secured borrowings	-	-	-	1,68,88,373
Amount disclosed under the head "other current liabilities" (note 8)	-	-	-	(1,68,88,373)
<b>Net amount</b>	-	-	-	-

The Company has obtained a term loan from a bank which carries an interest @ 2.30% p.a above the bank base rate. The loan is secured by (i) first exclusive and exclusive charge on current assets of the Company; (ii) First, sole and exclusive charge on all the fixed assets; (iii) Corporate guarantee of Fortis Hospitals Limited; and (iv) General Insurance for entire property, assets and exposure to be lien marked in favour of bank as the first loss payee.

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**Lalitha Healthcare Private Limited**  
**Notes to the financial statements for the year ended March 31, 2017**

6 Provisions	Long-term		Short-term	
	March 31, 2017 ₹	March 31, 2016 ₹	March 31, 2017 ₹	March 31, 2016 ₹
Provision for employee benefits				
Provision for gratuity (note 26)	-	4,97,000	1,04,000	19,000
Provision for compensated absences	-	-	75,336	5,08,000
	-	<b>4,97,000</b>	<b>1,79,336</b>	<b>5,27,000</b>

**7 Short term borrowings**

	March 31, 2017 ₹	March 31, 2016 ₹
Loan repayable on demand from bank (secured)*	2,03,79,356	2,13,61,740
11.50% loan from holding company (unsecured) (note 25)	20,45,80,289	15,62,10,303
	<b>22,49,59,645</b>	<b>17,75,72,043</b>
<b>The above amount includes</b>		
Secured borrowings	2,03,79,356	2,13,61,740
Unsecured borrowings	20,45,80,289	15,62,10,303
	<b>22,49,59,645</b>	<b>17,75,72,043</b>

\*The Company has obtained a working capital loan/ overdraft facility from a bank which carries an interest @ 2.30% p.a above the bank base rate. The facility is secured by (i) first exclusive and exclusive charge on current assets of the Company; (ii) First, sole and exclusive charge on all the fixed assets; (iii) Corporate guarantee of Fortis Hospitals Limited; and (iv) General Insurance for entire property, assets and exposure to be lien marked in favour of bank as the first loss payee.

**8 Other current liabilities**

	March 31, 2017 ₹	March 31, 2016 ₹
Trade payables (refer note 27 for details of dues to micro and small enterprises)	5,36,87,375	6,23,54,335
	<b>5,36,87,375</b>	<b>6,23,54,335</b>
<b>Other liabilities</b>		
Current maturities of long-term borrowings (note 5)	-	1,68,88,373
Capital creditors	-	66,252
Interest accrued but not due on borrowings	-	62,170
Others	-	-
Advances from patients	32,433	-
TDS payable	-	8,65,826
Service tax payable	21,62,744	16,33,270
Other statutory dues	1,14,331	-
	4,018	96,478
	<b>23,13,526</b>	<b>1,96,12,369</b>
	<b>5,60,00,900</b>	<b>8,19,66,704</b>

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**Lalitha Healthcare Private Limited**  
Notes to the financial statements for the year ended March 31, 2017

**9 Tangible Assets**

Particulars	All amounts in `									
	Freehold Land	Building	Office Equipments	Medical Equipments	Plant and Machinery	Computers	Furniture & Fittings	Vehicles	Total	
<b>Cost or valuation</b>										
At April 1, 2015	1,93,29,148	8,44,69,746	51,02,346	7,21,33,689	1,56,45,064	34,92,291	53,30,714	12,45,504	20,67,48,502	
Additions	-	1,22,718	15,458	34,15,681	3,86,024	84,254	-	-	40,24,135	
Disposals	-	-	-	27,31,212	-	-	-	-	27,31,212	
<b>At March 31, 2016</b>	<b>1,93,29,148</b>	<b>8,45,92,464</b>	<b>51,17,804</b>	<b>7,28,18,158</b>	<b>1,60,31,088</b>	<b>35,76,545</b>	<b>53,30,714</b>	<b>12,45,504</b>	<b>20,80,41,425</b>	
Additions	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	
<b>At March 31, 2017</b>	<b>1,93,29,148</b>	<b>8,45,92,464</b>	<b>51,17,804</b>	<b>7,28,18,158</b>	<b>1,60,31,088</b>	<b>35,76,545</b>	<b>53,30,714</b>	<b>12,45,504</b>	<b>20,80,41,425</b>	
<b>Depreciation</b>										
At April 1, 2015	-	1,17,80,558	47,26,479	3,18,28,415	75,77,854	33,86,645	31,02,923	6,91,420	6,30,94,294	
Charge for the year	-	14,46,165	2,41,474	70,88,825	13,12,428	42,604	18,01,142	4,48,258	1,23,80,895	
Disposals	-	-	0	16,67,139	-	-	-	-	16,67,139	
<b>At March 31, 2016</b>	<b>-</b>	<b>1,32,26,723</b>	<b>49,67,953</b>	<b>3,72,50,101</b>	<b>88,90,282</b>	<b>34,29,249</b>	<b>49,04,065</b>	<b>11,39,678</b>	<b>7,38,08,050</b>	
Charge for the year	-	14,11,578	97,949	-	-	1,03,288	84,358	21,341	17,18,514	
Disposals	-	-	-	-	-	-	-	-	-	
<b>At March 31, 2017</b>	<b>-</b>	<b>1,46,38,301</b>	<b>50,65,902</b>	<b>3,72,50,101</b>	<b>88,90,282</b>	<b>35,32,537</b>	<b>49,88,423</b>	<b>11,61,019</b>	<b>7,55,26,564</b>	
<b>Impairment losses</b>										
At April 1, 2015	-	-	-	-	-	-	-	-	-	
Charge for the year	-	-	-	-	-	-	-	-	-	
<b>As at March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,55,68,057</b>	<b>71,40,806</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Charge for the year	-	-	-	-	-	-	-	-	-	
<b>As at March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,55,68,057</b>	<b>71,40,806</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,27,08,863</b>	
<b>Net Block</b>										
At March 31, 2016	1,93,29,148	7,13,65,741	1,49,851	-	-	1,47,296	4,26,649	1,05,826	9,15,24,512	
At March 31, 2017	1,93,29,148	6,99,54,162	51,902	-	-	44,009	3,42,292	84,485	8,98,05,998	





**Lalitha Healthcare Private Limited**

Notes to the financial statements for the year ended March 31, 2017

**10 Intangible Assets**

<b>Particulars</b>	<b>Software</b>
<b>Gross Block</b>	
At April 1, 2015	
Additions	13,08,789
<b>At March 31, 2016</b>	-
Additions	13,08,789
Disposals	-
<b>At March 31, 2017</b>	13,08,789
<b>Amortisation</b>	
At April 1, 2015	
Charge for the year	6,65,184
<b>At March 31, 2016</b>	3,38,938
Charge for the year	10,04,122
Disposals	1,37,894
<b>At March 31, 2017</b>	11,42,016
<b>Net Block</b>	
<b>At March 31, 2016</b>	3,04,667
<b>At March 31, 2017</b>	1,66,773

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**Lalitha Healthcare Private Limited**  
**Notes to the financial statements for the year ended March 31, 2017**

**11 Non current investments**

	March 31, 2017 ₹	March 31, 2016 ₹
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
Investment in equity instrument ( 5,000 shares of ₹ 10 each fully paid up) of RMCRS Health Management Private Limited	50,001	50,001
Investments in government or trust securities - National savings certificates	25,000	25,000
Less: Provision for diminution in value of investments	75,001	75,001
Aggregated amount of unquoted investments	<u>50,000</u>	<u>50,000</u>
	<u><b>25,001</b></u>	<u><b>25,001</b></u>

**12 Loans and advances**

	Non-current		Current	
	March 31, 2017 ₹	March 31, 2016 ₹	March 31, 2017 ₹	March 31, 2016 ₹
<b>Capital advances</b>				
Unsecured, considered good	-	38,446	-	-
	(A)	<u>38,446</u>	-	-
<b>Security deposit</b>				
Unsecured, considered good	30,40,985	16,63,547	-	10,150
	(B)	<u>16,63,547</u>	-	<u>10,150</u>
<b>Other loans and advances</b>				
Advance tax and tax deducted at source	72,39,841	1,05,09,065	-	-
Prepaid expenses	-	-	-	2,12,233
Export benefit entitlement	-	-	-	18,15,996
	<u>72,39,841</u>	<u>1,05,09,065</u>	-	<u>20,28,229</u>
Less: Provision for doubtful advances	-	-	-	-
	(C)	<u>72,39,841</u>	-	<u>20,28,229</u>
<b>Total (A+B+C)</b>	<u><b>1,02,80,826</b></u>	<u><b>1,22,11,058</b></u>	<u><b>-</b></u>	<u><b>20,38,379</b></u>

**13 Other assets**

	Non-current		Current	
	March 31, 2017 ₹	March 31, 2016 ₹	March 31, 2017 ₹	March 31, 2016 ₹
<b>Unsecured, considered good (Unless stated otherwise)</b>				
<b>Unamortized expenditure</b>				
Ancillary cost of arranging the borrowings	-	-	-	55,673
<b>Others</b>				
VAT Receivable	-	-	22,687	-
	-	-	<u>22,687</u>	<u>55,673</u>

**14 Inventories (valued at lower of cost and net realizable value)**

	March 31, 2017 ₹	March 31, 2016 ₹
Medical consumables	-	16,68,146
Pharmacy	-	3,95,310
	<u>-</u>	<u><b>20,63,456</b></u>



**Lalitha Healthcare Private Limited**

**Notes to the financial statements for the year ended March 31, 2017**

**15 Trade receivables**

	March 31, 2017 ₹	March 31, 2016 ₹
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	-	-
Doubtful	1,15,01,394	1,21,78,410
	<u>1,15,01,394</u>	<u>1,21,78,410</u>
Less: Provision for doubtful receivables	1,15,01,394	1,21,78,410
	<u>1,15,01,394</u>	<u>1,21,78,410</u>
<b>Other receivables</b>	-	-
Unsecured, considered good	-	-
Doubtful	1,24,587	6,76,007
	-	1,04,399
Less: Provision for doubtful receivables	1,24,587	7,80,406
	<u>53,153</u>	<u>1,04,399</u>
<b>Total (A+B)</b>	<b><u>71,433</u></b>	<b><u>6,76,007</u></b>
	<b><u>71,433</u></b>	<b><u>6,76,007</u></b>

**16 Cash and bank balances**

	March 31, 2017 ₹	March 31, 2016 ₹
<b>Cash and cash equivalents</b>		
Balances with banks		
On current accounts	31,666	50,636
Cash on hand	635	15,886
Cheques / drafts on hand	-	-
	<u>32,301</u>	<u>66,522</u>

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**Lalitha Healthcare Private Limited**  
**Notes to the financial statements for the year ended March 31, 2017**

**17 Revenue from operations**

	March 31, 2017 ₹	March 31, 2016 ₹
<b>Revenue from operations</b>		
Sale of services		
Inpatient	-	9,10,58,811
Outpatient	-	1,56,40,262
Less: Discounts	-	10,66,99,073
Sale of products	-	3,67,999
Pharmacy	-	10,63,31,074
Other operating income	2,49,246	65,57,737
Duty credit entitlement	2,49,246	65,57,737
Revenue from operations (net)	-	-
	2,49,246	11,28,88,811

**Details of product sold**

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Pharmacy	2,49,246	65,57,737
	2,49,246	65,57,737

**18 Other income**

	March 31, 2017 ₹	March 31, 2016 ₹
<b>Interest income on</b>		
Income tax refund	2,33,604	-
Other non operating income:	2,33,604	-
Rental income	-	5,49,600
Liabilities no longer required written back	61,03,580	70,93,637
Provision for Doubtful debts reversed	9,21,626	-
Miscellaneous income	92,910	5,79,911
	71,18,116	82,23,148
	73,51,720	82,23,148

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**Lalitha Healthcare Private Limited**  
**Notes to the financial statements for the year ended March 31, 2017**

**19 (Increase)/ decrease in inventories**

	March 31, 2017 ₹	March 31, 2016 ₹
<b>Inventories at the end of the year</b>		
Pharmacy and Medical Consumables	-	20,63,455
<b>Inventories at the beginning of the year</b>		
Pharmacy and Medical Consumables	-	20,63,455
	20,63,455	44,96,592
	<b>20,63,455</b>	<b>44,96,592</b>
	<b>20,63,455</b>	<b>24,33,137</b>

**Details of inventory**

	March 31, 2017 ₹	March 31, 2016 ₹
Pharmacy and Medical Consumables	-	20,63,455
	-	<b>20,63,455</b>

**20 Employee benefit expense**

	March 31, 2017 ₹	March 31, 2016 ₹
Salaries, wages and bonus	11,27,521	2,50,93,475
Contribution to provident and other funds	1,08,096	17,54,357
Gratuity expense (note 26)	-	-
Staff welfare expenses	1,12,770	18,51,211
	<b>13,48,387</b>	<b>2,86,99,043</b>

**21 Depreciation and amortization expense**

	March 31, 2017 ₹	March 31, 2016 ₹
Depreciation of tangible assets (note 9)	17,18,514	1,23,80,895
Amortization of intangible assets (note 10)	1,37,894	3,38,938
	<b>18,56,408</b>	<b>1,27,19,833</b>

**22 Finance costs**

	March 31, 2017 ₹	March 31, 2016 ₹
Bank charges	4,602	3,64,368
Interest expense		
On term loan	5,44,997	33,15,416
On loans from holding company	2,07,29,957	1,47,25,908
On working capital	22,24,278	15,17,370
Others	9,334	-
Amortisation of ancillary borrowing costs	55,673	3,32,260
	<b>2,35,68,841</b>	<b>2,02,55,322</b>

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**23 Other expenses**

	March 31, 2017	March 31, 2016
	₹	₹
Contractual manpower		
Power, fuel and water charges	3,18,145	11,50,031
Housekeeping expenses including consumables	10,55,088	41,07,258
Patient food	1,27,985	52,02,904
Pathology laboratory expenses	-	29,47,697
Consultation fees to doctors	-	90,03,107
Repairs and maintenance	-	2,77,72,873
Plant & Machinery		
Building	37,233	17,47,460
Others	6,29,760	3,35,201
Rent	1,25,742	14,36,919
Printing and stationary	5,63,325	23,50,383
Legal and professional fees	5,967	5,66,313
Payment to auditor (refer details below)	12,36,697	28,27,895
Travel and conveyance	59,000	7,47,500
Rates and taxes	22,085	18,32,819
Communication costs	8,88,145	8,46,785
Insurance	2,01,577	8,65,564
Marketing and business promotion	95,594	72,099
Loss on sale of fixed assets (net)	-	59,55,748
Provision for impairment of fixed assets (note 34)	-	10,24,998
Bad debts and sundry balances written off	-	4,27,08,863
Provision for doubtful debts and advances	7,07,756	58,17,006
Donations	-	32,96,413
Export benefit Entitlement & Others Written off	-	1,000
Miscellaneous expenses	18,27,166	-
	-	1,26,478
	<b>79,01,265</b>	<b>12,27,43,314</b>

**Payment to auditor (including Service Tax)**

	March 31, 2017	March 31, 2016
	₹	₹
As auditor:		
Audit fee		
Tax audit fee	59,000	5,50,000
Reimbursement of expenses (including service tax)	-	1,00,000
	-	97,500
	<b>59,000</b>	<b>7,47,500</b>

**24 Segment Reporting**

As the Company's business activity primarily falls within a single business and geographical segment i.e. Healthcare Services in India, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

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25 Related Party Disclosures

Names of related parties and related party relationship

(a) Related parties where control exists

Ultimate holding company	: Fortis Healthcare Limited
Intermediate holding company	: Fortis Hospitals Limited
Holding company	: Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)

(b) Related parties under AS 18 with whom transactions have taken place during the year

Ultimate holding company	: Fortis Healthcare Limited
Intermediate holding company	: Fortis Hospitals Limited
Holding company	: Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)

Key management personnel ('KMP')	: Dr. Lakshmi Narayana Raju
	: Mr. Karthik Rajagopal ( Up to January 29,2016)
	: Dr. Mohan Keshavamurthy (Upto March 18,2016)

Relatives of key management personnel	: Dr. Seetha Belavadi
	: Ms. Nagarathna
	: Mr. Venkatakrishna Raju

Enterprises which are under common control with reporting enterprise	: Super Religare Laboratories Limited
	: Fortis Health Management (North) Limited
	: Fortis Health Management Limited
	: International Hospital Limited

Enterprises owned or significantly influenced by key management personnel or their relatives	: Balaji School of Nursing
	: Ranibennur College of Nursing
	: RMCRS Health Management
	: RM Educational Trust
	: Sreenivasa Educational Society
	: Fortis RM Pharma

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A. Transactions with related parties

Particulars	Ultimate holding company		Intermediate holding company		Holding company		Enterprises which are under common control with reporting enterprise	Key management personnel (KMP)	Relatives of key management personnel	Amounts in ₹	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16				2016-17	2015-16
<b>Loans taken during the year</b> Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)	-	-	-	-	-	-	-	-	-	-	-
<b>Interest Expense</b> Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)	-	-	-	-	-	-	-	-	-	-	-
<b>Pathology Laboratory expenses</b> Super Reliance Laboratories Limited Fortis Hospitals Limited International Hospital Limited	-	-	-	-	2,97,13,025	2,25,00,000	-	-	-	-	-
<b>Consultation Fees to Doctors</b> Fortis Hospitals Limited Dr. Mohan Keshavamurthy	-	-	-	-	2,07,29,957	1,47,21,057	-	-	-	-	-
<b>Legal and professional fees</b> Fortis RV Pharma	-	-	-	-	12,71,300	-	65,57,748	-	-	-	-
<b>Purchase of pharmacy</b> Fortis Hospitals Limited	-	-	-	-	-	-	-	22,00,000	-	-	-
<b>Sale of pharmacy</b> Fortis Hospitals Limited International Hospital Limited Fortis Health Management Limited	-	-	-	-	600	-	-	-	-	-	12,95,260
<b>Revenue from operations</b> Fortis Hospitals Limited International Hospital Limited	-	-	2,49,216	-	39,40,412	-	5,09,925	-	-	-	-
<b>Housekeeping Expenses</b> Fortis Hospitals Limited	-	-	-	-	1,70,169	-	42,580	-	-	-	-
<b>Printing and stationery</b> Fortis Hospitals Limited	-	-	-	-	98,433	-	-	-	-	-	-
<b>Travel and conveyance</b> Fortis Hospitals Limited International Hospital Limited	-	-	-	-	4,40,407	-	11,400	-	-	-	-
<b>Expenses reimbursement on behalf of the Company by related parties</b> Fortis Hospitals Limited International Hospital Limited Expenses reimbursement made by the Company on behalf of related parties	-	-	-	-	20,000	-	-	-	-	-	-
Fortis Hospitals Limited	-	-	-	-	-	-	-	-	-	-	-
Fortis Health Management Limited	-	-	-	-	-	-	-	-	-	-	-
Fortis Health Management Limited	-	-	-	-	-	-	-	-	-	-	-
	-	33,708	-	-	-	-	-	-	-	-	-





B. Balances at the year end

Particulars	Ultimate holding company		Intermediate holding company		Holding		Enterprises which are under common control with reporting enterprise.		Key management personnel (KMP)		Relatives of key management personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	2016-17	2015-16	2016-17	2015-2016	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Short Term Borrowings	-	-	-	-	20,45,80,289	15,62,10,303	-	-	-	-	-	-	-	-
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	4,91,89,694	4,93,49,890	-	-	2,59,830	4,12,519	-	-	-	-	87,783	-
Super Rejigene Laboratories Limited	-	-	-	-	-	-	-	13,42,318	-	-	-	-	-	-
Fortis RMI Pharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fortis Health Management (North) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fortis Hospitals Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-



**26 Gratuity and other post employment benefit plans**

The Company has a defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The gratuity scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the respective plans.

**Statement of profit and loss****Net employee benefit expense recognized in the employee cost**

	March 31, 2017 ₹	March 31, 2016 ₹
Current service cost		3,22,000
Interest cost		78,000
Past service cost	* Refer Note Below	19,000
Actuarial gain recognised in the period/year		(7,73,000)
Net benefit expenses		(3,54,000)
<b>Balance Sheet</b>		
<b>Benefit liability</b>		(3,54,000)

	March 31, 2017 ₹	March 31, 2016 ₹
Present value of defined benefit obligation		(5,16,000)
Fair value of plan assets	(1,04,000)	-
<b>Plan liability</b>	<b>(1,04,000)</b>	<b>(5,16,000)</b>

Changes in present value of the defined benefit obligation are as follows:

	March 31, 2017 ₹	March 31, 2016 ₹
Opening defined benefit obligation		11,42,000
Current service cost	5,16,000	3,22,000
Interest cost on benefit obligation	-	78,000
Plan Amended Cost	-	19,000
Benefits paid	-	(2,72,000)
Actuarial gain recognised	(1,11,147)	(7,73,000)
Closing defined benefit obligation	<b>1,04,000</b>	<b>5,16,000</b>

The Principal assumptions used in determining gratuity obligation for the company's plan are shown below:

	March 31, 2017	March 31, 2016
Discount rate	* Refer Note Below	7.75%
Expected rate of salary increase		8.00%
Attrition rate		10% at younger ages and reducing to 2% at older ages

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.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Amounts for the current and previous four years are as follows:

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined Benefit Obligation		₹	₹	₹	₹
Surplus \ (Deficit)	1,04,000	5,16,000	11,42,000	10,88,000	9,64,000
Experience adjustments on plan liabilities	(1,04,000)	(5,16,000)	(11,42,000)	(10,88,000)	(9,64,000)
Actuarial Gain \ (Loss) on plan liabilities	-	7,73,000	2,82,000	13,000	83,000
Provision for compensated absences (* Refer Note Below)	-	-	(1,14,000)	1,01,000	(39,000)

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Current		
Non-current	75,336	5,08,000
<b>Total</b>		

The Principal assumptions used in determining long-term compensated absences obligation for the company's plan are shown below:

	March 31, 2017	March 31, 2016
Discount rate	* Refer Note Below	7.75%
Expected rate of salary increase		8.00%
Attrition		10% at younger ages and reducing to 2% at older ages

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

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.

\* With respect to the year ending 31st March 2017, Company has suspended its operation and all the employees have been discharged /transferred to sister concerns except the support staff. Hence no provision has been made on the basis of actuarial valuation in respect of Gratuity and Compensated absence as it is felt, the carrying amounts will be sufficient to meet the obligations as and when arises.

27 **Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

	March 31, 2017 ₹	March 31, 2016 ₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	44,468
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

28 **Earnings per share (EPS)**

The following reflects the profit / (loss) and details of shares used in the basic and diluted EPS computations.

	March 31, 2017 ₹	March 31, 2016 ₹
Profit / (loss) for calculation of basic EPS and diluted EPS		
Profit / (loss) after tax	(2,91,37,390)	(8,79,80,000)
<b>Profit / (loss) for calculation of basic EPS and diluted EPS</b>	<b>(2,91,37,390)</b>	<b>(8,79,80,000)</b>
Weighted average number of equity shares in calculating basic and diluted EPS	8,11,568	8,11,568
<b>Weighted average number of equity shares in calculating basic and diluted EPS</b>	<b>8,11,568</b>	<b>8,11,568</b>
<b>Earnings per share (Basic and Diluted)</b>	<b>(35.90)</b>	<b>(108.41)</b>

29 **Earnings in Foreign currency (accrual basis)**

	March 31, 2017 ₹	March 31, 2016 ₹
Income from medical services	-	83,66,440
	-	<b>83,66,440</b>

30 **Value of imports calculated on CIF basis**

	March 31, 2017 ₹	March 31, 2016 ₹
Capital goods	-	-
	-	-

31 **Capital and other commitments:**

Estimated amount of contracts (net of advances) remaining to be executed on other commitment account and not provided for is Rs. NIL (March 31, 2016 : Nil).

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32 Contingent liabilities:

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Claims against the company not acknowledged as debt Patient compensation	40,00,000	40,00,000

There are certain claims made against the Company in respect of patient compensation. The cases are pending with various Consumer Disputes Redressal Commissions. The management does not expect these claims to succeed against the Company.

33 Disclosures regarding to Specified Bank Notes\* (SBNs) held and Transacted during the period from November 8, 2016 to December 30, 2016


Particulars	SBNs*	Other	Total
Closing Cash in hand as on November 8, 2016			
(+) Permitted Receipts	9,000	12,521	21,521
(-) Permitted Payments	-	-	-
(-) Amount deposited in banks	-	6,407	6,407
Closing Cash in hand as on December 30, 2016	9,000	-	9,000
	-	6,114	6,114

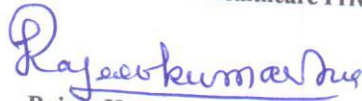
34 As mentioned in the Note 1, The Company has carried out an impairment assessment in respect of its assets in the year ending 31st March 2016. Pursuant to the above, Plant & Machinery and Medical equipments have been impaired to the extent of Rs.7,140,806 and Rs.35,568,057 respectively as at March 31, 2016. The impairment loss on the said assets of Rs.42,708,863 has been disclosed in Note 23 as "Provision for impairment of fixed assets" and in Note 9 as "Impairment losses" in these financial statements.


35 Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

Signatures to Notes 1 to 35

For and on behalf of the Board of Directors of  
Lalitha Healthcare Private Limited

  
N.Srinivasan  
Chartered Accountant  
Membership No: 025560

  
Rajeev Kumar Dua  
Director  
DIN: 06974102

  
Jasbir Singh Grewal  
Director  
DIN: 01113910

Place: Bangalore  
Date: 18th September 2017

Place: Delhi  
Date: 18th September 2017

Place: Delhi  
Date: 18th September 2017



