

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

**TO THE MEMBERS OF FORTIS EMERGENCY SERVICES LIMITED**

**Report on the standalone Ind AS financial statements**

We have audited the accompanying standalone Ind AS financial statements of **FORTIS EMERGENCY SERVICES LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

**Management's responsibility for the standalone financial statements**

The Company's Board of Directors is responsible for the matters in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, Cash Flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



## **Auditor's responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatements.

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

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

### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its loss and cash flows and the changes in equity for the year ended on that date.



## Report on other Legal and Regulatory Requirements

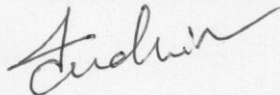
- 1) As required by the Companies (Auditor' report) order,2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the balance Sheet, the statement of profit and loss, and Cash Flow Statement and the statement in changes in equity dealt with by this report are in agreement with books of accounts;
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - e) on the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" ; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note 12 to the financial statements.**
    - ii. The Company does not have any long-term contracts including derivatives contracts as at March 31, 2018 for which there were any material foreseeable losses.





iii. There were no amounts which were required to be transferred to the Investor and Education and Protection Fund by the Company during the year ended March 31, 2018.

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



**Sudhir Sharma**  
**(Partner)**

**Membership No. 097380**



**Gurgaon**

**Date: 23 May, 2018**



## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of **FORTIS EMERGENCY SERVICES LIMITED** ("the Company") on the standalone Ind AS financial statements for the year ended March 31, 2018, we report that:

- i.(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification adopted by the company and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the order are not applicable to the Company and hence not commented upon.
- ii. As the Company does not hold any inventory, paragraph 3(iii) of the Order is not applicable.
- iii. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus paragraphs 3(iii) (a) & (b) of the Order are not applicable.
- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the companies Act, 2013 with respect to the loans and investments made.
- v. As per the information and explanation given to us, the company has not accepted any deposits. Thus paragraph 3(v) of the Order is not applicable.
- vi. To the best of our knowledge and according to the explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for any of the services rendered by the Company.



vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with 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, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as on 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no material dues of sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute as at 31<sup>st</sup> March, 2018.

- viii. Based on our audit procedures the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to any financial institution, banks and government. There are no debenture holders of the company.
- ix. According to the information and explanations given to us, the company has not raised any moneys by way of initial public offer or further public offer. The term loans raised during the year have been applied for the purposes for which they were raised.
- x. According to the information and explanation given to us, no material fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us, company has not paid or provided any managerial remuneration. Thus, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanation given to us, all the transactions with the related parties are in compliance with section 177 and 188 of

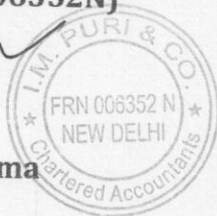


Companies Act 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- xv. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(XV) of the order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

*Sudhir*



**Sudhir Sharma**  
**(Partner)**  
**Membership No. 097380**  
**Gurgaon**  
**Date: 23 May, 2018**



## **Annexure - B to the Auditors' Report**

### **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 **FORTIS EMERGENCY SERVICES LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

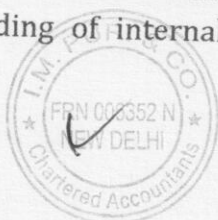
#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 standalone 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **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**

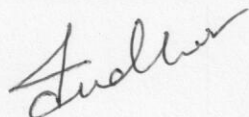
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria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





considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**Sudhir Sharma**  
**(Partner)**

**Membership No. 097380**

**Gurgaon**

**Date: 23 May, 2018**



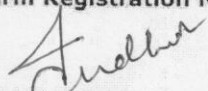


**FORTIS EMERGENCY SERVICES LIMITED**  
**BALANCE SHEET at March 31, 2018**

Particulars	Notes	As at March 31, 2018 (Rupees in Lacs)	As at March 31, 2017 (Rupees in Lacs)
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Property, plant and equipment	4(i)	52.29	157.80
(b) Other intangible assets	4(ii)	1.44	2.43
(c) Financial assets			
(i) Other financial assets	4(iii)	1.23	8.43
(d) Non-Current tax assets (Net)	4(vii)	38.15	52.65
(e) Other non-current assets	4(iv)	707.37	707.37
<b>Total non-current assets (A)</b>		<b>800.49</b>	<b>928.68</b>
<b>B. Current assets</b>			
(a) Financial assets			
(i) Trade receivables	4(vi)	124.56	90.87
(ii) Cash and cash equivalents	4(v)	2.99	38.61
(iii) Bank balances other than (ii) above	4(v)	99.15	93.62
(iv) Other financial assets	4(iii)	8.36	7.90
(b) Other current assets	4(iv)	0.32	2.59
<b>Total current assets (B)</b>		<b>235.38</b>	<b>233.59</b>
<b>Total assets (A+B)</b>		<b>1,035.87</b>	<b>1,162.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(a) Equity share capital	4(viii)	5.00	5.00
(b) Other equity	4(ix)	(5,003.00)	(4,258.20)
<b>Total equity (A)</b>		<b>(4,998.00)</b>	<b>(4,253.20)</b>
<b>Liabilities</b>			
<b>B. Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	4(x)	5,280.90	4,714.07
(b) Provisions	4(xi)	6.47	6.69
<b>Total non-current liabilities (B)</b>		<b>5,287.36</b>	<b>4,720.76</b>
<b>C. Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	4(xii)	2.37	12.91
(ii) Other financial liabilities	4(xiii)	670.27	661.31
(b) Provisions	4(xi)	5.09	4.84
(c) Other current liabilities	4(xiv)	68.78	15.66
<b>Total current liabilities (C)</b>		<b>746.51</b>	<b>694.72</b>
<b>Total liabilities (B+C)</b>		<b>6,033.87</b>	<b>5,415.47</b>
<b>Total equity and liabilities (A+B+C)</b>		<b>1,035.87</b>	<b>1,162.28</b>

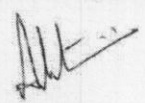
See accompanying notes forming part of the standalone financial statements  
In terms of our report attached.


For I.M.Puri & Co  
Chartered Accountants  
Firm Registration Number:-006352N2

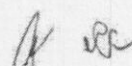
  
**Sudhir Sharma**  
(Partner)  
Membership No:-097380  
Place :Gurgaon  
Date : 23 May, 2018



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

  
**Akshay Kumar Tiwari**  
Director  
DIN: 07930333  
Place : Gurgaon  
Date : 23 May, 2018

  
**Rakesh Laddha**  
Director  
DIN: 06987522  
Place : Gurgaon  
Date : 23 May, 2018





**FORTIS EMERGENCY SERVICES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

	Notes	Year ended March 31, 2018 (Rupees in Lacs)	Year ended March 31, 2017 (Rupees in Lacs)
<b>I</b> Revenue from operations	4(xvi)	204.00	535.94
<b>II</b> Other income	4(xvii)	6.95	7.08
<b>III Total Income (I+II)</b>		<b>210.95</b>	<b>543.02</b>
<b>IV Expenses</b>			
Cost of materials consumed	4(xviii)	-	1.78
Employee benefits expense	4(xix)	157.93	188.52
Finance costs	4(xx)	621.07	559.18
Depreciation and amortisation expetise	4(xxi)	60.92	75.16
Other expenses	4(xxii)	115.83	222.94
<b>Total Expenses IV</b>		<b>955.75</b>	<b>1,047.59</b>
<b>V Profit for the year (III-IV)</b>		<b>(744.80)</b>	<b>(504.57)</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss		1.79	2.88
<b>VI Total other comprehensive income</b>		<b>1.79</b>	<b>2.88</b>
<b>VII Total comprehensive income/(Loss) for the year</b>		<b>(743.01)</b>	<b>(501.69)</b>
Earnings per equity share (for continuing operations):			
(1)Basic (in Rs.)		(1,486.02)	(1,003.38)
(2)Diluted (in Rs.)		(1,486.02)	(1,003.38)

See accompanying notes forming part of the consolidated financial  
In terms of our report attached.

**For I.M.Puri & Co**  
**Chartered Accountants**  
**Firm Registration Number:-006352N2**

*Sudhir Sharma*  
**Sudhir Sharma**  
(Partner)  
Membership No: 097380  
Place :Gurgaon  
Date : 23 May, 2018



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

*Akshay Kumar Tiwari*  
**Akshay Kumar Tiwari**  
Director  
DIN: 07930333  
Place : Gurgaon  
Date : 23 May, 2018

*Rakesh Laddha*  
**Rakesh Laddha**  
Director  
DIN: 06987522  
Place : Gurgaon  
Date : 23 May, 2018





**FORTIS EMERGENCY SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

	Year ended March 31, 2018 (Rupees in Lacs)	Year ended March 31, 2017 (Rupees in Lacs)
<b>Cash flows from operating activities</b>		
Profit for the year	(743.01)	(501.69)
Adjustments for:		
Finance costs recognised in profit or loss	621.07	559.18
Interest income recognised in profit or loss	(6.93)	(6.98)
Depreciation and amortisation of non-current assets	60.92	75.16
	<u>(67.95)</u>	<u>125.68</u>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade and other receivables	(33.69)	(86.10)
(Increase)/decrease in inventories	-	5.04
(Increase)/decrease in other assets	23.52	(4.28)
Increase/ (Decrease) in trade payables	(10.54)	(3.17)
Increase/ (Decrease) in provisions	0.03	(0.31)
Increase/ (Decrease) in other liabilities	62.08	85.79
<b>Net cash generated by operating activities</b>	<u>(26.55)</u>	<u>122.65</u>
<b>Cash flows from investing activities</b>		
Interest received	6.93	6.98
Payments for property, plant and equipment	-	(0.41)
Proceeds from Sale of property, plant and equipment	45.58	-
<b>Net cash (used in)/generated by investing activities</b>	<u>52.50</u>	<u>6.57</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	566.83	4,714.07
Repayment of borrowings	-	(4,251.02)
Interest paid	(621.07)	(559.18)
<b>Net cash used in financing activities</b>	<u>(54.24)</u>	<u>(96.14)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(28.29)</u>	<u>33.08</u>
Cash and cash equivalents at the beginning of the year	38.60	11.18
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	93.62	87.97
<b>Cash and cash equivalents at the end of the year</b>	<u>103.93</u>	<u>132.23</u>

For I.M.Puri & Co  
Chartered Accountants

Firm Registration Number:-006352N2

*Sudhir Sharma*  
Sudhir Sharma

(Partner)

Membership No:-097380

Place :Gurgaon

Date : 23 May, 2018



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

*Akshay Kumar Tiwari*  
Akshay Kumar Tiwari

Director

DIN: 07930333

Place : Gurgaon

Date : 23 May, 2018

*Rakesh Laddha*  
Rakesh Laddha

Director

DIN: 06987522

Place : Gurgaon

Date : 23 May, 2018






**FORTIS EMERGENCY SERVICES LIMITED**  
**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	(Rupees in Lacs)	
a. Other equity	Reserve and surplus	
Particular	Retained earnings	Total
Balance at April 1, 2016	(3,756.51)	(3,756.51)
Profit for the year	(501.69)	(501.69)
Other comprehensive income for the year, net of income tax	2.88	2.88
<b>Balance at March 31, 2017</b>	<b>(4,258.20)</b>	<b>(4,258.20)</b>
Profit for the year	(743.01)	(743.01)
Other comprehensive income for the year, net of income tax	1.79	1.79
<b>Balance at March 31, 2018</b>	<b>(4,997.63)</b>	<b>(4,997.63)</b>

For I.M.Puri & Co  
Chartered Accountants  
Firm Registration Number:-006352N2

*Sudhir Sharma*  
  
**Sudhir Sharma**  
(Partner)  
Membership No:-097380  
Place :Gurgaon  
Date : 23 May, 2018

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

*Akshay Kumar Tiwari*  
**Akshay Kumar Tiwari**  
Director  
DIN: 07930333  
Place : Gurgaon  
Date : 23 May, 2018

*Rakesh Laddha*  
**Rakesh Laddha**  
Director  
DIN: 06987522  
Place : Gurgaon  
Date : 23 May, 2018

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**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**1) Nature of operations**

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

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

**2) Recent accounting pronouncements**

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**3) Significant accounting policies**

**3.1 Basis of preparation and presentation**

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset





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or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

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

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

As at 31 March 2018, the Company has share capital of Rupees 50,000 (in '000) and accumulated losses of Rupees 5003.00 (in '000) and net current liabilities of Rupees 5287.36 (in '000). Additional funds required for the operation of the Company would be made available with the support of Fortis Healthcare Limited ('FHL'), the holding company of Fortis Hospitals Limited immediate holding company, for which FHL has provided appropriate assurances to the management. Management, based on continuing financial and operational support from FHL, has prepared these financial statements on a going concern basis and does not consider need for any adjustments to the carrying value of assets and liabilities. FHL has provided the management a letter of support for continuing financial and operational support for the foreseeable future which covers more than one year from the date of approval of these financials statements.

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

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

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

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

### **3.3 Revenue Recognition**

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

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

#### Operating Income

Operating income is recognized as and when the services are rendered / pharmacy items (medical consumables and drugs) are sold. 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. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.





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Management fee from hospitals and income from medical services is recognized as and when the contractual obligations arising out of the contractual arrangements with respective hospitals are fulfilled.

Income from Clinical Research

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

Income from Sponsorships

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

Income from Rent

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

Interest income

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

**3.4 Leasing**

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

Where the Company is the lessee

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

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

Where the Company is the lessor

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

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

**3.5 Foreign currencies**

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



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At the end of each reporting period

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

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

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

### 3.6 Borrowing Costs

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

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

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

### 3.7 Government grants

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

### 3.8 Employee benefits

- i) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

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

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of a plan amendment.

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

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement





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

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the company can no longer withdraw the offer of the termination benefit and when the company recognizes any related restructuring costs.

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

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

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

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

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

iii) Contributions to provident fund

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

**3.9 Taxation**

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

i) Current tax

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

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





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ii) Deferred tax

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

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

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

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

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

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

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

iii) Current and deferred tax for the year

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

**3.10 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 recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Land and Building held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold Land is not depreciated

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

**Components of costs**

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.



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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.

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

The carrying amount of a PPE is de-recognized 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 recognized in the statement of profit and loss.

Depreciation commences when the assets are ready for their intended use. Depreciation on all PPE except land are provided on a straight line method based on the estimated useful life of PPE, which is follows:

PPE	Useful Lives
Medical Equipment	13 years
Computers	3 years
Furniture and fittings	10 years
Office equipment's	5 years
Vehicles	4 - 8 years

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.

### 3.11 Intangible Assets

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

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

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

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows.

#### Software

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

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

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





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**3.12 Impairment of tangible and intangible asset other than goodwill**

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

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

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

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

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

**3.13 Inventories**

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

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

**3.14 Provision**

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

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

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

**3.15 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.





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**3.16 Segment Reporting**

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

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

**3.17 Earnings per share**

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

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

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares. For the purposes of calculating basic EPS, shares allotted to ESOP trust pursuant to employee share based payment plan are not included in the shares outstanding till the employees have exercised their rights to obtain shares after fulfilling the requisite vesting conditions. Till such time, the shares are allotted are considered as dilutive potential equity shares for the purposes of calculating diluted EPS.

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

**3.18 Operating cycle**

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

**3.19 Financial Instrument**

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

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

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

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

**Classification of financial assets**

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



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

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

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

Interest income is recognized in profit or loss for FVTOCI financial assets. For the purposes of recognizing foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

**Effective interest method**

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**Impairment of financial assets**

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

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company





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expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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

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

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

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

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

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

**Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part





**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

**Foreign exchange gains and losses**

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

**Financial liabilities and equity instruments**

**Classification as debt or equity**

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

**Equity instruments**

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

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

**Financial liabilities**

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

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

**Financial liabilities at FVTPL**

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

A financial liability is classified as held for trading if:

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

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

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**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

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

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

**Financial liabilities subsequently measured at amortized cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

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

**Foreign exchange gains and losses**

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

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

**Derecognition of financial liabilities**

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

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

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

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

**Overall principle**

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





**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

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**3.20 Critical Accounting Estimates**

**Expected Credit Loss / Impairment Trade Receivables**

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





**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 4(i) : Property, Plant & Equipment**

(Rupees in Lacs)

Particulars	Medical equipments	Furniture & fittings	Computers	Office equipments	Vehicles	Total
<b>Cost or deemed cost</b>						
<b>Gross Block</b>						
As at April 1, 2016	62.45	-	3.81	2.18	785.14	853.58
Additions	-	0.16	0.24	-	-	0.41
<b>As at March 31, 2017</b>	<b>62.45</b>	<b>0.16</b>	<b>4.05</b>	<b>2.18</b>	<b>785.14</b>	<b>853.98</b>
Disposals	-	-	-	-	(45.58)	(45.58)
<b>As at March 31, 2018</b>	<b>62.45</b>	<b>0.16</b>	<b>4.05</b>	<b>2.18</b>	<b>739.56</b>	<b>808.41</b>
<b>Accumulated Depreciation</b>						
As at April 1, 2016	10.26	-	1.31	0.40	610.45	622.42
Charge for the year	7.30	0.05	1.66	0.78	63.97	73.76
<b>As at March 31, 2017</b>	<b>17.56</b>	<b>0.05</b>	<b>2.97</b>	<b>1.19</b>	<b>674.41</b>	<b>696.18</b>
Charge for the year	6.24	0.05	0.65	0.45	52.54	59.93
<b>As at March 31, 2018</b>	<b>23.81</b>	<b>0.10</b>	<b>3.62</b>	<b>1.64</b>	<b>726.95</b>	<b>756.11</b>
<b>Net Block(As at March 31, 2017)</b>	<b>44.89</b>	<b>0.11</b>	<b>1.08</b>	<b>1.00</b>	<b>110.72</b>	<b>157.80</b>
<b>Net Block(As at March 31, 2018)</b>	<b>38.64</b>	<b>0.06</b>	<b>0.44</b>	<b>0.55</b>	<b>12.61</b>	<b>52.29</b>



**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 4(ii) : Intangible assets**

(Rupees in Lacs)

Particulars	Software	Total
<b>Gross Block</b>		
As at April 1, 2016	7.18	7.18
As at March 31, 2017	7.18	7.18
As at March 31, 2018	7.18	7.18
<b>Amortization and impairment</b>		
As at April 1, 2016	3.35	3.35
Charge for the year	1.41	1.41
As at March 31, 2017	4.76	4.76
Charge for the year	0.99	0.99
As at March 31, 2018	5.75	5.75
<b>Net block</b>		
As at March 31, 2017	2.43	2.43
As at March 31, 2018	1.44	1.44





**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	As at March 31, 2018 (Rupees in Lacs)	As at March 31, 2017 (Rupees in Lacs)
<b>4(vi) Trade receivables</b>		
<b>Current</b>		
(a) Unsecured, considered good	124.56	90.87
	<b>124.56</b>	<b>90.87</b>
<b>Age of receivables</b>		Expected credit loss (%)
Within the credit period		
1-30 days past due	0.66	0.47
31-60 days past due	2.90	0.12
61-90 days past due	2.61	-
More than 90 days past due	118.21	90.28
	<b>124.56</b>	<b>90.87</b>
<b>4(iii) Other financial assets</b>		
<b>Non current</b>		
Unsecured, considered good		
Security deposits	1.23	8.43
	<b>1.23</b>	<b>8.43</b>
<b>Current</b>		
Unsecured, considered good		
Interest accrued but not due on loans and deposits	3.72	3.02
Staff Advance	4.64	4.89
	<b>8.36</b>	<b>7.90</b>
<b>4(iv) Other assets</b>		
<b>Non current</b>		
Unsecured		
Capital Advances	707.37	707.37
	<b>707.37</b>	<b>707.37</b>
<b>Current</b>		
Unsecured		
Prepaid Expenses	0.32	2.59
	<b>0.32</b>	<b>2.59</b>
<b>4(v) Cash and cash equivalents</b>		
<b>Balances with Banks</b>		
- on current accounts	2.88	38.53
Cash on hand	0.11	0.07
<b>Cash and cash equivalents as per balance sheet</b>	<b>2.99</b>	<b>38.61</b>
<b>Other bank balances</b>		
Deposits with maturity of more than 12 months	99.15	93.62
	<b>99.15</b>	<b>93.62</b>
<b>4(vii) Non-Current tax assets and liabilities</b>		
<b>Non Current tax assets</b>		
Advance income tax (net of provision for taxation)	38.15	52.65
	<b>38.15</b>	<b>52.65</b>



**FORTIS EMERGENCY SERVICES LTD**  
**NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	As at March 31, 2018 (Rupees in Lacs)	As at March 31, 2017 (Rupees in Lacs)
<b>4(viii) Share capital</b>		
<b>Authorised Shares</b>		
50,000 (Previous year 50,000) Equity shares of Rupees 10 each	5.00	5.00
<b>Total authorised share capital</b>	<u>5.00</u>	<u>5.00</u>
<b>Issued, subscribed and fully paid up shares</b>		
50,000 (Previous year 50,000) Equity shares of Rupees 10 each	5.00	5.00
<b>Total issued, subscribed and fully paid up share capital</b>	<u>5.00</u>	<u>5.00</u>

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

Equity Shares

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number	Rupees in Lacs	Number	Rupees in Lacs
At the beginning of the year	50,000	5.00	50,000	5.00
Outstanding at the end of the year	<u>50,000</u>	<u>5.00</u>	<u>50,000</u>	<u>5.00</u>

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity Shares

Name of Shareholder	As at March 31, 2018		Year ended March 31, 2017	
	Number	Rupees in Lacs	Number	Rupees in Lacs
Fortis Healthcare Holdings Private Limited, the Holding	-	-	25,500	2.55
Fortis Hospitals Ltd	50,000	5.00	24,500	2.45

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

Equity Shares

Name of Shareholder	As at March 31, 2018		Year ended March 31, 2017	
	No. of	% of Holding	No. of	% of Holding
Fortis Healthcare Holdings Private Limited, the Holding			25,500	0.51
Fortis Hospitals Ltd	50,000	100.00	24,500	0.49

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

4(ix) Other Equity excluding non controlling interest	March 31, 2018	March 31, 2017
Surplus in the statement of profit and loss		
Opening balance	(4,258.20)	(3,756.51)
Loss for the year	(744.80)	(501.69)
<b>Net surplus in the statement of profit and loss</b>	<u>(5,003.00)</u>	<u>(4,258.20)</u>





**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**5) Related party disclosures**

**Names of related parties and related party relationship**

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

Ultimate Holding Company	RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited) (Up to 27 <sup>th</sup> July, 2017) Fortis Healthcare Limited (FHL) (w.e.f. 28 <sup>th</sup> July, 2017)
Holding Company	Fortis Healthcare Holdings Private Limited (Up to 27 <sup>th</sup> July, 2017) Fortis Hospitals Limited (FHSL) (w.e.f. 28 <sup>th</sup> July, 2017)
Fellow Subsidiaries (with whom transactions have been taken place)	1 Escorts Heart Institute And Research Centre Limited ('EHIRCL')
	2 Fortis C-Doc Healthcare Limited ('C-DOC')
	3 Fortis Health Management (East) Limited ('FHM(E)L')
	4 Fortis Malar Hospitals Limited ('FMHL')
	5 Fortis Health Staff Limited ('FHSL')

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

Transactions details	Year ended March 31, 2018 (Rupees in Lacs)	Year ended March 31, 2017 (Rupees in Lacs)
<b>Transactions during the year</b>		
<b>Interest expense on loan taken from</b>		
RHC Holding Private Limited (ultimate holding company up to 27 <sup>th</sup> July, 2017)	7.73	23.93
Fortis Hospitals Limited (Holding Company)	612.60	534.52
<b>Loans taken during the year</b>		
Fortis Hospitals Limited (Holding Company)	731.83	408.60
<b>Income of Medical Services</b>		
Escorts Heart Institute & Research Centre Limited (fellow subsidiary)	38.71	108.88
Fortis Hospitals Ltd (Holding Company)	66.75	193.81
Fortis Healthcare Ltd (Ultimate Holding Company)	35.30	68.58
Fortis C-Doc Healthcare Ltd (fellow subsidiary)	0.09	1.53
<b>Purchase of Consumables</b>		
Escorts Heart Institute & Research Centre Ltd (fellow Subsidiary)	-	0.68
<b>Reimbursement of Expenses</b>		
Escorts Heart Institute & Research Centre Ltd (fellow Subsidiary)	4.54	4.56

Balance outstanding at the year end	As at March 31, 2018 (Rupees in lacs)	As at March 31, 2017 (Rupees in lacs)
<b>Sundry Debtors</b>		
Escorts Heart Institute & Research Centre Ltd (fellow subsidiary)	65.87	51.73
Fortis Hospitals Ltd (Holding Company)	33.46	18.33
Fortis Healthcare Ltd (Ultimate Holding Company)	23.55	9.48
Fortis C-Doc Healthcare Ltd (fellow subsidiary)	1.03	0.94
Fortis Health Management (East) Limited (fellow subsidiary)	0.15	0.15
Fortis Health Staff Ltd (fellow subsidiary)	-	0.09

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



**FORTIS EMERGENCY SERVICES LIMITED**  
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**Notes:**

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

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

**6) Long term borrowings**

**(i) Unsecured Loans**

(Rupees in lacs)

Particulars	Note	As at	As at	As at
		31-Mar-18	31-Mar-17	01-Apr-16
		Non-Current	Non-Current	Non-Current
Term loan from a body corporate	(a)	5,280.90	4,714.07	4,251.02

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

**7) Employee Benefits Plan:**

**Defined Benefit Plan**

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

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

(Rupees in lacs)

Particulars	Gratuity (Unfunded) 2017-18	Gratuity (Unfunded) 2016-17
<b>Net employee benefit expenses (recognized in Personnel Expenses)</b>		
Opening defined benefit obligation	6.47	6.47
Current Service Cost	1.65	2.04
Interest Cost on benefit obligation	0.46	0.46
Plan Amendments Cost/(Credit)	-	(0.12)
Benefits Paid	(0.22)	(1.14)
Actuarial loss / (gain) recognized in the year	(1.79)	(1.24)
Closing defined benefit obligation	6.57	6.47
<b>The principal assumptions used in determining gratuity obligation for the company's plan are shown below:</b>		
Discount rate	7.50%	7.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	5%	5%
Mortality table referred	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Age from 20-30 years	12.50%	12.50%
Age from 31-44 years	15.00%	15.00%
Age from 45-58 years	15.00%	15.00%





**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Notes:**

- a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- b) Significant actuarial assumption for the determination of the defined obligation are discounted rate, expected salary increase and mortality.

**8) Financial Instruments**

**i) Capital Management**

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

**ii) Categories of financial instruments**

(Rupees in lacs)		
Financial assets	As at March 31, 2018	As at March 31, 2017
<b>Measured at amortized cost</b>		
(a) Cash in hand	0.11	0.07
(b) Balances with Banks	102.03	132.15
(d) Trade Receivables	124.39	90.87
(e) Other Financial assets	9.59	16.34
<b>Total</b>	<b>236.12</b>	<b>239.43</b>

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

(Rupees in lacs)		
Financial liabilities	As at March 31, 2018	As at March 31, 2017
<b>Measured at amortized cost</b>		
(a) Borrowings	5,280.90	4,714.07
(b) Trade payables	2.37	12.91
(c) Other financial liabilities	670.27	661.31

**iii) Financial risk management objectives**

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

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

**a) Interest rate risk management**

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



**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**b) Credit risk management**

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

**c) Liquidity risk management**

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

**Liquidity and interest risk tables**

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

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

(Rupees in lacs)

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
<b>As at March 31, 2018</b>				
Borrowings	-	5,820.80	5,820.80	5,820.80
Trade payables	2.37	-	2.37	2.37
Capital Creditors	-	75.00	75.00	75.00
Other financial liabilities	664.04	-	664.04	664.04
<b>Total</b>	<b>666.41</b>	<b>5936.80</b>	<b>6562.21</b>	<b>6603.21</b>

(Rupees in lacs)

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
<b>As at March 31, 2017</b>				
Borrowings	-	4,714.07	4,714.07	4,714.07
Trade payables	12.91	-	12.91	12.91
Capital Creditors	-	75.00	75.00	75.00
Other financial liabilities	661.31	-	661.31	661.31
<b>Total</b>	<b>674.22</b>	<b>4,789.07</b>	<b>5,463.29</b>	<b>5,463.29</b>

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





**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rupees in lacs)

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
<b>As at March 31, 2018</b>				
Trade receivables	33.69	90.87	124.56	124.56
Cash and cash equivalents	0.11	0.07	0.11	0.11
Bank balances	102.03	-	102.03	102.03
Other Financial assets	9.91	-	9.59	9.59
<b>Total</b>	<b>145.74</b>	<b>90.94</b>	<b>236.68</b>	<b>236.68</b>

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
<b>As at March 31, 2017</b>				
Trade receivables	90.87	-	90.87	90.87
Cash and cash equivalents	0.07	-	0.07	0.07
Bank balances	132.15	-	132.15	132.15
Other Financial assets	16.34	-	16.34	16.34
<b>Total</b>	<b>239.43</b>	<b>-</b>	<b>239.43</b>	<b>239.43</b>

**9) Fair value measurement**

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

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

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

**11) Opening Stock, Purchases and Closing stock of inventories:**

**Opening Stock:-**

Item name	2017-18		2016-17	
	Quantity	Value(Rupees in lacs)	Quantity	Value(Rupees in lacs)
ECG Electrodes	Nil	Nil	Nil	Nil
Gauze Pad with Cotton 5X5	-	-	478 Boxes	0.62
Gauze Pad with Cotton 7.5X7.5	-	-	682 Boxes	1.24
Gauze Pad with Cotton 10X10	-	-	542 Boxes	1.27
Combined Dressing 10X20	-	-	4205 Pcs	1.26
Combined Dressing 10X10	-	-	3804 Pcs	0.65
<b>Total</b>	-	-		<b>5.04</b>

**Purchases during the year:**

Item name	2017-18		2016-17	
	Quantity	Value(Rupees in Lacs)	Quantity	Value(Rupees in lacs)
Others (quantitative information not given due to small quantities of multiple items.)	-	0.02	-	0.77
<b>Total</b>		<b>0.02</b>		<b>0.77</b>

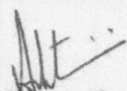


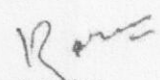
**FORTIS EMERGENCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**12) Matters related to litigations and claims :**

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

**For and on behalf of the Board of Directors**  
**Fortis Emergency Services Limited**

  
**Akshay Kumar Tiwari**  
Director  
DIN 07930333  
**Place : Gurgaon**  
**Date : 23 May 2018**

  
**Rakesh Laddha**  
Director  
DIN 06987522  
**Place : Gurgaon**  
**Date : 23 May 2018**



