

**FORTIS C-DOC HEALTHCARE LIMITED**

**AUDITED FINANCIAL STATEMENTS**

**YEAR ENDED**

**31 MARCH, 2016**

**FORTIS C-DOC HEALTHCARE LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2016**

	Notes No.	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	4 (i)	67,677,290	67,677,290
(b) Reserves and surplus	4 (ii)	(158,722,992)	(123,663,898)
		<b>(91,045,702)</b>	<b>(55,986,608)</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4 (iii)	100,811,037	90,437,903
(b) Other long-term liabilities	4 (iv)	21,150,218	17,987,314
(c) Long-term provisions	4 (v)	1,953,000	1,412,000
		<b>123,914,255</b>	<b>109,837,217</b>
<b>3 Current liabilities</b>			
(a) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	4 (vi)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4 (vi)	57,348,414	49,703,383
(b) Other current liabilities	4 (vii)	44,548,806	41,899,214
(c) Short-term provisions	4 (viii)	2,336,000	1,698,000
		<b>104,233,220</b>	<b>93,300,597</b>
<b>TOTAL</b>		<b>137,101,773</b>	<b>147,151,206</b>
<b><u>ASSETS</u></b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
- Tangible assets	4 (ix) (a)	100,800,314	117,773,587
- Intangible assets	4 (ix) (b)	1,268,714	1,699,048
		102,069,028	119,472,635
(b) Long-term loans and advances	4 (x)	17,979,430	16,813,538
(c) Other non-current assets	4 (xi)	223,123	474,190
		<b>120,271,581</b>	<b>136,760,363</b>
<b>2 Current assets</b>			
(a) Inventories	4 (xii)	1,146,930	675,322
(b) Trade receivables	4 (xiii)	4,973,721	4,455,981
(c) Cash and cash equivalents	4 (xiv)	7,238,872	3,083,352
(d) Short-term loans and advances	4 (xv)	775,435	476,537
(e) Other current assets	4 (xvi)	2,695,234	1,699,651
		<b>16,830,192</b>	<b>10,390,843</b>
<b>TOTAL</b>		<b>137,101,773</b>	<b>147,151,206</b>

See accompanying notes forming part of the financial statements 1 - 11

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**RASHIM TANDON**  
Partner  
Membership No.: 095440

Place : Gurgaon  
Date : 25 May, 2016



FOR AND ON BEHALF OF BOARD OF DIRECTORS  
**FORTIS C-DOC HEALTHCARE LIMITED**

**DR. ANOOP MISRA**  
Whole-time Director  
DIN: 02150996

**RAKESH LADDHA**  
Director  
DIN: 06987522

**TRAPTI KUSHWAHA**  
Company Secretary  
Membership No.: A34747

Place : Gurgaon  
Date : 25 May, 2016



**FORTIS C-DOC HEALTHCARE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016**

	Notes No.	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
<b>1 Income</b>			
(a) Revenue from operations	4 (xvii)	237,206,789	172,473,326
(b) Other income	4 (xviii)	360,499	1,315,068
<b>Total revenue</b>		<b>237,567,288</b>	<b>173,788,394</b>
<b>2 Expenses</b>			
(a) Purchase of medical consumables and drugs		32,810,449	22,550,692
(b) (Increase)/ decrease in inventories of medical consumables and drugs	4 (xix)	(471,608)	(51,956)
(c) Employee benefits expense	4 (xx)	38,434,920	36,282,665
(d) Other expenses	4 (xxi)	164,461,651	129,517,739
<b>Total expenses</b>		<b>235,235,412</b>	<b>188,299,140</b>
<b>3 Earnings before interest, tax, depreciation and amortization (EBITDA) (1-2)</b>		<b>2,331,876</b>	<b>(14,510,746)</b>
<b>4 Finance costs</b>	4 (xxii)	16,278,954	15,125,218
<b>5 Loss before tax, depreciation and amortisation (3-4)</b>		<b>(13,947,078)</b>	<b>(29,635,964)</b>
<b>6 Depreciation and amortisation expense</b>	4 (xxiii)	20,427,915	20,148,023
<b>7 Loss before exceptional items and tax (5-6)</b>		<b>(34,374,993)</b>	<b>(49,783,987)</b>
<b>8 Exceptional items (refer note 10)</b>	-	684,101	-
<b>9 Loss before tax (7-8)</b>		<b>(35,059,094)</b>	<b>(49,783,987)</b>
<b>10 Tax expenses:</b>			
(a) Current tax		-	-
(b) Deferred tax charge / (credit)		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>11 Loss for the year (9-10)</b>		<b>(35,059,094)</b>	<b>(49,783,987)</b>
<b>12 Loss per share</b>	4 (xxiv)		
- Basic and diluted		<b>(5.18)</b>	<b>(7.36)</b>

See accompanying notes forming part of the financial statements 1 - 11

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**RASHIM TANDON**

Partner  
Membership No.: 095440


Place : Gurgaon  
Date : 25 May, 2016



**FOR AND ON BEHALF OF BOARD OF DIRECTORS**  
**FORTIS C-DOC HEALTHCARE LIMITED**

  
**DR. ANOOP MISRA**  
Whole-time Director  
DIN: 02150996

  
**RAKESH LADDHA**  
Director  
DIN: 06987522

  
**TRAPTI KUSHWAHA**  
Company Secretary  
Membership No.: A34747

Place : Gurgaon  
Date : 25 May, 2016





**FORTIS C-DOC HEALTHCARE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016**

	Note No.	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
<b>A. Cash flow from operating activities</b>			
Loss before tax and exceptional items		(34,374,993)	(49,783,987)
		<b>(34,374,993)</b>	<b>(49,783,987)</b>
Adjustments for:			
Depreciation and amortization expense		20,427,915	20,148,023
Provision for doubtful receivables		768,910	885,717
Provision for doubtful advances		1,592,527	-
Bad debts and advances written off		1,999,191	-
Finance charges		223,735	195,792
Excess provisions written back		(1,661,297)	(1,483,869)
Interest expenses		15,347,280	14,366,795
<b>Operating profit/(loss) before working capital changes</b>		<b>4,323,268</b>	<b>(15,671,529)</b>
Movements in working capital :			
(Increase)/ decrease in trade receivables		(3,285,841)	(3,068,966)
(Increase)/ decrease in inventories		(471,608)	(51,956)
(Increase)/ decrease in loans and advances		(1,866,675)	1,024,059
(Increase)/ decrease in other assets		(744,516)	(803,363)
Increase in trade payables, other liabilities and provisions		9,031,872	21,825,910
<b>Cash generated from operations</b>		<b>6,986,500</b>	<b>3,254,155</b>
Direct taxes paid (net of refunds)		(1,190,642)	(3,240,920)
<b>Net cash flows from operating activities (A)</b>		<b>5,795,858</b>	<b>13,235</b>
<b>B. Cash flows from investing activities</b>			
Capital expenditure on fixed assets, including capital advances		(427,551)	(3,291,945)
<b>Net cash used in investing activities (B)</b>		<b>(427,551)</b>	<b>(3,291,945)</b>
<b>C. Cash flows from financing activities</b>			
Repayment of long-term borrowing		(25,775,000)	(20,620,000)
Proceed from long-term borrowing		32,380,000	33,580,000
Interest paid		(7,594,052)	(10,787,570)
Loan arrangement fees (paid)/ refunded (net)		(223,735)	(195,792)
<b>Net cash (used in) / flows from financing activities (C)</b>		<b>(1,212,787)</b>	<b>1,976,638</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>4,155,520</b>	<b>(1,302,072)</b>
Cash and cash equivalents at the beginning of the year		3,083,352	4,385,424
<b>Cash and cash equivalents at the end of the year</b>		<b>7,238,872</b>	<b>3,083,352</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
<b>Cash and cash equivalents at the end of the year *</b>	4(xiv)	<b>7,238,872</b>	<b>3,083,352</b>
<b>* Cash and cash equivalents at the end of the year comprises:</b>			
Cash on hand		347,128	463,785
Balances with banks on current		6,891,744	2,619,567
		<b>7,238,872</b>	<b>3,083,352</b>

See accompanying notes forming part of the financial statements

1 - 11

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**RASHIM TANDON**  
Partner  
Membership No.: 095440

Place : Gurgaon  
Date : 25 May, 2016



**FOR AND ON BEHALF OF BOARD OF DIRECTORS**  
**FORTIS C-DOC HEALTHCARE LIMITED**

**DR. ANOOP MISRA**  
Whole-time Director  
DIN: 02150996

**RAKESH LADDHA**  
Director  
DIN: 06987522

**TRAPTI KUSHWAHA**  
Company Secretary  
Membership No.: A34747

Place : Gurgaon  
Date : 25 May, 2016

**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
<b>4 (i) Share capital</b>		
<b>(a) Authorised Shares</b>		
7,000,000 (Previous year 7,000,000) Equity shares of Rupees 10 each	<b>70,000,000</b>	<b>70,000,000</b>
<b>(b) Issued, subscribed and fully paid up shares</b>		
6,767,729 (Previous year 6,767,729) Equity shares of Rupees 10 each fully paid up	<b>67,677,290</b>	<b>67,677,290</b>

See notes (i) to (iv) below

Notes:

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

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Number of shares	Amount (Rupees)	Number of shares	Amount (Rupees)
<b>Equity shares with voting rights</b>				
At the beginning of the year	6,767,729	67,677,290	6,767,729	67,677,290
Issued during the year	-	-	-	-
At the end of the year	<b>6,767,729</b>	<b>67,677,290</b>	<b>6,767,729</b>	<b>67,677,290</b>

**(ii) 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. The Company declares and pays dividend in Indian rupees. 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.

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Value Rupees	Number of shares	Value Rupees
<b>Equity shares with voting rights</b>				
Fortis Hospitals Limited* ("the Holding Company")	4,060,637	40,606,370	4,060,637	40,606,370

\* including 3 shares held by nominees.

Fortis Health Management (North) Limited (FHMNL) was the holding company till March 31, 2013. FHMNL has merged with Fortis Hospitals Limited and the Scheme of Amalgamation has been approved and sanctioned by the Hon'ble High Court vide its Order dated July 22, 2013 with the appointed date of April 1, 2012.

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

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% holding	Number of shares	% holding
Fortis Hospitals Limited* ("the Holding Company")	4,060,637	60.00%	4,060,637	60.00%
Dr. Anjali Misra	1,590,651	23.50%	1,590,651	23.50%
Dr. Anoop Misra	1,092,354	16.14%	1,092,354	16.14%

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



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
<b>4 (ii) Reserves and surplus</b>		
(a) <b>Securities premium account</b>		
i. Opening balance	36,131,250	36,131,250
ii. <b>Closing balance</b>	<b>36,131,250</b>	<b>36,131,250</b>
(b) <b>Deficit in Statement of Profit and Loss</b>		
i. Opening balance	(159,795,148)	(110,011,161)
ii. Add: Loss for the year	(35,059,094)	(49,783,987)
iii. <b>Net deficit in the statement of profit and loss</b>	<b>(194,854,242)</b>	<b>(159,795,148)</b>
	<b>(158,722,992)</b>	<b>(123,663,898)</b>

**4 (iii) Long-term borrowings**

**Secured**

(a) Term loan from banks (see note below)*	41,471,402	67,246,402
(b) Less: Current maturities of term loans (See note 4(vii) below)	(25,775,000)	(25,775,000)
	<b>15,696,402</b>	<b>41,471,402</b>

**Unsecured**

(a) Loans from holding company**	85,114,635	48,966,501
	<b>85,114,635</b>	<b>48,966,501</b>
	<b>100,811,037</b>	<b>90,437,903</b>

\* Loan from Bank carries interest @12.00-12.55% p.a. and secured by exclusive charge on entire fixed assets and current assets of the company (both present and future) along with corporate guarantee of Fortis Healthcare Limited and personal guarantee of Dr. Anoop Misra and Dr. Angeli Misra. The loan is repayable in 20 structured quarterly installment starting from June 30, 2013 amounting to:

Year	Amount in Rupees
5% in the 1st year	5,155,000
20% in the 2nd year	20,620,000
25% in the 3rd year	25,775,000
25% in the 4th year	25,775,000
19% in the 5th year	15,696,402

\* Loan from holding company carries interest @13% p.a. and is repayable after March 31, 2017.

**4 (iv) Other long-term liabilities**

(a) Lease equalisation reserve	13,107,129	14,219,180
(b) Interest accrued but not due on borrowings	8,043,089	3,768,134
	<b>21,150,218</b>	<b>17,987,314</b>

**4 (v) Long-term provisions**

(a) <b>Provision for employees benefits</b>		
- Provision for gratuity (refer note 8)	1,953,000	1,412,000
	<b>1,953,000</b>	<b>1,412,000</b>





**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

	<b>As at 31 March 2016 (Rupees)</b>	<b>As at 31 March 2015 (Rupees)</b>
<b>4 (vi) Trade payables</b>		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	57,348,414	49,703,383
	<b><u>57,348,414</u></b>	<b><u>49,703,383</u></b>

The Company has no amounts payable to micro and small enterprises as defined in Section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006 to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

<b>4 (vii) Other current liabilities</b>		
(a) Current maturities of long-term debt (See note 4(iii) above)	25,775,000	25,775,000
(b) Interest accrued and due on borrowings	486,221	776,082
(c) Advances from patients/ customers	352,380	719,976
(d) Other payables		
i. Statutory remittances	2,788,124	3,398,138
ii. Payables on purchase of fixed assets (refer note 5(ii))	13,804,410	11,207,653
iii. Lease equalisation reserve	1,320,306	-
vi. Others	22,365	22,365
	<b><u>44,548,806</u></b>	<b><u>41,899,214</u></b>

**4 (viii) Short-term provisions**

Provision for employee benefits		
- Provision for compensated absences	2,280,000	1,676,000
- Provision for gratuity (refer note 8)	56,000	22,000
	<b><u>2,336,000</u></b>	<b><u>1,698,000</u></b>



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**4 (ix)(a) Tangible Assets (At cost) (Owned)**

(Rupees)

	Leasehold improvements	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Total
<b>Cost or valuation</b>							
<b>As at 1 April 2014</b>	93,060,368	11,498,955	49,517,420	10,379,710	2,239,235	286,906	<b>166,982,594</b>
Additions	100,125	1,040,356	78,225	228,142	19,950	47,484	<b>1,514,282</b>
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2015</b>	<b>93,160,493</b>	<b>12,539,311</b>	<b>49,595,645</b>	<b>10,607,852</b>	<b>2,259,185</b>	<b>334,390</b>	<b>168,496,876</b>
Additions	-	-	2,741,795	80,000	93,367	-	<b>2,915,162</b>
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2016</b>	<b>93,160,493</b>	<b>12,539,311</b>	<b>52,337,440</b>	<b>10,687,852</b>	<b>2,352,552</b>	<b>334,390</b>	<b>171,412,038</b>
<b>Accumulated depreciation</b>							
<b>As at April 1 April 2014</b>	20,622,612	1,852,576	5,970,341	1,741,596	687,190	46,992	<b>30,921,307</b>
Charge for the year	12,914,163	1,206,191	3,813,031	1,057,398	750,566	60,633	<b>19,801,982</b>
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2015</b>	<b>33,536,775</b>	<b>3,058,767</b>	<b>9,783,372</b>	<b>2,798,994</b>	<b>1,437,756</b>	<b>107,625</b>	<b>50,723,289</b>
Charge for the year	13,051,194	1,259,612	3,920,404	1,066,293	396,721	194,211	<b>19,888,435</b>
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2016</b>	<b>46,587,969</b>	<b>4,318,379</b>	<b>13,703,776</b>	<b>3,865,287</b>	<b>1,834,477</b>	<b>301,836</b>	<b>70,611,724</b>
<b>Net Block</b>							
<b>As at 31 March 2015</b>	<b>59,623,718</b>	<b>9,480,544</b>	<b>39,812,273</b>	<b>7,808,858</b>	<b>821,429</b>	<b>226,765</b>	<b>117,773,587</b>
<b>As at 31 March 2016</b>	<b>46,572,524</b>	<b>8,220,932</b>	<b>38,633,664</b>	<b>6,822,565</b>	<b>518,075</b>	<b>32,554</b>	<b>100,800,314</b>





**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**4 (ix) (b) Intangible assets (At cost) (Owned) (Rupees)**

	Software	Total
<b>Cost or valuation</b>		
<b>As at 1 April 2014</b>	760,734	760,734
Additions	1,517,813	1,517,813
Disposals	-	-
<b>As at 31 March 2015</b>	<b>2,278,547</b>	<b>2,278,547</b>
Additions	109,146	109,146
Disposals	-	-
<b>As at 31 March 2016</b>	<b>2,387,693</b>	<b>2,387,693</b>
<b>Amortization and impairment</b>		
<b>As at 1 April 2014</b>	233,459	233,459
Charge for the year	346,040	346,040
Deletions	-	-
<b>As at 31 March 2015</b>	<b>579,499</b>	<b>579,499</b>
Charge for the year	539,480	539,480
Deletions	-	-
<b>As at 31 March 2016</b>	<b>1,118,979</b>	<b>1,118,979</b>
<b>Net block</b>		
<b>As at 31 March 2015</b>	<b>1,699,048</b>	<b>1,699,048</b>
<b>As at 31 March 2016</b>	<b>1,268,714</b>	<b>1,268,714</b>



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

	<b>As at 31 March 2016 (Rupees)</b>	<b>As at 31 March 2015 (Rupees)</b>
<b>4 (x) Long-term loans and advances</b>		
<b>Unsecured, considered Doubtful</b>		
(a) Capital advances	895,800	-
Less: Provision for doubtful advances	<u>(895,800)</u>	<u>-</u>
	-	-
<b>Unsecured, considered good</b>		
(b) Security deposits	7,656,000	7,680,750
(c) Advance income tax	<u>10,323,430</u>	<u>9,132,788</u>
	<b><u>17,979,430</u></b>	<b><u>16,813,538</u></b>
<b>4 (xi) Other non-current assets</b>		
<b>Unsecured, considered good</b>		
(a) Unamortised finance charges	<u>223,123</u>	<u>474,190</u>
	<b><u>223,123</u></b>	<b><u>474,190</u></b>
<b>4 (xii) Inventories (valued at lower of cost and net realisable value)</b>		
(a) Medical consumables and drugs	<u>1,146,930</u>	<u>675,322</u>
	<b><u>1,146,930</u></b>	<b><u>675,322</u></b>
<b>4 (xiii) Trade receivables (Unsecured)</b>		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	206,302	533,922
- Considered doubtful	<u>545,731</u>	<u>948,803</u>
	752,033	1,482,725
Less: Provision for doubtful receivables	<u>(545,731)</u>	<u>(948,803)</u>
	206,302	533,922
(b) Other receivables		
<b>Unsecured</b>		
- Considered good	4,767,419	3,922,059
- Considered doubtful	<u>1,090,717</u>	<u>-</u>
	5,858,136	3,922,059
Less: Provision for doubtful receivables	<u>(1,090,717)</u>	<u>-</u>
	4,767,419	3,922,059
	<b><u>4,973,721</u></b>	<b><u>4,455,981</u></b>
<b>4 (xiv) Cash and cash equivalents</b>		
(a) Cash on hand	347,128	463,785
(b) Balances with bank		
- in current account	<u>6,891,744</u>	<u>2,619,567</u>
	<b><u>7,238,872</u></b>	<b><u>3,083,352</u></b>



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
<b>4 (xv) Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
(a) Security deposits		
- Considered good	84,000	240,000
- Considered doubtful	180,000	-
	264,000	240,000
Less: Provision for doubtful Security Deposit	(180,000)	-
	84,000	240,000
(b) Loans and advances to employees	68,778	155,633
(c) Prepaid expenses	249,008	-
(d) Advance to supplier		
- Considered good	373,649	-
- Considered doubtful	516,727	-
	890,376	80,904
Less: Provision for doubtful advances	(516,727)	-
	373,649	80,904
	<b>775,435</b>	<b>476,537</b>
<b>4 (xvi) Other current assets</b>		
(Unsecured, considered good)		
(a) Unamortized finance charges	223,124	195,792
(b) Accrued operating income	2,472,110	1,503,859
	<b>2,695,234</b>	<b>1,699,651</b>



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
<b>4 (xvii) Revenue from operations</b>		
<b>Sale of services</b>		
Revenue from operations		
(a) In patient	131,825,365	84,006,347
(b) Out patient	86,837,401	70,841,221
(c) Income from medical services	14,834,657	15,187,863
	<u>233,497,423</u>	<u>170,035,431</u>
Less: Trade discounts	1,584,480	2,007,156
	<u>231,912,943</u>	<u>168,028,275</u>
<b>Other operating income</b>		
(a) Income from academic services	84,000	138,000
(b) Income from rent	3,347,904	2,763,182
(c) Scrap sale	22,016	-
(d) Excess provisions written back	1,661,297	1,483,869
(e) Miscellaneous income	178,629	60,000
	<u>5,293,846</u>	<u>4,445,051</u>
	<b><u>237,206,789</u></b>	<b><u>172,473,326</u></b>
<b>4 (xviii) Other income</b>		
(a) Net gain on foreign currency transactions and translation	-	12,118
(b) Interest on income tax refund	222,240	-
(c) Miscellaneous income	138,259	1,302,950
	<u>360,499</u>	<u>1,315,068</u>
<b>4 (xix) (Increase) in inventories of medical consumables and drugs</b>		
(a) Inventory at the beginning of the year	675,322	623,366
(b) Inventory at the end of the year	1,146,930	675,322
	<u>(471,608)</u>	<u>(51,956)</u>
<b>4 (xx) Employee benefits expense</b>		
(a) Salaries, wages and bonus	34,498,293	31,131,178
(b) Contribution to provident and other funds	1,798,192	1,599,539
(c) Gratuity expense (refer note 8(ii))	575,000	485,000
(d) Leave encashment	812,333	637,762
(e) Staff welfare expenses	751,102	2,429,186
	<u>38,434,920</u>	<u>36,282,665</u>



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
<b>4 (xxi) Other expenses</b>		
(a) Consultation fees to doctors	57,285,760	33,476,180
(b) Professional charges to doctors	28,159,062	24,807,941
(c) Rent		
- Hospital buildings, offices and labs	26,276,515	25,667,748
- Equipments	110,862	508,034
- Others	392,459	288,827
(d) Pathology laboratory expenses	12,137,122	10,483,680
(e) Contractual manpower	7,547,174	6,590,401
(f) Marketing and business promotion	6,102,438	5,206,275
(g) Power, fuel and water	5,954,448	5,601,537
(h) Repairs and maintenance		
- Building	583,909	830,384
- Plant and machinery	2,223,993	2,548,230
- Others	943,787	397,166
(i) Radiology expenses	2,220,807	2,422,021
(j) Patient food and beverages	2,206,882	1,643,004
(k) Bad debts and advances written off	1,999,191	-
(l) Provision for doubtful receivables	768,910	885,717
(m) Provision for doubtful advances	1,592,527	-
(n) Housekeeping expenses including consumables	1,792,620	1,451,587
(o) Printing and stationery	1,240,250	1,468,410
(p) Legal and professional fee (See note (i) below)	1,519,744	1,431,314
(q) Insurance	1,065,209	876,858
(r) Communication expenses	1,017,315	760,379
(s) Travel and conveyance	613,789	941,906
(t) Cost of medical services	355,508	876,842
(u) Rates and taxes	67,290	66,416
(v) Miscellaneous expenses	284,080	286,882
	<b>164,461,651</b>	<b>129,517,739</b>

**Note:**

(i) **Auditors' remuneration comprises (exclusive of service tax)**

Statutory audit fee	350,000	304,765*
Tax audit fee	75,000	82,480*
Out of pocket expense	-	44,596*
	<b>425,000</b>	<b>431,841</b>

[\* Payment made to auditor for the previous year relates to amounts paid to previous auditors]

**4 (xxii) Finance costs**

(a) Interest expense		
- on term loans	7,055,436	10,179,978
- on loan from Holding Company	8,291,844	4,186,817
	15,347,280	14,366,795
(b) Bank charges	707,939	562,631
(c) Other borrowing costs		
- Amortization of finance charges	223,735	195,792
	<b>16,278,954</b>	<b>15,125,218</b>

**4 (xxiii) Depreciation and amortization expense**

Depreciation of tangible assets	19,888,435	19,801,983
Amortization of intangible assets	539,480	346,040
	<b>20,427,915</b>	<b>20,148,023</b>

**4 (xxiv) Earnings per share**

Loss for the year (In Rupees)	(35,059,094)	(49,783,987)
Weighted average number of equity shares outstanding during the year (In numbers)	6,767,729	6,767,729
Nominal value per equity Shares (In Rupees)	10	10
Basic & Diluted earnings per share (In Rupees)	(5.18)	(7.36)

The company does not have any potential dilutive shares outstanding as at year end



**FORTIS C-DOC HEALTHCARE LIMITED**  
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**1. Nature of Operations**

Fortis C-Doc Healthcare Limited ('the Company') was incorporated on September 17, 2010 to carry on the business of setting up and operate Healthcare Centers including OPDs, IPDs. The company is engaged in the business of providing healthcare services relating to diabetic, renal and ophthalmology and also carries research which are sponsored or otherwise, in pursuit of medical knowledge for cure and treatment of various ailments affecting human body.

The Company became a subsidiary of Fortis Health Management (North) Limited ('FHMNL') on May 24, 2011. FHMNL was the holding company till March 31, 2013. FHMNL has merged with Fortis Hospitals Limited and the Scheme of Amalgamation has been approved and sanctioned by the Hon'ble High Court vide its Order dated July 22, 2013 with the appointed date of April 1, 2012.

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013. The financial statements have been prepared on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

As at 31 March 2015, the Company has share capital of Rupees 67,677,290 and accumulated losses of Rupees 194,854,242 and net current liabilities of Rupees 87,403,028. 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. Summary of significant accounting policies**

**a. Use of estimates**

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

**Change in Estimate**

Till the year ended 31 March 2014, depreciation was provided based on rates prescribed under Schedule XIV of the Companies Act, 1956. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, in the previous year the management had re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

In the previous year, where the asset had zero remaining useful life on the date of schedule II was effective, i.e., April 01, 2014, its carrying amount, after retaining any residual value, was charged to the opening balance of the deficit in the statement of profit & loss for the Financial Year 2014-2015. The carrying amount of the assets whose remaining useful life was not nil on April 01, 2014, was depreciated over their revised remaining useful life.





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**b. Inventories**

Inventory of Medical consumables and drugs are valued at lower of cost and net realizable value. Cost is determined on Weighted Average basis.

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

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

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**d. Cash flow statement**

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

**e. Depreciation on tangible/intangible fixed assets**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has considered the following life as per Schedule II to the Companies Act, 2013 to provide depreciation on its fixed assets.

Sl. No.	Assets	Useful life
1.	Medical equipments	13 years
2.	Furniture and fittings	10 years
3.	Computers & Software	3 years
4.	Office equipment's	5 years

The management has estimated, supported by independent assessment by professionals, the useful lives of the following class of asset:

The useful lives of plant and machinery are estimated at 10 years. These lives are lower than those indicated in schedule II of Companies Act, 2013.

Depreciation on Leasehold Improvements is provided over the primary period of lease of 7 years or over the useful lives of the respective fixed assets, whichever is shorter.

**Software**

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

**f. Change in Accounting Policies in the previous year ended 31 March 2015**

- i) Till the financial year ended 31 March 2014, the company was not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, the company in the previous year had changed the manner of depreciation for its fixed assets. Accordingly, the company identified and determined separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. This change in accounting policy did not have any material impact on financial statements of the company for the previous year.
- ii) Till the year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs. 5,000 in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the previous year ended 31 March 2015, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company had in the previous year changed its accounting policy for depreciation of assets costing less than Rs. 5,000. As per the revised policy, the company is



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depreciating such assets over their useful life as assessed by the management. In the previous year, the management decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000 did not have any material impact on financial statements of the company for the previous year.

**g. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Operating Income*

Operating Income is recognized as and when the medical services are rendered / pharmacy items 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. Income from medical services is recognized as and when contractual obligation arising out of contractual arrangements with respective hospitals fulfilled.

*Income from Academic Services*

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

*Income from Rent*

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis.

*Interest*

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

**h. Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebate are deducted in arriving at purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

**i. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.





**FORTIS C-DOC HEALTHCARE LIMITED**  
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Intangible assets are amortized on a straight line basis over the estimated useful economic life.

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

**j. Foreign currency transactions and balances**

**i) Initial recognition**

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

**ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**iii) Exchange differences**

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

**k. Retirement and other employee benefits:**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

**i) Contribution 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.

**ii) Gratuity**

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

**iii) Compensated absences**

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.



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The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the 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.

**iv) Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include bonus and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**I. Borrowing costs**

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

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

**m. Segment Reporting**

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

**n. 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 recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

*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 fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**o. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year (including prior period items, if any) attributable to the equity shareholders (after deducting attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**p. Income taxes**

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





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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**q. Impairment of tangible and intangible assets**

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factor. An impairment loss is recognized in the statement of profit and loss account wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to assets. This rate is estimated from the rate implicit in current market assessment for similar assets or from weighted average cost of capital of the company. Impairment losses are recognized in the statement of profit and loss.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.



**FORTIS C-DOC HEALTHCARE LIMITED**  
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**r. Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**s. Unamortised finance charges**

Costs incurred in raising funds are amortised on straight line basis over the period for which the funds have been obtained, using time proportionate basis.

**t. Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI (now Schedule III to the Companies Act, 2013) to Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company includes other income, but does not include depreciation and amortization expense, finance costs and tax expense.

**u. 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.

**v. Operating cycle**

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





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**5. Commitments and contingent liabilities**

**i. Commitments**

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods, employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

**ii. Contingent liabilities**

During the year ended 31 March 2015, the Company has received a claim from a contractor dated 11 February 2015 for leasehold work carried at hospital premises amounting to Rupees 27,913,078 towards work completed under agreement dated 07 Apr 2011, excluding interest @ 18% on claimed amounts from due date of payment. Against the claim, the Company has filed a counter claim amounting to Rupees 119,582,277 excluding interest of 18% towards deficiency and defects in work completed and delay in completion of work. The matter is pending with arbitrator for hearing and final disposal. In the opinion of the management, the claim filed on the Company is not sustainable and the Company will not be required to pay any claims except for the amounts recorded in the financial statements.

**6. Related party disclosures**

**(a) Names of related parties and related party relationship**

<b>Nature of Relationship</b>	<b>Name of Entity</b>
(i) Ultimate Holding Company	RHC Holding Private Limited (holding company of Fortis Healthcare Holdings Private Limited)
(ii) Holding Companies	Fortis Healthcare Holdings Private Limited (holding company of Fortis Healthcare Limited) Fortis Healthcare Limited (FHL) (holding company of Fortis Hospitals Limited) Fortis Hospitals Limited (FHSL)
(iii) Fellow Subsidiaries (parties with whom transactions have taken place)	SRL Limited (SRL) (Subsidiary of Fortis Healthcare Limited) Escorts Heart Institute and Research Center Limited (Subsidiary of Fortis Healthcare Limited) Fortis Emergency Services Limited (FESL) (Subsidiary of Fortis Healthcare Holdings Private Limited) Religare Wellness Limited (RWL) (Subsidiary of Fortis Healthcare Holdings Private Limited)
(iv) Key managerial personnel	Dr. Anoop Misra- Executive Chairman
(v) Relatives of key managerial personnel(s)	Dr. Angeli Misra- Director
(vi) Individuals having control over voting power	Mr. Malvinder Mohan Singh Mr. Shivinder Mohan Singh



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

Particulars	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
<b>Transaction during the year/period</b>		
<b>Loan Received</b>		
Fortis Hospitals Limited (Holding Company)	32,380,000	33,580,000
<b>Interest converted into loan</b>		
Fortis Hospitals Limited (Holding Company)	3,768,134	23,007
<b>Rental Income</b>		
Religare Wellness Limited (Fellow Subsidiary)	3,234,687	2,763,182
<b>Pathology Expenses</b>		
SRL Limited (Fellow Subsidiary)	12,137,122	9,957,931
<b>Radiology Expenses</b>		
Escorts Heart Institute & Research Centre Limited (Fellow Subsidiary)	1,243,473	454,427
<b>Other Medical Services Expenses</b>		
Escorts Heart Institute & Research Centre Limited (Fellow Subsidiary)	-	1,800,000
<b>Income from Medical Services</b>		
Fortis Hospitals Limited (Holding Company)	9,467,864	8,055,961
<b>Managerial Remuneration</b>		
Dr. Anoop Misra (Key managerial personnel)	13,200,000	14,121,549
<b>Medical Consumables and Drugs</b>		
Religare Wellness Limited (Fellow Subsidiary)	17,672,307	13,418,001
<b>Medical Service Expenses</b>		
Fortis Hospitals Limited (Fellow Subsidiary)	-	876,842



**FORTIS C-DOC HEALTHCARE LIMITED**  
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**FOR THE YEAR ENDED 31 MARCH 2016**

Particulars	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
<b>Interest Expense</b>		
Fortis Hospitals Limited (Holding Company)	8,291,844	4,186,817
<b>Travelling Expenses</b>		
Fortis Emergency Services Limited (Fellow Subsidiary)	181,200	125,000
<b>Consultation Fees to Doctors</b>		
Fortis Healthcare Limited (Holding Company)	2,181,663	2,521,726
Fortis Hospitals Limited (Holding Company)	355,387	-
Escorts Heart Institute & Research Centre Limited (Fellow Subsidiary)	5,960	38,941
<b>Purchase of Housekeeping Consumables</b>		
Fortis Hospitals Limited (Holding Company)	184,666	-
<b>Staff Welfare Expenses</b>		
Fortis Hospitals Limited (Holding Company)	7,950	-
<b>Expenditure incurred on behalf of company by</b>		
Fortis Hospitals Limited (Holding Company)	38,051	-
<b>Expenditure incurred on behalf of</b>		
Fortis Healthcare Limited (Holding Company)	21,723	-
Fortis Emergency Services Limited (Fellow Subsidiary)	14,312	-
<b>Transfer of CWIP</b>		
Fortis Healthcare Limited (Holding Company)	61,646	-



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

Particulars	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
<b>Balance at year end :</b>		
<b>Long term Borrowing</b>		
Fortis Hospitals Limited (Holding Company)	85,114,635	48,966,501
<b>Interest Accrued</b>		
Fortis Hospitals Limited (Holding Company)	8,043,089	3,768,134
<b>Trade Payables</b>		
Fortis Hospitals Limited (Holding Company)	502,528	106,067
Fortis Healthcare Limited (Holding Company)	7,279,435	3,941,967
Escorts Heart Institute & Research Centre Limited (Fellow Subsidiary)	3,206,770	2,083,159
SRL Limited (Fellow Subsidiary)	16,208,070	14,795,035
Religare Wellness Limited (Fellow Subsidiary)	9,710,314	12,089,923
Fortis Emergency Services Limited (Fellow Subsidiary)	431,733	490,709
<b>Salary Payable</b>		
Dr. Anoop Misra (Key managerial personnel)	1,531,050	1,980,000
<b>Trade Receivables</b>		
Fortis Hospitals Limited (Holding Company)	783,325	48,854



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**7. Leases**

**i) Operating lease: Company as lessee**

The Company has entered into operating lease arrangements for hospital premises and nursing hostel. The leases and may be renewed further periods on mutual agreement of the parties. The total lease payment in respect of such leases recognized in the statement of profit and loss for the year are Rupees 26,779,836 (Previous year Rupees 26,464,609).

The total future minimum lease payments under the non-cancellable operating leases (including optional period of lease) are as under:

Particulars	(In Rupees)	
	As at March 31, 2016	As at March 31, 2015
<b>Minimum lease payments</b>		
Operating lease not later than one year	25,046,750	22,880,000
Operating lease later than one year but not later than five years	77,366,250	102,413,000

**ii) Operating lease: Company as lessor**

The Company has sub-leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. There are no restrictions imposed by lease arrangements. All the leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognized in the statement of profit and loss for the year is Rupees 3,347,904 (Previous year Rupees 2,763,182).

**8. Disclosure under Accounting Standard – 15 (Revised) on 'Employee Benefits'**

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 salary) for each completed year of service subject to a maximum limit of Rupees 1,000,000 in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service. The Gratuity fund is unfunded.

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

Particulars	(In Rupees)	
	Gratuity Year ended 31 March 2016 (Unfunded)	Gratuity Year ended 31 March 2015 (Unfunded)
<b>Statement of profit and loss</b>		
<b>Expense recognised in Statement of Profit and Loss is as follows :</b>		
Current Service cost	509,000	402,000
Expected return of plan assets	-	-
Net actuarial loss/ (gain) recognized in the year	(40,000)	(5,000)
Past Service Cost	(5,000)	-
Net benefit expenses	575,000	485,000



**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	As at 31 March 2016	As at 31 March 2015
<b>Balance Sheet</b>		
<b>Details of Provision for Gratuity as at year end</b>		
Present value of defined benefit obligation	2,009,000	1,434,000
Fair value of plan assets	-	-
Surplus/(deficit) of funds	(2,009,000)	(1,434,000)
Net asset/ (liability)	(2,009,000)	(1,434,000)
<b>Changes in present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	1,434,000	949,000
Current service cost	509,000	402,000
Interest cost on benefit obligation	111,000	88,000
Benefits paid	-	-
Past Service Cost	(5,000)	-
Actuarial loss/(gain) recognized in the year	(40,000)	(5,000)
Closing defined benefit obligation	2,009,000	1,434,000

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

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	7.75%	7.75%
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (modified) ULT	Indian Assured Lives Mortality (2006-08) (modified) ULT

**Withdrawal / Employee Turnover Rate**

Up to 30 years	18%	18%
Up to 44 years	6%	6%
Above 44 years	2%	2%
Experience loss adjustments on plan liabilities	Nil	Nil

**Experience history for the current and previous 4 periods are as follows:**

Particulars	Year ending				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation at the end of the period	(2,009,000)	(1,434,000)	(949,000)	(701,000)	288,000
Surplus/ (deficit)	(2,009,000)	(1,434,000)	(949,000)	(701,000)	288,000
Experience gain/ (loss) adjustment on plan liabilities	40,000	125,000	(815,000)	(33,000)	-
Experience gain/ (loss) adjustment on plan assets	-	-	-	-	-
Actuarial gain/ (loss) due to change on assumptions	-	(120,000)	81,000	(29,000)	-

**Notes:**

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.

Estimates amount of contribution in the immediate next year is Rs. 716,000.





**FORTIS C-DOC HEALTHCARE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**9. Material Consumed (including consumables)**

Particulars	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2016 % of total consumption	Year ended 31 March 2015 % of total consumption
Indigenous	32,338,841	22,498,736	100%	100%
<b>Total</b>	<b>32,338,841</b>	<b>21,538,336</b>	<b>100%</b>	<b>100%</b>

**10. Exceptional items**

Statutory bonus recorded amounting Rupees 684,101 in the current period represents the amounts accrued for bonus payable to existing employees of the company for the period from April 1, 2014 to December 31, 2015 due to enactment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014.

**11. Previous Year Comparatives**

Previous year figures have been regrouped/reclassified, where necessary, to confirm to this year's classification. Figures for the previous year have been audited by another firm of chartered accountants.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**  
**FORTIS C-DOC HEALTHCARE LIMITED**

*[Signature]*  
**Dr. ANOOP MISRA**  
 Whole-time Director  
 DIN: 02150996

*[Signature]*  
**RAKESH LADDHA**  
 Director  
 DIN: 06987522

*[Signature]*  
**TRAPTI KUSHWAHA**  
 Company Secretary  
 Membership No: A34747

Place: Gurgaon  
 Date: 25 May, 2016

