

FORTIS CANCER CARE LIMITED

AUDITED FINANCIAL STATEMENTS

YEAR ENDED

31 MARCH, 2016

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FORTIS CANCER CARE LIMITED
(Formerly known as Fortis Health Management (South) Limited)**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **FORTIS CANCER CARE LIMITED (Formerly known as Fortis Health Management (South) Limited)** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on 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 thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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 financial statements are free from material misstatement.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



RASHIM TANDON
Partner
(Membership No. 095540)

Gurgaon, 18 May 2016
RT/JB/2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **FORTIS CANCER CARE LIMITED (Formerly known as Fortis Health Management (South) Limited)** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366 W / W-100018)



A handwritten signature in black ink, appearing to read "Rashim Tandon".

RASHIM TANDON

Partner

(Membership No. 095540)

Gurgaon, 18 May 2016
RT/JB/2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted 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, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There are no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) According to the information and explanations given to us, the requirement to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including income-tax and cess with the appropriate authorities during the year and that there are no undisputed amounts in respect of these dues which have remained outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable.

We are informed that the operations of the Company during the period did not give rise to any liability for Provident Fund, Employees' State Insurance, Excise Duty, Service Tax, Sales Tax, Value Added Tax and Customs Duty.
 - (b) There are no dues of income tax which have not been deposited as on 31 March 2016 on account of any dispute.



- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration and hence reporting under clause (xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



RASHIM TANDON
Partner
(Membership No. 095540)

Gurgaon, 18 May 2016
RT/JB/2016

FORTIS CANCER CARE LIMITED
(Formerly known as FORTIS HEALTH MANAGEMENT (SOUTH) LIMITED)
BALANCE SHEET AS AT 31 MARCH 2016

	<u>Notes No.</u>	<u>As at 31 March 2016 Rupees</u>	<u>As at 31 March 2015 Rupees</u>
A EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
a) Share capital	4(i)	500,000	500,000
b) Reserves and surplus	4(ii)	(234,117,273)	(40,469,310)
		(233,617,273)	(39,969,310)
2 NON-CURRENT LIABILITIES			
a) Long-term borrowings	4(iii)	248,263,812	187,061,565
b) Other long-term liabilities	4(iv)	21,858,519	25,117,758
		270,122,331	212,179,323
3 CURRENT LIABILITIES			
a) Short-term borrowings	4(v)	5,413,991	-
b) 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)	974,234	9,186,089
c) Other current liabilities	4(vii)	1,046,844	3,508,262
		7,435,069	12,694,351
TOTAL		43,940,127	184,904,364
B ASSETS			
1 NON-CURRENT ASSETS			
a) Non-current investments	4(viii)	-	61,774,990
b) Long-term loans and advances	4(ix)	43,460,721	111,532,374
c) Other non-current assets	4(x)	-	11,117,594
		43,460,721	184,424,958
2 CURRENT ASSETS			
a) Cash and cash equivalents	4(xi)	479,406	479,406
		479,406	479,406
TOTAL		43,940,127	184,904,364

See accompanying notes forming part of the financial statements

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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 : Gurqaon
Date : 18 May, 2016



**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FORTIS CANCER CARE LIMITED**

Rajeev Kumar Dua

RAJEEV KUMAR DUA
Director
DIN: 06974102

Place : Gurqaon
Date : 18 May, 2016

ANURAG KALRA
Director
DIN: 06987504



[Signature]

FORTIS CANCER CARE LIMITED
(Formerly known as FORTIS HEALTH MANAGEMENT (SOUTH) 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
1 INCOME			
a) Revenue from operations	4(xii)	-	81,676
b) Other income	4(xiii)	1,472,106	12,436,260
Total Revenue		1,472,106	12,517,936
2 EXPENSES			
a) Other expenses	4(xiv)	6,659,450	10,745,137
Total expenses		6,659,450	10,745,137
3 Earnings before interest, tax, depreciation and amortization (EBITDA) (1-2)		(5,187,344)	1,772,799
4 Finance costs	4(xv)	22,534,556	27,922,403
5 Loss before tax, depreciation and amortisation (3-4)		(27,721,900)	(26,149,604)
6 Depreciation and amortisation expense		-	-
7 Loss before exceptional items and tax (5-6)		(27,721,900)	(26,149,604)
8 Exceptional gain/ (loss)	4(xvi)	(165,926,063)	(2,357,467)
9 Profit/ (loss) before tax (7-8)		(193,647,963)	(28,507,071)
10 Tax expenses:			
(a) Current tax		-	-
(b) Deferred tax charge / (credit)		-	-
Total tax expenses		-	-
11 Profit / (Loss) for the year (9-10)		(193,647,963)	(28,507,071)
12 Earnings per share	4(xvii)		
Equity shares of Rupees 10 each			
- Basic and diluted		(3,872.96)	(570.14)

See accompanying notes forming part of the financial statements

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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 : 18 May, 2016



**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FORTIS CANCER CARE LIMITED**


RAJEEV KUMAR DUA
Director
DIN: 06974102

Place : Gurgaon
Date : 18 May, 2016


ANURAG KALRA
Director
DIN: 06987504





FORTIS CANCER CARE LIMITED
(Formerly known as FORTIS HEALTH MANAGEMENT (SOUTH) 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
A. Cash flow from operating activities			
Loss before exceptional items and tax		(27,721,900)	(26,149,604)
Adjustments for:			
Interest income		(1,472,106)	(12,436,260)
Interest expense		22,534,556	27,922,403
Operating loss before working capital changes		(6,659,450)	(10,663,461)
Movements in working capital :			
(Increase)/ decrease in trade receivables		-	(94,924)
Increase/ (decrease) in trade payables, other liabilities and		(10,673,273)	11,339,341
Cash flows / (used) in operations		(17,332,723)	580,956
Direct taxes paid / (received) (net of refunds)		(1,472,106)	434,146
Net cash flows from/ (used in) operating activities (A)		(18,804,829)	1,015,102
B. Cash flows from investing activities			
Loans to subsidiaries (given)/ repayments (net)		(22,500,000)	(15,100,000)
Loans to joint venture (given)/ repayments (net)		-	(9,899,858)
Purchase of investments in subsidiary		(989,720)	-
Interest Received		1,472,106	1,235,288
Net cash used in investing activities (B)		(22,017,614)	(23,764,570)
C. Cash flows from financing activities			
Proceeds from long-term borrowings		36,084,489	26,330,000
Proceeds/ (repayments) of short-term borrowings (net)		5,413,991	(694,635)
Interest paid		(676,037)	(2,804,645)
Net cash flows from financing activities (B)		40,822,443	22,830,720
Net increase in Cash and cash equivalents (A+B+C)		-	81,252
Cash and cash equivalents at the beginning of the year		479,406	398,244
Cash and cash equivalents at the end of the year		479,406	479,496
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents at the end of the year *	4(xi)	479,406	479,496
* Cash and cash equivalents at the end of the year		479,406	479,496
Balances with banks on current accounts		479,406	479,496
Total		479,406	479,496

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See accompanying notes forming part of the financial statements

In terms of our report attached.

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

Rashim Tandon

RASHIM TANDON
Partner
Membership No.: 095440

Place : Gurgaon
Date : 18 May, 2016



**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FORTIS CANCER CARE LIMITED**

Rajeev Kumar Dua

RAJEEV KUMAR DUA
Director
DIN: 06974102

Place : Gurgaon
Date : 18 May, 2016

Anurag Kalra

ANURAG KALRA
Director
DIN: 06987504



[Signature]

FORTIS CANCER CARE LIMITED
(Formerly known as FORTIS HEALTH MANAGEMENT (SOUTH) 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)
4(i) SHARE CAPITAL		
(a) Authorised:		
5,000,000 (Previous year 5,000,000) equity shares of Rupees 10 each	<u>50,000,000</u>	<u>50,000,000</u>
(b) Issued, subscribed and fully paid up shares		
50,000 (Previous year 50,000) equity shares of Rupees 10 each	<u>500,000</u>	<u>500,000</u>

See notes (i) to (iv) below

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Number of shares	Amount (Rupees)	Number of shares	Amount (Rupees)
Equity shares with voting rights				
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
At the end of the year	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

(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 March 31, 2016		As at March 31, 2015	
	Number of shares	Value Rupees	Number of shares	Value Rupees
Equity shares with voting rights				
Fortis Hospitals Limited* ("the Holding Company")	50,000	500,000	50,000	500,000
*including 6 equity shares held by its nominees				

(iv) Details of shares held by each shareholder holding more than 5% shares:

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% holding	Number of shares	% holding
Fortis Hospitals Limited* ("the Holding Company")	50,000	100%	50,000	100%
*including 6 equity shares held by its nominees				



FORTIS CANCER CARE LIMITED
(Formerly known as FORTIS HEALTH MANAGEMENT (SOUTH) 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)
4(ii) RESERVES AND SURPLUS		
Deficit in Statement of Profit and Loss		
i. Opening balance	(40,469,310)	(11,962,239)
ii. Add: Profit / (loss) for the year	(193,647,963)	(28,507,071)
iii. Closing Balance	<u>(234,117,273)</u>	<u>(40,469,310)</u>
4(iii) LONG TERM BORROWINGS		
Unsecured		
(a) Loan from Holding Company*	<u>248,263,812</u>	<u>187,061,565</u>
	<u>248,263,812</u>	<u>187,061,565</u>
* Loan from holding company carries interest @10% and is repayable after March 31, 2017.		
4(iv) OTHER LONG TERM LIABILITIES		
(a) Interest accrued but not due on borrowings*	<u>21,858,519</u>	<u>25,117,758</u>
	<u>21,858,519</u>	<u>25,117,758</u>
* Loan from holding company carries interest @10% and is repayable after March 31, 2017.		
4(v) SHORT TERM BORROWINGS		
Unsecured		
(a) Loan from Holding Company	<u>5,413,991</u>	<u>-</u>
	<u>5,413,991</u>	<u>-</u>
4(vi) TRADE PAYABLES		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>974,234</u>	<u>9,186,089</u>
	<u>974,234</u>	<u>9,186,089</u>
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.		
4(vii) OTHER CURRENT LIABILITIES		
(a) Payable to related party	425,807	425,807
(b) Other payables	<u>621,037</u>	<u>3,082,455</u>
- Statutory remittances	<u>1,046,844</u>	<u>3,508,262</u>



FORTIS CANCER CARE LIMITED
(Formerly known as FORTIS HEALTH MANAGEMENT (SOUTH) 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)
4(viii) NON-CURRENT INVESTMENT (Valued at cost unless stated otherwise)		
Trade investments		
Investment in equity instruments (fully paid up instruments)		
(a) Investment in subsidiaries (Unquoted)		
Lalitha Healthcare Private Limited 644,596 (Previous year 545,624) shares of Rupees 10 each, fully paid up	62,764,710	61,774,990
Less: Provision for diminution in value of investments (refer note 8)	(62,764,710)	-
	<u>-</u>	<u>61,774,990</u>
Notes :		
(i) Non-current investment comprises:		
Aggregate amount of unquoted investments - at cost	62,764,710	61,774,990
4(ix) LONG TERM LOANS & ADVANCES		
Unsecured		
(a) Loan to bodies corporate and others* (refer note 8)		
- Considered good	39,800,000	109,343,759
- Considered doubtful	103,161,353	-
	142,961,353	109,343,759
Less: Provision for doubtful loans and advances	(103,161,353)	-
	39,800,000	109,343,759
(b) Advance tax (Net of provision for tax Rupees Nil (previous year Rupees Nil))	3,660,721	2,188,615
	<u>43,460,721</u>	<u>111,532,374</u>
* Loan given to subsidiary company carries interest @11.5% p.a and is repayable after 31 March 2017.		
4(x) OTHER NON CURRENT ASSETS		
Unsecured, considered good		
(a) Interest accrued and not due on loans* (refer note 8)	-	11,117,594
	<u>-</u>	<u>11,117,594</u>
* Loan given to subsidiary company carries interest @11.5% p.a and is repayable after 31 March 2017.		
4(xi) CASH AND CASH EQUIVALENTS		
(a) Balance with bank:		
- in current account	479,406	479,406
	<u>479,406</u>	<u>479,406</u>



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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)
4(xii) REVENUE FROM OPERATIONS		
Income from royalty	-	81,676
	<u>-</u>	<u>81,676</u>
4(xiii) OTHER INCOME		
(a) Interest on loan to subsidiary	1,472,106	12,352,882
(b) Interest on income tax refund	-	83,378
	<u>1,472,106</u>	<u>12,436,260</u>
4(xiv) OTHER EXPENSES		
(a) Rent - Others (refer note 6)	6,074,900	10,329,871
(b) Legal and professional fee (refer note below)	534,472	401,831
(c) Rates and taxes	50,078	13,435
	<u>6,659,450</u>	<u>10,745,137</u>
Note:		
(i) Auditors' remuneration comprises (excluding service tax)*		
a. Statutory audit fee	200,000	200,000
b. Tax audit fee paid to previous auditor	75,000	-
c. Reimbursement of expenses	7,480	39,424
	<u>282,480</u>	<u>239,424</u>
[* Payment made to auditor towards tax audit fee and reimbursement of expenses in current year and payments made in previous year related to amounts paid to previous auditors]		
4(xv) FINANCE COSTS		
a. Interest expense on loan		
- Borrowings	22,534,556	27,922,403
	<u>22,534,556</u>	<u>27,922,403</u>
4(xvi) EXCEPTIONAL GAIN / (LOSS)		
Income:		
Write Back of Loan (refer note 7)	-	95,725,867
	<u>-</u>	<u>95,725,867</u>
Expenses:		
Loss on dissolution of partnership firm (refer note 7)	-	98,083,334
Impairment of investment in Lalitha Healthcare Private Limited (refer note 8)	62,764,710	-
Provision for doubtful Loan to Subsidiary Company (refer note 8)	103,161,353	-
	<u>165,926,063</u>	<u>98,083,334</u>
	<u>(165,926,063)</u>	<u>(2,357,467)</u>
4(xvii) EARNINGS PER SHARE		
Loss for the year (Rupees)	(193,647,963)	(28,507,071)
Weighted average number of equity shares outstanding during the year (Numbers)	50,000	50,000
Nominal value per Equity Shares (Rupees)	10	10
Basic earnings per share (Rupees)	(3,872.96)	(570.14)

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



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1. Nature of operations

Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited) ('FCCL' or the "Company") was incorporated on April 11, 2011 to carry on the business of promotion, maintenance, management, operation, conduct of healthcare and related services and providing consultancy for establishment of healthcare services.

During the year ended 31 March 2015, the company has changed its name from Fortis Health Management (South) Limited to Fortis Cancer Care Limited as per the revised certificates of incorporation issued by Registrar of companies, Delhi with effect from 20 December 2014.

2. Basis of preparation of financial statements

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 March 31, 2016, the Company has share capital of Rupees 500,000 and accumulated losses of Rupees 234,117,273 and net current liabilities of Rupees 6,955,663. Additional funds/settlement of these liabilities would be made available from 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 financial statements. The company is assessing and will commence operations on finalisation of its plan.

3. Summary of significant accounting policies

a. Use of estimates

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

b. 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.

c. 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.



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d. 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.

Royalty

Royalty income is recognized in accordance with terms of the contract.

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.

e. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of the acquisition of such investments are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of such long term investments.

f. Borrowing cost

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

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

g. 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 on 'Segment Reporting'.

h. Leases

Where the Company is the lessee

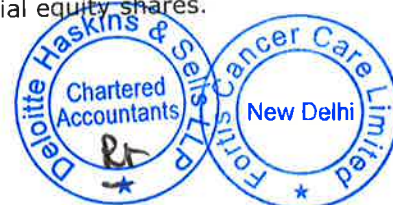
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of Profit and Loss account on a straight-line basis over the lease term.

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 is recognised in the Profit and Loss account on a straight-line basis over the lease term. Costs, including depreciation are recognised as expense in the Profit and Loss account.

i. 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 period. 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.



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j. 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.

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.



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k. 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 factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to asset. This rate is estimated from the rate implicit in current market transactions for similar assets or from the weighted average cost of capital of the Company. Impairment losses recognised in 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.

l. Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event 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 are not discounted to its present value and are determined based on 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.

m. 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.

n. Earnings Before Interest, Tax, Depreciation and amortisation (EBITDA)

As permitted by the Guidance Note on the Revised Schedule VI (now Schedule III to the Companies Act, 2013) to the 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. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company includes other income, but does not include depreciation and amortization expense, finance costs and tax expense.

o. 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. Related Party disclosures

Names of related parties and related party relationship

Nature of relationship	Name of the entity
(i) Ultimate Holding Company	RHC Holding Private Limited (holding of Fortis Healthcare Holdings Private Limited)
(ii) Holding Company	Fortis Healthcare Holdings Private Limited (holding company of Fortis Healthcare Limited) Fortis Healthcare Limited (holding company of Fortis Hospitals Limited) Fortis Hospitals Limited
(iii) Subsidiary	Lalitha Healthcare Private Limited
(iv) Fellow Subsidiary	SRL Limited (SRL) (Subsidiary of Fortis Healthcare Limited)
(v) Joint Venture	Fortis Cauvery
(vi) Individuals having control over voting power	Mr. Malvinder Mohan Singh Mr. Shivinder Mohan Singh

Transactions during the year:

Particulars	Year Ended 31 March 2016 (Rupees)	Year Ended 31 March 2015 (Rupees)
Loan taken :		
Fortis Hospitals Limited (Holding Company)	36,084,489	26,330,000
Interest converted into loan taken		
Fortis Hospitals Limited (Holding Company)	25,117,758	20,382,025
Loan repaid :		
Fortis Hospitals Limited (Holding Company)	-	694,635
Loan given :		
Lalitha Healthcare Private Limited (Subsidiary Company)	22,500,000	16,600,000
Fortis Cauvery (Joint Venture)	-	10,080,000
Interest converted into loan given		
Lalitha Healthcare Private Limited (Subsidiary Company)	11,117,594	7,674,350
Loan received back :		
Lalitha Healthcare Private Limited (Subsidiary Company)	-	1,500,000
Fortis Cauvery (Joint Venture)	-	180,142
Interest income :		
Lalitha Healthcare Private Limited (Subsidiary Company)	1,472,105	12,352,882
Fortis Cauvery (Joint Venture)	-	-
Interest expense :		



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Transactions during the year:

Particulars	Year Ended 31 March 2016 (Rupees)	Year Ended 31 March 2015 (Rupees)
Fortis Hospitals Limited (Holding Company)	22,534,556	27,922,403
Royalty income during the year:		
Fortis Cauvery (Joint Venture)	-	-
Expenses Incurred on behalf of the company by		
Fortis Hospitals Limited (Holding Company)	5,413,991	2,305,365
Rent (Others)		
SRL Limited (Fellow Subsidiary)	6,074,900	10,329,871
Provision for Doubtful Loan		
Lalitha Healthcare Private Limited (Subsidiary Company)	103,161,353	-
Provision for impairment of investment		
Lalitha Healthcare Private Limited (Subsidiary Company)	62,764,710	-
Write off loan given		
Fortis Cauvery (Joint Venture)	-	65,125,867
Loan written Back		
Fortis Hospitals Limited (Holding Company)	-	95,725,867

Balance outstanding at the year-end:

Particulars	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
Borrowings (net of amount written back)		
Fortis Hospitals Limited (Holding Company)	248,263,812	187,061,565
Other long-term liabilities		
Fortis Hospitals Limited (Holding Company)	-	25,117,758
Trade payables		
SRL Limited (Fellow Subsidiary)	744,500	8,929,089
Other Current Liabilities		
Fortis Healthcare Limited (Holding Company)	425,807	425,807
Long term loans and advances (net of provision)		
Lalitha Healthcare Private Limited (Subsidiary Company)	39,800,000	109,343,759
Interest accrued		
Lalitha Healthcare Private Limited (Subsidiary Company)	21,858,519	11,117,594



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6. Leases

Operating lease: Company as lessee

The Company has taken space with a building to be constructed by fellow subsidiary company SRL Limited on rent. As per the agreement, the land is to be purchased within one year from the date of signing the agreement. The rent is currently payable @ 1% per month on the cumulative amount spent by the lessor for the period commencing from the date SRL Limited has paid advance for purchase of land till the completion of purchase formalities. The rent payable after the start of construction will be 1% per month of cumulative construction cost incurred by the lessor. The rent payable after completion of construction of the building will be Rupees 100 per sq. ft. There is no escalation clause for the first 15 years of the lease and after that there is nominal in the rent as per mutual discussion. SRL Limited have not been able to purchase the land within 1 year of the agreement i.e. till 4 November 2015, therefore, total lease payments in respect of such lease recognised up to 4 November 2015 in the statement of profit and loss for the year are Rupees 6,074,900 (Previous year Rupees 10,329,871).

7. Exceptional items in year ended 31 March, 2015

The Company was holding 51% share in M/s. Fortis Cauvery, a partnership firm. During the previous year, Company has entered into a Memorandum of Understanding (MOU) to dissolve the said firm. The firm had incurred losses and companies' investment is completely eroded. To stop further losses, the operations of the firm were closed and assets was sold as per the terms of MOU.

In view of the above entire capital contribution of Rupees 30,600,000, trade receivables of Rupees 2,357,467 and loans advanced of Rupees 65,125,867 till the date of signing of MOU to the partnership firm have been written off during the previous year.

Further, the Holding company, Fortis Hospital Limited had written off the loans advanced of Rupees 95,725,867 to the Company for investment in Fortis Cauvery and correspondingly the company has written back the loan liability as same is no longer payable.

8. Exceptional items in year ended 31 March, 2016

The Company had made an investment aggregating to Rupees 62,764,710 in subsidiary company i.e. Lalitha Healthcare Private Limited and an amount of Rupees 142,961,353 was advanced as loan to the subsidiary company.

During the year, the Company has impaired its investment in subsidiary company aggregating to Rupees 62,764,710 and considered loan given to subsidiary aggregating to Rupees 103,161,353 as doubtful (net of amount to be recovered amounting to Rupees 39,800,000) given to Lalitha Healthcare Private Limited, as it is of the view that there is a permanent diminution in the value of these investments and loans on account of closure of operation by Lalitha Healthcare Private Limited.

Further, the Company has not recognised any income on the loan given to the subsidiary company.

Accordingly, exceptional item includes:-

Particulars	(In Rupees) Amount
Impairment of investment in Lalitha Healthcare Private Limited	(62,764,710)
Provision for doubtful loan given to Lalitha Healthcare Private Limited	(103,161,353)
Total	(165,926,063)



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9. Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification. Figures for the previous year ended 31 March 2015 have been audited by another firm of chartered accountants.

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR
FORTIS CANCER CARE LIMITED

RAJEEV KUMAR DUA

Director

DIN: 06974102

ANURAG KALRA

Director

DIN: 06987504

Place: Gurgaon

Date: 18 May 2016

