

ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2016

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.

o) Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and 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 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) 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.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



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r) Cash and cash equivalents (for purposes of Cash Flow Statement)

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

s) Derivative instruments

In terms of the announcement made by the Institute of Chartered Accountants of India, the accounting for derivative contracts (other than those covered under AS-11) is done based on the "marked to market" principle. If there is a mark to market loss then same is charged to the statement of profit and loss. Net gains are ignored as a matter of prudence.

t) Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, (now Schedule III to the Companies Act, 2013), 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.

u) 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'.

v) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group 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

Ultimate Holding Company	RHC Holding Private Limited (holding company of Fortis Healthcare Holdings Private Limited)
	Fortis Healthcare Holdings Private Limited (holding company of Fortis Healthcare Limited)
Holding Company	Fortis Healthcare Limited ('FHL')
Subsidiary Companies	Fortis Asia Healthcare Pte Limited ('FAHPL')
	Fortis Health Staff Limited ('FHSL')
Fellow Subsidiaries (parties with whom transactions have taken place)	RWL Healthworld Limited (formerly known as Religare Wellness Limited)
	SRL Limited
	Fortis Hospitals Limited ('FHsL')
	Fortis C-Doc Healthcare Limited ('C-DOC')
	Fortis Emergency Services Limited ('FESL')
	Medsource Healthcare Private Limited ('MHPL')
	Malar Stars Medicare Limited ("MSML")
Key Management Personnel	Mr. Sunil Kapoor (Whole time Director) from February 01, 2014 up to December 22, 2014
	Dr. Somesh Kumar Mittal (Whole time Director) w.e.f. December 22, 2014
Individuals having control over voting power	Mr. Shivinder Mohan Singh
	Mr. Malvinder Mohan Singh
Enterprises owned or significantly influenced by key management personnel or their relatives	Religare Technova IT Services Limited
	Oscar Investments Limited
	Religare Technologies Limited
	Escorts Heart Centre Limited
	Fortis Hospital Management Limited
	International Hospital Limited

Note : Related parties have been identified by the Management.



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Particulars	Relationship	2015-2016 (Rupees)	2014-2015 (Rupees)
Transactions made during the year:			
Interest income			
Fortis Asia Healthcare Pte Limited	Subsidiary Company	63,868,824	446,006,155
Fortis Hospitals Limited	Fellow Subsidiaries	507,230,849	-
Fortis Healthstaff Limited	Subsidiary Company	726,542	-
Rent income			
RWL Healthworld Limited (formerly known as Religare Wellness Limited)	Fellow Subsidiaries	7,558,400	8,763,377
Interest expense			
Fortis Healthcare Limited	Holding Company	42,464,105	276,325,965
Malar Stars Medicare Limited	Fellow Subsidiaries	64,541,341	64,377,079
Pathology laboratory expenses			
SRL Limited	Fellow Subsidiaries	105,915,161	115,946,629
Travel and conveyance			
Fortis Emergency Services Limited	Fellow Subsidiaries	7,193,500	10,193,372
Income from Medical Services			
Fortis Healthcare Limited	Holding Company	6,036,479	10,801,757
Fortis Healthstaff Limited	Subsidiary Company	9,969,521	25,975,602
Escorts Heart Centre Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	-	6,660,387
Fortis Hospitals Limited	Fellow Subsidiaries	23,968,217	7,397,379
Fortis Hospital Management Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	-	1,032,228
Fortis C-Doc Healthcare Limited	Fellow Subsidiaries	1,173,884	2,254,427
SRL Limited	Fellow Subsidiaries	11,095,543	10,473,107
Employee benefits			
Fortis Healthcare Limited	Holding Company	2,959,179	-
Fortis Healthstaff Limited	Subsidiary Company	330,232	446,069
Fortis Hospitals Limited	Fellow Subsidiaries	3,281,923	-
Income from satellite centres			
Fortis Hospitals Limited	Fellow Subsidiaries	-	33,402,670
Consultation fees to doctors			
Fortis Hospitals Limited	Fellow Subsidiaries	14,416,510	2,580,292
Fortis Healthcare Limited	Holding Company	167,726	-
Purchase/ transfer of fixed assets			
Fortis Hospitals Limited	Fellow Subsidiaries	957,223	75,191
Fortis Healthcare Limited	Holding Company	-	30,386,480
IPD/ OPD revenue			
Fortis C-Doc Healthcare Limited	Fellow Subsidiaries	-	38,995
Fortis Hospitals Limited	Fellow Subsidiaries	531,522	378,064
Fortis Emergency Services Limited	Fellow Subsidiaries	28,180	-
Fortis Healthcare Limited	Holding Company	9,760	-



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Particulars	Relationship	2015-2016 (Rupees)	2014-2015 (Rupees)
Purchase of medical consumables and drugs			
RWL Healthworld Limited (formerly known as Religare Wellness Limited)	Fellow Subsidiaries	6,944,779	4,444,947
Medsource Healthcare Private Limited	Fellow Subsidiaries	-	62,005,597
Managerial remuneration			
Mr. Sunil Kapoor	Key Management Personnel	-	6,309,969
Dr. Somesh Kumar Mittal	Key Management Personnel	5,442,428	1,121,484
Loan/Advances given			
Fortis Asia Healthcare Pte Limited	Subsidiary Company	-	307,819,406
Fortis Hospitals Limited	Fellow Subsidiaries	5,996,500,000	-
Fortis Healthstaff Limited	Subsidiary Company	20,000,000	-
Loan/Advances received back			
Fortis Healthstaff Limited	Subsidiary Company	20,000,000	-
Fortis Asia Healthcare Pte Limited	Subsidiary Company	6,116,311,600	-
Fortis Hospitals Limited	Fellow Subsidiaries	3,099,200,000	-
Loans/Advances taken			
Fortis Healthcare Limited	Holding Company	-	843,000,000
Loans/Advances paid back			
Fortis Healthcare Limited	Holding Company	2,420,442,327	473,300,000
Expenses incurred on behalf of Escorts Heart Centre Limited			
	Enterprises owned or significantly influenced by key management personnel or their relatives	324,509	896,081
Fortis Healthcare Limited	Holding Company	-	7,217,726
Fortis Emergency Services Limited	Fellow Subsidiaries	703,998	986,510
Fortis Healthstaff Limited	Subsidiary Company	-	2,671,904
Fortis Hospital Management Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	-	99,000
Fortis Hospitals Limited	Fellow Subsidiaries	7,925,122	260,826
SRL Limited	Fellow Subsidiaries	64,418	95,811
Expenses incurred on behalf of the Company			
Fortis Healthcare Limited	Holding Company	2,495,170	5,828,817
Fortis Hospitals Limited	Fellow Subsidiaries	-	45,150
Collection by company on behalf of			
Fortis Healthcare Limited	Holding Company	18,140,400	8,801,781
Fortis Hospitals Limited	Fellow Subsidiaries	2,517,710	1,166,757
Fortis Health Management Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	34,220	-
Collection on behalf of company by			
Fortis Healthcare Limited	Holding Company	88,903,463	48,037,001



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Particulars	Relationship	2015-2016 (Rupees)	2014-2015 (Rupees)
Fortis Hospitals Limited	Fellow Subsidiaries	103,962,213	2,300,974
Balances Outstanding at Year End:			
Loans / Advances recoverable			
Fortis Asia Healthcare Pte Limited	Subsidiary Company	-	6,116,311,600
Fortis Healthstaff Limited	Subsidiary Company	-	12,687,899
Fortis Hospitals Limited	Fellow Subsidiaries	2,897,300,000	-
Fortis Hospital Management Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	-	17,164,552
Fortis Emergency Services Limited	Fellow Subsidiaries	-	3,012,455
Loans / Advances repavable			
Fortis Hospitals Limited	Fellow Subsidiaries	-	33,267,208
Unsecured loans			
Fortis Healthcare Limited	Holding Company	-	2,195,423,504
Malar Stars Medicare Limited	Fellow Subsidiaries	613,000,000	613,000,000
Interest accrued but not due-payable			
Fortis Healthcare Limited	Holding Company	-	248,693,369
Malar Stars Medicare Limited	Fellow Subsidiaries	15,806,457	14,283,739
Interest accrued but not due-receivable			
Fortis Asia Healthcare Pte Limited	Subsidiary Company	-	1,174,047,453
Fortis Hospitals Limited	Fellow Subsidiaries	456,507,764	-
Trade payables			
Fortis Healthcare Limited	Holding Company	-	952,790
Medsource Healthcare Private Limited	Fellow Subsidiaries	-	15,570,845
Fortis Hospitals Limited	Fellow Subsidiaries	54,425,176	799,994
SRL Limited	Fellow Subsidiaries	22,695,716	24,201,000
Trade receivables			
Fortis Healthcare Limited	Holding Company	-	2,578,080
Fortis Hospitals Limited	Fellow Subsidiaries	-	33,163,208
Fortis C-Doc Healthcare Limited	Fellow Subsidiaries	3,296,874	2,083,160
RWL Healthworld Limited (formerly known as Religare Wellness Limited)	Fellow Subsidiaries	2,688,967	981,623
Fortis Healthstaff Limited	Subsidiary Company	26,364,178	-
Fortis Health Management Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	18,250,955	-
Escorts Heart Centre Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	5,689,991	-
Fortis Emergency Services Limited	Fellow Subsidiaries	2,346,691	-
Investments			
Fortis Asia Healthcare Pte Limited	Subsidiary Company	1,617,461,805	1,617,461,805
Fortis Healthstaff Limited	Subsidiary Company	14,400,000	14,400,000
Share Capital			
Issue of Compulsory Convertible Preference Shares (Refer Note 13)			
International Hospital Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	4,017,690	4,017,690



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6. Leases

a) Assets taken on Operating Lease

- i) The Company has entered into operating lease arrangements for residential premises. The leases are cancellable in nature subject to Lock in. The future minimum lease expense in respect of period of lease of the premises, including the optional period of lease is as follows :

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
	Rupees	Rupees
Not later than one year	11,815,553	13,646,476
Later than one year and not later than five years	7,522,508	19,338,061
Later than five years	-	-
Total	19,338,061	32,984,537

Lease payments recognised in the Statement of Profit and Loss for the year are Rupees 18,033,252 (Previous year Rupees 14,476,097).

- ii) The Company has entered into operating lease arrangement for medical equipment. The lease is cancellable in nature.

Lease payments recognised in the Statement of Profit and Loss for the year are Rupees 26,023,328 (Previous year Rupees 38,791,750).

b) Assets given on Operating Lease

The Company has entered into operating lease arrangements for some portion of hospital premises. The leases are cancellable in nature.

Lease income recognised in the Statement of Profit and Loss for the year are Rupees 14,470,093 (Previous year Rupees 14,609,436).

7. Commitments

Particulars	(Rupees)	
	As at March 31, 2016	As at March 31, 2015
a) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances of Rupees 12,096,534 (Previous year Rupees 13,362,167)]	8,434,419	25,673,557
b) Lease Commitments (Refer Note 6 above)		
c) Commitments relating to provision for free treatment/beds to poor		
d) 0.01% dividend payable on CCPS at the end of period of 15 years from the closing date		

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.



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

8. Contingent liabilities (not provided for) in respect of:

Particulars	(Rupees)	
	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.	421,251,285	361,712,141
Income tax litigations for various years are pending, as further explained in detail in note 9 below. The amount is after adjusting Rupees 1,565,361,066 (Previous year Rupees 1,509,869,375) for which the company has a legal right to claim from erstwhile promoters.	891,954,994	1,005,990,497
In respect of the Company, Customs duty/ Penalty for mis declaration of imported goods, case for which is pending with Central Excise and Service Tax Appellate Tribunal (Refer Note 10 below)	-	77,027,062
Matters relating to provision of free treatment/beds to poor pending with Directorate of Health Services (Refer Note 12(c) below)	5,033,652,824	7,326,615,183
Total	6,346,859,103	8,771,344,883

9. Income Tax Matters

- (a) The Income Tax Authorities carried out a survey on August 21, 2003 (certain statutory records of the Company were impounded, which are still in possession of the Authorities), regarding amalgamation of Escorts Heart Institute and Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society), and later on, registration of the amalgamated Society as a company.

Pursuant to the survey, the Income Tax Authorities have re-opened the assessments of Delhi Society and Chandigarh Society. The Assessing Officer, Delhi completed the reopened assessments of the Delhi Society for four assessment years i.e. assessment years 1997-98, 1998-99, 1999-00 and 2000-01 wherein, the exemption availed by the erstwhile Delhi Society by virtue of being an approved scientific research organization denied in respect of these years. The past accumulated income up to March 31, 1996 was brought to tax and the income of the subsequent years adjudicated to tax as normal business income, thereby raising a cumulative demand of Rupees 1,010,204,349 (Previous year Rupees 1,010,204,349) [including interest of Rupees 601,257,151 (Previous year Rupees 601,257,151)].

The Company challenged the reopening of assessment for those assessment years before the Hon'ble High Court of Delhi in a Writ Petition. The Writ Petition for assessment year 1997-98 was decided in favour of the Company vide order dated January 25, 2012. Further, Hon'ble Delhi High Court in its order dated December 10, 2012 directed that all proceedings for the assessment years 1998-99 to 2000-01 are liable to be quashed. The appeals filed by the assessee before the CIT (A)-IV, New Delhi against the aforesaid orders for assessment years 1997-98 to 2000-01 were also allowed in light of the orders passed by Delhi High Court. Department further, filed SLP before the Supreme Court, which was dismissed.



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The Assessing Officer had also assessed the income for assessment year 2001-02, whereby the entire accumulations and allowances made in earlier years were brought to tax, thereby raising a demand of Rupees 1,243,690,089 (Previous year Rupees 1,243,690,089) [including interest of Rupees 694,599,542 (Previous year Rupees 694,599,542)]. The Company filed an appeal before the Commissioner of Income Tax (Appeals) Delhi against this order, which was decided in favour of the Company during the previous year ended March 31, 2015. The Income Tax Department further filed appeal to ITAT, New Delhi, which is pending disposal. Vide order u/s 250 giving appeal effect to the appellate order passed by Commissioner of Income Tax (Appeals) Delhi, refund of Rupees 254,290,069 (including interest) allowed on account of payments made under protest/adjusted out of refunds due to the company in earlier years.

- (b) The Additional Commissioner of Income Tax, Chandigarh, had also raised a demand of tax in respect of the Company for the assessment year 2001-02 amounting to Rupees 523,304,899 (Previous year Rupees 523,304,899) and interest thereon amounting to Rupees 291,579,615 (Previous year Rupees 291,579,615) by treating the excess of assets over liabilities as short term capital gains on registration of Amalgamated Society as a company. The Company opines that the above registration does not give rise to transfer of assets and consequent capital gains and, therefore, preferred an appeal before the Income Tax Appellate Tribunal (ITAT), Chandigarh. The Tribunal, vide its Order dated March 18, 2008, had remanded the matter back to the Assessing Officer for fresh adjudication. The Assessing Officer, Delhi completed the assessment vide order dated March 31, 2010 and raised a fresh demand of Rupees 1,053,215,991 (Previous year Rupees 1,053,215,991) [including interest of Rupees 546,526,580 (Previous year Rupees 546,526,580)]. The Company filed an appeal before the Commissioner of Income Tax (Appeals), Delhi against the said assessment order of the Assessing Officer, which was decided in favour of the Company during the previous year ended March 31, 2015. The Income Tax Department further filed appeal to ITAT, New Delhi, which is pending disposal.

Pursuant to the share purchase agreement, where Company is a party, dated September 25, 2005, the above mentioned income-tax demands, in respect of (a) and (b) above, are the responsibility of one of the erstwhile promoters to the extent of Rupees 1,199,588,559 (Previous year Rupees 1,116,351,023) for which necessary funds were deposited in an escrow account. Further, as per the share purchase agreement, one third of any excess of these demands after adjusting the recovery from escrow account would be borne by the said erstwhile promoters and the rest by the Company, if any. On account of the same, the Company has reduced the contingent liabilities by Rupees 365,772,507 (Previous year Rupees 393,518,352). During the year 2012-13, Income tax department has recovered the said amount deposited in the escrow account and has adjusted the amount against the aforesaid tax liability relating to Delhi Society. During the year ended 31 March, 2014, Delhi High Court has vide order dated July 24, 2013 held the adjustment to be erroneous and asked the revenue authorities to restore the amount so adjusted back to the escrow account and revenue authorities restored the same along with interest to the escrow account for relevant assessment years. Further, the Company has deposited Rupees 300,000,000 under protest against this demand in the year ended March 31, 2013. Further, this amount Company received back vide order u/s 250 giving appeal effect to the appellate order passed by Commissioner of Income Tax (Appeals) Delhi, thereby allowing refund of Rupees 375,341,077. (including interest) on account of payments made under protests/adjusted out of refunds due to the Company in earlier years.

- (c) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2003-04 whereby the Assessing Officer had raised demands of Rupees 42,416,576 (Previous year Rupees 42,416,576) [including interest of Rupees 3,510,030 (Previous year Rupees 3,510,030)] by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Further, the Assistant Commissioner of Income Tax, Delhi has passed an order dated March 31, 2010 under sections 154/ 250/ 143(3) of Income Tax Act, 1961 for the assessment year 2003-04 whereby a demand of Rupees 2,277,125 (Previous year Rupees 2,277,125) [including interest of Rupees 395,181 (Previous year Rupees 395,181)] has been raised on the Company by disallowing



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partial depreciation on electrical installation and transformers, UPS etc. Appeal filed with the Commissioner of Income Tax (Appeals), Delhi, against the disallowances made in the assessment order has been dismissed and the company has filed appeal before the ITAT, New Delhi, which is pending disposal.

- (d) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2004-05 whereby the Assessing Officer had raised demands of Rupees 40,422,107 (Previous year Rupees 40,422,107) [including interest of Rupees 9,755,207 (Previous year Rupees 9,755,207) by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2004-05 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of Rupees 21,467,273 (Previous year Rupees 21,467,273) was raised by disallowing depreciation amounting to Rupees 34,930,124 (Previous year Rupees 34,930,124) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to Rupees 1,385,019 (Previous year Rupees 1,385,019) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. Company filed further appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the previous year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

- (e) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2005-06 whereby the Assessing Officer had raised a demand of Rupees 28,202,603 (Previous year Rupees 28,202,603) [including interest of Rupees 5,679,410 (Previous year Rupees 5,679,410)] on the Company by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Company had filed an appeal with the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated October 31, 2008 had allowed partial relief to the Company and had confirmed the balance amount of demand raised by Assessing Officer. The Company filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of the Company and both the disallowances were deleted. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department has filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of the Company. The department has filed further appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2005-06 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of Rupees 8,315,581 (Previous year Rupees 8,315,581) was raised by disallowing depreciation amounting to Rupees 27,039,706 (Previous year Rupees 27,039,706) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to Rupees 640,100 (Previous year Rupees 640,100) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. Company filed further appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the previous year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

- (f) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2006-07 whereby the Assessing Officer had raised a demand of Rupees 30,516,136 (Previous year Rupees 30,516,136) [including interest of Rupees 44,22,826



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(Previous year Rupees 44,22,826)] on the Company by disallowing the claim of key man insurance premium. The Company had filed an appeal with the Commissioner of Income Tax (Appeals), Delhi against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated July 23, 2009 had allowed partial relief to the Company and had confirmed the balance amount of demand raised by Assessing Officer. The Company filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of the Company. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department had filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of the Company. Department has filed further appeal before the Supreme Court against the said orders of Delhi High Court which is yet to be fixed.

Assessment for the A.Y. 2006-07 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of Rupees 9,932,626 (Previous year Rupees 9,932,626) was raised by disallowing depreciation amounting to Rupees 13,643,475 (Previous year Rupees 13,643,475) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to Rupees 1,878,994 (Previous year Rupees 1,878,994) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. Company filed further appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the previous year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

- (g) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2007-08 vide order dated December 24, 2009, whereby the Assessing Officer had raised a demand of Rupees 9,689,985 (Previous year Rupees 9,689,985) [including interest of Rupees 75,710 (Previous year Rupees 75,710) on the Company by disallowing the claim of key man insurance premium and software development charges. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2007-08 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of Rupees 5,648,320 (Previous year Rupees 5,648,320) was raised by disallowing depreciation amounting to Rupees 11,596,347 (Previous year Rupees 11,596,347) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to Rupees 1,031,190 (Previous year Rupees 1,031,190) and including the same in income. An appeal has been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. Company filed further appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the previous year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

- (h) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2008-09 vide order dated December 31, 2010, whereby the Assessing Officer had made additions of Rupees 40,793,695 (Previous year Rupees 40,793,695) including a sum of Rupees 30,763,223 (Previous year Rupees 30,763,223) out of interest expenses holding that outstanding against group companies/subsidiaries were not for business purposes and a sum of Rupees 10,030,472 (Previous year Rupees 10,030,472) out of the depreciation claimed by the Company on its assets. Thus, reducing the loss from Rupees 295,528,056 (Previous year Rupees 295,528,056) to Rupees 254,734,361 (Previous year Rupees 254,734,361). The appeal had been filed with the Commissioner of Income Tax (Appeals), Delhi which has been decided in favour of the company. Income Tax Department has further filed an appeal before ITAT which is yet to be fixed for hearing.



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- (i) The Assessing Officer (TDS) - Jaipur had passed an order dated February 10, 2010, in respect of the Company for the assessment years 2008-09 and 2009-10, thereby raising the following demands:
- a) A.Y. 2008-09 - Rupees 1,673,906 (Previous year Rupees 1,673,906) on account of non-deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), payments to retainer doctors (alleging that TDS was deductible u/s 192 instead of 194J) and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) - Jaipur and was decided vide order dated January 4, 2011 thereby giving partial relief to the company and the demand raised has been brought down from Rupees 1,673,906 (Previous year Rupees 1,673,906) to Rupees 560,837 (Previous year Rupees 560,837) as per order dated December 7, 2011. The Company on protest had paid a sum of Rupees 836,593 (Previous year Rupees 836,593) and subsequent to appeal effect order dated December 7, 2011, a refund has been received amounting to Rupees 336,200 (Previous year Rupees 336,200).
- b) A.Y. 2009-10 - Rupees 37,393 (Previous year Rupees 37,393) on account of non-deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), and payment to Fortis Health world Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) - Jaipur which was allowed vide order dated August 30, 2011. The Company on protest had paid a sum of Rupees 18,697 (Previous year Rupees 18,697) and subsequent to appeal effect order dated December 7, 2011, a refund of Rupees 42,376/- (Previous year Rupees 42,376) is receivable.

The company filed an appeal before the Income-tax Appellate Tribunal, Jaipur against balance issues confirmed vide said orders of CIT (A). Department also filed appeal before ITAT against said orders of CIT (A). As per order dated December 16, 2013, appeal has been decided partially in favour of the Company through Third member reference, the Company has filed appeal before the Hon'ble High Court - Jaipur on the issue of tax deducted u/s 194J by the Company on payments made to retainer doctors as against u/s 192 held to be deductible by the department which is pending disposal.

- (j) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2009-10, whereby the Assessing Officer had raised a demand of Rupees 10,902,887 (Previous year Rupees 10,902,887) [including interest of Rupees 2,324,486 (Previous year Rupees 2,324,486)] by making (i) disallowance u/s 36(1)(iii) Rupees 30,788,812 (Previous year Rupees 30,788,812), (ii) disallowance of depreciation - Rupees 6,969,512 (Previous year Rupees 6,969,512), (iii) adding profit on sale of assets - Rupees 2,078,051 (Previous year Rupees 2,078,051), (iv) disallowance u/s 14A - Rupees 5,468,660 (Previous year Rupees 5,468,660), (v) disallowance of short term capital loss - Rupees 59,280,158 (Previous year Rupees 59,280,158) and (vi) addition of exempt income Rupees 64,009,600 (Previous year Rupees 64,009,600). An appeal was filed with the Commissioner of Income Tax (Appeals), Chandigarh, against the disallowances made in the assessment order, which was dismissed. Company filed further appeal before ITAT, which vide its orders dated August 23, 2013, has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which is pending disposal.
- (k) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of the Company for assessment year 2010-11, whereby the Assessing Officer has raised a demand of Rupees 8,325,180 (Previous year Rupees 8,325,180) by making i) disallowance u/s 36(1)(iii) Rupees 3,367,349 (Previous year Rupees 3,367,349), ii) disallowance of depreciation Rupees 59,13,664 (Previous year Rupees 59,13,664) and iii) adding profit on sale of assets Rupees 630,720 (Previous year Rupees 630,720). An appeal has been filed before the Commissioner of Income-tax (Appeals) - XIII, New Delhi, which is pending disposal.



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- (I) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of the Company for assessment year 2011-12, whereby the Assessing Officer has raised a demand of Rupees 800,000 (Previous year Rupees 800,000) by making i) disallowance u/s 36(1)(iii) Rupees 10,500,000 (Previous year Rupees 10,500,000), ii) disallowance of interest on Capital work in progress for Rupees 2,686,443 (Previous year Rupees 2,686,443), iii) disallowance of depreciation of Rupees 5,068,167 (Previous year Rupees 5,068,167), iv) adding profit on sale of assets Rupees 420,415 (Previous year Rupees 420,415). An appeal has been filed before the Commissioner of Income-tax (Appeals) - XIII, New Delhi, which is pending disposal.
- 10.** The Commissioner of Customs (Import and General), Delhi had raised a demand on the Company of Rupees 77,027,062 (Previous year Rupees 77,027,062) [including Rupees 34,763,531 (Previous year Rupees 34,763,531) as penalty for mis-declaration of the imported surgical machine with a redemption fine of Rupees 7,500,000 (Previous year Rupees 7,500,000) for release of the said machine] on June 8, 2007. The mis-declaration refers to the classification of the underlying machine for customs duty purposes. The Company had filed a stay application with the Central Excise and Service Tax Appellate Tribunal against the above order and deposited Rupees 34,763,531 (Previous year Rupees 34,763,531) under protest. The Central Excise and Service Tax Appellate Tribunal has passed order dated February 17, 2016 waiving penalty & interest and restricted demand to Rupees 34,763,531.
- 11.** The Assistant Collector of Customs had issued an assessment order in earlier year raising a demand of Rupees 33,038,532 (Previous year Rupees 33,038,532) holding the Company to be a commercial establishment in relation to the import of medical equipments, spares and consumables. The Company had filed an appeal with the Collector of Customs (Appeals), against the order of the Assistant Collector of Customs, which has been rejected. The Company filed a further appeal and an application for stay before the Central Excise and Service Tax Appellate Tribunal. The Tribunal had ordered for the stay and had asked the Company to deposit a sum of Rupees 15,000,000 (Previous year Rupees 15,000,000) with the customs authority. The Company had deposited the amount with the customs authority and has also made a provision of Rupees 33,038,532 (Previous year Rupees 33,038,532) in the books of accounts.
- 12.** (a) Delhi Development Authority ('DDA') vide its Order dated October 6, 2005 ('DDA Order') had terminated the lease deeds and allotment letters of the Company. The Company had filed an Original Miscellaneous Petition ('OMP') and Civil Suit in the Hon'ble High Court of Delhi seeking a declaration that the DDA Order is illegal and praying for a permanent injunction restraining DDA from dispossessing the Company without the due process of law. The Hon'ble High Court of Delhi had granted a stay restraining DDA from recovering physical possession of the property and had made the interim order granted in the OMP absolute till the award is passed. The Company also filed an application for appointment of sole Arbitrator and reference of disputes to Arbitration in the Hon'ble High Court of Delhi. The arbitration application has been dismissed during the year 2013-14. The Civil Suit is still pending with the Hon'ble High Court of Delhi.
- (b) Pursuant to the above order in 12(a), The Estate Officer of the DDA issued a show cause notice dated November 9, 2005 and initiated eviction proceedings against the Company. The Company filed a Civil Writ Petition in the Hon'ble High Court of Delhi challenging the show cause notice issued by the Estate Officer, which was dismissed by the Hon'ble Single Judge. The Company thereafter had filed Letters Patent Appeal ('LPA') against the above order before the Hon'ble High Court of Delhi. The Division bench of the Hon'ble High Court of Delhi vide its order dated September 3, 2007 had dismissed the LPA. The Estate Officer thereafter had issued a notice under section 4(1) of Public Premises Act dated October 8, 2007 to the Company for resuming the proceedings under the said Act. The Company had filed an appeal by way of SLP in the Hon'ble Supreme Court against the judgement in the LPA matter. The Hon'ble Supreme Court vide its order dated November 16, 2007 had ordered that proceedings before the Estate Officer may continue but no final order to be passed.
- (c) In relation to the order of Hon'ble High Court of Delhi relating to provision of free treatment/beds to poor, Directorate of Health Services, Government of NCT of Delhi ('DHS') appointed a firm to calculate "unwarranted profits" arising to it due to non-compliance. The special committee of DHS stated that before giving a formal hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed firm, which as per their method of calculations amounts to Rupees 7,326,615,183, seeking hospital's comments and inputs if any. The company has responded to such intimation explaining errors and objections to the calculations and is awaiting a



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formal hearing in the matter with the DHS. During the year, the Company has received notice from DHS to appear for a formal and final hearing raising demand of recoverable amount to Rupees 5,033,652,824 for the period till FY 2006-2007 in terms of above referred judgement. On receipt of hearing notice and subsequent to the quarter end, the Company has responded to such notice explaining errors and objections to the calculations. Based on its internal assessment and advice from its counsels on the basis of the documents available, management believes that it is in compliance of conditions of free treatment and free beds to the poor and does not anticipate any liability after proper hearing with DHS.

13. Put- Call Options on Compulsory Convertible Preference Shares ("CCPS") issued to Kanishka Healthcare Limited ('KHL') for Rupees 30,000 lacs outstanding as on March 31, 2016:

During the year ended on March 31, 2013, the Company issued 401,769 CCPS of face value of Rupees10 each at a premium of Rupees 7,456.98 per CCPS to KHL with a maturity period of 15 years aggregating to Rupees 30,000 lacs. The holder of CCPS is entitled to receive, only out of fund legally available for the payment of dividends, dividends in respect of the par value of the invested CCPS at a per annum rate of 0.01%. The fixed dividend shall be payable on a cumulative basis at the end of 15 years. On conversion date, each CCPS will be convertible into one equity share, provided that the price for conversion shall not at any instance be lesser than the investment valuation. Other key terms of CCPS agreement are:-

- (a) CCPS Put Option – KHL is entitled to exercise an unconditional and irrevocable right to require FHL or its nominee to buy all of CCPS held by KHL upon occurrence of KHL having exercised Fortis Hospotel Limited ('FHTL') Put Option or FHTL Call Option under shareholders agreement entered between FHL, FHTL and FHML. The considerations payable by FHL to KHL is as follows :-
 - i. In case of FHTL call option - FHL is required to pay sum equal to the fair valuation of Equity Shares of the Company as per DCF Method.
 - ii. In case of FHTL put option - FHL is required to purchase, subject to due compliance with law, all CCPS at consideration equal to KHL's contribution along with coupon rate agreed.
- (b) CCPS Call Option - If KHL becomes entitled to exercise the CCPS Put Option, but does not exercise the CCPS Put Option within 90 business days thereof, then FHL shall at any time after the expiry of such 90 business days, be entitled to require KHL to sell all of the CCPS to the FHL for a consideration equal to the CCPS Subscription amount along with the coupon of 0.01% accrued thereon as of such date.

During the previous year ended 31 March, 2013, KHL merged with IHL.

14. Disclosures under Accounting Standard - 15 (Revised) on 'Employee Benefits': Defined Benefit Plan

The Company has a defined benefit gratuity plan where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn 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	(Rupees)	
	As at March 31, 2016	As at March 31, 2015
i. Movement in Net Liability		
Present value of obligation at the beginning of the year	112,913,000	105,418,000
Current service cost	8,938,000	9,603,000



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Particulars	As at March 31, 2016	As at March 31, 2015
Interest cost	7,761,000	8,634,000
Plan Amendments Cost / (Credit)	(4,841,000)	-
Actuarial (Gain) / Loss	14,248,000	13,408,000
Benefits paid	(25,532,000)	(24,150,000)
Present value of obligations at the end of the year	113,487,000	112,913,000
Present value of unfunded obligation	113,487,000	112,913,000
Amounts in the Balance Sheet		
(a) Liabilities	113,487,000	112,913,000
(b) Assets	-	-
(c) Net liability/(asset) recognised in the balance sheet	113,487,000	112,913,000
Current Liability	10,830,000	25,406,000
Non-Current Liability	102,657,000	87,507,000
	113,487,000	112,913,000
ii. Expense recognised in Statement of Profit and Loss is as follows :	Year ended March 31, 2016	Year ended March 31, 2015
Service cost	8,938,000	9,603,000
Interest cost	7,761,000	8,634,000
Past Service Cost	(4,841,000)	-
Net actuarial loss / (gain) recognised during the year	14,248,000	13,408,000
Amount charged to Statement to Profit and Loss	26,106,000	31,645,000
iii. Principal Actuarial assumptions for Gratuity and compensated absences		
Rate for discounting liabilities	7.75%	7.75%
Expected salary increase rate	3.75%	3.75%
Withdrawal / Employee Turnover Rate		
Age up to 30 years	6%	6%
Age from 31 to 44 years	2%	2%
Age above 44 years	1%	1%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience gain/(loss) adjustments on plan liabilities	14,248,000	13,408,000

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

iv. Experience adjustment:

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation at the end of the period	(113,487,000)	(112,913,000)	(105,418,000)	(96,693,000)	(73,744,000)
Plan assets at the end of the period	-	-	-	-	-
Surplus/(deficit)	(113,487,000)	(112,913,000)	(105,418,000)	(96,693,000)	(73,744,000)
Experience gain/(loss) adjustment on plan liabilities	(14,248,000)	(5,932,000)	1,354,000	(6,712,000)	2,592,000



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Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Experience gain/ (loss) adjustment on plan assets	-	-	-	-	-
Actuarial gain/ (loss) due to change on assumptions	-	(7,476,000)	64,77,000	(3,503,000)	2,575,000

15. Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Based on information available with the Company, the balance due to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is Rupees Nil (Previous year Rupees Nil) and no interest during the year has been paid or payable under the terms of MSMED Act, 2006. Micro and Small enterprises as defined in section 7(1) of the MSMED Act, 2006 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by auditors.

16. Details of unsecured loans given to subsidiaries and associates and firms/ companies in which directors are interested

Particulars	Maximum amount outstanding during the year		Closing balance	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015

Subsidiaries/ Fellow Subsidiaries

(a) Fortis Asia Healthcare Pte. Limited

Loan bearing Interest @ 5.5% per annum	March 31, 2016	3,728,861,950	3,728,861,950	-	3,728,861,950
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Loan bearing Interest @ 8% per annum	March 31, 2016	2,387,449,650	2,387,449,650	-	2,387,449,650
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(b) Fortis Hospitals Limited

Loan bearing Interest @ 11% per annum (11.5% per annum upto September 30, 2015)	March 31, 2017	5,986,500,000	-	2,897,300,000	-
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(c) Fortis Healthstaff Limited



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Particulars	Maximum amount outstanding during the year		Closing balance	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Loan bearing Interest @ 11% per annum	March 31, 2016	20,000,000	-	-

The above loan had been given for further investment in foreign subsidiaries, working capital and capital requirements.

17. Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Particulars	Purpose	As at March 31, 2016		As at March 31, 2015	
		USD	Rupees	USD	Rupees
Forward Contracts to sell USD	Foreign currency loans given	-	-	30,100,000	1,876,298,550

b) Particulars of un-hedged foreign currency exposure as at the reporting date

Particulars	Currency	As at March 31, 2016		As at March 31, 2015	
		FC	Rupees	FC	Rupees
Import trade payable	USD	-	-	27,111	1,680,938
Receivables	USD	1,491,717	98,710,733	927,851	57,838,056
Loans Given	SGD	-	-	23,900,000	1,085,836,750
Loans Given	USD	-	-	50,600,000	3,154,176,300

18. Expenditure in Foreign Currency (on accrual basis)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Travel and conveyance	2,857,146	3,205,827
Marketing and business promotion	2,150,698	3,993,683
Legal and professional fee	6,186,671	4,256,371
Total	11,194,515	11,455,881



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19. Earnings in Foreign Currency (on accrual basis)

(Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
In patient and Out patient revenue	175,449,385	94,326,708
Income from medical services	-	2,767,770
Income from satellite centres	9,836,678	5,099,469
Interest income	63,872,801	446,006,155
Total	249,158,864	548,200,102

20. Value of imports calculated on CIF basis

(Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Capital goods (including tools and instrument)	48,825,329	40,653,111

21. Materials consumed (including consumables)

Particulars	% of Total consumption		Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Indigenous	100	100	943,925,141	1,005,159,860
Imported	-	-	-	-
Total	100	100	943,925,141	1,049,984,751

Note: Material consumption consists of items of various nature and specifications and includes medical consumables, pharmaceuticals etc. Hence, it is not practicable to furnish the item wise details.

22. Corporate social responsibility

Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, requires that the board of directors of every eligible company, shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of CSR expenditure is as follows:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Gross amount required to be spent	11,681,895	12,971,015
Amount spent during the year	11,681,895	-
Balance unspent during the year	-	12,971,015

23. Exceptional items

Statutory bonus amounting to Rupees 18,594,098 recorded in the current year represents the amounts accrued for bonus payable to existing employees for the period from April 1, 2014 to



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December 31, 2015 due to enactment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014 for which notification was issued in January, 2016.

24. Previous year figures

Previous year figures have been regrouped/ reclassified, where necessary, to conform 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



SOMESH KUMAR MITTAL
Whole-time Director
DIN: 07049789



JASBIR SINGH GAREWAL
Director
DIN: 01113910

Place: Gurgaon
Date: 19 May, 2016

