

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

TO THE MEMBERS OF FORTIS EMERGENCY SERVICES LIMITED

Report on the financial statements

We have audited the accompanying standalone financial statements of **Fortis Emergency Services Limited** ("the Company"), which comprises the Balance Sheet as at **March 31, 2016**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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 March 31, 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 the Companies (Auditor' report) order,2016 ("the order") issued by the Central Government of India in terms of subsection (11) of section 143 of the act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, 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 B**"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 6 to the financial statements.
- ii. The Company does not have any long-term contracts including derivatives contracts as at March 31, 2016 for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor and Education and Protection Fund by the Company during the year ended March 31, 2016.

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


Sudhir Sharma
(Partner)

Membership No. 097380

Gurgaon

Date: 18th July 2016



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of **Fortis Emergency Services Limited** ("the Company") on the standalone financial statements for the year ended March 31, 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As per the information and explanation given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification adopted by the company and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company.
- ii. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus paragraphs 3(iii) (a) & (b) of the Order are not applicable.
- iv. In our opinion and according to the information and explanation given to us, the company has not made any investment and loans as per section 185 and 186 of the Companies Act, 2013; accordingly, paragraphs 3(iv) of the Order are not applicable.

As per the information and explanation given to us, the company has not accepted any deposits. Thus paragraph 3(v) of the Order is not applicable.



- vi. To the best of our knowledge and according to the explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as on 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, duty of customs, duty of excise, value added tax and cess outstanding on account of any dispute at 31st March, 2016.

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



- xiii. According to the information and explanation given to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- xv. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(XV) of the order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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




Sudhir Sharma
(Partner)
Membership No. 097380
Gurgaon
Date: 18th July 2016

ANNEXURE "B" 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 Emergency Services Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 **I.M.Puri & Company**
Chartered Accountants
(Firm's Registration No. 006352N)


Sudhir Sharma
Partner
(Membership No. 097380)

Gurgaon, 18th July 2016

	Note	As at 31 March 2016 (Rs.)	As at 31 March 2015 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	500,000	500,000
Reserves and surplus	2	(375,650,637)	(320,015,529)
		<u>(375,150,637)</u>	<u>(319,515,529)</u>
Non-current liabilities			
Long-term borrowings	3	425,102,384	367,413,189
Long-term provisions	4	685,580	387,580
		<u>425,787,964</u>	<u>367,800,769</u>
Current liabilities			
Trade payables	5	9,108,461	12,703,094
Other current liabilities	6	51,617,888	48,918,908
Short-term provisions	4	498,000	338,000
		<u>61,224,349</u>	<u>61,960,002</u>
		<u>111,861,676</u>	<u>110,245,241</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	23,115,118	28,056,691
Intangible assets	8	383,791	552,639
		<u>23,498,909</u>	<u>28,609,330</u>
Long-term loans and advances	9	76,494,043	70,774,200
		<u>76,494,043</u>	<u>70,774,200</u>
Current assets			
Inventories	10	504,038	534,062
Trade receivables	11	476,789	1,668,365
Cash and bank balances	12	9,914,896	7,667,535
Short-term loans and advances	9	734,055	733,424
Other current assets	13	238,946	258,325
		<u>11,868,724</u>	<u>10,861,712</u>
		<u>111,861,676</u>	<u>110,245,241</u>
Significant accounting policies	22		

The notes referred to above form an integral part of the financial statements

As per our report attached

For I.M. Puri & Co.

Firm Registration Number: 006352N2

Chartered Accountants

Sudhir Sharma
(Partner)

Membership No.:097380

Place: Gurgaon
Date: 18/07/2016



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

Daljit Singh
(Director)
DIN NO:00135414

Ashish Bhatia
(Director)
DIN NO:01845421



Fortis Emergency Services Limited

Statement of Profit and Loss for the year ended 31 March 2016

	Note	For the year ended 31 March 2016 (Rs.)	For the year ended 31 March 2015 (Rs.)
Revenue			
Revenue from operations	14	48,624,697	26,089,319
Other income	15	729,524	809,436
		<u>49,354,221</u>	<u>26,898,755</u>
Expenses			
Cost of materials purchased	16	111,902	375,702
Changes in inventories of finished goods, work in progress and stock-in-trade	17	30,024	(146,994)
Employee benefits expense	18	21,953,448	24,764,051
Finance costs	19	50,144,494	47,761,023
Depreciation and amortisation expense	20	7,765,026	6,523,445
Other expenses	21	24,984,436	34,410,034
		<u>104,989,329</u>	<u>113,687,261</u>
Profit before tax		(55,635,108)	(86,788,506)
Tax expense		-	-
- current tax		-	-
- adjustment for earlier years		-	-
- deferred tax benefit		-	-
Profit for the year		(55,635,108)	(86,788,506)
Earnings per equity share (face value of Rs. 10 per share)			
- Basic		(1,113)	(1,736)
- Diluted		(1,113)	(1,736)

Significant accounting policies 22

The notes referred to above form an integral part of the financial statements

As per our report attached to the Balance Sheet

For I.M. Puri & Co.

Firm Registration Number: 006352N

Chartered Accountants

Sudhir Sharma

(Partner)

Membership No.:097380

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

Daljit Singh

(Director)

DIN NO:00135414

Ashish Bhatia

(Director)

DIN NO:01845421

Place: Gurgaon

Date: 18/07/2016



Fortis Emergency Services Limited

Cash flow statement for the year ended March 31, 2016

Particulars	For the year ended 31 March 2016 (Rs.)	For the year ended 31 March 2015 (Rs.)
A. Cash flow from operating activities		
Net profit/ (loss) before tax	(55,635,108)	(86,788,506)
Adjustments for :		
Depreciation and Amortisation	7,765,026	6,523,445
Interest income	(729,524)	(771,387)
Interest expense	50,144,494	47,761,023
Operating profit before working capital changes	1,544,888	(33,275,425)
Movements in working capital :		
Increase/(decrease) in trade payables	(3,594,633)	1,837,515
Increase/(decrease) in long term provisions	298,000	35,000
Increase/(decrease) in other short term Provision	160,000	34,000
Increase/(decrease) in other Current Liabilities	2,698,980	28,493,577
(Increase)/decrease in trade receivables	1,191,576	11,404,708
(Increase)/decrease in inventories	30,024	(146,994)
(Increase)/decrease in long term loans and advances	(5,719,842)	(1,385,556)
(Increase)/decrease in short term loans and advances	(631)	327,357
(Increase)/decrease in other current assets	19,379	(108,633)
Cash generated from/ (used in) operations	(3,372,259)	7,215,549
Net cash from / (used in) operating activities (A)	(3,372,259)	7,215,549
B. Cash flows from investing activities		
Purchase of fixed assets	(2,654,605)	-6436006
Fixed deposits with banks (net)	(675,951)	(587,828)
Interest received	729,524	771,387
Net cash from /(used in) investing activities (B)	(2,601,032)	(6,252,447)
C. Cash flows from financing activities		
Proceeds / (Repayments) of Long-term borrowings (net)	57,689,195	45,060,425
Interest paid	(50,144,494)	(47,761,023)
Net cash from/ (used in) financing activities (C)	7,544,701	(2,700,598)
Net increase in cash and cash equivalents (A + B + C)	1,571,410	(1,737,496)
Total cash and cash equivalents at the beginning of the year	(453,388)	1,284,108
Cash and cash equivalents at the end of the year	1,118,022	(453,388)
Components of cash and cash equivalents:		
Cash in hand	25,912	61,907
Balances with scheduled banks on current accounts	1,092,110	(515,295)
Total	1,118,022	(453,388)

Notes: 1. The Cash Flow Statement has prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement.
2. Negative figures have been shown in the brackets.

As per our report of even date

For I.M. Puri & Co.

Firm Registration Number: 006352N

Chartered Accountants

Sudhir Sharma

(Partner)

Membership No.:097380

Place: Gurgaon

Date: 18/07/2016

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

Daljit Singh
(Director)

DIN NO:00135414

Ashish Bhatia
(Director)

DIN NO:01845421



Fortis Emergency Services Limited

Notes to the financial statements for the year ended 31 March 2016

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
1 Share capital				
Authorised				
50,000 equity shares of Rs.10 each.	50,000	500,000	50,000	500,000
(Previous Year 50,000) equity shares of Rs.10 each	50,000	500,000	50,000	500,000
Issued, subscribed and paid up				
50,000 equity shares of Rs.10 each fully paid up.	50,000	500,000	50,000	500,000
(Previous Year 50,000) equity shares of Rs.10 each fully paid up.	50,000	500,000	50,000	500,000

* The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

1(a) 25500 (previous year 25500) equity shares of Rs. 10 each fully paid up, are held by Fortis Healthcare Holdings Pvt Ltd. the holding company which is also the ultimate holding company.

1(b) Shareholders holding more than 5% shares of the Company:

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
Equity shares of Rs.10 each, fully paid up				
Fortis Healthcare Holdings Pvt Ltd.	25,500	51.00%	25,500	51.00%
Fortis Hospitals Ltd.	24,500	49.00%	24,500	49.00%



Fortis Emergency Services Limited

Notes to the financial statements for the year ended 31 March 2016

	As at 31 March 2016 (Rs.)	As at 31 March 2015 (Rs.)
2 Reserves and surplus		
Surplus in the Statement of Profit and Loss		
At the beginning of the year	(320,015,529)	(233,227,024)
Add: Profit for the year	(55,635,108)	(86,788,505)
	<u>(375,650,638)</u>	<u>(320,015,529)</u>
Less:		
Transfer to General Reserve	-	
Proposed dividend on equity shares	-	
Tax on proposed dividend	-	
At the end of the year	<u>(375,650,638)</u>	<u>(320,015,529)</u>
	<u><u>(375,650,638)</u></u>	<u><u>(320,015,529)</u></u>



Fortis Emergency Services Limited

Notes to the financial statements for the year ended 31 March 2016

3	Long-term borrowings	Secured/ Unsecured	Non-current portion		Current maturities #	
			As at	As at	As at	As at
			31 March 2016 (Rs.)	31 March 2015 (Rs.)	31 March 2016 (Rs.)	31 March 2015 (Rs.)
	From bodies corporate	Unsecured	425,102,384	367,413,189		
			<u>425,102,384</u>	<u>367,413,189</u>	<u>-</u>	<u>-</u>

4	Provisions	Long-term		Short-term	
		As at	As at	As at	As at
		31 March 2016 (Rs.)	31 March 2015 (Rs.)	31 March 2016 (Rs.)	31 March 2015 (Rs.)
	Provision for employee benefits				
	Gratuity (refer to note 3)	601,000	303,000	46,000	34,000
	Provision for Capital Purchase	84,580	84,580	-	-
	Provision for leave encashment	-	-	452,000	304,000
		<u>685,580</u>	<u>387,580</u>	<u>498,000</u>	<u>338,000</u>
	Other provisions	-	-	-	-
		<u>685,580</u>	<u>387,580</u>	<u>498,000</u>	<u>338,000</u>



Fortis Emergency Services Limited

Notes to the financial statements for the year ended 31 March 2016

	As at 31 March 2016 (Rs.)	As at 31 March 2015 (Rs.)
5 Trade payables		
Sundry creditors	<u>9,108,461</u>	<u>12,703,094</u>
	<u>9,108,461</u>	<u>12,703,094</u>
6 Other current liabilities		
Interest accrued but not due on borrowings	48,463,810	45,062,870
Expenses payable	1,163,469	2,001,589
Other payables		
- statutory liabilities	1,990,609	1,854,449
	<u>51,617,888</u>	<u>48,918,908</u>



7 Tangible assets

Asset description	Gross block					
	As at 31 March 2014	Additions	As at 31 March 2015	Additions	Deletions/ adjustments	As at 31 March 2016
Ambulances	74,273,841	4,239,750	78,513,591	-	-	78,513,591
Office Equipment	24,921	-	24,921	193,374	-	218,295
Computers & Accessories	120,960	-	120,960	259,975	-	380,935
Medical Equipments	2,332,043	1,736,693	4,068,736	2,176,040	-	6,244,776
Total	76751765.00	5976443.00	82,728,208	2,629,389	-	85,357,597

Asset description	Depreciation					
	Upto 31 March 2014	For the year	Upto 31 March 2015	For the year	On deletions/ adjustments	Upto 31 March 2016
Ambulances	48,159,160	6,105,082	54,264,242	6,780,320	-	61,044,562
Office Equipment	172	4,838	5,010	35,325	-	40,335
Computers & Accessories	43,889	71,022	114,911	16,174	-	131,086
Medical Equipments	35,406	251,948	287,353	739,143	-	1,026,496
Total	48,238,627	6,432,891	54,671,517	7,570,962	-	62,242,479

Asset description	Net block		
	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Ambulances	26,114,681	24,249,349	17,469,029
Office equipment	24,749	19,911	177,960
Computers & Accessories	77,071	6,049	249,849
Medical Equipments	2,296,637	3,781,383	5,218,280
Total	28513138.00	28056691.00	23,115,118

8 Intangible Assets

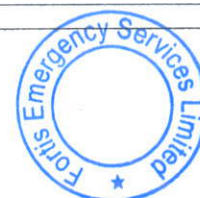
Asset description	Gross block					
	As at 31 March 2014	Additions	As at 31 March 2015	Additions	Deletions/ adjustments	As at 31 March 2016
Computer software	233,662	459,563	693,225	25,216	-	718,441
Total	233,662	459,563	693,225	25,216	-	718,441

Asset description	Amortisation					
	Upto 31 March 2014	For the year	Upto 31 March 2015	For the year	On deletions/ adjustments	Upto 31 March 2016
Computer software	50,032.09	90,554	140,586	194,064	-	334,650
Total	50,032.09	90,554	140,586	194,064	-	334,650

Asset description	Net block		
	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Computer software	183,629.91	552,639	383,791
Total	183,629.91	552,639	383,791

Tangible and intangible assets

Asset description	Gross block as at 31 March 2016	Depreciation / Amortization	Net block as at 31 March 2016
Tangible assets	85,357,597	62,242,479	23,115,118
Intangible assets	718,441	334,650	383,791
Total	86,076,038	62,577,129	23,498,909



Fortis Emergency Services Limited

Notes to the financial statements for the year ended 31 March 2016

9 Loans and advances (Unsecured and considered good, unless stated otherwise)	Long-term		Short-term	
	As at 31 March 2016 (Rs.)	As at 31 March 2015 (Rs.)	As at 31 March 2016 (Rs.)	As at 31 March 2015 (Rs.)
Security deposits	845,235	140,193	-	-
Advances recoverable in cash or in kind or for value to be received	70,737,181	67,142,792	-	-
Other loans and advances				
Advances to vendors				
- considered good	-	-	-	-
- considered doubtful	-	-	-	-
	71,582,416	67,282,985	-	-
Less: Provision for doubtful advances			-	-
	71,582,416	67,282,985	-	-
Advances to employees			498,521	533,061
Prepaid expenses			235,534	200,363
Advance tax and tax deducted at source	4,911,627	3,491,215	-	-
	76,494,043	70,774,200	734,055	733,424
	76,494,043	70,774,200	734,055	733,424



Fortis Emergency Services Limited

Notes to the financial statements for the year ended 31 March 2016

	As at 31 March 2016 (Rs.)	As at 31 March 2015 (Rs.)
10 Inventories <i>(At lower of cost and net realizable value)</i>		
Medical consumables and drugs	504,038	534,062
	<u>504,038</u>	<u>534,062</u>
11 Trade receivables <i>(Unsecured and current, unless stated otherwise)</i>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- considered good	277,995	598,995.00
- considered doubtful	-	-
	<u>277,995</u>	<u>598,995.00</u>
Less: provision for doubtful debts	-	-
	<u>277,995</u>	<u>598,995.00</u>
Other debts		
Unsecured, considered Good	198,794	1,069,370
	<u>476,789</u>	<u>1,668,365</u>
12 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	1,092,110	(515,295)
Cheques, drafts on hand		
Cash on hand	25,912	61,907
	<u>1,118,022</u>	<u>(453,388)</u>
Other bank balances		
Deposits with maturity for more than 12 months	8,796,874	8,120,923
Deposits with maturity for more than 3 months but less than 12 months	-	-
	<u>8,796,874</u>	<u>8,120,923</u>
	<u>9,914,896</u>	<u>7,667,535</u>
13 Other current assets <i>(Unsecured and considered good, unless stated otherwise)</i>		
Interest accrued but not due on loans and deposits	238,946	258,325
	<u>238,946</u>	<u>258,325</u>



Fortis Emergency Services Limited

Notes to the financial statements for the year ended 31 March 2016

	For the year ended 31 March 2016 (Rs.)	For the year ended 31 March 2015 (Rs.)
14 Revenue from operations		
Sale of products - services		
Income from medical services	48,624,697	26,089,319
	<u>48,624,697</u>	<u>26,089,319</u>
	<u>48,624,697</u>	<u>26,089,319</u>
15 Other income		
Interest income	729,524	771,387
Provision of Gratuity written back	-	-
Provision of leave incashment written back	-	-
Provision of Expenses written back	-	-
Miscellaneous income	-	38,049
	<u>729,524</u>	<u>809,436</u>
16 Cost of raw materials purchased		
Purchase of medical consumables and pharmacy	111,902	375,702
	<u>111,902</u>	<u>375,702</u>
17 Changes in inventories of finished goods, work in progress and stock-in-trade		
Opening stock	534,062	387,068
Less: Closing stock	504,038	534,062
	<u>30,024</u>	<u>(146,994)</u>
18 Employee benefits expense		
Salaries, bonus and other allowances	19,707,153	22,370,972
Contribution to provident and other funds	1,527,821	1,696,277
Gratuity expense	328,346	68,000
Leave encashment	200,122	64,923
Recruitment & training	17,200	56,730
Staff welfare expenses	172,806	507,149
	<u>21,953,448</u>	<u>24,764,051</u>



Fortis Emergency Services Limited

Notes to the financial statements for the year ended 31 March 2016

	For the year ended 31 March 2016 (Rs.)	For the year ended 31 March 2015 (Rs.)
19 Finance costs		
Interest expense:	50,135,819	47,742,186
Bank charge and other	8,675	18,837
	<u>50,144,494</u>	<u>47,761,023</u>
20 Depreciation and amortization expense		
Depreciation on tangible assets	7,570,962	6,432,891
Amortisation on intangible assets	194,064	90,554
	<u>7,765,026</u>	<u>6,523,445</u>
21 Other expenses		
Ambulance Running Charges - Diesel	2,028,339	2,395,745
Airlifting Charges	13,760,299	10,356,703
Power and fuel	483,299	472,384
Repairs to:		
- machinery	1,689,277	3,195,899
- others	253,996	995,686
Legal & professional fee	1,148,252	1,604,780
Travel & conveyance	409,152	663,204
Contractual manpower	725,009	711,187
Insurance	89,220	24,274
Printing & stationary	82,170	81,752
Communication expenses	352,033	403,720
Auditors' remuneration		
- as auditors	120,225	117,978
Professional charges to doctors	2,765,288	2,514,459
Housekeeping expenses & Medical Consumables	632,976	610,741
Rent paid	137,400	
Discount- Calls	307,500	678,000
Bad debt	-	9,583,522
	<u>24,984,436</u>	<u>34,410,034</u>



22 - Significant Accounting Policies and Notes to Accounts

A. BACKGROUND

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

B. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects in accordance with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4. Depreciation

- a. Depreciation on fixed assets is provided using the Written Down Value at the rates prescribed under Schedule II of the Companies Act.
- b. Individual assets not exceeding Rs. 5,000 are depreciated fully in the year of purchase.



22 - Significant Accounting Policies and Notes to Accounts

5. Impairment

- a. 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 recognized 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 at the weighted average cost of capital.
- b. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

7. Inventories

Disposables, Medicines & Medical Consumables are valued at lower of cost or net releasable value.

8. 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.

Operating Income

Operating Income is recognized as and when the services are rendered, net of discount and allowances.

Interest

Revenue is recognized on a time proportion basis taking into account the amount of fixed deposit and the rate applicable.

Gain from Mutual Fund

Gain from mutual funds is recognised when the right to gain is established by the balance sheet date.

9. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of respective asset. Other borrowing costs are recognized as expense in the period to which they relate.



22 - Significant Accounting Policies and Notes to Accounts

10. Foreign Exchange Transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction.

Gains / (losses) arising out of fluctuations in the exchange rates are recognized as income/expense in the period in which they arise.

11. Employee Benefits

i) Provident Fund

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss account of the year when the contributions to the respective funds are due. The provident fund contribution is being deposited with "Fortis Healthcare Limited Provident Fund Trust" managed by Fortis Healthcare Limited (formerly Fortis Healthcare (India) Limited), the holding company; such contribution to the trust additionally requires guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date by the Fortis Healthcare Limited (formerly Fortis Healthcare (India) Limited). There are no other obligations on the Company other than the contribution payable to the fund.

ii) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year using the projected unit credit method.

iii) Leave Encashment

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation made at the end of the year using projected unit credit method.

12. Deferred Taxation

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax asset is recognized and carried forward to the extent there is reasonable certainty that future taxable income will be available, against which such deferred tax asset can be realized.

13. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average



22 - Significant Accounting Policies and Notes to Accounts

number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net consolidated 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.

14. Provisions

A provision is recognized 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 their 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.

15. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank.

16. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI 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 does not include depreciation and amortization expense, finance costs and tax expense.

C. NOTES TO ACCOUNTS:**1. 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".

2. Related Party Disclosures

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

Ultimate Holding Company	RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited)	
Holding Company	Fortis Healthcare Holdings Private Limited	
Fellow Subsidiaries (with whom transactions have been taken place)	1	Fortis Healthcare Limited
	2	Fortis Hospitals Limited
	3	Escorts Heart Institute And Research Centre Limited
	4	Fortis C-Doc Healthcare Limited
	5	Fortis Health Management (East) Limited
	6	Fortis Malar Hospitals Limited
	7	Fortis HealthStaff Limited

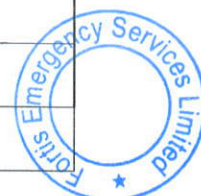


Fortis Emergency Services Limited
Schedules forming part of the financial statements as on 31st March, 2016

22 - Significant Accounting Policies and Notes to Accounts

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

Transactions details	Year ended March 31, 2016(Rs. in Lacs)	Year ended March 31, 2015(Rs. in Lacs)
Transactions during the year		
Interest expense on loan taken from		
RHC Holding Private Limited (Ultimate Holding Company)	23.99	23.92
Fortis Hospitals Limited (Fellow Subsidiary)	477.37	453.50
Loans taken during the year		
Fortis Hospitals Limited (Fellow Subsidiary)	575.89	450.60
Income of Medical Services	2015-16	2014-15
Fortis Escorts Heart Institute & Research Centre Limited (Fellow Subsidiary)	82.25	168.22
Fortis Hospitals Limited-FMRI (Fellow Subsidiary)	95.83	32.55
Fortis Hospitals Limited-Faridabad (Fellow Subsidiary)	20.03	3.75
Fortis Hospitals Limited-La-Femme (Fellow Subsidiary)	0.61	0.70
Fortis Hospitals Limited-Noida (Fellow Subsidiary)	44.71	19.28
Fortis Healthcare Limited -Shalimar Bagh (Fellow Subsidiary)	37.56	25.59
Fortis Hospitals Limited -Moradabad (Fellow Subsidiary)	-	0.60
Fortis C-Doc Healthcare Limited (Fellow Subsidiary)	2.06	1.25
Fortis Healthcare Limited (Fellow Subsidiary)	14.17	8.81
Professional Services taken		
Fortis Escorts Heart Institute & Research Centre Limited (Fellow Subsidiary)		0.28
Fortis Hospitals Ltd-FMRI	0.11	-
Fortis Hospitals Ltd-Faridabad	-	-
Fortis Hospitals Ltd-Noida	-	-



Fortis Emergency Services Limited
Schedules forming part of the financial statements as on 31st March, 2016

22 - Significant Accounting Policies and Notes to Accounts

Fortis Healthcare Ltd-Shalimar Bagh	-	0.01
Purchase of Consumables		
Fortis Escorts Heart Institute& Research Centre Limited (Fellow Subsidiary)	0.71	2.85
Reimbursement of Expenses		
Fortis Escorts Heart Institute& Research Centre Limited (Fellow Subsidiary)	6.14	5.11
Fortis C-Doc Healthcare Ltd (Fellow Subsidiary)	-	2.29

Balance outstanding at the year end	As at March 31, 2016 (Rs. in Lacs)	As at March 31, 2015 (Rs. in Lacs)
Sundry Debtors		
Fortis Escorts Heart Institute& Research Centre Limited (Fellow Subsidiary)	(23.47)	(27.89)
Fortis Hospitals Limited-FMRI (Fellow Subsidiary)	5.86	1.67
Fortis Hospitals Limited-Faridabad (Fellow Subsidiary)	2.06	0.30
Fortis Hospitals Limited-La-Femme (Fellow Subsidiary)	0.04	0.15
Fortis Hospitals Limited-Noida (Fellow Subsidiary)	5.70	1.37
Fortis Healthcare Limited-Shalimar Bagh (Fellow Subsidiary)	3.52	1.27
Fortis Hospitals Limited-Moradabad (Fellow Subsidiary)	-	-
Fortis C-Doc Healthcare Limited (Fellow Subsidiary)	4.57	4.91
Fortis Health Management (East) Limited (Fellow Subsidiary)	0.30	0.15
Fortis HealthStaff Limited (Fellow Subsidiary)	0.09	0.09
Fortis Hospitals Limited (Fellow Subsidiary)	-	-



22 - Significant Accounting Policies and Notes to Accounts

3. Disclosures under Accounting Standard - 15 (Revised) on 'Employee Benefits' :

a) Defined Contribution Plan

(Rs. in Lacs)

	March 31, 2016	March 31, 2015
Contribution to Provident fund	15.17	10.31

b) Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every 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. The Grat

uity fund is unfunded. The following table summaries the components of net employee benefit expenses recognized in the profit and loss account:

(Rs. in Lacs)

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	2015-16	2014-15
Net employee benefit expenses (recognized in Personnel Expenses)		
Current Service cost	1.27	1.19
Interest Cost	0.25	0.25
Expected return on plan assets	-	-
Actuarial loss / (gain) recognized in the year	1.77	(0.76)
Past Service Cost	(0.01)	-
Net (Benefit) / Expense	3.29	0.68
Balance Sheet		
Details of Provision for Gratuity at March 31, 2016		
Present value of defined benefit obligation	6.47	3.37
Fair value of plan assets	-	-
Surplus / (deficit) of funds	(6.47)	(3.37)
Net asset / (liability)	(6.47)	(3.37)
Changes in present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	3.37	2.69



Fortis Emergency Services Limited
Schedules forming part of the financial statements as on 31st March, 2016

22 - Significant Accounting Policies and Notes to Accounts

Current Service Cost	1.27	1.19
Interest Cost on benefit obligation	0.25	0.25
Plan Amendments Cost/(Credit)	(0.01)	-
Benefits Paid	(0.18)	-
Actuarial loss / (gain) recognised in the year	1.77	(0.76)
Closing defined benefit obligation	6.47	3.37
The principal assumptions used in determining gratuity obligation for the company's plan are shown below:		
Discount rate	7.75%	7.75%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	5%	5%
Mortality table referred	LIC 1994-1996 Ultimate	LIC 1994-1996 Ultimate
Withdrawal Rate / Employee Turnover Rate	-	-
Age from 20-30 years	12.50%	12.50%
Age from 31-44 years	15.00%	15.00%
Age from 45-58 years	15.00%	15.00%

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contributions expected to be paid to the plan during the annual period beginning after the balance sheet date as required by Para 120 (o) of the Accounting Standard 15 (Revised) on Employee Benefits are not disclosed.

4. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil



22 - Significant Accounting Policies and Notes to Accounts

The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

5. Opening Stock, Purchases and Closing stock of inventories:

Opening Stock:-

Item name	2015-16		2014-15	
	Quantity	Value	Quantity	Value
ECG Electrodes	Nil	Nil	Nil	Nil
Gauze Pad with Cotton 5X5	496 Boxes	64615	334 Boxes	43511
Gauze Pad with Cotton 7.5X7.5	751 Boxes	136682	301 Boxes	54782
Gauze Pad with Cotton 10X10	566 Boxes	132444	411 Boxes	96174
Combined Dressing 10X20	4408 Pcs	132240	4248 Pcs	127440
Combined Dressing 10X10	4005 Pcs	68081	3833 Pcs	65161
Curapore 10X15	Nil	Nil	Nil	Nil
Others	Nil		Nil	
Less: Adjustment During the year	-		-	
Total		534062		387068

Purchases during the year:

Item name	2015-16		2014-15	
	Quantity	Value	Quantity	Value
Others (quantitative information not given due to small quantities of multiple items.)	-	111902	-	375702

(Amt. in Rs.)



22 - Significant Accounting Policies and Notes to Accounts

Total		111902		375702
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Closing Stock as at the end of the year:

Item name	2015-16		2014-15	
	Quantity	Value	Quantity	Value
ECG Electrodes	Nil	Nil	Nil	Nil
Gauze Pad with Cotton 5X5	478 Boxes	62271	496 Boxes	64615
Gauze Pad with Cotton 7.5X7.5	682 Boxes	124124	751 Boxes	136682
Gauze Pad with Cotton 10X10	542 Boxes	126829	566 Boxes	132444
Combined Dressing 10X20	4205 Pcs	126150	4408 Pcs	132240
Combined Dressing 10X10	3804 Pcs	64664	4005 Pcs	68081
Curapore 10X15	Nil	Nil	Nil	Nil
Others	Nil		Nil	
Less : Adjustment during the year	-		-	
Net Total		504038		534062


6. Matters related to litigations and claims :


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

Further, Claims against the Company for Rs. 19,069,673 (Previous year Rs. 19,069,673) 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. We enclose hereunder the litigations pending for and against the company.

For and on behalf of the Board of Directors

Fortis Emergency Services Limited


Daljit Singh
(Director)
DIN NO: 00135414


Ashish Bhatia
(Director)
DIN NO: 01845421

Date : 18/07/2016
Place : Gurgaon

