

Walker Chandiook & Associates

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New Delhi 110001
India

Independent Auditor's Report

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To the Members of Fortis HealthStaff Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Fortis HealthStaff Limited ("the Company"), which comprise 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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 misstatement.



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6. 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 principle generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in annexure A, 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 purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 23, 2016 as per annexure B expressed unqualified opinion.



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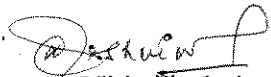
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker Chandiok & Associates

For Walker Chandiok & Associates

Chartered Accountants

Firm's Registration No.: 001329N


per **Nitin Toshniwal**
Partner
Membership No.: 507568



Place : New Delhi

Date : May 23, 2016

Walker Chandiook & Associates

Annexure A to the Independent Auditor's Report of even date to the members of Fortis HealthStaff Limited, on the financial statements for the year ended March 31, 2016

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) 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, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.




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Annexure A to the Independent Auditor's Report of even date to the members of Fortis HealthStaff Limited, on the financial statements for the year ended March 31, 2016

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiok & Associates
For Walker Chandiok & Associates
Chartered Accountants
Firm's Registration No.: 001329N


per Nitin Toshniwal
Partner
Membership No.: 507568



Place : New Delhi
Date : May 23, 2016

Walker ChandioK & Associates

Annexure B to the Independent Auditor's Report of even date to the members of Fortis HealthStaff Limited, on the financial statements for the year ended March 31, 2016

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Fortis HealthStaff Limited ("the Company") as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

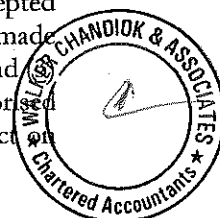
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Walker Chandiok & Associates

Annexure B to the Independent Auditor's Report of even date to the members of Fortis HealthStaff Limited, on the financial statements for the year ended March 31, 2016

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion


8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 ICAI.

Walker Chandiok & Associates

For **Walker Chandiok & Associates**

Chartered Accountants

Firm's Registration No.: 001329N



per **Nitin Toshniwal**
Partner

Membership No.: 507568



Place: New Delhi

Date: May 23, 2016

Fortis HealthStaff Limited
Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016	(Amount in Rs) As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	4	49,000,000	49,000,000
Reserves and surplus	5	(145,384,717) <u>(96,384,717)</u>	(148,624,592) <u>(99,624,592)</u>
Current liabilities			
Short-term borrowings	6	79,450,000	113,600,000
Trade payables			
Payable to micro enterprises and small enterprises	7A	-	-
Other payable	7B	26,253,925	12,987,900
Other current liabilities	8	499,690 <u>106,203,615</u>	588,711 <u>127,176,611</u>
		<u>9,818,898</u>	<u>27,552,019</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	2,347,565	2,934,456
Long-term loans and advances	10	3,559,698 <u>5,907,263</u>	7,568,691 <u>10,503,147</u>
Current assets			
Current investments	11	-	10,280,523
Trade receivables	12	2,035,505	2,574,676
Cash and bank balances	13	1,876,130 <u>3,911,635</u>	4,193,673 <u>17,048,872</u>
		<u>9,818,898</u>	<u>27,552,019</u>

The accompanying notes (1 to 26) are an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

Walker Chandio & Associates
For Walker Chandio & Associates
Chartered Accountants

For and on behalf of the Board of Directors
Fortis HealthStaff Limited

Nitin Toshniwal
per Nitin Toshniwal
Partner



Gagandeep Singh Bedi
Gagandeep Singh Bedi
Director
(DIN - 06881468)

Anurag Kalra
Anurag Kalra
Director
(DIN - 06987504)

Place : New Delhi
Date : May 23, 2016

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Fortis HealthStaff Limited
Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Notes	(Amount in Rs)	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue			
Revenue from operations	14	12,464,515	31,409,396
Other income	15	4,698,151	42,684
Total revenue		17,162,666	31,452,080
Expenses			
Cost of medical services	16	11,101,331	25,975,602
Finance costs	18	853,393	13,426
Depreciation expense	9	586,891	586,891
Other expenses	19	1,381,176	14,867,593
Total expenses		13,922,791	41,443,512
Profit/(loss) before tax		3,239,875	(9,991,432)
Tax expense			
Current tax		-	714,465
Profit/(loss) for the period		3,239,875	(10,705,897)
Earning/(loss) per share (Basic and diluted)	20	0.66	(2.18)

The accompanying notes (1 to 26) are an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

Walker Chandio & Associates
For **Walker Chandio & Associates**
Chartered Accountants

For and on behalf of the Board of Directors
Fortis HealthStaff Limited

Nitin Toshniwal
per **Nitin Toshniwal**
Partner



Gagandeep Singh Bedi
Gagandeep Singh Bedi
Director
(DIN - 06881468)

Anurag Kalra
Anurag Kalra
Director
(DIN - 06987504)

Place : New Delhi
Date : May 23, 2016

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Fortis HealthStaff Limited
Cash Flow Statement for the year ended March 31, 2016

Particulars	For Year ended March 31, 2016	(Amount in Rs) For Year ended March 31, 2015
A. Cash flow from operating activities		
Net profit/(loss) before tax and exceptional items	3,239,875	(9,991,432)
Adjustments for:		
Depreciation expense	586,891	586,891
Profit on sale of investments	(4,332,916)	-
Provision for doubtful debts	350,623	13,740,923
Interest expense	852,362	13,099
Operating profit before working capital changes	696,835	4,349,481
Movements in working capital :		
Decrease in trade receivables	188,548	5,220,410
(Increase)/decrease in loans and advances	(400,000)	21,907
Increase/(decrease) in trade payables and other liabilities	13,190,104	(7,459,866)
Cash generated from operating activities	13,675,487	2,131,932
Income tax refund/(paid)	4,408,992	(3,227,435)
Net cash generated from/(used in) operating activities (A)	18,084,479	(1,095,503)
B. Cash flows from investing activities		
Proceeds from sale of investments	14,613,439	-
Net cash generated from investing activities (B)	14,613,439	-
C. Cash flows from financing activities		
Proceeds from short-term borrowings	20,000,000	34,150,000
Repayment of short-term borrowings	(54,150,000)	-
Repayment of share application money pending allotment	-	(34,150,000)
Interest paid	(865,461)	-
Net cash used in financing activities (C)	(35,015,461)	-
Net decrease in cash and cash equivalents (A + B + C)	(2,317,543)	(1,095,503)
Total cash and cash equivalents at the beginning of the year	4,193,673	5,289,176
Cash and cash equivalents at the end of the year	1,876,130	4,193,673
Components of cash and cash equivalents:		
Balances with banks on current accounts	1,876,130	4,193,673
	1,876,130	4,193,673

The accompanying notes (1 to 26) are an integral part of the financial statements.
This is the cash flow statement referred to in our report of even date.

Walker Chandiook & Associates
For Walker Chandiook & Associates
Chartered Accountants

Nitin Toshniwal
per Nitin Toshniwal
Partner



Place : New Delhi
Date : May 23, 2016

For and on behalf of the Board of Directors
Fortis HealthStaff Limited

Gagandeep Singh Bedi
Gagandeep Singh Bedi
Director
(DIN - 06881468)

Anurag Kalra
Anurag Kalra
Director
(DIN - 06987504)

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Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

1. Nature of operations

Fortis HealthStaff Limited (the 'Company') was incorporated on January 31, 1984. The Company is engaged in the business of providing healthcare solutions.

2. Basis of preparation of financial statements

The financial statements have been prepared to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the companies (Accounts) Rules 2014 (as amended). The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual and going concern basis. The accounting policies have been consistently applied by the Company unless specifically stated otherwise.

3. Summary of significant accounting policies

a. 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.

b. Tangible assets

Tangible assets are stated at cost (or revalue amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

c. Depreciation

Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to adjustments arising out of the transitional provisions of Schedule II to the Companies Act, 2013.

d. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

e. 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.

i) Income from medical services at satellite centres and in patient services

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

ii) Interest income

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

f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Profit/loss on sale of investments are computed with reference to the average cost of the investment.

g. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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



Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

Minimum Alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

h. Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings/(loss) per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

i. Provision and contingencies

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- Present obligation, where a reliable estimate cannot be made.

j. Cash and cash equivalents

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

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Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

	As at March 31, 2016	(Amount in Rs) As at March 31, 2015
4 Share capital		
Authorised share capital		
4,900,000 (Previous year 4,900,000) equity shares of Rs 10 each	49,000,000	49,000,000
100,000 (Previous year 100,000) 10% non-cumulative redeemable preference shares of Rs 10 each	1,000,000	1,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued share capital		
4,900,000 (Previous year 4,900,000) equity shares of Rs 10 each fully paid up	49,000,000	49,000,000
	<u>49,000,000</u>	<u>49,000,000</u>
Subscribed and paid up share capital		
4,900,000 (Previous year 4,900,000) equity shares of Rs 10 each fully paid up	49,000,000	49,000,000
	<u>49,000,000</u>	<u>49,000,000</u>

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

Particulars	March 31, 2016		March 31, 2015	
	Number	Amounts (Rs)	Number	Amounts (Rs)
Shares outstanding at the beginning of the year	4,900,000	49,000,000	4,900,000	49,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,900,000	49,000,000	4,900,000	49,000,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	March 31, 2016		March 31, 2015	
	Number	Amounts (Rs)	Number	Amounts (Rs)
Fortis Healthcare Holdings Limited*	1,160,000	11,600,000	1,160,000	11,600,000
RHC Holding Private Limited	2,300,000	23,000,000	2,300,000	23,000,000
Escorts Heart Institute & Research Centre Limited	1,440,000	14,400,000	1,440,000	14,400,000
	<u>4,900,000</u>	<u>49,000,000</u>	<u>4,900,000</u>	<u>49,000,000</u>

* including 6 equity shares held by its nominees.

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

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of shares held	% shareholding	No. of shares held	% shareholding
Fortis Healthcare Holdings Limited*	1,160,000	24%	1,160,000	24%
RHC Holding Private Limited	2,300,000	47%	2,300,000	47%
Escorts Heart Institute and Research Centre Limited	1,440,000	29%	1,440,000	29%

* including 6 equity shares held by its nominees

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Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

	As at March 31, 2016	(Amount in Rs) As at March 31, 2015
5 Reserves and surplus		
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(148,624,592)	(137,918,695)
Add : transferred from statement of profit and loss	3,239,875	(10,705,897)
Balance at the end of the year	<u>(145,384,717)</u>	<u>(148,624,592)</u>
6 Short-term borrowings		
Unsecured		
From bodies corporate*	79,450,000	113,600,000
	<u>79,450,000</u>	<u>113,600,000</u>

* Rs 79,450,000 (previous year Rs 79,450,000) loan is from a body corporate and carries no interest and is repayable on demand.

Nil (previous year Rs 34,150,000) loan is from a body corporate and carries 14% interest per annum and is repayable within a year.

7A Payable to micro enterprises and small enterprises*

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2016 and March 31, 2015:

	(Amount in Rs)	
Particulars	March 31, 2016	March 31, 2015
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) 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 this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) 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.	Nil	Nil

During the period ended December 31, 2006, Government of India has promulgated an Act namely "The Micro, Small and Medium Enterprises Development Act, 2006" which comes into force with effect from October 02, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on the overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provisions of the Act. In view of this, the liability of interest and disclosure is not required to be provided in the financial statements.

7B Other payable

Due to others	26,253,925	12,987,900
	<u>26,253,925</u>	<u>12,987,900</u>

8 Other current liabilities

Statutory dues payables	114,865	163,314
Expense payable	384,825	412,298
Interest accrued and due on borrowings	-	13,099
	<u>499,690</u>	<u>588,711</u>

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Fortis Healthstaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

9 Fixed assets - tangible assets

	(Amount in Rs)	
Gross block	Vehicles	Total
Balance as on 1 April 2014	4,550,719	4,550,719
Additions/deletions	-	-
Balance as on 31 March 2015	4,550,719	4,550,719
Additions/deletions	-	-
Balance as on 31 March 2016	4,550,719	4,550,719
Accumulated depreciation		
Balance as on 1 April 2014	1,029,372	1,029,372
Charge for the year	586,891	586,891
Balance as on 31 March 2015	1,616,263	1,616,263
Charge for the year	586,891	586,891
Balance as on 31 March 2016	2,203,154	2,203,154
Net block		
Balance as on 31 March 2015	2,934,456	2,934,456
Balance as on 31 March 2016	2,347,565	2,347,565

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Fortis HealthStaff Limited
Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

	As at March 31, 2016	(Amount in Rs) As at March 31, 2015
10 Long-term loans and advances		
(Unsecured, considered good)		
Minimum alternative tax credit receivable	729,313	729,313
Prepaid taxes (net of provision for tax)	2,430,385	6,839,378
Other receivables	400,000	-
	<u>3,559,698</u>	<u>7,568,691</u>
11 Current investments		
Trade investments:		
Quoted mutual funds (valued at lower of cost and fair value, unless stated otherwise)		
Nil (previous year 7,571.28) units of Rs 1,357.83 each in Religare Invesco Ultra	-	10,280,523
Short-term Fund - Growth	-	10,280,523
	<u>-</u>	<u>10,280,523</u>
(Market value Nil as at March 31, 2016 (previous year Rs. 14,699,069))		
12 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	-
Considered doubtful	22,268,782	18,952,572
	<u>22,268,782</u>	<u>18,952,572</u>
Less : provision for bad and doubtful debts	22,268,782	18,668,572
	<u>-</u>	<u>284,000</u>
Other debts		
Unsecured, considered good	2,035,505	2,290,676
Considered doubtful	-	3,249,587
	<u>2,035,505</u>	<u>5,540,263</u>
Less : provision for bad and doubtful debts	-	3,249,587
	<u>2,035,505</u>	<u>2,290,676</u>
	<u>2,035,505</u>	<u>2,574,676</u>
13 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	1,876,130	4,193,673
	<u>1,876,130</u>	<u>4,193,673</u>

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Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

		(Amount in Rs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
14 Revenue from operations		
Sale of services		
Income from satellite centers	12,464,515	31,409,396
	<u>12,464,515</u>	<u>31,409,396</u>
15 Other income		
Profit on sale of investments	4,332,916	-
Miscellaneous income	365,235	42,684
	<u>4,698,151</u>	<u>42,684</u>
16 Cost of medical services		
Cost of medical services	11,101,331	25,975,602
	<u>11,101,331</u>	<u>25,975,602</u>

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Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

		(Amount in Rs)
	For the year ended March 31, 2016	For the year ended March 31, 2015
18 Finance costs		
Bank charges	1,031	327
Interest others	852,362	13,099
	<u>853,393</u>	<u>13,426</u>
19 Other expenses		
Legal and professional fees*	569,162	526,341
Travel and conveyance	20,390	25,487
Rates and taxes	7,018	35,168
Printing and stationery	-	735
Communication expenses	3,452	4,314
Insurance	20,569	23,087
Marketing and business promotion	-	64,880
Business support charges	409,849	446,069
Provision for doubtful debts	350,623	13,740,923
Miscellaneous expenses	113	589
	<u>1,381,176</u>	<u>14,867,593</u>
* Auditors' remuneration		
As auditor		
Statutory audit	300,000	300,000
Tax audit	63,000	63,000
Out of pocket expenses	-	20,000
	<u>363,000</u>	<u>383,000</u>
20 Earning/(loss) per share		
a. Net profit/(loss) after tax available for equity shareholders (Rs.)	3,239,875	(10,705,897)
b. Weighted average number of equity shares for Basic and Diluted EPS	4,900,000	4,900,000
c. Nominal value per equity share (Rs.)	10	10
d. Earnings per share - Basic and Diluted (Rs.)	0.66	(2.18)

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Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

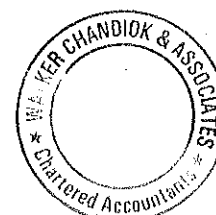
21. Related party transactions

In accordance with the requirements of Accounting Standard (AS)-18 on "Related Party Disclosures", the names of related parties where control exist and/or with whom transactions have taken place during the period and description of relationship, as identified and certified by the management, are:

	Name of related party	Relationship
(a)	Escorts Heart Institute and Research Centre Limited	Immediate holding company of Fortis Healthstaff Limited
(b)	Fortis Healthcare Limited	Immediate holding company of Escorts Heart Institute and Research Centre Limited
(c)	Fortis Healthcare Holdings Limited	Immediate holding company of Fortis Healthcare Limited
(d)	RHC Holding Private Limited	Immediate holding company of Fortis Healthcare Holdings Limited

(Amount in Rs)

Particulars	For the year ended March 31	
	2016	2015
<u>Escorts Heart Institute and Research Centre Limited</u>		
<i>Transactions during the year</i>		
Cost of medical services	11,101,331	25,975,602
Allocation of employee expenses (business support charges)	409,849	446,069
Short-term borrowings taken	20,000,000	-
Short-term borrowings repaid	20,000,000	-
Interest paid	668,981	-
<i>Outstanding balance</i>		
Trade payables	26,253,925	12,987,900
<u>Fortis Healthcare Holdings Limited</u>		
<i>Transactions during the year</i>		
Short-term borrowings repaid	34,150,000	-
Interest paid	183,381	-
<i>Outstanding balance (payables)</i>		
Unsecured 14% interest bearing short-term borrowings	-	34,150,000
Interest accrued and due on borrowings	-	13,099
<u>RHC Holding Private Limited</u>		
<i>Outstanding balance (payables)</i>		
Unsecured interest free short-term borrowings	79,450,000	79,450,000



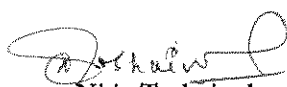
Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2016

22. The Company's accumulated losses have completely eroded its net worth at the end of the year. However, the financial statements have been prepared on going concern basis considering the Company's plans and the continuing support committed by Escorts Heart Institute and Research Centre Limited, for the next 12 months.
23. In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in balance sheet and provisions for all known liabilities have been made.
24. The Company has not entered into any derivative instruments during the year. The Company does not have any foreign currency exposure towards receivables, payables or any other derivative instrument.
25. The Company is engaged in the business of providing healthcare solutions, which as per Accounting Standard 17 on "Segment Reporting" of Companies (Accounts) Rules, 2014 (as amended), is considered to be the only significant reportable business segment. The Company is operating in India and there is no other significant geographical segment.
26. Previous year figures have been re-grouped/recast wherever considered necessary to make them comparable with those of the current year.

Walker Chandniok & Associates

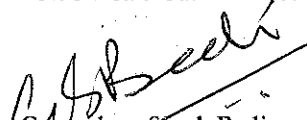
For Walker Chandniok & Associates
Chartered Accountants


per Nitin Toshniwal
Partner

Place: New Delhi
Date: May 23, 2016



For and on behalf of the Board of Directors of
Fortis HealthStaff Limited


Gagandeep Singh Bedi
Director
(DIN - 06881468)


Anurag Kalra
Director
(DIN - 06987504)

