

**INDEPENDENT AUDITOR'S REPORT
To The Members of Hiranandani Healthcare Private Limited
Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Hiranandani Healthcare Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29(b) to the Ind AS financial statements regarding matter relating to termination of hospital lease agreement with the Company by Navi Mumbai Municipal Corporation vide order dated January 18, 2017. Based on the advice by external legal counsel, no provision/ adjustment has been considered necessary by the Management in this regard in the financial statements.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2015 dated May 26, 2015 expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.



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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) The matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) 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, as amended, 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 Ind AS financial statements – Refer Note 29 to the financial statements.
 - 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.
 - iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in

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accordance with the books of account maintained by the Company and as produced to us by the Management.

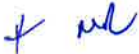
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366 W/W-100018)



Manoj H. Dama
(Partner)
(Membership No. 107723)

Place: Mumbai
Date : May 26, 2017



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section 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 **Hiranandani Healthcare Private Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

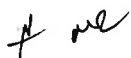
Management's Responsibility for Internal Financial Controls

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.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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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 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.

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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

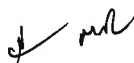
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366 W/W-100018)

Manoj H. Dama
(Partner)
(Membership No.107723)

Place: Mumbai
Date: May 26, 2017

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Hiranandani Healthcare Private Limited)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. Material discrepancies noticed on physical verification during the year have been properly dealt with in the books of account.
 - (iii) 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.
 - (iv) The Company has neither granted any loans or provided guarantees under section 185 and 186 of the Companies Act, 2013 nor made any investments and hence reporting under clause 3 (iv) of the CARO 2016 is not applicable.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposit and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company and hence reporting under clause 3(v) of the CARO 2016 is also not applicable.
 - (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost



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Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs.)
Income Tax Act, 1961	Income tax demand	CIT(A)	FY 2011-12	71,377,030 #
Income Tax Act, 1961	Income tax demand	Assessing Officer	FY 2013-14	9,139,330

#Net of amount of Rs.11,722,970 adjusted by the income tax authorities.

There are no dues of Service Tax, Customs Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes.

We are informed that the operations of the Company did not give rise to any liability for Excise Duty.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government nor has it issued any debentures.



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- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of initial public offer/ further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid or provided managerial remuneration and hence reporting under clause 3 (xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable. The Company does not have any subsidiary or associate company.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Manoj H. Dama
(Partner)
(Membership No. 107723)

Place : Mumbai
Date : May 26, 2017



HIRANANDANI HEALTHCARE PRIVATE LIMITED
BALANCE SHEET at March 31, 2017

Particulars	Notes	As at March 31, 2017 (Amount in INR)	As at March 31, 2016 (Amount in INR)	As at April 01, 2015 (Amount in INR)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	5578,07,599	5734,94,437	5803,76,221
(b) Capital work-in-progress		63,04,244	129,83,636	-
(c) Intangible assets	3	240,43,049	286,25,075	18,30,187
(d) Intangible assets under development		-	-	53,14,641
(e) Financial assets				
(i) Other financial assets	4	77,78,676	80,94,099	85,22,851
(f) Deferred tax assets (Net)	5	-	225,34,044	902,26,381
(g) Non-current tax assets	6	1987,48,998	1433,69,847	875,47,098
(h) Other non-current assets	7	146,82,173	100,28,025	109,24,880
Total non-current assets		8093,64,739	7991,29,163	7847,42,259
Current assets				
(a) Inventories	8	72,29,254	78,95,717	57,09,981
(b) Financial assets				
(i) Trade receivables	9	1448,88,305	1341,80,171	1129,10,316
(ii) Cash and cash equivalents	10	146,26,030	175,26,715	506,32,824
(iii) Bank balances other than (ii) above	10	2,00,000	-	131,75,588
(iv) Other financial assets	4	149,24,791	281,34,100	128,43,418
(c) Other current assets	7	113,32,879	138,79,096	159,16,817
Total current assets		1932,01,259	2016,15,799	2111,88,944
Total assets		10025,65,998	10007,44,962	9959,31,203
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	400,00,000	400,00,000	400,00,000
(b) Other equity	12	2795,06,765	2105,79,374	709,59,699
Total equity		3195,06,765	2505,79,374	1109,59,699
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	2400,00,033	3107,41,687	4911,55,384
(ii) Other financial liabilities	14	18,82,755	11,11,519	1,65,000
(b) Provisions	15	70,06,000	52,82,000	40,39,000
(c) Deferred tax liabilities (Net)	5	133,52,240	-	-
Total non-current liabilities		2622,41,028	3171,35,206	4953,59,384
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	177,05,227	1000,00,000	1000,00,000
(ii) Trade payables	17	2000,35,515	1270,74,593	1251,96,166
(iii) Other financial liabilities	14	1542,68,586	1236,24,907	1297,28,876
(b) Provisions	15	87,71,000	52,37,000	41,37,000
(c) Other current liabilities	18	400,37,877	770,93,882	305,50,078
Total current liabilities		4208,18,205	4330,30,382	3896,12,120
Total liabilities		6830,59,233	7501,65,588	8849,71,504
Total equity and liabilities		10025,65,998	10007,44,962	9959,31,203

See accompanying notes to the financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

MANOJ H. DAMA
Partner

Place : Mumbai
Date : May 26, 2017

For and on behalf of the Board of Directors of
HIRANANDANI HEALTHCARE PRIVATE LIMITED

JASBIR SINGH GREWAL
Director
DIN 01113910

Place : Gurgaon
Date : May 26, 2017



MANU KAPILA
Director
DIN 03403696

Place : Gurgaon
Date : May 26, 2017

HIRANANDANI HEALTHCARE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Notes	Year ended	Year ended
		March 31, 2017 (Amount in INR)	March 31, 2016 (Amount in INR)
I Revenue from operations	19	13417,85,514	13910,11,835
II Other income	20	7,80,833	57,46,396
III Total Income (I+II)		13425,66,347	13967,58,231
IV Expenses			
Purchases of medical consumable and drugs		1785,51,646	1841,72,424
Changes in inventories of medical consumable and drugs	21	6,66,463	(21,85,736)
Employee benefits expense	22	1686,05,113	1237,63,075
Finance costs	23	577,63,852	726,95,056
Depreciation and amortisation expense	24	570,26,638	532,00,330
Other expenses	25	7733,80,960	7547,65,049
Total Expenses		12359,94,672	11864,10,198
V Profit before exceptional item and tax (III-IV)		1065,71,675	2103,48,033
VI Exceptional item	25A	-	38,29,021
VII Profit Before tax (V-VI)		1065,71,675	2065,19,012
VIII Tax expense			
(1)Current tax	26	-	-
(2)Deferred tax	26	364,94,693	674,35,048
		364,94,693	674,35,048
IX Profit for the year (VII-VIII)		700,76,982	1390,83,964
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of Defined Benefit Plans		(17,58,000)	7,93,000
Income tax relating to items that will not be reclassified to profit or loss	26	6,08,409	(2,57,289)
X Total other comprehensive income		(11,49,591)	5,35,711
XI Total comprehensive income for the year (IX+X)		689,27,391	1396,19,675
Earnings per equity share:			
(1)Basic (in Rs.)	28	17.52	34.77
(2)Diluted (in Rs.)	28	17.52	34.77

See accompanying notes to the financial statements

In terms of our report attached,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants



MANOJ H. DAMA
Partner

Place : Mumbai
Date : May 26, 2017

For and on behalf of the Board of Directors of
HIRANANDANI HEALTHCARE PRIVATE LIMITED



JASBIR SINGH GREWAL
Director
DIN 01113910

Place : Gurgaon
Date : May 26, 2017



MANU KAPILA
Director
DIN 03403696

Place : Gurgaon
Date : May 26, 2017



HIRANANDANI HEALTHCARE PRIVATE LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Year ended March 31, 2017 (Amount in INR)	Year ended March 31, 2016 (Amount in INR)
Cash flows from operating activities		
Profit for the year	1065,71,675	2065,19,012
<i>Adjustments for:</i>		
Finance costs recognised in statement of Profit and Loss	522,05,169	684,22,280
Interest income recognised in statement of Profit and Loss	(7,80,833)	(57,46,396)
Loss on disposal of property, plant and equipment	7,31,733	5,25,999
Provision for Doubtful Debts on Trade Receivables	72,75,921	60,68,165
Depreciation and amortisation expense	570,26,638	532,00,330
Operating Profit before working capital changes	2230,30,303	3289,89,390
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(179,84,055)	(273,38,020)
(Increase)/decrease in inventories	6,66,463	(21,85,736)
(Increase)/decrease in other assets	161,37,846	(107,69,560)
Increase/ (Decrease) in trade payables	729,60,922	18,78,427
Increase/ (Decrease) in provisions	35,00,000	31,36,000
Increase/ (Decrease) in other liabilities	(304,80,202)	510,87,140
Cash generated from operations	2678,31,277	3447,97,641
Income taxes paid	553,79,152	558,22,749
Net cash generated by operating activities	2124,52,125	2889,74,892
Cash flows from investing activities		
Interest received	7,80,833	58,52,354
Maturity Proceeds from Fixed Deposits placed with Banks (net)	2,00,000	132,75,588
Payments against purchase of property, plant and equipment	(359,31,160)	(826,91,295)
Proceeds from disposal of property, plant and equipment	-	19,116
Net cash used in investing activities	(349,50,327)	(635,44,237)
Cash flows from financing activities		
Proceeds from /(repayment of) borrowings - net	(1030,36,427)	(1804,13,697)
Interest paid	(773,66,056)	(781,23,067)
Net cash used in financing activities	(1804,02,483)	(2585,36,764)
Net decrease in cash and cash equivalents	(29,00,685)	(331,06,109)
Cash and cash equivalents at the beginning of the year	175,26,715	506,32,824
Cash and cash equivalents at the end of the year (See Note 10)	146,26,030	175,26,715

Reconciliation of Cash and Cash Equivalents with the Balance Sheet :

Particulars	Year ended March 31, 2017 (Amount in INR)	Year ended March 31, 2016 (Amount in INR)
Cash and Cash Equivalents as per Balance Sheet (Refer Note 10)	148,26,030	175,26,715
Less: Fixed Deposits with Original Maturity of more than 3 months (Refer Note 10)	2,00,000	-
Cash and Cash equivalents at the end of the year	146,26,030	175,26,715

Notes:

- Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS-7 on Statement of Cash Flows.
- Amounts in brackets represent cash outflow.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes to the financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



MANOJ H. DAMA
Partner

Place : Mumbai
Date : May 26, 2017

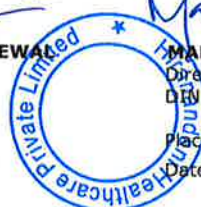


For and on behalf of the Board of Directors of
HIRANANDANI HEALTHCARE PRIVATE LIMITED



JASBIR SINGH GREWAL * **MANU KAPILA**
Director Director
DIN 01113910 DIN 03403696

Place : Gurgaon Place : Gurgaon
Date : May 26, 2017 Date : May 26, 2017



HIRANANDANI HEALTHCARE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Amount in INR
a. Equity share capital	
Balance at April 1, 2015	400,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2016	400,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2017	400,00,000

Particulars	Reserves and surplus		(Amount in INR)
	Securities premium reserve	Retained earnings	Total
b. Other equity			
Balance at April 1, 2015	2545,03,771	(1835,44,072)	709,59,699
Profit for the year	-	1390,83,964	1390,83,964
Other comprehensive income for the year, net of income tax	-	5,35,711	5,35,711
Total comprehensive income for the year	-	1396,19,675	1396,19,675
Balance at March 31, 2016	2545,03,771	(439,24,397)	2105,79,374
Profit for the year	-	700,76,982	700,76,982
Other comprehensive income for the year	-	(11,49,591)	(11,49,591)
Total comprehensive income for the year	-	689,27,391	689,27,391
Balance at March 31, 2017	2545,03,771	250,02,994	2795,06,765

See accompanying notes to financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants



MANOJ H. DAMA
Partner

Place : Mumbai

Date : May 26, 2017



For and on behalf of the Board of Directors of
HIRANANDANI HEALTHCARE PRIVATE LIMITED



JASBIR SINGH GREWAL
Director
DIN 01113910

Place : Gurgaon

Date : May 26, 2017



MANU KAPILA
Director
DIN 03403696

Place : Gurgaon

Date : May 26, 2017



1) General Information

Hiranandani Healthcare Private Limited ('HHPL' or the 'Company') was incorporated in the year 2005 to set up, manage and operate a multi-specialty hospital at Vashi, Navi Mumbai and commenced its commercial operations with effect from 30 December 2008.

2) Significant accounting policies

2.1 Application of new and revised Ind ASs

On 16 February 2015, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules, 2015. The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and set out dates of applicability. Hiranandani Healthcare Private Limited (being a subsidiary of Fortis Healthcare Limited, to which Ind AS is applicable from April 1, 2016 as per the said notification) is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules 2015 and accordingly the Company has adopted Ind AS from April 1, 2016 with transition date as April 1, 2015.

2.2 Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounts) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2.23 for the details of first-time Adoption exemptions availed by the Company.

2.3 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

2.4 Use of Estimates

The preparation of the financial statements requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

2.5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for trade allowances for deduction, rebates and other similar allowances.

Revenue from Services

Revenue from Services (in-patient and out-patient) is recognized as and when the services are rendered. Income from medical services is recognized as per the terms of the respective agreements with the hospitals/corporates.

2.6 Other Income

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating leases.

Where the Company is the lessee:

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term or where rentals are structured solely to increase in line with expected general inflation, such increases are recognised in the year in which they accrue.

Where the Company is the lessor.

Rental income from operating lease is generally recognised on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation, such increases are recognised in the year in which they accrue.

2.8 Foreign currency Transactions and Translations

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement / settlement of all monetary items are recognised in the Statement of Profit and Loss.

2.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.10 Employee benefits

i) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

ii) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated absences-Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and liability is determined using the present value of the estimated future cash outflows expected to be made by the Company in respect of

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

services provided by employees up to the reporting date. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately recognised and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iii) Contributions to provident fund

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident funds scheme as an expenditure, when an employee renders the related service.

2.11 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income directly or in equity. In this case, the current and deferred tax is also recognised in other comprehensive income directly or in equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period.

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 taxes relate to the same taxable entity and the same taxation authority.

2.12 Property, plant and equipment(PPE)

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an asset includes the purchase cost including import duties and non-refundable taxes, borrowing costs if capitalization criteria are met and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Subsequent expenditure related to an item of PPE is added to its carrying value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement/ derecognition of, and gains or losses arising from disposal of fixed assets are measured and are recognised in the Statement of Profit and Loss.

Assets which are not ready for their intended use are shown as capital work -in-progress.

Depreciation on tangible fixed assets has been provided on the straight-line method as per useful life prescribed in Schedule II to the Companies Act, 2013 except for certain Medical Equipment

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

which are depreciated over an estimated useful life of 3 years and Electricals, Central Air Conditioner System and Fire-Safety Systems which are depreciated over an estimated useful life of 15 years, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support etc.

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Depreciation on leasehold improvements is provided over the period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

2.13 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful life of 6 years. The useful life and the amortisation method is reviewed at the end of each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

2.14 Impairment of tangible and intangible asset other than goodwill

Assessment is done at the end of each reporting period as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at end of each reporting period as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.15 Inventories

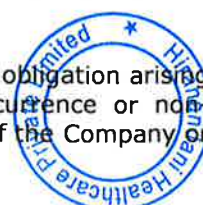
Inventories of medical consumables, drugs, and stores and spares are valued at lower of cost or net realisable value. Cost is determined on weighted average basis. Net realizable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.16 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted to represent present value of the obligation.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.17 Segment Reporting

As the Company's business activity primarily falls within a single business of healthcare services and a single geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segments'.

2.18 Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash and cash equivalents in Cash Flow Statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.19 Operating cycle

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

2.20 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.21 Cash Flow Statement

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

2.22 Financial Instruments

Initial recognition

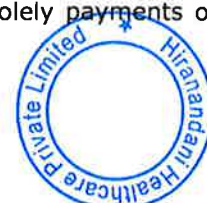
The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in profit or loss.

Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI
- (c) Trade receivables or any contractual right to receive cash or another financial asset

(v) Financial liabilities

Financial liabilities that are not held for trading and are not designated as at fair value through profit and loss (FVTPL) are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

(vi) Derecognition of financial assets and financial liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(vii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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2.23 First-time adoption of Ind AS – mandatory exceptions, optional exemptions.

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

a) Exception:

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively.

b) Optional Exemption:

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.24 Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016 and April 1, 2015

Particulars	Note No.	Amount in INR			Amount in INR		
		Previous GAAP As on 1 April 2015	Effect of Transition	Ind AS as on 1st April 2015	Previous GAAP As on 31st March 2016	Effect of Transition	Ind AS as on 31st March 2016
ASSETS							
Non-current assets							
(a) Property, plant and equipment	3	5803,76,221	-	5803,76,221	5734,94,437	-	5734,94,437
(b) Capital work-in-progress		-	-	-	129,83,636	-	129,83,636
(c) Intangible assets	3	18,30,187	-	18,30,187	286,25,075	-	286,25,075
(d) Intangible assets under development		53,14,641	-	53,14,641	-	-	-
(e) Financial assets							
(i) Other financial assets	4	1064,03,354	(978,80,503)	85,22,851	1611,02,548	(1530,08,449)	80,94,099
(f) Deferred tax assets (Net)	5	-	902,26,381	902,26,381	-	225,34,044	225,34,044
(g) Non-current tax assets	6	-	875,47,098	875,47,098	-	1433,69,847	1433,69,847
(h) Other non-current assets	7	6,05,958	103,18,922	109,24,880	4,00,000	96,28,025	100,28,025
Total non-current assets		6945,30,361	902,11,898	7847,42,259	7766,05,696	225,23,467	7991,29,163
Current assets							
(a) Inventories	8	57,09,981	-	57,09,981	78,95,717	-	78,95,717
(b) Financial assets							
(i) Trade receivables	9	1129,10,316	-	1129,10,316	1341,80,171	-	1341,80,171
(ii) Cash and cash equivalents	10	506,32,824	-	506,32,824	175,26,715	-	175,26,715
(iii) Bank balances other than (ii) above	10	131,75,588	-	131,75,588	-	-	-
(iv) Other financial assets	4	139,99,342	(11,55,924)	128,43,418	290,37,369	(9,03,269)	281,34,100
(c) Other current assets	7	147,60,893	11,55,924	159,16,817	129,75,827	9,03,269	138,79,096
		2111,88,944	-	2111,88,944	2016,15,799	-	2016,15,799
Total current assets		2111,88,944	-	2111,88,944	2016,15,799	-	2016,15,799
Total assets		9057,19,305	902,11,898	9959,31,203	9782,21,495	225,23,467	10007,44,962
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	11	400,00,000	-	400,00,000	400,00,000	-	400,00,000
(c) Other equity	12	(291,79,509)	1001,39,208	709,59,699	1776,20,655	329,58,719	2105,79,374
Total Equity		108,20,491	1001,39,208	1109,59,699	2176,20,655	329,58,719	2505,79,374
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	13	4911,55,384	-	4911,55,384	3107,41,687	-	3107,41,687
(ii) Other financial liabilities	14	-	1,65,000	1,65,000	115,46,771	(104,35,252)	11,11,519
(b) Provisions	15	40,39,000	-	40,39,000	52,82,000	-	52,82,000
(d) Other non-current liabilities	5	100,92,310	(100,92,310)	-	-	-	-
Total non-current liabilities		5052,86,694	(99,27,310)	4953,59,384	3275,70,458	(104,35,252)	3171,35,206
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	16	1000,00,000	-	1000,00,000	1000,00,000	-	1000,00,000
(ii) Trade payables	17	1236,77,280	15,18,886	1251,96,166	1287,06,166	(16,31,573)	1270,74,593
(iii) Other financial liabilities	14	-	1297,28,876	1297,28,876	-	1236,24,907	1236,24,907
(b) Provisions	15	41,37,000	-	41,37,000	52,37,000	-	52,37,000
(d) Other current liabilities	18	1617,97,840	(1312,47,762)	305,50,078	1990,87,216	(1219,93,334)	770,93,882
Total current liabilities		3896,12,120	-	3896,12,120	4330,30,382	-	4330,30,382
Total liabilities		8948,98,814	(99,27,310)	8849,71,504	7606,00,840	(104,35,252)	7501,65,588
Total equity and liabilities		9057,19,305	902,11,898	9959,31,203	9782,21,495	225,23,467	10007,44,962

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.25 Effect of Ind AS adoption on Statement of Profit and Loss for the year ended March 31, 2016

				Amount in INR
	Notes	Previous GAAP	Effect of Ind AS Transition	Ind AS
I	Revenue from operations	13909,40,605	71,230	13910,11,835
II	Other income	56,96,937	49,459	57,46,396
III	Total Income (I+II)	13966,37,542	1,20,689	13967,58,231
IV	Expenses			
	Purchases of medical consumables and drugs	1841,72,424	-	1841,72,424
	Changes in inventories of medical consumables and drugs	(21,85,736)	-	(21,85,736)
	Employee benefits expense	1229,70,078	7,92,997	1237,63,075
	Finance costs	726,30,304	64,752	726,95,056
	Depreciation and amortisation expense	532,00,330	-	532,00,330
	Other expenses	7552,20,957	(4,55,908)	7547,65,049
	Total Expenses	11860,08,357	4,01,841	11864,10,198
V	Profit before exceptional item and tax (III-IV)	2106,29,185	(2,81,152)	2103,48,033
VI	Exceptional item	(38,29,021)	-	(38,29,021)
VII	Profit before tax (V-VI)	2068,00,164	(2,81,152)	2065,19,012
VIII	Tax expense			
	(1) Current tax	-	-	-
	(2) Deferred tax	-	674,35,048	674,35,048
		-	674,35,048	674,35,048
IX	Profit for the year (VII-VIII)	2068,00,164	(677,16,200)	1390,83,964
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of Defined Benefit Obligations	-	7,93,000	7,93,000
	Income tax relating to items that will not be reclassified to profit or loss	-	(2,57,289)	(2,57,289)
X	Total other comprehensive income	-	5,35,711	5,35,711
XI	Total comprehensive income for the period (IX+X)	2068,00,164	(671,80,489)	1396,19,675

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HIRANANDANI HEALTHCARE PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.26 Reconciliation between previous GAAP and Ind AS

(Amount in INR)

I. Reconciliation of total equity as at March 31, 2016 and April 1, 2015	Sub notes	As at March 31, 2016	As at April 1, 2015
Total equity (shareholders' funds) under previous GAAP		2176,20,655	108,20,491
Ind AS Adjustments :			
Fair value of Security Deposits (Given) including amortisation of prepaid rent	a	(10,573)	(14,483)
Fair value of Security Deposits (Received) including amortisation of advance rent	b	6,481	-
Recognition of Deferred Tax Assets under Ind AS	c	225,34,044	902,26,381
Reversal of lease equalisation	d	104,28,767	99,27,310
Total Adjustments		329,58,719	1001,39,208
Total equity (shareholders' funds) under Ind AS		2505,79,374	1109,59,699

II. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016	Sub Notes	Year ended March 31, 2016
Profit after tax as per previous GAAP		2068,00,164
IND AS Adjustments :		
Fair value of Security Deposits (Given) including amortisation of prepaid rent	a	3,910
Fair value of Security Deposits (Received) including amortisation of advance rent	b	6,481
Recognition of Deferred Tax Assets under Ind AS	c	(674,35,048)
Reversal of lease equalisation	d	5,01,457
Remeasurement of defined benefit obligation recognised in other comprehensive income.	e	(7,93,000)
Total Adjustments		(677,16,200)
Other Comprehensive Income		5,35,711
Total Comprehensive Income under IND AS		1396,19,675

Sub notes :

(a) Under Ind AS, security deposits given have been measured at amortised cost. Accordingly, where security deposits of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the deposits were discounted based on the interest rate determined by the management equal to interest cost of borrowing of the company.

(b) Under Ind AS, security deposits received have been measured at amortised cost. Accordingly, where security deposits of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the deposits were discounted based on the interest rate determined by the management equal to interest cost of borrowing of the company.

(c) Under previous GAAP, deferred tax assets were recognised and carried forward only to the extent that there was a reasonable certainty that sufficient future taxable income would be available against which such deferred tax assets could be realised. In situations where the Company had unabsorbed depreciation or carry forward tax losses, deferred tax assets were recognised only if there was virtual certainty supported by convincing evidence that they could be realised against future taxable profits. The Company has recognised deferred tax asset under Ind AS as the management believes that there will be sufficient taxable profit of the appropriate type being available for the offset of deductible temporary differences or unused tax losses. Hence Rs. 22,534,044 and Rs. 90,226,381 has been recognised as deferred tax asset in March 31, 2016 and April 01, 2015 respectively and Rs. 67,435,048 has been charged to the Statement of Profit and Loss for the year ended March 31, 2016.

(d) Under previous GAAP, lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Under Ind AS, such expense is not recognised on a straight line basis for leases where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The Management has analysed the increase in certain lease arrangements and has determined that such increase is to compensate the cost inflation, being in line with general cost inflation. Hence lease equalisation reserve as at March 31, 2016 and March 31, 2015 amounting to Rs. 10,428,767 and Rs. 9,927,310 respectively has been adjusted against retained earnings. There has been an increase in profit for the year ended March 31, 2016 by Rs. 501,457 on account of reversal of lease equalisation reserve.

(e) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses forms part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income under Ind AS instead of profit and loss. The actuarial losses for the year ended March 31, 2016 were Rs. 793,000. This change does not effect total equity but there is a increase in profit for the year by the same amount.

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 3: Property, plant and equipment

Particulars	Building	Leasehold improvements	Plant and equipment	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
Cost or deemed cost									
Gross Block									
As at April 1, 2015	371,64,540	3501,38,219	606,83,402	1147,87,719	125,86,484	2,10,817	38,96,113	9,08,927	5803,76,221
Additions	-	21,17,651	22,34,478	294,69,028	26,46,384	39,56,153	9,95,920	13,52,930	427,72,544
Disposals	-	-	(1,18,932)	(7,06,522)	(2,89,431)	-	(7,543)	-	(11,22,428)
As at March 31, 2016	371,64,540	3522,55,870	627,98,948	1435,50,225	149,43,437	41,66,970	48,84,490	22,61,857	6220,26,337
Additions	-	27,25,325	32,17,772	241,58,642	15,71,705	28,99,215	13,80,684	-	359,53,343
Disposals	-	-	(5,950)	(70,113)	(8,37,011)	(6,70,390)	(1,72,798)	-	(17,56,262)
As at March 31, 2017	371,64,540	3549,81,195	660,10,770	1676,38,754	156,78,131	63,95,795	60,92,376	22,61,857	6562,23,418
Accumulated Depreciation									
As at April 1, 2015	7,12,901	192,92,053	66,77,300	165,37,677	32,97,916	11,26,664	13,06,305	1,58,398	491,09,214
Depreciation Expense	-	-	(51,138)	(3,41,213)	(1,80,319)	-	(4,644)	-	(5,77,314)
Eliminated on disposal	-	-	-	-	-	-	-	-	-
As at March 31, 2016	7,12,901	192,92,053	66,26,162	161,96,464	31,17,597	11,26,664	13,01,661	1,58,398	485,31,900
Depreciation Expense	7,11,748	194,09,166	63,14,626	181,97,410	29,11,199	17,27,261	13,68,809	2,89,962	509,30,181
Eliminated on disposal	-	-	(5,950)	(70,113)	(1,27,011)	(6,70,390)	(1,72,798)	-	(10,46,262)
As at March 31, 2017	14,24,649	387,01,219	129,34,838	343,23,761	59,01,785	21,83,535	24,97,672	4,48,360	984,15,819
Net Block(As at March 31,2015)	371,64,540	3501,38,219	606,83,402	1147,87,719	125,86,484	2,10,817	38,96,113	9,08,927	5803,76,221
Net Block(As at March 31,2016)	364,51,639	3329,63,817	561,72,786	1273,53,761	118,25,840	30,40,306	35,82,829	21,03,459	5734,94,437
Net Block(As at March 31,2017)	357,39,891	3162,79,976	530,75,932	1333,14,993	97,76,346	42,12,260	35,94,704	18,13,497	5578,07,599

NOTE A : The above assets include certain fixed assets leased out pursuant to operating lease agreement (Refer note 31)

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 3 : Intangible assets

Particulars	(Amount in INR)	
	Computer Software	Total
Gross Block		
As at April 1, 2015	18,30,187	18,30,187
Additions	308,86,004	308,86,004
As at March 31,2016	327,16,191	327,16,191
Additions	15,14,431	15,14,431
As at March 31,2017	342,30,622	342,30,622
Amortization and impairment		
As at April 1, 2015		
Amortisation expense	40,91,116	40,91,116
As at March 31,2016	40,91,116	40,91,116
Amortisation Expense	60,96,457	60,96,457
As at March 31,2017	101,87,573	101,87,573
Net block		
As at April 1, 2015	18,30,187	18,30,187
As at March 31,2016	286,25,075	286,25,075
As at March 31,2017	240,43,049	240,43,049



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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at March 31, 2017 (Amount in INR)	As at March 31, 2016 (Amount in INR)	As at April 01, 2015 (Amount in INR)
4. Other financial assets			
Non current			
Unsecured, considered good			
Security deposits	75,95,536	74,28,851	78,52,713
Prepaid rent	1,83,140	2,65,248	64,180
Margin money deposits	-	4,00,000	5,00,000
Interest accrued on bank deposits	-	-	1,05,958
	77,78,676	80,94,099	85,22,851
Current			
Unsecured, considered good			
Interest accrued but not due on loans and deposits	58,254	94,138	3,74,950
Accrued operating income	148,66,537	280,39,962	124,68,468
	149,24,791	281,34,100	128,43,418
5. Deferred tax balances (Net)			
Deferred Tax assets			
On carry forward business losses and unabsorbed depreciation	425,74,470	786,15,656	1413,35,424
On provision for doubtful debt and advances	96,16,045	72,88,628	114,31,851
On gratuity and leave encashment	54,60,104	34,12,890	26,52,703
	576,50,619	893,17,173	1554,19,978
Deferred Tax Liabilities			
On Property, Plant and Equipment	710,02,859	667,83,129	651,93,597
	710,02,859	667,83,129	651,93,597
Net Deferred Tax (Liability)/Assets	(133,52,240)	225,34,044	902,26,381
Movement of Deferred Tax asset and liabilities (2016-17):			
	As at March 31, 2016	Recognised in Profit or loss	As at March 31, 2017
Deferred tax liability in relation to:			
Property, plant and equipment	667,83,129	42,19,730	710,02,859
TOTAL	667,83,129	42,19,730	710,02,859
Deferred tax assets in relation to:			
Carry forward business losses and unabsorbed depreciation	786,15,656	(360,41,185)	425,74,470
Provision for doubtful debt and advances	72,88,628	23,27,417	96,16,045
Gratuity and Leave Encashment	34,12,890	20,47,214	54,60,104
TOTAL	893,17,173	(316,66,554)	576,50,619
Net deferred tax assets / (liability)	225,34,044	(358,86,284)	(133,52,240)
Movement of Deferred Tax asset and liabilities (2015-16):			
	As at April 01, 2015	Recognised in Profit or loss	As at March 31, 2016
Deferred tax liability in relation to:			
Property, plant and equipment	651,93,597	15,89,532	667,83,129
TOTAL	651,93,597	15,89,532	667,83,129
Deferred tax assets in relation to:			
Carry forward business losses and unabsorbed depreciation	1413,35,424	(627,19,768)	786,15,656
Provision for doubtful debt and advances	114,31,851	(41,43,223)	72,88,628
Gratuity and Leave Encashment	26,52,703	7,60,186	34,12,890
TOTAL	1554,19,978	(661,02,805)	893,17,173
Net deferred tax assets / (liability)	902,26,381	(676,92,337)	225,34,044
6. Non-Current tax assets			
Advance income tax (net of provision for taxation) (inclusive of MAT Credit of Rs.60,224,957 for March 31, 2017, Rs.28,641,200 for March 31, 2016 and Rs.13,200,000 for April 1, 2015)	1987,48,998	1433,69,847	875,47,098
	1987,48,998	1433,69,847	875,47,098
7. Other assets			
Non-current			
Unsecured			
Capital Advances	144,81,020	93,59,975	107,23,727
Prepaid Expense	-	4,66,897	-
Balances with customs excise and other authorities	2,01,153	2,01,153	2,01,153
	146,82,173	100,28,025	109,24,880
Current			
Unsecured			
Central Credit Note Receivable	19,62,264	23,56,987	42,04,049
Advance to Vendors	19,48,393	59,44,611	28,56,608
Prepaid Expenses	61,41,559	33,88,972	72,29,683
Export benefit receivable	9,03,273	9,03,273	11,55,924
Others (Employee and other Advances)	3,77,390	12,85,253	4,70,553
	113,32,879	138,79,096	159,16,817
Unsecured, doubtful			
Advances recoverable in cash or in kind or for value to be received	-	-	5,32,707
Provision for doubtful advances	-	-	(5,32,707)
	113,32,879	138,79,096	159,16,817

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at March 31, 2017 (Amount in INR)	As at March 31, 2016 (Amount in INR)	As at April 01, 2015 (Amount in INR)
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8. Inventories

Medical consumables and drugs	72,29,254	78,95,717	57,09,981
	72,29,254	78,95,717	57,09,981

9. Trade receivables

Current

Unsecured, considered good	1448,88,305	1341,80,171	1129,10,316
Doubtful	277,85,612	224,64,564	347,01,846
Total	1726,73,917	1566,44,735	1476,12,162
Allowance for doubtful debts (expected credit loss allowance)	(277,85,612)	(224,64,564)	(347,01,846)
	1448,88,305	1341,80,171	1129,10,316

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 144,888,305 , Rs. 134,180,171 and Rs. 112,910,316 as of March 31, 2017, March 31, 2016 and April 01, 2015, respectively.

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. There are customers who represent more than 5% of the total balance of trade receivables. The risk of non-payment from these customers is considered low as most of these balances relates to Government bodies / Government enterprises for which the default risk is considered low by the management.

Ageing

	Expected credit loss (%)
0 - 1 year	0% - 50%
1 - 2 year	15% - 100%
2 - 3 year	40% - 100%
More than 3 years	70% - 100%

Age of receivables

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
0 - 1 year	1340,98,275	1346,72,769	1269,46,459
1 - 2 year	186,07,901	129,76,074	122,51,809
2 - 3 year	87,99,273	22,03,582	20,66,570
More than 3 years	111,68,469	67,92,310	63,47,324
	1726,73,917	1566,44,735	1476,12,162

Movement in expected credit loss allowance

	As at March 31, 2017	As at March 31, 2016
Balance at the Beginning of the year	224,64,564	347,01,846
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	53,21,048	(122,37,282)
Balance at the End of the year	277,85,612	224,64,564

The Company has recorded an allowance of Rs. 27,785,612 towards trade receivables. The Management believes that there is no further provision required in excess of the allowance for doubtful debts.

10. Cash and cash equivalents

Balances with Banks			
- on current accounts	138,70,220	167,95,471	118,45,928
- deposits with original maturity of less than three months	-	-	350,00,000
Cheques, drafts on hand	-	-	25,85,360
Cash on hand	7,55,810	7,31,244	12,01,536
Cash and cash equivalents as per Statement of Cash Flows	146,26,030	175,26,715	506,32,824

Other bank balances

'Deposits with original maturity of more than 3 months but less than 12 months	2,00,000	-	131,75,588
	2,00,000	-	131,75,588

Total Cash and cash equivalents	148,26,030	175,26,715	638,08,412
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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at	As at	As at
	March 31, 2017 (Amount in INR)	March 31, 2016 (Amount in INR)	April 01, 2015 (Amount in INR)
11 (i) Share capital			
Authorised Shares			
48,00,000 (March 31, 2016: 48,00,000; April 1, 2015: 48,00,000) Equity shares of Rupees 10 each	480,00,000	480,00,000	480,00,000
200,000 (March 31, 2016: 2,00,000; April 1, 2015: 2,00,000) Zero Percent Redeemable Preference Shares of Rupees 10 each	20,00,000	20,00,000	20,00,000
Total authorised share capital	<u>500,00,000</u>	<u>500,00,000</u>	<u>500,00,000</u>
Issued, subscribed and fully paid up shares			
40,00,000 (March 31, 2016: 40,00,000; April 1, 2015: 40,00,000) Equity shares of Rupees 10 each	400,00,000	400,00,000	400,00,000
Total issued, subscribed and fully paid up share capital	<u>400,00,000</u>	<u>400,00,000</u>	<u>400,00,000</u>

Notes :

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

Equity Shares

Particulars	Year ended March 31, 2017		Year ended March 31, 2016		As at April 01, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
At the beginning of the year	40,00,000	400,00,000	40,00,000	400,00,000	40,00,000	400,00,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	<u>40,00,000</u>	<u>400,00,000</u>	<u>40,00,000</u>	<u>400,00,000</u>	<u>40,00,000</u>	<u>400,00,000</u>

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. 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 shareholders.

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

Equity Shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
Fortis Healthcare Limited (FHL) (Holding Company)	34,00,000	340,00,000	34,00,000	340,00,000	34,00,000	340,00,000
Fortis Healthcare Holdings Private Limited (Holding company of FHL) alongwith nominees	6,00,000	60,00,000	6,00,000	60,00,000	6,00,000	60,00,000

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

Equity Shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited (FHL) (Holding Company)	34,00,000	85.00%	34,00,000	85.00%	34,00,000	85.00%
Fortis Healthcare Holdings Private Limited (Holding company of FHL) alongwith nominees	6,00,000	15.00%	6,00,000	15.00%	6,00,000	15.00%

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

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at March 31, 2017 (Amount in INR)	As at March 31, 2016 (Amount in INR)	As at April 01, 2015 (Amount in INR)
12 Other Equity			
(A) Securities premium reserve			
Balance at beginning of the year	2545,03,771	2545,03,771	2545,03,771
Balance at end of the year	2545,03,771	2545,03,771	2545,03,771
(B) Retained earnings			
Balance at beginning of the year	(439,24,397)	(1835,44,072)	(1835,44,072)
Profit/(Loss) for the year	700,76,982	1390,83,964	
Other Comprehensive Income arising from remeasurement of defined benefit obligation, net of income tax	(11,49,591)	5,35,711	
Balance at the end of the year	250,02,994	(439,24,397)	
Total (A+B)	2795,06,765	2105,79,374	709,59,699

Nature of Reserves

(a) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of Companies Act, 2013.

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at March 31, 2017 (Amount in INR)	As at March 31, 2016 (Amount in INR)	As at April 01, 2015 (Amount in INR)
13. Non Current Borrowings			
Secured - at amortised cost			
Term loan from bank - HDFC Bank	2400,00,033	1533,33,351	2333,33,350
	2400,00,033	1533,33,351	2333,33,350
Unsecured - at amortised cost			
Loan from Related Party [Refer Note (c) below]	-	1574,08,336	2578,22,034
	-	1574,08,336	2578,22,034
	2400,00,033	3107,41,687	4911,55,384

Explanatory notes:

a) Indian rupee loan (sanction amount of loan is Rs. 400,000,000) from bank carries interest of base rate plus 165 bps. The loan is repayable in monthly installments of INR 6,666,666 by February 2019. The loan is secured by hypothecation of current assets, movable fixed assets and equitable mortgage of 9 residential flats in Neel Sidhi Towers. Further the loan has been guaranteed by a corporate guarantee by Fortis Healthcare Limited.

b) Indian rupee loan (sanction amount of loan is Rs. 250,000,000) from bank carries interest of Marginal Cost of Lending Rate (MCLR) plus 75 bps. The loan is repayable in monthly installments of INR 4,166,667 by July 2021. The loan is secured by hypothecation of current assets, movable fixed assets and equitable mortgage of 9 residential flats in Neel Sidhi Towers. Further the loan has been guaranteed by a corporate guarantee by Fortis Healthcare Limited.

c) Loan from related party carries interest @ 11.75% and was repayable post 31 March 2017, however the same has been prepaid during the current year.

14. Other financial liabilities

Non current

Security Deposits	15,72,824	9,37,234	1,65,000
Rent received in advance	3,09,931	1,74,285	-
	18,82,755	11,11,519	1,65,000

Current

Current maturities of long term debt (Refer Note 13)	1299,99,992	799,99,992	799,99,992
Security deposits	12,00,000	5,59,500	1,12,000
Interest accrued but not due on borrowings	144,58,849	396,19,736	493,20,523
Capital creditors	83,82,880	34,45,679	-
Other Liabilities	2,26,865	-	2,96,361
	1542,68,586	1236,24,907	1297,28,876

15. Provisions

Non current

Provision for gratuity (Refer Note 27)	70,06,000	52,82,000	40,39,000
	70,06,000	52,82,000	40,39,000

Current

Provision for gratuity (Refer Note 27)	14,58,000	5,50,000	4,78,000
Provision for leave encashment (Refer Note 27)	73,13,000	46,87,000	36,59,000
	87,71,000	52,37,000	41,37,000



HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at March 31, 2017 (Amount in INR)	As at March 31, 2016 (Amount in INR)	As at April 01, 2015 (Amount in INR)
16. Current Borrowings			
Secured - at amortised cost			
Bank overdrafts - repayable on demand	173,05,334	-	-
	<u>173,05,334</u>	<u>-</u>	<u>-</u>
Unsecured - at amortised cost			
Loan from Related Party (Refer Note below)	3,99,893	1000,00,000	1000,00,000
	<u>3,99,893</u>	<u>1000,00,000</u>	<u>1000,00,000</u>
	<u>177,05,227</u>	<u>1000,00,000</u>	<u>1000,00,000</u>
Loan from related parties carries interest @ 11.75% p.a. and is repayable on demand.			
17. Trade Payable			
Total outstanding dues of micro enterprises and small enterprises. (refer Note 33)			
Total outstanding dues of creditors other than micro enterprises and small enterprises			
	2000,35,515	1270,74,593	1251,96,166
	<u>2000,35,515</u>	<u>1270,74,593</u>	<u>1251,96,166</u>
18. Other current liabilities			
Advance from patients/ customers (net of patient receivables)	239,99,724	337,99,982	129,45,511
Payable to Related Party (refer Note 32)	66,24,694	293,81,262	31,29,537
Statutory dues payable	94,13,459	139,12,638	144,75,030
	<u>400,37,877</u>	<u>770,93,882</u>	<u>305,50,078</u>

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Year ended March 31, 2017 (Amount in INR)	Year ended March 31, 2016 (Amount in INR)
19. Revenue from operations		
(a) Sale of services		
Operating Income - In Patient Department	13686,02,455	13761,86,045
Operating Income - Out Patient Department	1903,42,738	1885,05,473
Income from medical services	22,65,169	25,96,983
	15612,10,362	15672,88,501
Less: Discounts	2265,05,347	1846,57,036
	13347,05,015	13826,31,465
(b) Other operating revenues		
Income from rent	31,34,202	24,02,382
Excess Provision No Longer Required Written Back	-	17,22,055
Income from Medical Services and Pharmacy	37,84,141	38,23,148
Miscellaneous income	30,000	3,58,596
Other Operating Revenue	1,32,156	74,189
	70,80,499	83,80,370
Total revenues from operations (a+b)	13417,85,514	13910,11,835
20. Other Income		
Interest on bank deposits	2,84,832	13,06,966
Interest on income tax refund	-	41,33,413
Interest on others	4,14,008	2,56,558
Interest on financial assets carried at amortised cost	81,993	49,459
Total Other Income	7,80,833	57,46,396

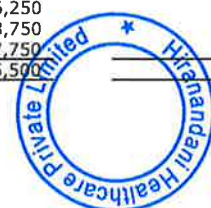
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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Year ended March 31, 2017 (Amount in INR)	Year ended March 31, 2016 (Amount in INR)
21. Changes in inventories of medical consumables and drugs		
Inventory at the beginning of the year	78,95,717	57,09,981
Inventory at the end of the year	72,29,254	78,95,717
Decrease / (Increase) in Inventories	6,66,463	(21,85,736)
22. Employee benefits expense		
Salaries, wages and bonus	1527,71,585	1121,68,948
Gratuity expense (Refer Note 27)	20,75,000	16,31,000
Leave encashment (Refer Note 27)	31,10,000	25,55,000
Contribution to provident and other funds	80,82,359	59,90,573
Staff welfare expenses	21,96,628	13,40,687
Recruitment and trainings	3,69,541	76,867
	1686,05,113	1237,63,075
23. Finance costs		
Interest expense		
- on term loans	402,26,853	301,00,832
- on unsecured loan from Related Party	117,88,067	382,56,696
- on financial liabilities carried at amortised cost	1,90,249	64,752
Bank and other finance charges	55,58,683	42,72,776
	577,63,852	726,95,056
24. Depreciation and amortisation expense		
Depreciation of property, plant and equipments	509,30,181	491,09,214
Amortisation of intangible assets	60,96,457	40,91,116
	570,26,638	532,00,330
25. Other expenses		
Contractual manpower	314,76,728	312,07,289
Power, fuel and water	305,26,103	313,06,098
Housekeeping expenses including consumables	160,23,263	164,12,791
Patient food and beverages	128,04,112	133,60,472
Pathology laboratory expenses	474,85,413	488,65,376
Radiology expenses	662,06,254	723,82,339
Consultation fees to doctors	3969,03,290	3882,11,346
Professional charges to doctors	471,05,383	419,40,302
Repairs and maintenance -		
- Building	10,87,189	22,32,065
- Plant and machinery	247,52,334	207,83,251
- Others	62,61,514	40,27,755
Rent-		
- Hospital buildings, offices and labs	70,74,149	81,53,774
- Equipments	32,27,783	22,15,541
- Others	33,17,007	19,94,341
Legal and professional fees	284,78,095	57,46,329
Payment to Auditors (refer note 25.1)	13,05,500	8,85,500
Travel and conveyance	14,74,824	18,95,180
Rates and taxes	58,87,759	75,47,886
Printing and stationary	57,04,106	65,86,210
Communication expenses	33,24,328	29,65,897
Insurance	50,19,906	60,45,370
Marketing and business promotion	186,10,031	323,08,281
Loss on sale of assets	7,31,733	5,25,999
Bad debts written off	70,00,365	228,93,711
Less : Provision Held	(70,00,365)	(228,93,711)
Provision for doubtful receivables	72,75,921	60,68,165
Miscellaneous expenses	13,18,235	10,97,492
	7733,80,960	7547,65,049
25A Exceptional Item		
Statutory Bonus of Rs. 3,829,021/- recorded as an exceptional Item in the previous year represents the amount accrued towards incremental bonus payable to existing and deemed employees by the Company for the period April 1, 2014 to December 31, 2015 due to enactment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014.		
25.1 Remuneration to auditors (inclusive of service tax)		
For audit	9,02,750	4,88,750
For tax audit	86,250	86,250
For other services	2,58,750	2,58,000
For reimbursement of expenses	57,750	52,500
	13,05,500	8,85,500

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Year ended March 31, 2017 (Amount in INR)	Year ended March 31, 2016 (Amount in INR)
26. Income tax recognised in statement of profit and loss		
Current tax		
In respect of the current year	315,83,757	154,41,200
Less: MAT Credit Entitlement	<u>(315,83,757)</u>	<u>(154,41,200)</u>
	-	-
Deferred tax		
In respect of the current year recognised in Profit and Loss	364,94,693	674,35,048
In respect of the current year recognised in Other Comprehensive Income	<u>(6,08,409)</u>	<u>2,57,289</u>
Total	<u>358,86,284</u>	<u>676,92,337</u>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations	1065,71,675	2065,19,012
Enacted income tax / MAT rate in India	21.34%	21.34%
Computed Tax Charge	227,42,396	440,71,157
Effect of expenses not considered in determining taxable profit	<u>(88,41,361)</u>	<u>286,29,957</u>
Total	315,83,757	154,41,200
Adjustments recognised (MAT Credit Entitlement)	<u>(315,83,757)</u>	<u>(154,41,200)</u>
Income tax expense recognised in profit or loss	-	-

The tax rate used for the 2016-2017 and 2015-2016 reconciliations above is the MAT rate of 21.34% payable by corporate entities in India on taxable profits under the Indian tax law under the provisions of Section 115JB.

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

27 Employee Benefit Plans:

(a) Defined Contribution Plans

The Company's defined contribution plans are provident fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952).

Contribution to Defined Contribution Plans, recognised as expense in Note 22 - 'Employee benefits expense' for the year, is as under :

	March 31, 2017 (Amount in INR)	March 31, 2016 (Amount in INR)
Employer's Contribution to Provident Fund	80,82,359	59,90,573

(b) Defined Benefit Plan

The Company provides long-term benefits in the nature of Gratuity to its employees. Under the Gratuity Plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is unfunded.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity (Unfunded)	
	March 31, 2017 (Amount in INR)	March 31, 2016 (Amount in INR)
Defined Benefit obligation at beginning of the year	58,32,000	45,17,000
Current Service Cost	16,22,000	12,89,000
Interest Cost	4,53,000	3,42,000
Actuarial (Gain)/Loss	7,39,000	(1,00,000)
Benefits Paid	(1,82,000)	(2,16,000)
Defined Benefit obligation at year end	84,64,000	58,32,000

(ii) Expenses recognised during the year

	Gratuity (Unfunded)	
	March 31, 2017 (Amount in INR)	March 31, 2016 (Amount in INR)
Current Service Cost	16,22,000	12,89,000
Interest Cost	4,53,000	3,42,000
Cost	20,75,000	16,31,000
Actuarial (gain) / loss recognised in OCI	7,39,000	(1,00,000)

(iii) Reconciliation of Fair Value of Assets & Obligations

	Gratuity (Unfunded)	
	March 31, 2017 (Amount in INR)	March 31, 2016 (Amount in INR)
Present value of defined benefit obligation	84,64,000	58,32,000
Fair Value of plan assets	-	-
Amount recognised as Liability	84,64,000	58,32,000

(iv) Actuarial Assumptions

		Gratuity (Unfunded)	
		March 31, 2017	March 31, 2016
Discount Rate (p.a.)		7.25% - 7.75%	7.75%
Rate of escalation in salary (p.a.)		7.50% - 8.00%	8.00%
Mortality table referred		(Indian Assured Lives Mortality (2006-08) modified)	(Indian Assured Lives Mortality (2006-08) modified)
Withdrawal Rate	Ages	March 31, 2017	March 31, 2016
Management	Ages From 21 - 30	10.00%	10.00%;
	Ages From 31 - 40	5.00%	5.00%;
	Ages From 41 - 50	3.00%	3.00%
	Ages From 51 - 57	2.00%	2.00%
Nurses	Ages From 21 - 30	30.00%	30.00%
	Ages From 31 - 34	25.00%	25.00%
	Ages From 35 - 44	20.00%	20.00%
	Ages From 45 - 50	15.00%	15.00%
	Ages From 51 - 54	10.00%	10.00%
	Ages From 55 - 57	5.00%	5.00%
Others	Ages From 21 - 30	20.00%	20.00%
	Ages From 31 - 34	15.00%	15.00%
	Ages From 35 - 44	10.00%	10.00%
	Ages From 45 - 50	3.00%	3.00%
	Ages From 51 - 54	2.00%	2.00%
	Ages From 55 - 57	1.00%	1.00%

The discount rates reflect the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

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(v) **Sensitivity Analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	March - 17	
	Defined benefit obligation Increase in assumption (Amount in INR)	Decrease in assumption (Amount in INR)
Discount rate (0.5% movement)	(3,36,000)	3,65,000
Future salary appreciation (1% movement)	6,00,000	(6,49,000)
Attrition rate (5% movement)	(3,96,000)	4,75,000

(vi) **Description of Plan Characteristics and Associated Risks**

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee

(c) The net provision for unfunded leave encashment liability up to March 2017 is Rs.73,13,000/- , March 2016 is Rs. 46,87,000/- and March 2015 is Rs. 36,59,000/-

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

28 Earnings per share

Earnings per share (EPS) (Nominal Value of Shares - INR 10/- each)	Denomination	Year ended	Year ended
		March 31, 2017	March 31, 2016
Profit as per statement of profit and loss	Amount in INR	700,76,982	1390,83,964
Weighted average number of equity shares in calculating Basic EPS	Numbers	40,00,000	40,00,000
Basic EPS	Rupees	17.52	34.77
Diluted EPS	Rupees	17.52	34.77

29 (a) Contingent liabilities (not provided for) in respect of:

Particulars	As at	As at	As at
	March 31, 2017 (Amount in INR)	March 31, 2016 (Amount in INR)	April 01, 2015 (Amount in INR)
Income tax demand *	984,56,115	831,00,000	
Demand in relation to property tax	264,31,745	NIL	NIL

* The income tax authorities have adjusted refund assessed for earlier years aggregating Rs. 11,722,970/- against the demand for A.Y. 2012-13.

The expected outflow will be determined at the time of final outcome in respect of the above matters. No amount is expected to be reimbursed.

(b) Navi Mumbai Municipal Corporation ('NMMC') had terminated the hospital lease agreement with the Company vide order dated January 18, 2017. Consequent to termination, NMMC granted a period of one month to the Company to hand over possession of the hospital to NMMC. NMMC also directed the Company not to admit any new patients. The matter is currently pending in Supreme Court where the Company has obtained status quo. Based on the expert's opinion, management is confident that the Company will be able to suitably defend the termination order and accordingly considers that no adjustments are required to the financial statements.

30 Capital Commitment and Other Commitments:

a) Capital Commitments

Particulars	As at	As at	As at
	March 31, 2017 (Amount in INR)	March 31, 2016 (Amount in INR)	April 01, 2015 (Amount in INR)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Capital Advances)	51,20,196	203,70,795	76,17,602

b) Other Commitment

The Company has entered into a long term lease agreement on 20th January 2006 with Navi Mumbai Municipal Corporation (NMMC) for a period of 25 years, to be renewed thereafter for 27 years on the same terms and conditions subject to satisfactory performance. As per terms of the aforesaid agreement, the Company is required to provide free treatment to 10% of the total beds (i.e. 15 patients at any given point of time) limited to 800 patients in a year referred by NMMC Hospital [also see Note 29(b)].

31 Leases

(a) Assets taken on Operating Lease:

Hospital premises, nurses accommodation premises and equipments are obtained on operating lease. In all the cases, the agreements are further renewable at the option of the Company. For all cases, there are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature and there is no escalation clause other than the one for hospital premises at Navi Mumbai which is non-cancellable and having escalation clause [also see Note 29(b)]. The total lease payments in respect of such leases recognized in the statement of profit and loss for the year are INR 13,618,939 (31 March 2016 INR 12,363,656).

The total future minimum lease payments under the non-cancellable operating lease are as under:

Particulars	(Amounts in INR)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Minimum lease payments:			
Not later than one year	72,09,060	70,68,129	69,29,539
Later than one year but not later than five years	303,28,027	297,14,701	291,32,060
More than five years	761,58,461	838,72,381	915,23,155

(b) Assets given on Operating Lease

The Company has leased out certain capital assets on operating lease. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognized in the statement of profit and loss for the year are Rs. 3,134,202/- (Previous year 2,402,382/-).

The details of the capital assets given on operating lease are as under:

Particulars	As at 31 March 2017				As at 31 March 2016			
	Cost/Deemed Cost	Depreciation for the year	Accumulated Depreciation	Net Block	Cost/Deemed Cost	Depreciation	Accumulated Depreciation	Net Block
Buildings	289,04,857	5,53,582	5,53,582	277,97,693	165,17,574	3,16,845	-	162,00,729
Total	289,04,857	5,53,582	5,53,582	277,97,693	165,17,574	3,16,845	-	162,00,729

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in INR, unless otherwise stated)

32. Related party disclosures

Names of Related Parties and related party relationship	
Ultimate Holding Company	RHC Holdings Private Limited (holding company of Fortis Healthcare Holdings Private Limited)
Holding Company	Fortis Healthcare Limited ('FHL') and Fortis Healthcare Holdings Private Limited (holding company of Fortis Healthcare Limited)
Fellow Subsidiaries (parties with whom transactions have taken place)	RWL Healthworld Limited SRL Limited Fortis Hospitals Limited ('FHsL')

a) Transactions during the year

Particulars	Fortis Healthcare Limited		Fortis Hospitals Limited		RWL Healthworld Limited		SRL Limited	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Other Income								
Income from Pharmacy					37,84,141	38,23,148		
Expenses								
Interest expense	117,88,067	382,56,695						
Pathology expenses							221,96,040	252,01,260
Pathology management fees paid/payable							22,98,360	22,78,714
Radiology expense							662,06,254	722,97,371
Consumption and payroll expenses							218,51,136	213,85,401
Reimbursement of Expenses								
Expenditure incurred on behalf of the Company	61,69,745	260,48,626	19,43,987	8,65,287				
Expenditure incurred by the Company on behalf of	5,62,273	140,78,077	73,072	5,29,679			84,29,938	78,52,209
Loans Taken	374,91,563	460,86,302						
Loans Repaid	2945,00,000	1465,00,000						

b) Balances at the end of the year

Particulars	Fortis Healthcare Limited		Fortis Hospitals Limited		RWL Healthworld Limited		SRL Limited	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Trade Receivable					44,01,048	37,78,225		
Trade Payables							630,71,394	135,09,897
Other current liabilities and interest accrued but not due on borrowings	179,90,304	498,95,601	45,12,515	34,65,145				
Long term borrowings	-	1574,08,336						
Short term borrowings	3,99,893	1000,00,000						

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in INR, unless otherwise stated)

33 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

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

34 Specified Bank Notes (SBN)

The disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016 by the Company is provided in the table below :

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016 #	8,23,000	13,108	8,36,108
(+) Permitted receipts **	33,89,000	112,98,150	146,87,150
(+) Cash Withdrawal	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks*	42,12,000	111,77,107	153,89,107
Closing cash in hand as on 30.12.2016	-	1,34,151	1,34,151

Notes:

The balance as at November 08, 2016 is certified by the management and relied upon by the auditors.

* The information mentioned above regarding denomination of SBN notes has been verified from the acknowledgement received from bank.

** Further denomination of permitted receipts cannot be independently verified as the necessary evidence is not available with the Company.

35 Financial Instruments

35.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Company consists of debt (borrowings as detailed in notes 13 & 16) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's Board of Directors review the capital structure of the Company on need basis. As part of this review, the Board of Directors consider the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2017 of 116.70 %. (See below)

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt			
Long Term Borrowings (Including Current Maturity of Long Term Debts)	3700,00,025	3907,41,679	5711,55,376
Short Term Borrowings	177,05,227	1000,00,000	1000,00,000
Less:- Cash & Bank Balances	(148,26,030)	(175,26,715)	(638,08,412)
Total debt (A)	3728,79,222	4732,14,964	6073,46,964
Equity			
Equity Share Capital	400,00,000	400,00,000	400,00,000
Other Equity	2795,06,765	2105,79,374	709,59,699
Total equity (B)	3195,06,765	2505,79,374	1109,59,699
Net Debt to Equity Ratio (A/B)	116.70%	188.85%	547.36%

35.2 Categories of financial instruments

Financial assets	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Measured at Amortised Cost			
Trade receivables	1448,88,305	1341,80,171	1129,10,316
Cash and cash equivalents (including other bank balances)	148,26,030	175,26,715	638,08,412
Other financial assets - Current	149,24,791	281,34,100	128,43,419
Other financial assets - Non -Current	77,78,676	80,94,099	85,22,851
Total	1824,17,802	1879,35,085	1980,84,997

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in INR, unless otherwise stated)

Financial liabilities	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2015
Measured at Amortised Cost			
Borrowings (including Current Maturity of Long Term Borrowings)	3877,05,252	4907,41,679	6711,55,376
Trade Payable	2000,35,515	1270,74,593	1251,96,166
Other financial liabilities - Current (excluding Current Maturity of Long Term Borrowings)	242,68,594	436,24,915	497,28,884
Other financial liabilities - Non -Current	18,82,755	11,11,519	1,65,000
Total	6138,92,116	6625,52,706	8462,45,426

35.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic market risk (interest rate risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Company through internal risk reports which analyse exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. The Company has no exposure towards foreign currency risk as it earns all of its revenue from domestic patients only. Capital expenditure includes very few capital goods purchased in foreign currency through overseas vendors during the year. The Company has not taken any derivative contracts during the year to hedge the exposure.

(a) Market Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates.

Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at floating interest rates.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	Interest impact (pre tax)	
	Year ended	Year ended
	31-Mar-17	31-Mar-16
Impact on profit or loss for the year	(16,09,452)	(11,66,667)
Impact on total equity as at the end of the reporting period	(16,09,452)	(11,66,667)

Particulars	Interest impact (pre-tax)	
	Year ended	Year ended
	31-Mar-17	31-Mar-16
Impact on profit or loss for the year	16,09,452	11,66,667
Impact on total equity as at the end of the reporting period	16,09,452	11,66,667

(b) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors. Refer Note 9 of the Financial Statements.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in INR, unless otherwise stated)

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Within 1 year	1-5 year	Total	Carrying amount
As at March 31, 2017				
Borrowings	1477,05,219	2400,00,033	3877,05,252	3877,05,252
Other Financial Liabilities				
Trade payables	2000,35,515	-	2000,35,515	2000,35,515
Security deposits	12,00,000	15,72,824	27,72,824	27,72,824
Rent Received in Advance	-	3,09,931	3,09,931	3,09,931
Interest accrued but not due on Borrowings	144,58,849	-	144,58,849	144,58,849
Capital creditors	83,82,880	-	83,82,880	83,82,880
Other Liabilities	2,26,865	-	2,26,865	2,26,865
Total	3720,09,328	2418,82,788	6138,92,116	6138,92,116

Particulars	Within 1 year	1-5 year	Total	Carrying amount
As at March 31, 2016				
Borrowings	1799,99,992	3107,41,687	4907,41,679	4907,41,679
Other Financial Liabilities				
Trade payables	1270,74,593	-	1270,74,593	1270,74,593
Security deposits	5,59,500	9,37,234	14,96,734	14,96,734
Rent Received in Advance	-	1,74,285	1,74,285	1,74,285
Interest accrued but not due on Borrowings	396,19,736	-	396,19,736	396,19,736
Capital creditors	34,45,679	-	34,45,679	34,45,679
Other Liabilities	-	-	-	-
Total	3506,99,500	3118,53,206	6625,52,706	6625,52,706

Particulars	Within 1 year	1-5 year	Total	Carrying amount
As at April 1, 2015				
Borrowings	1799,99,992	4911,55,384	6711,55,376	6711,55,376
Other Financial Liabilities				
Trade payables	1251,96,166	-	1251,96,166	1251,96,166
Security deposits	1,12,000	1,65,000	2,77,000	2,77,000
Rent Received in Advance	-	-	-	-
Interest accrued but not due on Borrowings	493,20,523	-	493,20,523	493,20,523
Capital creditors	-	-	-	-
Other Liabilities	2,96,361	-	2,96,361	2,96,361
Total	3549,25,042	4913,20,384	8462,45,426	8462,45,426

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HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in INR, unless otherwise stated)

35.4 Fair value measurement

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
i) Financial Assets - Non current			
Other Financial assets	77,78,676	80,94,099	85,22,851
ii) Financial assets – Current			
Trade receivables	1448,88,305	1341,80,171	1129,10,316
Cash and cash equivalents (including other bank balances)	148,26,030	175,26,715	638,08,412
Other financial assets	149,24,791	281,34,100	128,43,418
TOTAL	1824,17,802	1879,35,085	1980,84,997
iii) Financial liabilities - Non current			
Borrowings	2400,00,033	3107,41,687	4911,55,384
Other Financial liabilities	18,82,755	11,11,519	1,65,000
iv) Financial liabilities - Current			
Borrowings	177,05,227	1000,00,000	1000,00,000
Trade payables	2000,35,515	1270,74,593	1251,96,166
Other Financial liabilities	1542,68,586	1236,24,907	1297,28,876
TOTAL	6138,92,116	6625,52,706	8462,45,426

The fair values of financial assets and financial liabilities approximates their carrying amounts in the financial statements.

36 First Time Adoption

(a) Previous years' figures have been regrouped/ reclassified, where necessary, to conform to this years' classification.

(b) The comparative financial information of the Company for the transition date opening balance sheet as at 1st April 2015 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2015 dated 26 May 2015 expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments have been made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS.

37 The financial statements were approved for issue by the Board of Directors on May 26, 2017

For and on behalf of the Board of Directors
HIRANANDANI HEALTHCARE PRIVATE LIMITED


JASBIR SINGH GREWAL
Director
DIN 01113910

Place: Gurgaon

Date: May 26, 2017


MANU KAPILA
Director
DIN 03403696

Place: Gurgaon

Date: May 26, 2017