

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALAR STARS MEDICARE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **MALAR STARS MEDICARE 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, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; the 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.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit of the 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.



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 risk 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.

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 April 29, 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 Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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, as applicable.



- e) 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.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
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. 117366W/W-100018)



Sriraman Parthasarathy

Partner

Membership No. 206834

Chennai, May 23, 2017
PS/EKP&MS/2017



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) 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 **Malar Stars Medicare 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.

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, and the inherent limitations of internal financial controls over financial reporting referred to above, 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. 117366W/W-100018)



Sriraman Parthasarathy
Partner
Membership No. 206834

Chennai, May 23, 2017
PS/EKP&MS/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)

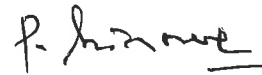
- (i) The Company does not have any fixed assets and hence reporting under clause (i) of CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per applicable stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business/activities, reporting under clause (vi) of CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues;
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income-tax and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax 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) There are no dues of Income-tax as at March 31, 2017 which have not been deposited on account of any disputes
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.



**Deloitte
Haskins & Sells LLP**

- (xi) The company has not paid/provided any managerial remuneration to any of the managerial personnel.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order 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 etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W100018)



Sriraman Parthasarathy
Partner
Membership No. 206834

Chennai, May 23, 2017
PS/EKP&MS/2017



Malar Stars Medicare Limited

Balance Sheet as at March 31, 2017

(Amount in Rs.)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-Current Assets				
(a) Deferred Tax Assets (Net)	5	154,441	145,372	125,420
(b) Income Tax Assets (Net)	9	-	13,084,158	11,429,375
Total Non-Current Assets		154,441	13,229,530	11,554,795
Current Assets				
(a) Financial Assets				
(i) Trade Receivables	6	-	832,571	-
(ii) Cash and Cash Equivalents	7	2,401,206	2,013,457	3,185,398
(iii) Loans	8	613,000,000	613,000,000	613,000,000
(iv) Other Financial Assets	10	63,399,523	15,806,457	14,283,740
Total Current Assets		678,800,729	631,652,485	630,469,138
Total Assets		678,955,170	644,882,015	642,023,933
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	500,000	500,000	500,000
(b) Other Equity	12	12,665,802	9,761,214	7,835,389
		13,165,802	10,261,214	8,335,389
Liabilities				
Non-current liabilities				
Provisions	13	398,462	309,180	254,788
Total Non-Current Liabilities		398,462	309,180	254,788
Current liabilities				
(a) Financial Liabilities				
(i) Short Term Borrowings	14	617,933,576	617,933,576	617,933,576
(ii) Trade Payables	15	3,885,473	907,789	209,399
(iii) Other Financial Liabilities	16	41,748,608	13,865,413	13,713,046
(b) Provisions	17	101,347	54,241	44,063
(c) Current Tax Liabilities (Net)	9	215,561	-	-
(d) Other Current Liabilities	18	1,506,341	1,550,602	1,533,672
Total Current Liabilities		665,390,906	634,311,621	633,433,756
Total Liabilities		665,789,368	634,620,801	633,688,544
Total Equity and Liabilities		678,955,170	644,882,015	642,023,933

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants


Sriraman Parthasarathy
Partner

Place : Chennai
Date : May 23, 2017

For and on behalf of the **Board of Directors**

 
Sanjay Pandey **Lakshiman T Nanwani**
Director Director
DIN: 07653455 DIN: 00076536

Place : Chennai
Date : May 23, 2017



Malar Stars Medicare Limited

Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes	(Amount in Rs.)	
		Year ended March 31, 2017	Year ended March 31, 2016
I Revenue from Operations	19	3,657,000	3,588,000
II Other Income	20	65,862,205	64,541,340
III Total Income (I+II)		69,519,205	68,129,340
IV Expenses			
Employee Benefits Expense	21	3,202,906	3,137,656
Finance Costs	22	61,793,357	61,962,654
Other Expenses	23	219,339	255,148
Total Expenses		65,215,602	65,355,458
V Profit before tax (III-IV)		4,303,603	2,773,882
VI Tax Expense	24		
-- Current Tax		1,355,802	881,140
-- Deferred Tax		7,086	(24,009)
		1,362,888	857,131
VII Profit for the Year (V-VI)		2,940,715	1,916,751
VIII Other Comprehensive Income			
Items that will not be reclassified subsequently to the statement of profit and loss:			
(a) Remeasurements of the defined benefit plans		(52,282)	13,131
(b) Income tax relating to items that will not be reclassified to profit or loss		16,155	(4,057)
Total Other Comprehensive Income / (Loss)		(36,127)	9,074
IX Total comprehensive income for the year (VII+VIII)		2,904,588	1,925,825
Earnings per equity share (for continuing operations):	32		
(1)Basic (in Rs.)		58.81	38.34
(2)Diluted (in Rs.)		58.81	38.34

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants


Sriraman Parthasarathy
Partner

For and on behalf of the **Board of Directors**


Sanjay Pandey
Director
DIN: 07653455


Lakshman T Nanwani
Director
DIN: 00076536

Place : Chennai
Date : May 23, 2017

Place : Chennai
Date : May 23, 2017



Malar Stars Medicare Limited**Cash Flow Statement for the Year Ended 31 March, 2017****(Amount in Rs.)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cash Flows from Operating Activities		
Profit before tax for the year	4,303,603	2,773,882
Adjustments for:		
Interest Income recognised in Profit or Loss	(65,862,205)	(64,541,340)
Interest on Income Tax Refunds	(1,497,208)	-
Interest Expense on Inter Corporate Deposit received	61,793,357	61,962,654
	(1,262,453)	195,196
Movements in working capital:		
(Increase)/decrease in Non Current Provisions	37,000	67,523
(Increase)/decrease in Trade and Other Receivables	832,571	(832,571)
Increase/ (Decrease) in Trade Payables	2,977,684	698,390
Increase/ (Decrease) in Provisions	47,106	10,178
Increase/ (Decrease) in Other Current Liabilities	(44,261)	16,930
Cash generated from operations	2,587,647	155,646
Income Tax (Net)	13,441,125	(2,535,923)
Net cash from / (used in) operating activities	16,028,772	(2,380,277)
Cash flows from investing activities		
Interest Received on Inter Corporate Deposit placed	18,269,139	63,018,623
Net cash from investing activities	18,269,139	63,018,623
Cash flows from financing activities		
Interest Paid on Inter Corporate Deposit received	(33,910,162)	(61,810,287)
Net cash (used in) financing activities	(33,910,162)	(61,810,287)
Net increase / (decrease) in cash and cash equivalents	387,749	(1,171,941)
Cash and cash equivalents at the beginning of the year	2,013,457	3,185,398
Cash and cash equivalents at the end of the year	2,401,206	2,013,457

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants**Sriraman Parthasarathy**
PartnerPlace : Chennai
Date : May 23, 2017For and on behalf of the **Board of Directors****Sanjay Pandey**
Director
DIN: 07653455**Lakshman T Nanwani**
Director
DIN: 00076536Place : Chennai
Date : May 23, 2017

Malar Stars Medicare Limited

Statement Of Changes in Equity for the Year Ended March 31, 2017

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Equity Share Capital			
Balance at the beginning of the year	500,000	500,000	500,000
Closing Balance	500,000	500,000	500,000

B. Other Equity

(Amount in Rs.)

Particular	Retained Earnings	Total
Balance as at April 1, 2015	7,835,389	7,835,389
Profit for the financial year 2015-16	1,916,751	1,916,751
Other comprehensive income for the year, net of income tax	9,074	9,074
Balance as at March 31, 2016	9,761,214	9,761,214
Profit for the financial year 2016-17	2,940,715	2,940,715
Other comprehensive loss for the year, net of income tax	(36,127)	(36,127)
Balance as at March 31, 2017	12,665,802	12,665,802

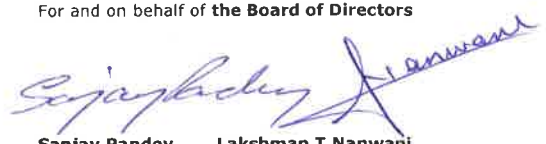
See accompanying notes forming part of the Ind AS financial statements

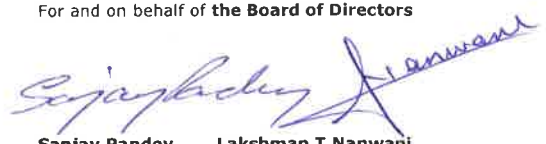
In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants


Sriraman Parthasarathy
Partner

For and on behalf of the **Board of Directors**


Sanjay Pandey
Director
DIN: 07653455


Lakshman T Nanwani
Director
DIN: 00076536

Place : Chennai
Date : May 23, 2017

Place : Chennai
Date : May 23, 2017



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

1. Nature of operations:

Malar Stars Medicare Limited ('Malar Stars' or 'the Company') was incorporated on July 7, 2009 in Chennai. The Company is a 100% subsidiary of Fortis Malar Hospitals Limited and is primarily engaged in the business of providing medical and surgical consultancy services to its Holding Company. Fortis Healthcare Limited is the Ultimate Holding Company.

2. Application of new and revised Ind AS

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 sets out dates of applicability. Malar Stars Medicare Limited, being ultimate subsidiary of Fortis Healthcare Limited, for whom Ind AS is applicable from April 1, 2016 as defined in 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.

2.1 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

This amendment would not have an impact on the Company.

3. Significant accounting policies

3.1 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 (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 37 for the details of first-time adoption exemptions availed by the Company. Previous year figures in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the Other Comprehensive Income for the year ended March 31, 2016.

3.2 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.

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

3.3 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Operating Income

Income from medical and surgical consultancy services provided to its Holding Company is recognised based on an agreed cost plus formula.

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.



3.4 Employee benefits

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 categorized as follows:

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

The company presents the first two components of 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 recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave 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 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.

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 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 taken to the statement of profit and loss 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. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

3.5 Share-based payments

The Company is covered under the Employee Stock Option Plan of Fortis Malar Hospitals Limited, the Holding Company. Under the plan, some of the eligible employees of the Company may be granted employee stock option of Fortis Malar Hospitals Limited in accordance with the terms and conditions as specified in the plan. The plan is assessed, managed and administered by the Holding Company, whose options have been granted to employees of the Company and the Holding Company has not transferred any charge on account of stock expense to the Company.

3.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.



(ii) 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 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 extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the company reassesses unrecognized deferred tax assets and, the company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all 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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable company and the same taxation authority.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(iv) MAT Credit

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period

3.7 Provision

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.8 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.

3.9 Segment Reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

3.10 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

3.11 Contingent liabilities

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

3.12 Operating cycle

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

3.13 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

3.14 Financial Instrument

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 recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized 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.

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

A financial asset is subsequently measured at fair value through other comprehensive income 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.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(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) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs

3.15 Impairment of financial assets

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

3.16 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations discharged, cancelled or have expired. An exchange between with a lender of debt instruments substantially different terms is accounted for as an extinguishment of the original financial liability the recognition of a new financial liability. Similarly, a substantial modification of the terms of existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- a. Valuation and measurement of income taxes and deferred taxes (Refer Note 3.6)
- b. Assets and obligations relating to employee benefits (Refer Note 3.4)



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

5. Deferred Tax Assets (Net)

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred Tax assets - Employee Benefits	154,441	145,372	125,420
Total	154,441	145,372	125,420

6. Trade Receivables

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Unsecured, considered good	-	832,571	-
Total	-	832,571	-

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

Trade receivables are unsecured and are derived from Medical and Surgical Consultancy Services. No interest is charged on the balance regardless the age of the balance. There is only one customer who represent the total balance of trade receivable as at March 31, 2016. The risk of non payment from the customer is considered low.

The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables based on the Company's historical experience towards delays and defaults at the end of each reporting period.

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Ageing			
0 - 1 year	-	832,571	-
1 - 2 years	-	-	-
2 - 3 years	-	-	-
More than 3 years	-	-	-
Total	-	832,571	-

7. Cash and Cash Equivalents

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks - Current Account	2,401,206	2,013,457	3,185,398
Total	2,401,206	2,013,457	3,185,398

8. Loans

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Unsecured, considered good Intercorporate deposits to related parties (Refer Note 34)	613,000,000	613,000,000	613,000,000
Total	613,000,000	613,000,000	613,000,000

9. Current Tax Assets and Liabilities

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Tax Liabilities			
Income Tax Payable	4,889,616	3,533,814	2,653,089
	4,889,616	3,533,814	2,653,089
Current Tax Assets			
Income Tax Asset	4,674,055	16,617,972	14,082,464
Total	(215,561)	13,084,158	11,429,375

10. Other Financial Assets

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Interest accrued but not due on Inter Corporate Deposits	63,399,523	15,806,457	14,283,740
Total	63,399,523	15,806,457	14,283,740



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

11. Share capital

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorized Shares 50,000 (March 31, 2016 : 50,000; April 1, 2015 : 50,000) Equity shares of Rs. 10 each	500,000	500,000	500,000
	500,000	500,000	500,000
Issued, Subscribed and Fully Paid Up 50,000 Equity shares of Rs.10/- each	500,000	500,000	500,000
TOTAL	500,000	500,000	500,000

Notes :

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

Particulars	Year Ended March 31, 2017		Year Ended March 31, 2016		As at April 1, 2015	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000	50,000	500,000
Add: Fresh issue during the year	-	-	-	-	-	-
Less: Buyback/Redemption during the year	-	-	-	-	-	-
Shares Outstanding at the end of the year	50,000	500,000	50,000	500,000	50,000	500,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Dividends are paid in Indian rupees. Dividends proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. Repayment of Capital will be in proportion to the number of equity shares held.

(c) Shares held by the Holding and its Nominees

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	In Rupees	Number	In Rupees	Number	In Rupees
Fortis Malar Hospitals Limited, including nominees	50,000	500,000	50,000	500,000	50,000	500,000

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Malar Hospitals Limited, including nominees	50,000	100%	50,000	100%	50,000	100%

(e) Employee Stock Compensation Cost - Refer Note 27



Malar Stars Medicare Limited
Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017
12. Other Equity

Particulars	(Amount in Rs.)	
	As at March 31, 2017	As at March 31, 2016
Surplus in the statement of profit and loss		
At the Beginning of the Reporting Period	9,761,214	7,835,389
Add: Profit for the year	2,940,715	1,916,751
Add: Remeasurement of defined employee benefit plans	(36,127)	9,074
Net Surplus in the Statement of Profit and Loss	12,665,802	9,761,214

13. Provisions

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current Liabilities			
Provision for Gratuity	398,462	309,180	254,788
	398,462	309,180	254,788

14. Short Term Borrowings

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Unsecured Loans (Refer Note 34)	617,933,576	617,933,576	617,933,576
	617,933,576	617,933,576	617,933,576

15. Trade Payables

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Liabilities			
Trade Payables (Refer Note 33)	3,885,473	907,789	209,399
	3,885,473	907,789	209,399

16. Other Financial Liabilities

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest Accrued but not due	41,748,608	13,865,413	13,713,046
	41,748,608	13,865,413	13,713,046

17. Provisions

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Gratuity	101,347	54,241	44,063
	101,347	54,241	44,063

18. Other Current Liabilities

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory Payable (TDS, PT etc.)	1,506,341	1,550,602	1,533,672
	1,506,341	1,550,602	1,533,672



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

19. Revenue from Operations

Particulars	(Amount in Rs.)	
	Year ended March 31, 2017	Year ended March 31, 2016
Sale of Services		
Income from Medical and Surgical Consultancy Services	3,657,000	3,588,000
	3,657,000	3,588,000

20. Other Income

Particulars	(Amount in Rs.)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest on Income Tax Refund	1,497,208	-
Interest Income on Inter Corporate Deposit Placed	64,364,997	64,541,340
	65,862,205	64,541,340

21. Employee Benefit Expenses

Particulars	(Amount in Rs.)	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries	3,118,800	3,059,955
Gratuity	84,106	77,701
	3,202,906	3,137,656

22. Finance Costs

Particulars	(Amount in Rs.)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest on Inter Corporate Deposit Received (Refer Note 34)	61,793,357	61,962,654
	61,793,357	61,962,654

23. Other Expenses

Particulars	(Amount in Rs.)	
	Year ended March 31, 2017	Year ended March 31, 2016
Professional Charges	100,981	99,798
Auditors' Remuneration		
- Statutory Audit	100,000	100,000
- Service Tax	15,000	14,500
- Reimbursement of Expenses	2,558	410
Miscellaneous expenses	800	40,440
	219,339	255,148

24. Income Tax Recognised in Profit and Loss

(Refer Note 31)

Particulars	(Amount in Rs.)	
	Year ended March 31, 2017	Year ended March 31, 2016
Current tax		
In respect of the current year	1,355,802	881,140
	1,355,802	881,140
Deferred tax		
In respect of the current year	7,086	(24,009)
	7,086	(24,009)



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

25. Related Party Disclosures**Names of related parties and related party relationship**

Description of Relationship	2016-17	2015-16
Ultimate Holding Company	Fortis Healthcare Limited	Fortis Healthcare Limited
Holding Company	Fortis Malar Hospitals Limited	Fortis Malar Hospitals Limited
Fellow Subsidiary Company	Escorts Heart Institute and Research Centre Limited	Escorts Heart Institute and Research Centre Limited

The schedule of Related Party Transactions is as follows:

Particulars	Related Party	(Amount in Rs.)	
		2016-17	2015-16
Revenue			
Income from Medical and Surgical Consultancy Services	Fortis Malar Hospitals Limited	3,657,000	3,588,000
Interest Income	Escorts Heart Institute and Research Centre Limited	64,364,997	64,541,340
Expenditure			
Finance Costs	Fortis Malar Hospitals Limited	61,793,357	61,962,654
Liability			
Short term borrowings - Inter Corporate Deposit payable	Fortis Malar Hospitals Limited	617,933,576	617,933,576
Interest Accrued but not due on Inter Corporate Deposit Received	Fortis Malar Hospitals Limited	41,748,608	13,865,413
Assets			
Inter Corporate Deposit receivable	Escorts Heart Institute and Research Centre Limited	613,000,000	613,000,000
Interest accrued but not due on Inter Corporate Deposit Placed	Escorts Heart Institute and Research Centre Limited	63,399,523	15,806,457
Trade Payables	Fortis Malar Hospitals Limited	2,966,872	-
Trade Receivables	Fortis Malar Hospitals Limited	-	832,571

Note:

The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at March 31, 2017 and March 31, 2016 there are no further amounts payable to / receivable from them, other than as disclosed above.

26. Contingent Liabilities and Commitments:

- (a) The estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided as at 31 March 2017 is Rs. Nil (As at 31 March 2016 - Rs. Nil, As at 31 March 2015 - Rs. Nil)
- (b) Contingent Liabilities as at 31 March 2017 - Rs. Nil (As at 31 March 2016 - Rs. - Nil, As at 31 March 2015 - Rs. - Nil)
- (c) Other Commitments as at 31 March 2017 - Rs. Nil (As at 31 March 2016 - Rs. Nil, As at 31 March 2015 - Rs. - Nil)

27. Employee Stock Option Plan

The Company is covered under the Employee Stock Option Plan of Fortis Malar Hospitals Limited, the Holding Company. Under the plan, some of the employees of the Company may be granted employee stock option of Fortis Malar Hospitals Limited in accordance with the terms and conditions as specified in the plan. As at April 1, 2015, being the transaction date, all outstanding stock options were vested. Accordingly the Company elected to use the intrinsic value method to account such options and there is no stock compensation expense for the year ended March 31, 2016 and March 31, 2017.



28. Employee benefits**Defined Benefit Plans**

The Company has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service subject to a maximum limit prescribed under the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Amounts recognised in Statement of Profit & Loss in respect of these defined benefit plans are as follows:		
Service Cost		
- Current Service Cost	55,941	53,793
- Past service cost and (gains)/losses from settlements	-	-
Net interest expense	28,165	23,908
Components of defined benefit costs recognised in profit or loss	84,106	77,701
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	71,436	3,754
Actuarial gains and loss arising form changes in financial assumptions	(19,154)	(16,885)
Actuarial gains and loss arising form experience adjustments		
Benefits Paid		
Components of defined benefit costs recognised in other comprehensive income	52,282	(13,131)
Total	136,388	64,570

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Gratuity Expense"

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. Net (Asset)/Liability recognised in the Balance Sheet			
1. Present value of defined benefit obligation as at 31 March	499,809	363,421	298,851
2. Fair value of plan assets as at 31 March	-	-	-
3. (Surplus)/Deficit	499,809	363,421	298,851
4. Current portion of the above	101,347	54,241	44,063
5. Non current portion of the above	398,462	309,180	254,788

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Change in the obligation during the year ended 31 March		
Present value of defined benefit obligation at the beginning of the year	363,421	298,851
Expenses Recognised in Statement of Profit and Loss:		
- Current Service Cost	55,941	53,793
- Past Service Cost		
- Interest Expense (Income)	28,165	23,908
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		
ii. Financial Assumptions	71,436	3,754
iii. Experience Adjustments	(19,154)	(16,885)
Benefit payments		
Present value of defined benefit obligation at the end of the year	499,809	363,421



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the Year Ended March 31, 2017

(d) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.25%	7.25%	8.00%
Expected rate of salary increase	7.50%	4.00%	4.00%
Expected return on plan assets	-	-	-
Withdrawal Rate	4.00%	4.00%	4.00%
Expected average remaining working life *	18	18	18
Mortality	IALM 2006-08(Ult)	IALM 2006-08(Ult)	IALM 2006-08(Ult)

* Based on India's standard mortality table with modification to reflect the expected changes in mortality/others

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

- (i) If the discount rate is 50 basis point higher (lower) the defined benefit obligation would decrease by Rs. 490,372 (increase by Rs. 509,604) (As at March 31, 2016 ; decrease by Rs. 355,983 (increase by Rs. 371,147).
- (ii) If the expected salary growth rate increase/(decreases) by 0.5 % the defined benefit obligation would increase by Rs. 509,937 (decrease by Rs. 489,944) (As at March 31, 2016 ; increase by Rs. 371,563 (decrease by Rs. 355,512).
- (iii) If the life expectancy increases(decreases) by one year for men and women the defined benefit obligation would increase by Rs. 499,768 (decrease by Rs. 499,786) (As at March 31, 2016 ; increase by Rs. 364,019 (decrease by Rs. 363,764).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(e) Experience Adjustments:

Experience Adjustments	(Amount in Rs.)			
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Defined Benefit Obligation	499,809	363,421	298,851	203,318
Fair value of plan assets	-	-	-	-
Surplus/(Deficit)	(499,809)	(363,421)	(298,851)	(203,318)
Experience adjustment on plan liabilities [(Gain)/Loss]	71,436	(13,131)	25,645	15,350
Assumptions adjustment on plan assets [Gain/(Loss)]	19,154	-	-	-

Note:

The information relating to experience adjustments with respect to prior years have been disclosed based on information available with the Management.



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Notes forming part of the Ind AS Financial Statements for the year ended March 31, 2017

29. Financial Instruments

(I) Capital Management

The Company manages its capital to ensure that it is able to continue as going concern while maximizing the return to the stakeholders through the optimization of debt and equity balance. The Capital structure of the Company consists of Net Debt and total Equity. The Company is not subject to any externally imposed capital requirement. In order to maintain the capital structure in consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio.

Particulars	(Amount in Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt (Refer Note 15)	617,933,576	617,933,576	617,933,576
Cash and Cash Equivalents (Refer Note 7)	(7,401,206)	(2,013,457)	(3,185,398)
Net Debt	615,532,370	615,920,119	614,748,178
Total Equity	13,165,802	10,261,214	8,335,389
Net Debt to equity ratio	46.75	60.02	73.75

(II) Categories of Financial Instruments

(a) Financial Assets

Financial assets	Amount in Rs.		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at amortized cost			
Trade Receivables	-	832,571	-
Cash and Cash Equivalents	2,401,206	2,013,457	3,185,398
Loans	613,000,000	613,000,000	613,000,000
Other Financial Assets	63,399,523	15,806,457	14,283,740
Total	678,800,729	631,652,485	630,469,138

(b) Financial Liabilities :

Financial assets	Amount in Rs.		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at amortized cost			
Trade Payables	3,885,473	907,789	209,399
Short Term Borrowings	617,933,576	617,933,576	617,933,576
Other Financial Liabilities	41,748,608	13,865,413	13,713,046
Total	663,567,657	632,706,778	631,856,021

(III) Financial Risk Management Framework

The Company manages financial risk relating to the operations through internal risk reports which analyze exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The focus of the chief operating decision maker (CODM) is to assess the unpredictability of the financial environment and to mitigate potential adverse effects, if any, on the financial performance of the Company.

The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(IV) Foreign Currency Risk Management

The Company undertakes no transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations does not arise. Accordingly, there are no carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period since the Company has a geographic concentration of such assets and liabilities in India.

(V) Liquidity and Interest risk tables

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Particulars	Weighted average interest rate	(Amount in Rs.)			
		With in 1 year (Rs.)	1 - 2 Years (Rs.)	More than 2 Years (Rs.)	Total (Rs.)
As at March 31, 2017					
- Trade Payables	NA	3,885,473	-	-	3,885,473
- Short Term Borrowings	10%	617,933,576	-	-	617,933,576
- Other Financial Liabilities	NA	41,748,608	-	-	41,748,608
Total		663,567,657	-	-	663,567,657
As at March 31, 2016					
- Trade Payables	NA	907,789	-	-	907,789
- Short Term Borrowings	10%	617,933,576	-	-	617,933,576
- Other Financial Liabilities	NA	13,865,413	-	-	13,865,413
Total		632,706,778	-	-	632,706,778
As at April 1, 2015					
- Trade Payables	NA	209,399	-	-	209,399
- Short Term Borrowings	10%	617,933,576	-	-	617,933,576
- Other Financial Liabilities	NA	13,713,046	-	-	13,713,046
Total		631,856,021	-	-	631,856,021

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Weighted average interest rate (%)	(Amount in Rs.)			
		With in 1 year (Rs.)	1 - 2 Years (Rs.)	More than 2 Years (Rs.)	Total (Rs.)
As at March 31, 2017					
Non-interest bearing	NA	65,800,729	-	-	65,800,729
Fixed interest rate Instruments	10.50%	613,000,000	-	-	613,000,000
Total		678,800,729	-	-	678,800,729
As at March 31, 2016					
Non-interest bearing	NA	18,652,485	-	-	18,652,485
Fixed interest rate Instruments	10.50%	613,000,000	-	-	613,000,000
Total		631,652,485	-	-	631,652,485
As at April 1, 2015					
Non-interest bearing	NA	17,469,138	-	-	17,469,138
Fixed interest rate instruments	10.50%	613,000,000	-	-	613,000,000
Total		630,469,138	-	-	630,469,138



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Notes forming part of the Ind AS Financial Statements for the year ended March 31, 2017

30. Fair Value Measurement

This note provides information about how the Company determines fair value of various financial assets and liabilities

(i) Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring):

(Amount in Rs.)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortized cost:						
- Trade receivables	-	-	832,571	832,571	-	-
- Cash and Cash Equivalents	2,401,206	2,401,206	2,013,457	2,013,457	3,185,398	3,185,398
- Loans	613,000,000	613,000,000	613,000,000	613,000,000	613,000,000	613,000,000
- Other Financial Assets	63,399,523	63,399,523	15,806,457	15,806,457	14,283,740	14,283,740
Total	678,800,729	678,800,729	631,652,485	631,652,485	630,469,138	630,469,138
Financial liabilities held at amortized cost:						
- Trade Payables	3,885,473	3,885,473	907,789	907,789	209,399	209,399
- Short Term Borrowings	617,933,576	617,933,576	617,933,576	617,933,576	617,933,576	617,933,576
- Other Financial Liabilities	41,748,608	41,748,608	13,865,413	13,865,413	13,713,046	13,713,046
Total	663,567,657	663,567,657	632,706,778	632,706,778	631,856,021	631,856,021

(ii) Fair value hierarchy as at March 31, 2017

(Amount in Rs.)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
- Cash and Cash Equivalents	2,401,206	-	-	2,401,206
- Trade Receivables	-	-	-	-
- Loans	-	-	613,000,000	613,000,000
- Other Financial Assets	-	-	63,399,523	63,399,523
Total	2,401,206	-	676,399,523	678,800,729
Financial liabilities held at amortized cost:				
- Trade Payables	-	-	3,885,473	3,885,473
- Short Term Borrowings	-	-	617,933,576	617,933,576
- Other Financial Liabilities	-	-	41,748,608	41,748,608
Total	-	-	663,567,657	663,567,657

(iii) Fair value hierarchy as at March 31, 2016

(Amount in Rs.)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
- Cash and Cash Equivalents	2,013,457	-	-	2,013,457
- Trade receivables	-	-	832,571	832,571
- Loans	-	-	613,000,000	613,000,000
- Other Financial Assets	-	-	15,806,457	15,806,457
Total	2,013,457	-	629,639,028	631,652,485
Financial liabilities held at amortized cost:				
- Trade Payables	-	-	907,789	907,789
- Short Term Borrowings	-	-	617,933,576	617,933,576
- Other Financial Liabilities	-	-	13,865,413	13,865,413
Total	-	-	632,706,778	632,706,778

(iv) Fair value hierarchy as at April 1, 2015

(Amount in Rs.)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
- Cash and Cash Equivalents	3,185,398	-	-	3,185,398
- Trade receivables	-	-	-	-
- Loans	-	-	613,000,000	613,000,000
- Other Financial Assets	-	-	14,283,740	14,283,740
Total	3,185,398	-	627,283,740	630,469,138
Financial liabilities held at amortized cost:				
- Trade Payables	-	-	209,399	209,399
- Short Term Borrowings	-	-	617,933,576	617,933,576
- Other Financial Liabilities	-	-	13,713,046	13,713,046
Total	-	-	631,856,021	631,856,021



31. Current Tax and Deferred Tax

(i) Income Tax Expense

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Current Tax:		
Current Income-Tax Charge	1,355,802	881,140
Deferred Tax		
Provision for Employee Benefits	7,086	(24,009)
Total Tax Expense Recognised in Statement of Profit and Loss	1,362,888	857,131

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount	Tax Amount	Amount	Tax Amount
	Profit Before tax from Operations	4,303,603		2,773,882
Income Tax using the Company's domestic Tax rate at 30.9%#		1,329,813		857,131
Prior period adjustments of deferred tax assets		33,075		
Income Tax recognised In P&L from Operations	4,303,603	1,362,888	2,773,882	857,131

The tax rate used for the 2016-2017 and 2015-2016 reconciliations above is the Corporate tax rate of 30%, applicable surcharge and cess payable by corporate entities in India on taxable profits under the India Law.

(iii) Income Tax on Other Comprehensive Income

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred Tax		
Remeasurement of defined benefit obligation	16,155	(4,057)
Total	16,155	(4,057)

(iv) Following is the analysis of the deferred tax asset/ (liabilities) presented in the Balance sheet.

Particulars	(Amount in Rs.)			
	For the Year ended 31 March 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee Benefits	145,372	(7,086)	16,155	154,441
Net Tax Asset / (Liabilities)	145,372	(7,086)	16,155	154,441

Particulars	(Amount in Rs.)			
	For the year ended 31 March 2016			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee Benefits	125,420	24,009	(4,057)	145,372
Net Tax Asset / (Liabilities)	125,420	24,009	(4,057)	145,372



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32. Earnings Per Share

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Net Profit attributable to Equity Shareholders - in Rs.	2,940,715	1,916,751
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each)	50,000	50,000
Earnings Per Share - in Rs.		
- Basic - in Rs.	58.81	38.34
- Diluted - in Rs.	58.81	38.34
Face Value Per Share - in Rs.	10.00	10.00

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

As at March 31, 2017 (As at March 31, 2016 and March 31, 2015) there are no amounts payable to Micro and Small Enterprises under Micro and Small Enterprises as per MSMED Act, 2006 based on information available with the Company.

34. Inter Corporate Deposit

The Company had received an amount of Rs. 617,933,576 as inter corporate deposit from the Holding Company at 10% interest per annum. Further, the Company has placed an amount of Rs. 613,000,000 as inter corporate deposits with one of its Group Companies, Escorts Heart Institute and Research Centre Limited, at an interest rate of 10.50% p.a.

35. Details of loans given to entities under common control

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

Name of the Party	Closing balance					
	March 31, 2017 (current)	March 31, 2017 (non-current)	March 31, 2016 (current)	March 31, 2016 (non-current)	April 1, 2015 (current)	April 1, 2015 (non-current)
Escorts Heart Institute and Research Centre Limited	613,000,000		613,000,000		613,000,000	

Name of the party	Rate of Interest	Due date	Secured / unsecured	(Amount in Rs.)		
				March 31, 2017	March 31, 2016	April 1, 2015
Escorts Heart Institute and Research Centre Limited	10.50%	On Maturity	Unsecured	613,000,000	613,000,000	613,000,000

Particulars	Maximum amount outstanding during the year		
	March 31, 2017	March 31, 2016	April 1, 2015
Entity under common control			
Escorts Heart Institute and Research Centre Limited	613,000,000	613,000,000	613,000,000
Total	613,000,000	613,000,000	613,000,000

Note:

The above Inter-Corporate Deposits were given for meeting the working capital requirements.

36. Segment Reporting:

The Company has a single operating segment, namely, Medical and Surgical Consultancy Services and the information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of performance focusses on this operating segment. Further, the Company does not have any separate geographic segment other than India. Accordingly, the amounts appearing in these financial statements relate to this operating segment.



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37. First-time adoption - 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 the assets and liabilities whose recognition is required as per IND AS not recognising items of assets or liabilities which are not permitted by IND AS by reclassifying items from previous IGAAP 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 exceptions and certain optional exemption availed by the Company as detailed below :

Shared Based Payments

The Company has elected to use the Intrinsic value method to account for costs relating to Employee Stock Options Plan (ESOP) granted by the Holding Company (i.e. Fortis Malar Hospitals Limited) since all the stock options have been granted and vested on or before April 1, 2015 (transition date).

Key Sources of estimation uncertainty

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

First time IND AS Adoption Reconciliation :

(i) Reconciliation of equity and P&L as previously reported under Indian GAAP to IND AS

(Amount in Rs.)

Particulars	As at March 31, 2016 (End of Last period Presented under Previous GAAP)			As at April 1, 2015 (Date of transition)		
	Previous GAAP	Effect of transition to IND AS	Opening IND AS balance sheet	Previous GAAP	Effect of Transition to IND AS	IND AS
(I)						
Non-Current Assets						
(a) Deferred Tax Assets (Net)	145,372	-	145,372	125,420	-	125,420
(b) Income Tax Assets (Net)	13,084,158	-	13,084,158	11,429,375	-	11,429,375
Total Non - Current Assets	13,229,530	-	13,229,530	11,554,795	-	11,554,795
Current assets						
(a) Financial Assets						
(i) Trade Receivables	832,571	-	832,571	-	-	-
(ii) Cash and Cash Equivalents	2,013,457	-	2,013,457	3,185,398	-	3,185,398
(iii) Loans	613,000,000	-	613,000,000	613,000,000	-	613,000,000
(iv) Other Financial Assets	15,806,457	-	15,806,457	14,283,740	-	14,283,740
Total Current Assets	631,652,485	-	631,652,485	630,469,138	-	630,469,138
Total Assets	644,882,015	-	644,882,015	642,023,933	-	642,023,933

(Amount in Rs.)

Particulars	As at March 31, 2016 (End of Last period Presented under Previous GAAP)			As at April 1, 2015 (Date of transition)		
	Previous GAAP	Effect of transition to IND AS	Opening IND AS balance sheet	Previous GAAP	Effect of Transition to IND AS	IND AS
(II) EQUITY AND LIABILITIES						
Equity						
(a) Equity Share capital	500,000	-	500,000	500,000	-	500,000
(b) Other Equity	9,761,214	-	9,761,214	7,835,389	-	7,835,389
Total Equity	10,261,214	-	10,261,214	8,335,389	-	8,335,389
LIABILITIES						
Non Current liabilities						
(a) Provisions	309,180	-	309,180	254,788	-	254,788
Current liabilities						
(a) Financial Liabilities						
(i) Trade Payables	907,789	-	907,789	209,399	-	209,399
(ii) Short Term Borrowings	617,933,576	-	617,933,576	617,933,576	-	617,933,576
(iii) Other Financial Liabilities	13,865,413	-	13,865,413	13,713,046	-	13,713,046
(b) Provisions	54,241	-	54,241	44,063	-	44,063
(c) Other Current Liabilities	1,550,602	-	1,550,602	1,533,672	-	1,533,672
Total Current Liabilities	634,311,621	-	634,311,621	633,433,756	-	633,433,756
Total Equity and Liabilities	644,882,015	-	644,882,015	642,023,933	-	642,023,933

(ii) Reconciliation of equity and P&L as previously reported under Indian GAAP to Ind AS

(Amount in Rs.)

Particulars	As at March 31, 2016	As at April 1, 2015
Equity as reported under previous GAAP	10,261,214	8,335,389
Total Equity as reported under IND AS	10,261,214	8,335,389



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Notes forming part of the Ind AS Financial Statements for the year ended March 31, 2017

(iii) Reconciliation of profit or loss for the year ended March 31, 2016

Particulars	Notes	Year ended March 31, 2016 (latest period presented under previous GAAP)		
		Previous GAAP Rs.	Effect of transition to Ind AS Rs.	Ind AS Rs.
Revenue from Operations		3,588,000	-	3,588,000
Other Income		64,541,340	-	64,541,340
Total Revenue (I + II)		68,129,340	-	68,129,340
EXPENSES				
(a) Employee Benefits Expense	(b)	3,124,525	13,131	3,137,656
(b) Finance Costs		61,962,654	-	61,962,654
(c) Other Expenses		255,148	-	255,148
Total Expenses		65,342,327	13,131	65,355,458
Profit Before Tax (III - IV)		2,787,013	(13,131)	2,773,882
Tax Expense				
- Current Tax		881,140	-	881,140
- Deferred Tax		(19,952)	(4,057)	(24,009)
		861,188	(4,057)	857,131
Profit for the Year (V - VI)		1,925,825	(9,074)	1,916,751
Other Comprehensive Income				
Items that will not be recycled to profit or loss				
(a) Remeasurements of defined benefit plans	(b)	-	(13,131)	13,131
(b) Income tax relating to items that will not be reclassified to profit or loss	(b)	-	4,057	(4,057)
Total Comprehensive Income for the year		-	(9,074)	9,074
Total comprehensive Income for the period (VII + VIII)		1,925,825	-	1,925,825

(iv) Reconciliation of Total Comprehensive Income for the year ended March 31, 2016 :

Particulars	Notes	Year ended March 31, 2016 latest period presented under previous GAAP (Rs.)
Profit as per Previous GAAP		1,925,825
Ind AS: Adjustments increase / (decrease):		
Actuarial gain on employee defined benefit/funds recognised in Other Comprehensive Income	(b)	(13,131)
Deferred Tax Adjustment	(b)	4,057
Total adjustment to profit or loss		(9,074)
Profit under Ind AS		1,916,751
Other comprehensive income		(13,131)
Tax on Other comprehensive income		4,057
Total Comprehensive Income under Ind AS		1,925,825

Note : Under previous GAAP, total comprehensive Income was not reported. Therefore the above reconciliation starts with profit under previous GAAP.

(v) Adjustments to the statement of cash flows

PARTICULARS	Year ended March 31, 2016 (latest period presented under previous GAAP)		
	Previously Reported Rs.	Effect of Transition to IND AS (Rs.)	IND AS Rs.
Previous GAAP			
Net cash flows from operating activities	(2,380,277)	-	(2,380,277)
Net cash flows from investing activities	63,018,623	-	63,018,623
Net cash flows from financing activities	(61,810,287)	-	(61,810,287)
Net increase (decrease) in cash and cash equivalents	(1,171,941)	-	(1,171,941)
Cash and cash equivalents at the beginning of the year	3,185,398		3,185,398
Cash and cash equivalents at end of period	2,013,457	-	2,013,457

Notes to the Reconciliation :

- (a) Under IND AS, all items of income and expense recognised in the period should be included in the profit or loss for the period unless the standard requires or permits otherwise. Items of income or expense that are not recognised in profit or loss but are shown in the statement of profit or loss as "other comprehensive income" includes remeasurements of defined benefit obligation. The concept of other comprehensive income did not exist under the previous GAAP.
- (b) Under IND AS remeasurement i.e. actuarial gains and losses are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs. 13,131, Tax on Other Comprehensive Income amounts to Rs. 4,057.



Malar Stars Medicare Limited

Notes forming part of the Ind AS Financial Statements for the year ended March 31, 2017

38. Specified Bank Notes (SBN's)

The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and hence, the disclosure requirements as envisaged in Notification G.S.R 308(E) dated 30 March 2017 are not applicable to the Company.

39. Previous Year Figures

As stated in Note 2, the Company has adopted Indian Accounting Standards with effect from April 1, 2016 with date of transition to Ind AS being April 1, 2015. Accordingly, previous year figures in the financial statements have been restated to Ind AS. Further, previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

40. Approval of Financial Statements

The financial statements were approved by the Board of Directors on May 23, 2017

For and on behalf of **the Board of Directors**



Sanjay Pandey
Director
DIN: 07653455

Lakshman T Nanwani
Director
DIN: 00076536

Place : Chennai
Date : May 23, 2017

