

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIRANANDANI HEALTHCARE PRIVATE LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **HIRANANDANI HEALTHCARE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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)



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

Place : Mumbai
Date : 24th May 2016



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our
report of even date to the Members of Hiranandani Healthcare Private Limited)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section
143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **HIRANANDANI HEALTHCARE PRIVATE LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Manoj H. Dama

(Partner)

(Membership No. 107723)

Place: Mumbai

Date : 24th May, 2016



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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. Material discrepancies noticed on physical verification during the year have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has neither granted any loans or provided guarantees under section 185 and 186 of the Companies Act, 2013 nor made any investments and hence reporting under clause 3 (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company and hence reporting under clause 3(v) of the CARO 2016 is also not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

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

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

There are no dues of Service Tax, Customs Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes.

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government nor has it issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of initial public offer/ further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

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- (xi) The Company has not paid or provided managerial remuneration and hence reporting under clause 3 (xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable. The Company does not have any subsidiary or associate company.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)



Manoj H. Dama

(Partner)

(Membership No. 107723)

Place : Mumbai

Date : 24th May 2016



Hiranandani Healthcare Private Limited
Balance Sheet as at 31 March 2016

		(Amounts in INR)	
	Notes	31 March 2016	31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	400,00,000	400,00,000
Reserves and surplus	4	1776,20,655	(291,79,509)
		2176,20,655	108,20,491
Non-current liabilities			
Long term borrowings	5	3107,41,687	4911,55,384
Other long-term liabilities	6	115,46,771	100,92,310
Long-term provisions	7	52,82,000	40,39,000
		3275,70,458	5052,86,694
Current liabilities			
Short-term borrowings	8	1000,00,000	1000,00,000
Trade payables	9.1		
Micro, small and medium enterprises			
Other than micro, small and medium enterprises		1287,06,166	1236,77,280
Other current liabilities	9.2	1990,87,216	1617,97,840
Short-term provisions	10	52,37,000	41,37,000
		4330,30,382	3896,12,120
Total		9782,21,495	9057,19,305
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11.1	5734,94,437	5803,76,221
Intangible assets	11.2	286,25,075	18,30,187
Capital Work in progress		129,83,636	
Intangible assets under development			53,14,641
Long-term loans and advances	12	1611,02,548	1064,03,354
Other non-current assets	13	4,00,000	6,05,958
		7766,05,696	6945,30,361
Current assets			
Inventories	14	78,95,717	57,09,981
Trade receivables	15	1341,80,171	1129,10,316
Cash and bank balances	16	175,26,715	638,08,412
Short-term loans and advances	17	129,75,827	147,60,893
Other current assets	18	290,37,369	139,99,342
		2016,15,799	2111,88,944
Total		9782,21,495	9057,19,305

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

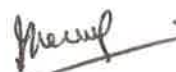
In terms of our report attached

For Deloitte Haskin & Sells LLP
Chartered Accountants



Manoj H. Dama
Partner

For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited



Jasbir Singh Grewal
Director
DIN: 01113910



Manu Kapila
Director
DIN: 03403696

Place : Mumbai
Date : 24 May 2016



Place : Gurgaon
Date : 24 May 2016



Hiranandani Healthcare Private Limited
Statement of Profit and Loss for the year ended 31 March 2016

(Amounts in INR)

	Notes	31 March 2016	31 March 2015
INCOME			
Revenue from operations	19	13909,40,605	12591,79,871
Other income	20	56,96,937	24,90,148
Total Revenue (I)		13966,37,542	12616,70,019
EXPENSES			
Purchase of medical consumables and drugs		1841,72,424	1993,05,279
Decrease/ (increase) in inventories of medical consumables and drugs	21	(21,85,736)	32,60,524
Employee benefits expense	22	1229,70,078	1056,22,493
Other expenses	23	7552,20,957	6398,45,241
Total Expenses (II)		10601,77,723	9480,33,537
Earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)		3364,59,819	3136,36,482
Finance costs	24	726,30,304	965,97,382
Profit/ (loss) before tax, depreciation and amortisation		2638,29,515	2170,39,100
Depreciation and amortization expense	25	532,00,330	417,66,158
Profit before exceptional items and tax		2106,29,185	1752,72,942
Exceptional Item	26	38,29,021	-
Profit before tax		2068,00,164	1752,72,942
Tax expense			
Current Tax			
Pertains to profit for the year		154,41,200	132,00,000
Less: MAT credit entitlement		(154,41,200)	(132,00,000)
Net Tax expense			
Profit for the year		2068,00,164	1752,72,942
Earnings per share [Nominal value of shares Rs.10/- each (Previous year Rs. 10/- each)]	27		
Basic and Diluted		51.70	43.82
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For Deloitte Haskin & Sells LLP
Chartered Accountants



Manoj H. Dama
Partner

Place : Mumbai
Date : 24 May 2016



For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited



Jasbir Singh Grewal
Director
DIN: 01113910



Manu Kapila
Director
DIN: 03403696

Place : Gurgaon
Date : 24 May 2016



Hiranandani Healthcare Private Limited
Cash Flow Statement for the year ended 31 March 2016

	(Amounts in INR)	
	31 March 2016	31 March 2015
Cash flow from operating activities		
Profit before tax	2068,00,164	1752,72,942
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	532,00,330	417,66,158
Loss on sale of fixed assets	5,25,999	6,31,958
Provision for doubtful debts	60,68,165	105,02,747
Interest income	(56,96,937)	(24,90,148)
Interest expense	683,57,528	928,70,377
Operating profit before working capital changes	3292,55,249	3185,54,034
Changes in Assets and Liabilities		
(Increase) / Decrease in inventories	(21,85,736)	32,60,524
(Increase) in trade receivables	(273,38,020)	(208,12,259)
Decrease / (Increase) in loans and advances	17,85,066	(55,33,487)
Decrease / (increase) in other assets	1053,61,076	20,05,589
(Decrease) / increase in trade payables, other liabilities & provisions	558,16,510	231,54,985
Cash (used in) operations	4626,94,145	3206,29,386
Direct taxes paid	(1736,34,545)	(386,12,155)
Net cash flow from operating activities	(A) 2890,59,600	2820,17,231
Cash flows from investing activities		
Purchase of fixed assets	(826,91,295)	(292,15,306)
Proceeds from sale of fixed assets	19,116	23,528
Fixed deposits placed with banks (net)	131,75,588	(20,00,000)
Interest received	58,02,894	21,18,789
Net cash (used in) investing activities	(B) (636,93,697)	(290,72,989)
Cash flows from financing activities		
Proceeds from/(repayments of) long term borrowings (net)	(1804,13,697)	(1355,16,364)
Proceeds from / (repayments of) short-term borrowings (net)	-	(86,17,897)
Interest paid	(780,58,315)	(880,33,482)
Net cash from financing activities	(C) (2584,72,012)	(2321,67,743)
Net increase in cash and cash equivalents (A + B + C)	(331,06,109)	207,76,499
Total cash and cash equivalents at the beginning of the year	506,32,824	298,56,325
Cash and cash equivalents at the end of the year	175,26,715	506,32,824



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Hiranandani Healthcare Private Limited
Cash Flow Statement for the year ended 31 March 2016

(Amounts in INR)

..continued

Components of cash and cash equivalents:

	31 March 2016	31 March 2015
Cash on hand	7,31,244	12,01,536
Balances with banks on current and deposit accounts	167,95,471	118,45,928
Deposit with original maturity of less than 3 months	-	350,00,000
Cheques on hand	-	25,85,360
Total	175,26,715	506,32,824

Notes:

1. Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard 3 on Cash Flow Statements.
2. Amounts in brackets represent cash outflow.
3. Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For Deloitte Haskin & Sells LLP
Chartered Accountants



Manoj H. Dama
Partner

Place : Mumbai
Date : 24 May 2016



For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited



Jasbir Singh Grewal
Director
DIN: 01113910



Manu Kapila
Director
DIN: 03403696

Place : Gurgaon
Date : 24 May 2016



1. Corporate information

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

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards specified under section 133 of Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Fixed Assets:

i) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of certain Medical Equipment which are depreciated over an estimated useful life of 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Till the year ended 31st March, 2015, depreciation on Electricals, Central Air Conditioner System and Fire and Safety System which are part of the Hospital Building were being provided over the estimated useful life considered for Hospital Building i.e. 30 years. During the current year, with effect from 1st April, 2015, based on the technical evaluation made by the Management, estimated useful life of such assets have been considered separately and have been revised to 15 years. The unamortised depreciable amount of Electricals, Central Air Conditioner System and Fire and Safety System as on 31st March, 2015 are charged to the Statement of Profit and Loss over the revised remaining useful life. [Refer footnote (B) in Note 11.1]



iii) Intangibles assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line over the estimated useful economic life of 6 years.

c) Leases

Where the Company is the lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

d) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

e) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life. Any amount of impairment identified is charged to the statement of profit and loss in the year it is identified.

f) Inventories

Medical consumables and pharmacy items are valued at lower of cost and net realizable value. Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from services

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

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.



Rental income

Assets subject to operating leases are included in fixed assets. Rental income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss.

h) Foreign currency translation

Foreign currency transactions and balances

i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

i) Retirement and other employee benefits

i) Contributions to provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident funds scheme as a expenditure, when an employee renders the related service.

ii) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year using projected unit credit method. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

iii) Compensated absences

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. 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 entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

j) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.



At each reporting date, the Company re-assesses un-recognized deferred tax assets. It recognizes un-recognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss on current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

k) Segment reporting

As the Company's business activity primarily falls within a single business of healthcare services and a single geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'

l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

m) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

n) 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.

o) Cash and cash equivalents

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

p) Measurement of EBITDA

As permitted by the Guidance Note on the Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items and tax expense but includes interest income.

q) Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.



Hiranandani Healthcare Private Limited
Notes to financial statements for the year ended 31 March 2016

3. Share Capital	Amounts in INR	
	31 March 2016	31 March 2015
Authorised shares		
4,800,000 (31 March 2015: 4,800,000) equity shares of INR 10 each	480,00,000	480,00,000
200,000 (31 March 2015: 200,000) zero percent redeemable preference shares of INR 10 each	20,00,000	20,00,000
	500,00,000	500,00,000
Issued, subscribed and fully paid up shares		
4,000,000 (31 March 2015: 4,000,000) Equity shares of INR 10 each fully paid up	400,00,000	400,00,000
Tota issued, subscribed and fully paid up share capital	400,00,000	400,00,000

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

	31 March 2016		31 March 2015	
	Nos.	Amounts in INR	Nos.	Amounts in INR
Equity Shares				
At the beginning of the year	40,00,000	400,00,000	40,00,000	400,00,000
Issued during the year				
Outstanding at the end of the year	40,00,000	400,00,000	40,00,000	400,00,000

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

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

Name of Shareholders	31 March 2016		31 March 2015	
	Nos.	Amounts in INR	Nos.	Amounts in INR
Equity Shares				
Fortis Healthcare Limited (FHL) (Holding company)	34,00,000	340,00,000	34,00,000	340,00,000
Fortis Healthcare Holdings Private Limited (Holding Company of FHL) alongwith nominees	6,00,000	60,00,000	6,00,000	60,00,000

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

Name of Shareholders	31 March 2016		31 March 2015	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares				
Fortis Healthcare Limited (FHL) (Holding company)	34,00,000	85%	34,00,000	85%
Fortis Healthcare Holdings Private Limited (Holding Company of FHL) alongwith nominees	6,00,000	15%	6,00,000	15%

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

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Hiranandani Healthcare Private Limited
Notes to financial statements for the year ended 31 March 2016

	(Amounts in INR)	
	31 March 2016	31 March 2015
4. Reserves and Surplus		
Securities premium account		
Balances as per last financial statements	2545,03,771	2545,03,771
Closing balance (A)	2545,03,771	2545,03,771
(Deficit) In the statement of profit and loss		
Balance as per last financial statements	(2836,83,280)	(4521,39,172)
Profit for the year	2068,00,164	1752,72,942
Adjustment to written down value of assets fully depreciated pursuant to Schedule II of the Companies Act, 2013 (Refer 11.1)		(68,17,050)
Net (deficit) in the statement of profit and loss (B)	(768,83,116)	(2836,83,280)
Total (A+B)	1776,20,655	(291,79,509)

	(Amounts in INR)			
	Non current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
5. Long-term borrowings				
Indian Rupee Term loans from banks (Secured) [Refer note (a) below]	1533,33,351	2333,33,350	799,99,992	799,99,992
Loan from related party (Unsecured)(refer note 30) [Refer note (b) below]	1574,08,336	2578,22,034		
	3107,41,687	4911,55,384	799,99,992	799,99,992
The above amount includes:				
Secured borrowings	1533,33,351	2333,33,350	799,99,992	799,99,992
Unsecured borrowings	1574,08,336	2578,22,034		
Amount disclosed under the head 'Other current liabilities' (Refer Note 9.2)			(799,99,992)	(799,99,992)
Total	3107,41,687	4911,55,384		

Explanatory notes:

- a) Indian rupee loan from a bank carries interest of base rate plus 165 bps. The loan is repayable in monthly installments of INR 6,666,666 by March 2019. The loan is secured by hypothecation of current assets, cashflows, movable fixed assets and equitable mortgage of 9 residential flats in Neel Sidhi Towers. Further the loan has been guaranteed by a corporate guarantee by Fortis Healthcare Limited.
- b) Loan from related party carries interest @ 11.75% p.a. and is repayable post 31 March 2017.



Hiranandani Healthcare Private Limited
Notes to financial statements for the year ended 31 March 2016

6. Other long term liabilities

Rent equalisation reserve
Security deposits

Total

(Amounts in INR)	
31 March 2016	31 March 2015
104,28,771	99,27,310
11,18,000	1,65,000
115,46,771	100,92,310

7. Long term provisions

Provision for employee benefits
Provision for gratuity (refer note 28)

Total

(Amounts in INR)	
31 March 2016	31 March 2015
52,82,000	40,39,000
52,82,000	40,39,000

8. Short-term borrowings

Loan from related party (Unsecured) [refer note 30 and note (a) below]

Total

(Amounts in INR)	
31 March 2016	31 March 2015
1000,00,000	1000,00,000
1000,00,000	1000,00,000

Explanatory notes:

- a) Loan from related part carries interest @ 11.75% p.a. and is repayable on demand.

9.1 Trade payables (Refer note 33 for details of dues to micro and small enterprises)

9.2 Other current liabilities

Interest accrued but not due on borrowings
Current maturities of long term borrowings (refer note 5)
Payable to related parties (Refer note 30)
Statutory dues payable
Other payables
Advances from patients (net of patient receivables)
Security deposits
Retention money deposits
Advance rent received

Total

(Amounts in INR)	
31 March 2016	31 March 2015
1287,06,166	1236,77,280
396,19,736	493,20,523
799,99,992	799,99,992
293,81,262	31,29,537
139,12,638	144,75,030
337,99,982	129,45,511
5,59,500	1,12,000
18,14,106	15,18,886
	2,96,361
1990,87,216	1617,97,840

10. Short term provisions

Provision for employee benefits
Provision for gratuity (refer note 28)
Provision for leave benefits

Total

(Amounts in INR)	
31 March 2016	31 March 2015
5,50,000	4,78,000
46,87,000	36,59,000
52,37,000	41,37,000



Hiranandani Healthcare Private Limited

Notes to financial statements for the year ended 31 March 2016

11. Fixed Assets

11.1 Tangible Assets

(Amounts in INR)

	Buildings	Leasehold Improvements	Plant & equipments	Medical equipments	Furniture & fixtures	Computers	Office equipments	Vehicles	Total
Gross Block									
At 1 April 2014	416,22,714	4388,47,768	740,00,030	1929,62,728	211,51,364	63,88,257	89,64,106	11,98,978	7851,35,945
Additions	-	23,30,254	103,74,559	71,57,817	26,54,230	7,60,088	16,86,867	-	249,63,816
Disposals	-	-	3,966	10,21,491	1,51,560	2,55,054	1,81,536	-	16,13,608
At 31 March 2015	416,22,714	4411,78,022	843,70,623	1990,99,054	236,54,034	68,93,291	104,69,437	11,98,978	8084,86,153
Additions/Adjustment	-	21,17,651	22,34,478	294,69,028	26,46,384	39,56,153	9,95,920	13,52,930	427,72,544
Disposals	-	-	1,18,932	7,06,522	2,89,431	-	7,543	-	11,22,428
At 31 March 2016	416,22,714	4432,95,673	864,86,169	2278,61,560	260,10,987	108,49,444	114,57,814	25,51,908	8501,36,269
Depreciation									
At 1 April 2014	37,44,923	763,79,853	181,74,071	662,52,041	91,51,705	52,44,940	24,27,313	1,69,161	1815,44,007
Charge for the year	7,13,251	146,59,950	55,17,116	148,23,430	20,08,952	11,60,514	17,06,182	1,20,890	407,10,285
Disposals	-	-	3,966	4,27,747	93,107	2,55,054	1,81,536	-	9,61,410
Adjustments (Refer Note A)	-	-	-	36,63,611	-	5,32,074	26,21,365	-	68,17,050
At 31 March 2015	44,58,174	910,39,803	236,87,221	843,11,335	110,67,550	66,82,474	65,73,324	2,90,051	2281,09,932
Charge for the year	7,12,901	192,92,053	66,77,300	165,37,677	32,97,916	11,26,664	13,06,305	1,58,398	491,09,214
Disposals	-	-	51,138	3,41,213	1,80,319	-	4,644	-	5,77,315
At 31 March 2016	51,71,075	1103,31,856	303,13,383	1005,07,999	141,85,147	78,09,138	78,74,985	4,48,449	2766,41,831
Net Block									
At 31 March 2015	371,64,540	3501,38,219	606,83,402	1147,87,719	125,86,484	2,10,817	38,96,113	9,08,927	5803,76,221
At 31 March 2016	364,51,639	3329,63,817	561,72,786	1273,53,761	118,25,840	30,40,306	35,82,829	21,03,459	5734,94,437

Note A: During the previous year the Company has revised the depreciation rates on certain fixed assets as per the useful life specified in the Companies Act, 2013 and re-assessed by the Company. Based on current estimates, the carrying amount of assets whose useful life had already exhausted as on April 1, 2014 Rs.68,17,050/- thereon were adjusted to Retained Earnings (Refer Note 4).

Note B: During the current year, the Company has revised the estimated useful life of its assets, namely, Electricals, Central Air Conditioner System and Fire and Safety System which are part of the Hospital Building, on account of which the depreciation for the year is higher by Rs. 45,19,863/- and profit for the year and net block of tangible fixed assets, both are lower by Rs. 45,19,863/-.

Note C: The above assets include certain fixed assets leased out pursuant to operating lease agreement (Refer note 29).

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11.2 Intangible assets

	(Amounts in INR)
Gross Block	Computer Software
At 1 April 2014	55,00,434
Additions	
Disposals / adjustments	
At 31 March 2015	55,00,434
Additions	308,86,004
Disposals / adjustments	
At 31 March 2016	363,86,438
Amortisation	
As at 1 April 2014	26,14,374
Charge for the year	10,55,873
Disposals / adjustments	
At 31 March 2015	36,70,247
Charge for the year	40,91,116
Disposals / adjustments	
At 31 March 2016	77,61,363
Net Block	
At 31 March 2015	18,30,187
At 31 March 2016	286,25,075

12. Long-term loans and advances

Unsecured-considered good

Capital advances

Security deposits

Prepaid expenses

Advance income-tax (net of provision for tax)

Balances with statutory / Government authorities

MAT Credit Entitlement

Total

	(Amounts in INR)	
	31 March 2016	31 March 2015
Capital advances	93,59,975	107,23,727
Security deposits	77,04,676	79,31,376
Prepaid expenses	4,66,897	-
Advance income-tax (net of provision for tax)	1147,28,647	743,47,098
Balances with statutory / Government authorities	2,01,153	2,01,153
MAT Credit Entitlement	286,41,200	132,00,000
Total	1611,02,548	1064,03,354

13. Other non-current assets

Interest accrued on bank deposits

Margin money deposit (refer note 16)

Total

	(Amounts in INR)	
	31 March 2016	31 March 2015
Interest accrued on bank deposits		1,05,958
Margin money deposit (refer note 16)	4,00,000	5,00,000
Total	4,00,000	6,05,958

14. Inventories (valued at lower of cost and net realizable value)

Medical consumables and drugs

Total

	(Amounts in INR)	
	31 March 2016	31 March 2015
Medical consumables and drugs	78,95,717	57,09,981
Total	78,95,717	57,09,981

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		(Amounts in INR)	
		31 March 2016	31 March 2015
15. Trade receivables			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		166,32,405	132,03,654
Unsecured, considered doubtful		174,52,619	309,37,476
Provision for doubtful receivables		(174,52,619)	(309,37,476)
	(A)	166,32,405	132,03,654
Other receivables			
Unsecured, considered good		1175,47,766	997,06,662
Unsecured, considered doubtful		50,11,945	37,64,370
Provision for doubtful receivables		(50,11,945)	(37,64,370)
	(B)	1175,47,766	997,06,662
Total (A+B)		1341,80,171	1129,10,316

		(Amounts in INR)	
		31 March 2016	31 March 2015
16. Cash and Bank Balances			
Cash and cash equivalents			
Balances with banks			
On current accounts		167,95,471	118,45,928
Deposit with original maturity of less than 3 months		-	350,00,000
Cheques on hand		-	25,85,360
Cash on hand		7,31,244	12,01,536
		175,26,715	506,32,824
Other bank balances			
Deposit with original maturity for more than 3 months but less than 12 months		-	131,75,588
Margin money deposits		4,00,000	5,00,000
		179,26,715	643,08,412
Amounts disclosed under 'Other non-current assets' (refer note 13)		(4,00,000)	(5,00,000)
Total		175,26,715	638,08,412

		(Amounts in INR)	
		31 March 2016	31 March 2015
17. Short-term loans and advances			
Advances recoverable in cash and kind or for value to be received			
Unsecured, considered good		129,75,827	147,60,893
Unsecured, considered doubtful		-	5,32,707
		129,75,827	152,93,600
Unsecured considered doubtful		-	(5,32,707)
Provision for doubtful advances		-	-
Total		129,75,827	147,60,893

		(Amounts in INR)	
		31 March 2016	31 March 2015
18. Other current assets			
Unbilled revenue		280,39,958	124,68,468
Export benefit receivable		9,03,273	11,55,924
Others		94,138	3,74,950
Total		290,37,369	139,99,342



		(Amounts in INR)	
19. Revenue from operations		31 March 2016	31 March 2015
Income from services			
In-patient		13761,86,045	11257,34,918
Out-patient		1885,05,473	1611,52,862
		15646,91,518	12868,87,780
Income from medical services		25,96,983	14,39,794
		15672,88,501	12883,27,574
Less: Discounts		1846,57,035	349,87,533
	(A)	13826,31,466	12533,40,041
Other operating revenue			
Income from medical services & pharmacy		38,23,148	32,75,469
Provisions no longer required written-back		17,22,055	8,92,489
Rent Income		14,80,462	
Other		12,83,474	16,71,872
	(B)	83,09,139	58,39,830
Total (A+B)		13909,40,605	12591,79,871

		(Amounts in INR)	
20. Other income		31 March 2016	31 March 2015
Interest income on bank deposits		13,06,966	22,37,446
Interest on income-tax refund		41,33,413	
Interest on others		2,56,558	2,52,702
Total		56,96,937	24,90,148

		(Amounts in INR)	
21. Decrease/ (increase) in Inventories of medical consumables and drugs		31 March 2016	31 March 2015
Inventory at the beginning of the year		57,09,981	89,70,505
Less: Inventory at the end of the year		78,95,717	57,09,981
Total		(21,85,736)	32,60,524

Cost of material consumed consists of items of various nature and specifications and includes medical consumables, pharmaceuticals etc. Hence, it is not practicable to furnish the item wise details.

		(Amounts in INR)	
22. Employee benefits expense		31 March 2016	31 March 2015
Salaries, wages and bonus		1121,68,948	962,04,389
Contribution to provident & other funds		59,90,573	51,97,921
Gratuity expense (Refer note 28)		15,31,000	16,35,000
Compensated absences		18,62,000	17,49,937
Staff welfare expenses		14,17,557	8,35,246
Total		1229,70,078	1056,22,493

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23. Other expenses

	(Amounts in INR)	
	31 March 2016	31 March 2015
Contractual manpower	312,07,289	306,92,107
Power, fuel and water	313,06,098	267,04,597
Housekeeping expenses	164,12,791	144,34,562
Patient food and beverages	133,60,472	115,39,005
Pathology laboratory expenses	488,65,376	472,66,987
Radiology expenses	723,82,339	604,78,685
Consultation fees to doctors	3882,11,346	3160,01,443
Professional charges to doctors	419,40,302	387,03,470
Repairs & maintenance		
-Buildings	22,32,065	9,21,181
-Plant & machinery	207,83,251	132,86,631
-Others	40,27,755	22,79,729
Rent		
- Hospital Building	81,08,224	80,44,423
- Equipments	42,09,882	47,62,527
- Others		9,000
Legal and professional fees	57,46,329	45,63,775
Travelling and conveyance	18,95,180	12,84,494
Rates and taxes	75,47,886	113,95,774
Printing and stationery	65,86,210	61,05,959
Communication costs	29,65,897	15,03,094
Insurance	60,45,370	52,72,729
Marketing and business promotion	323,08,281	211,39,132
Loss on sale of fixed assets (net)	5,25,999	6,31,958
Payment to auditors (refer details below)	8,85,500	8,52,795
Bad debts written off	228,93,711	61,88,851
Less : Provision held	(228,93,711)	(61,88,851)
Provision for doubtful debts	60,68,165	105,02,747
Miscellaneous expenses	15,98,950	14,68,437
Total	7552,20,957	6398,45,241

Payment to auditors (Inclusive of service tax)

	(Amounts in INR)	
	31 March 2016	31 March 2015
As auditor		
Audit fee	4,88,750	4,72,715
Tax audit fee	86,250	84,270
Others (Includes Rs. 86,250; Previous Year-NIL to previous auditors)	2,58,000	2,57,625
Reimbursement of expenses	52,500	38,185
	8,85,500	8,52,795

24. Finance costs

	(Amounts in INR)	
	31 March 2016	31 March 2015
Interest expense		
On term loans	301,00,832	416,63,380
On unsecured loan from related party	382,56,696	512,06,997
Bank Charges	42,72,776	37,27,005
Total	726,30,304	965,97,382

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25. Depreciation and amortization expense

Depreciation of Tangible assets
Amortization of Intangible assets
Total

(Amounts in INR)	
31 March 2016	31 March 2015
491,09,214	407,10,285
40,91,116	10,55,873
532,00,330	417,66,158

26. Exceptional Item

Statutory bonus recorded as an exceptional item represents the amounts accrued/reversed towards incremental bonus payable to existing and deemed employees by the Company for the period from April 1, 2014 to December 31, 2015 due to enactment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014.

27. Earnings per share

Net Profit for calculation of basic EPS (Amounts in INR)

Weighted average number of equity shares in calculating basic EPS (Nos.)

Earnings per equity share [Nominal value of shares INR 10 each (31 March 2015: INR 10 each)]

Basic & Diluted EPS (Amount in INR)

31 March 2016	31 March 2015
2068,00,164	1752,72,942
40,00,000	40,00,000
51.70	43.82

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

a) Defined Benefit Plan

The Company operates a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is unfunded.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet:

Statement of profit and loss

Net employee benefit expense recognized in the employee costs - Gratuity

	(Amount in INR)	
	31 March 2016	31 March 2015
Current service cost	1,289,000	1,005,000
Interest cost on benefit obligation	342,000	267,000
Actuarial losses/(gains) recognized	(100,000)	363,000
Net benefit expense	1,531,000	1,635,000

Balance sheet

Benefit asset / liability

	(Amount in INR)	
	31 March 2016	31 March 2015
Present value of defined benefit obligation	5,832,000	4,517,000
Fair value of plan assets	-	-
Net liability	(5,832,000)	(4,517,000)

Changes in present value of the defined benefit obligation are as follows:

	(Amount in INR)	
	31 March 2016	31 March 2015
Opening defined benefit obligation	4,517,000	2,882,000
Current service cost	1,289,000	1,005,000
Interest cost	342,000	267,000
Benefits paid	(216,000)	-
Actuarial losses/ (gains) recognized	(100,000)	363,000
Closing defined benefit obligation	5,832,000	4,517,000

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The Principal assumptions used in determining gratuity obligation for the Company's plan are shown below:

	31 March 2016	31 March 2015
Discount rate	7.75%	7.75%
Expected rate of salary increase	8%	8%
Mortality table referred	Indian Assured Lives Mortality (2006-08) modified	Indian Assured Lives Mortality (2006-08) modified

		FY 15-16	FY 14-15
Withdrawal Rate	Age	Rate	Rate
Management	21-30 years	10%	10%
	31-40 Years	5%	5%
	41-50 years	3%	3%
	51-57 years	2%	2%
Nurses	21-30 years	30%	30%
	31-34 Years	25%	25%
	35-44 Years	20%	20%
	45-50 years	15%	15%
	51-54 years	10%	10%
Others	55-57 years	5%	5%
	21-30 years	20%	20%
	31-34 Years	15%	15%
	35-44 Years	10%	10%
	45-50 years	3%	3%
	51-54 years	2%	2%
	55-57 years	1%	1%

Explanatory notes:

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

Amounts for the current and previous periods are as follows:

(Amount in INR)

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	(5,832,000)	(4,517,000)	(2,882,000)	(2,819,000)	(1,948,000)
Plan assets	-	-	-	-	-
Surplus/(Deficit)	(5,832,000)	(4,517,000)	(2,882,000)	(2,819,000)	(1,948,000)
Experience gain/(loss) adjustments on plan liabilities	100,000	145,000	617,000	221,000	-
Actuarial gain/ (loss) adjustments on assumptions	-	(508,000)	315,000	(101,000)	-

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b) Defined Contribution Plan

The Company makes provident fund contributions to defined contribution retirement benefit plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company's contribution paid/payable amounting to Rs.5,990,573 (Previous Year – Rs.5,197,921) during the year to provident fund is recognized as expense and included in Note no. 22 – 'Employee benefits expense' of the Statement of Profit and Loss.

29. Leases

a) Assets taken on Operating Lease:

Hospital/nurses accommodation premises and equipments are obtained on operating lease. In all the cases, the agreements are further renewable at the option of the Company. For all cases, there are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature and there is no escalation clause other than the one for hospital premises at Navi Mumbai which is non-cancellable and having escalation clause. The total lease payments in respect of such leases recognized in the statement of profit and loss for the year are INR 12,318,106 (31 March 2015 INR 12,815,950).

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

	(Amount in INR)	
	31 March 2016	31 March 2015
Minimum lease payments :		
Not later than one year	7,068,129	6,929,539
Later than one year but not later than five years	29,714,701	29,132,060
Later than five years	83,872,381	91,523,155

b) Assets given on Operating Lease

The Company has leased out certain capital assets on operating lease. In all the cases, the agreement share further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognized in the statement of profit and loss for the year are Rs.14,80,462/- (Previous year Nil). The details of the capital assets given on operating lease are as under:

Particulars	As at 31 March 2016				As at 31 March 2015			
	Gross Block	Depreciation for the year	Accumulated Depreciation	Net Block	Gross Block	Depreciation for the year	Accumulated Depreciation	Net Block
Buildings	1,84,98,984	316,845	2,298,255	1,62,00,729	NIL	NIL	NIL	NIL
Total	1,84,98,984	316,845	2,298,255	1,62,00,729	NIL	NIL	NIL	NIL

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30. Related Party Disclosure

Names of the related party and related party relationship

Related parties where control exists

Holding Company	Fortis Healthcare Limited and Fortis Healthcare Holdings Private Limited (Holding Company of Fortis Healthcare Limited)
Ultimate Holding Company	RHC Holdings Private Limited (Holding Company for Fortis Healthcare Holdings Private Limited)

Related parties with whom transactions have taken place during the year

Enterprises which are under common control with reporting enterprise (Fellow Subsidiaries)	SRL Limited SRL Diagnostics Private Limited Fortis Hospitals Limited RWL Healthworld Limited
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Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties during the year.

a) Holding and ultimate holding companies

	(Amount in INR)	
Fortis Healthcare Limited, the holding company	31 March 2016	31 March 2015
Transactions during the year:		
Expenditure incurred on behalf of the Company	26,048,626	529,590
Expenditure incurred by the Company on behalf of	14,078,077	6,507,274
Interest expense	38,256,695	51,206,997
Loans taken	46,086,302	44,483,628
Loans repaid	146,500,000	106,000,000
Balance Outstanding at the year end		
Long term borrowings	157,408,336	257,822,034
Short term borrowings	100,000,000	100,000,000
Other current liabilities	49,895,601	46,086,302
Other current assets		66,510

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Hiranandani Healthcare Private Limited
Notes to the Financial Statements for the year ended 31 March 2016

b) Enterprises which are under common control with reporting enterprise (Fellow Subsidiaries)

	(Amount in INR)	
SRL Limited	31 March 2016	31 March 2015
Transactions during the year:		
Pathology expenses	25,201,260	26,347,761
Pathology management fees paid/payable	2,278,714	2,247,204
Radiology expense	72,297,371	60,104,157
Consumption and payroll expenses	21,385,401	18,639,393
Reimbursement of expenses received	7,852,209	7,238,992
Balance Outstanding at the year end		
Other Current Liabilities	13,509,897	9,349,600

Fortis Hospitals Limited

Transactions during the year:

Reimbursement expenses payable	8,65,287	1,906,755
Reimbursement expenses recoverable	529,679	

Balance Outstanding at the year end

Other current liabilities	34,65,145	3,129,537
	31 March 2016	31 March 2015

SRL Diagnostics Private Limited

Transactions during the year:

Radiology Expense		171,000
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Balance Outstanding at the year end

Trade Payables		17,100
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RWL Healthworld Limited(Formerly known as Religare Wellness Limited)

Transactions during the year:

Income from Pharmacy	3,823,148	3,275,469
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Balance Outstanding at the year end

Loans / Advances recoverable	3,778,225	2,745,878
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31. Capital Commitment and other commitments

a) Capital Commitment

Particulars	(Amount in INR)	
	31 March 2016	31 March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances: 9,359,975 (31 March 2015 INR 10,723,727))	20,370,795	7,617,602

b) Other Commitment

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

32. (a) Contingent Liabilities (to the extent not provided for) :

Particulars	(Amount in INR)	
	31 March 2016	31 March 2015
Income Tax demand	83,100,000	-

The income tax authorities have adjusted refund assessed for earlier years aggregating Rs. 11,722,970 against the aforesaid demand.

- (b) A Public Interest Litigation (PIL) was filed before the Hon'ble Bombay High Court, inter alia, against City and Industrial Development Corporation (CIDCO), Navi Mumbai Municipal Corporation (NMMC) and the Company with regard to the allotment of land by CIDCO to NMMC on lease. The Company is presently operating its hospital on a portion of the building on the said land based on an agreement with NMMC. The petitioner in the PIL inter alia prayed for issuance of directions to CIDCO to require NMMC to cancel its agreement with the Company because the same was alleged to be in violation of the agreement for lease entered by CIDCO with NMMC.

The Hon'ble Bombay High Court, vide order dated 16 December 2015, directed the State Government, CIDCO and NMMC to take appropriate steps in view of the terms of the relevant agreement(s) and the provisions of existing law and in larger public interest within 3 months in respect of the lease by NMMC to the Company.

CIDCO, vide its order dated 18 January 2016 has terminated and revoked the allotment of the plot of land to NMMC and the agreement for lease between CIDCO and NMMC and has directed NMMC to handover the peaceful possession of the said plot alongwith the structures thereon.

The Company has filed an application in the PIL praying that CIDCO be restrained from taking any steps or actions which may interfere with and/or obstruct the continued operation and functioning of its hospital until a collective decision is taken by the State Government, CIDCO and NMMC in terms of the aforesaid Order dated 16 December 2015. The Hon'ble Bombay High Court has directed CIDCO not to take any coercive steps against NMMC and the Company.

The State Government is yet to take a decision on the matter. The Company is vigorously contesting the PIL. In view of the Management and also based on discussion with the Company's legal counsel, the Company is confident that the aforesaid PIL is not expected to have any adverse effect on the functioning and operations of the Hospital at the aforesaid lease land.

Hiranandani Healthcare Private Limited

Notes to the Financial Statements for the year ended 31 March 2016

33. There are no Micro, Small and Medium Enterprises to whom the Company owes dues (Previous Year: Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been Identified on the basis of information available with the Company.

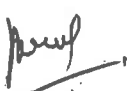
34. Value of imports calculated on CIF basis:

(Amount in INR)		
Particulars	2015-16	2014-15
Capital Goods	17,027,208	2,566,000

35. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

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For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited


Jasbir Singh Grewal
Director
DIN: 01113910


Manu Kapila
Director
DIN: 03403696

Place: Gurgaon
Date: 24 May 2016

