

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SRL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SRL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 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 Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 standalone financial statements based on our audit.

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

We conducted our audit of the standalone 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 31 March 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 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 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

ICAI Firm's Registration No.: 117366W/W-100018

Place: Gurgaon

Date: 23 May 2016

RT/JB/2016



RASHIM TANDON

Partner

Membership No. 095540

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)

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 SRL LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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.

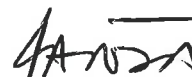
Opinion

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

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm's Registration No.: 117366W/W-100018



RASHIM TANDON

Partner

Membership No. 095540

Place: Gurgaon

Date: 24 May 2016

RT/JB/2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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 title deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans, to companies 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 stipulations.
 - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (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 to the extent applicable 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 deposits under the provisions of Section 73 to Section 76 of the Companies Act, 2013 during the year. Hence, the provisions of clause (v) of the CARO 2016 are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 (health services, namely functioning as diagnostic centres, clinical centres or test laboratories). 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.
- (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, Service Tax, Customs Duty, Valued Added Tax and cess with the appropriate authorities during the year and that there are no undisputed amounts in respect of these dues which have remained outstanding as at 31 March 2016 for a period of more than six months from the date they became payable.

We are informed that the operations of the Company during the period did not give rise to any liability for Excise Duty and Sales Tax.



(b) Details of dues of Income-tax and Service Tax which have not been deposited as on 31 March 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 (Assessment year)	Amount Involved (Rupees)	Amount Unpaid (Rupees)
Income Tax Act, 1961	Income Tax	Delhi High Court	2006-07	15,820,130	15,820,130
Income Tax Act, 1961	Income Tax	ITAT	2007-08	125,613,647	125,613,647
Income Tax Act, 1961	Income Tax	ITAT	2008-09	201,167,156	201,167,156
Income Tax Act, 1961	Income Tax	ITAT	2008-09	29,119,030	29,119,030
Income Tax Act, 1961	Income Tax	ITAT	2009-10	13,456,160	13,456,160
Income Tax Act, 1961	Income Tax	ITAT	2009-10	185,053,360	185,053,360
Income Tax Act, 1961	Income Tax	ITAT	2010-11	73,843,770	73,843,770
Income Tax Act, 1961	Income Tax	CIT(Appeals)	2012-13	5,513,729	5,513,729
Income Tax Act, 1961	Income Tax	CIT(Appeals)	2013-14	2,608,398	2,608,398
Finance Act, 1994 read with service tax rules, 1994	Service Tax	Commissioner of Service Tax, Mumbai	July 2003-April 2006	8,143,897	8,143,897
			Total	660,339,277	660,339,277

We are informed that there are no dues in respect of Custom Duty, Value added Tax and Cess as at 31 March 2016 which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company has not taken any loans or borrowings from financial institutions or government, nor has it issued any debentures during the year.
- (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 material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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 them 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

ICAI Firm's Registration No.: 117366W/W-100018



A handwritten signature in black ink, appearing to read "Rashim Tandon".

RASHIM TANDON

Partner

Membership No. 095540

Place: Gurgaon

Date: 24 May 2016

RT/JB/2016

SRL LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2016


	Note No.	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	845,236,540	844,938,460
(b) Reserves and surplus	4	7,719,049,279	7,111,468,803
		8,564,285,819	7,956,407,263
2. Non-current liabilities			
(a) Long-term borrowings	5	-	866,879,145
(b) Other long-term liabilities	6	5,586,342	7,058,301
(c) Long-term provisions	7	61,810,497	53,513,547
		67,396,839	927,450,993
3. Current liabilities			
(a) Short-term borrowings	8	99,914,761	106,958,669
(b) Trade payables	9.1		
- Total outstanding dues of micro enterprises and small enterprises		935,736	188,255
- Total outstanding dues of creditors other than micro enterprises and small enterprises		549,197,328	463,135,001
(c) Other current liabilities	9.2	492,895,784	624,171,279
(d) Short-term provisions	10	51,610,260	30,020,337
		1,194,553,869	1,224,473,541
Total		9,826,236,527	10,108,331,797
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
- Tangible assets	11.1	2,207,977,870	2,398,981,997
- Intangible assets	11.2	43,086,146	62,457,454
- Capital work-in-progress	11.1	2,887,605	1,987,609
- Intangible assets under development	11.2	27,858,612	33,294,066
		2,281,810,233	2,496,721,126
(b) Non-current investments	12	3,912,940,834	3,912,440,834
(c) Deferred tax assets (net)	13	226,721,605	86,828,794
(d) Long-term loans and advances	14	2,195,231,840	2,214,137,447
(e) Other non-current assets	15	2,306,254	2,716,064
		8,619,010,766	8,712,844,265
2. Current assets			
(a) Inventories	16	179,061,600	176,420,702
(b) Trade receivables	17	835,645,998	796,074,002
(c) Cash and bank balances	18	73,524,641	52,762,353
(d) Short-term loans and advances	19	114,769,388	340,349,514
(e) Other current assets	20	4,224,134	29,880,961
		1,207,225,761	1,395,487,532
Total		9,826,236,527	10,108,331,797

See accompanying notes forming part of the financial statements

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In terms of our report attached


FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants



RASHIM TANDON
Partner
Membership Number: 095540

Place: Gurgaon
Date: 24 May 2016



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


MALVINDER MOHAN SINGH
Chairman
DIN: 00042981


HARPAL SINGH
Director
DIN: 00078224


SANJEEV VASHISHTA
Chief Executive Officer


SAURBH CHADHA
Chief Financial Officer


RAVI BATRA
Chief Risk Officer and Company Secretary

Place: Gurgaon
Date: 24 May 2016

SRL LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Note No.	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
1. Revenue from operations (gross)	21	5,860,321,782	5,136,455,597
Less: Service tax		9,890,690	10,230,981
Revenue from operations (net)		5,850,431,092	5,126,224,616
2. Other income	22	352,749,151	342,105,702
3. Total revenue (1+2)		6,203,180,243	5,468,330,318
4. Expenses:			
(a) Consumption of reagents and other consumables	23	1,601,152,365	1,491,186,164
(b) Cost of tests outsourced		386,552,907	352,592,049
(c) Employee benefits expense	24	1,337,215,002	1,164,277,995
(d) Other expenses	25	1,419,316,174	1,252,002,641
Total expenses		4,744,236,448	4,260,058,849
5. Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (3-4)		1,458,943,795	1,208,271,469
6. Finance costs	26	128,576,684	193,002,097
7. Depreciation and amortization expense	11.1 & 11.2	278,847,883	301,302,190
8. Profit before exceptional items and tax (5-6-7)		1,051,519,228	713,967,182
9. Exceptional items	26.1	199,381,666	-
10. Profit before tax (8-9)		852,137,562	713,967,182
11. Tax expense:			
(a) Current tax		397,685,942	213,922,724
(b) Tax relating to earlier period		(12,360,389)	-
(c) Deferred tax (credit)/ charge	13	(139,892,811)	24,382,396
Net tax expense		245,432,742	238,305,120
12. Profit for the year (10-11)		606,704,820	475,662,062
13. Earnings per share:			
Earnings per equity share [nominal value of share Rs. 10 (Previous year Rs. 10)]	27		
- Basic		10.14	7.95
- Diluted		7.67	6.03

See accompanying notes forming part of the financial statements

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In terms of our report attached

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rashim Tandon

RASHIM TANDON
Partner
Membership Number: 095540

Place: Gurgaon
Date: 24 May 2016



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Malvinder Mohan Singh *Harpal Singh*

MALVINDER MOHAN SINGH
Chairman
DIN: 00042981

HARPAL SINGH
Director
DIN: 00078224

Sanjeev Vashishta *Saurabh Chadha*

SANJEEV VASHISHTA
Chief Executive Officer

SAURABH CHADHA
Chief Financial Officer

Ravi Batra

RAVI BATRA
Chief Risk Officer and Company Secretary

Place: Gurgaon
Date: 24 May 2016



SRL LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
A. Cash flows from operating activities		
Profit before exceptional items and tax	1,051,519,228	713,967,182
Adjustments for:		
Depreciation and amortization expense	278,847,883	301,302,190
Loss on sale/ discard of fixed assets	1,941,993	1,692,211
Finance cost	120,346,425	188,262,995
Interest income	(296,889,278)	(276,332,099)
Liabilities no longer required written back	(27,416,430)	(21,241,744)
Provision for doubtful debts and advances	57,643,018	31,235,369
Bad debts written off	-	1,085,297
Exchange differences (net)	(4,386,146)	1,648,686
Operating profit before working capital changes	1,181,606,693	941,620,087
Movements in working capital		
Increase in inventories	(2,640,898)	(16,573,293)
Increase in trade receivables	(94,775,001)	(162,345,959)
Increase in loans and advances	(16,652,425)	(17,221,976)
Decrease in other current assets	2,236,978	700,216
Increase in liabilities and provisions	130,546,513	127,041,867
Cash generated from operations	1,200,321,860	873,220,942
Direct taxes refund/(paid)	33,080,321	(222,191,602)
Net cash generated from operating activities	1,233,402,181	651,029,340
B. Cash flows from investing activities		
Capital expenditure on fixed assets	(271,345,594)	(133,333,755)
Proceeds from sale of fixed assets including fixed assets held for sale	14,030,971	1,712,533
Fixed deposits invested/ realised (with maturity more than three months) (net)	(8,040,744)	2,193,373
Investment in subsidiary- SRL Reach Limited	(500,000)	-
Loans Given:		
- Loans given to subsidiaries	(230,000,000)	(95,000,000)
- Loans repaid by subsidiaries	78,000,000	20,000,000
Interest received from subsidiaries	322,404,016	247,839,501
Net cash (used in)/ generated investing activities	(95,451,351)	43,411,652
C. Cash flows from financing activities		
Proceeds from issue of equity share capital (including securities premium)	1,192,320	1,212,560
Repayment of long term borrowings	(994,697,434)	(425,150,276)
Repayment of short term borrowings	(7,043,908)	(55,953,642)
Proceeds of short term borrowings	-	14,202,918
Hire purchase loan repaid	(438,609)	(742,587)
Repayment of finance lease obligation	-	(12,454,745)
Finance cost	(122,479,435)	(189,640,383)
Net Cash used in financing activities	(1,123,467,066)	(668,526,155)
D. Net increase in cash and cash equivalents [A+B+C]	14,483,764	25,914,837
E. Cash and cash equivalents at the beginning of the year	51,915,858	25,949,176
F. Add: Effect of exchange differences on cash and cash equivalents held in	(77,141)	51,845
G. Cash and cash equivalents at the end of the year [D+E+F]	66,322,481	51,915,858



SRL LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

Reconciliation of Cash and cash equivalents with the Balance Sheet:

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
Cash on hand	8,828,530	7,103,823
Cheques in hand	7,968,661	13,973,511
Balances with banks:		
- On cash collection accounts	22,817,334	29,801,181
- On EEFC accounts	-	326,390
- On current accounts	1,707,956	710,953
- On deposit accounts	32,202,160	846,495
Cash and bank balances as per note 18	73,524,641	52,762,353
Less: Fixed deposits not considered as cash equivalents	7,202,160	846,495
Cash and cash equivalents in Cash Flow Statement	66,322,481	51,915,858

See accompanying notes forming part of the financial statements

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In terms of our report attached

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Rashim Tandon

RASHIM TANDON

Partner

Membership Number: 095540

Place: Gurgaon

Date: 24 May 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Malvinder Mohan Singh *Harpal Singh*

MALVINDER MOHAN SINGH

Chairman

DIN: 00042981

HARPAL SINGH

Director

DIN: 00078224

Sanjeev Vashishta

SANJEEV VASHISHTA

Chief Executive Officer

Saurabh Chadha

SAURABH CHADHA

Chief Financial Officer

Ravi Batra

RAVI BATRA

Chief Risk Officer and Company Secretary

Place: Gurgaon

Date: 24 May 2016



1. Corporate information

SRL Limited ("the Company") is a public company domiciled in India and incorporated under provisions of the Companies Act, 1956. The Company is in the business of establishing, maintaining and managing clinical reference laboratories, to provide testing, diagnostics and prognostics monitoring/ screening tests services. The Company also provides laboratory support services for clinical research studies.

Basis of preparation

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

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

2. Summary of Significant Accounting Policies

2.1 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Change in estimate in previous year ended 31 March 2015

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the Company..

During previous year, in accordance with the provisions of Schedule II of the Companies Act, 2013 and based on an internal technical evaluation, the Company revised the estimated useful lives of its fixed assets with effect from 1 April 2014. Accordingly, the net book value of the fixed assets as at 1 April 2014 was depreciated on a prospective basis over the remaining useful life, wherever applicable. This change in accounting estimate resulted in decrease in depreciation and amortization expenses for the year ended 31 March 2015 by Rs. 35,302,128.

Change in estimated useful life of fixed assets during the year ended 31 March 2016

During the year ended 31 March 2016, on the basis of Internal technical evaluation the company has revised the estimated useful lives of air conditioners from 15 years to 8 years with effect from 1 April 2015. Accordingly the net book value of air conditioners as at 1 April 2015 is depreciated on a prospective basis over the remaining useful life, wherever applicable.

2.2 Inventories

The inventories of materials representing reagents, chemicals & consumables are valued at lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on moving weighted average basis. However, materials and other items held for use in the performing of clinical tests are not written down below cost, if the tests in which they will be incorporated are expected to be sold at or above cost.

2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

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

2.5 Depreciation and amortisation

Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.



Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the Company.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule II of the Companies Act, 2013, whichever is higher. All fixed assets are depreciated determining the useful life as per Schedule II of Companies Act 2013.

Laboratory equipment- Pathology	13 years
Laboratory equipment- Imaging	10 years
Building	60 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	6 to 8 years
Computers and accessories	3 years
Air conditioners	8 years
Assays developed	5 years

Leasehold improvements are depreciated over the period of the lease or 5 years which is the expected useful life, whichever is shorter.

Acquired computer software and licenses are capitalised on the basis of costs incurred to acquire and bring the specific software to its intended use. These costs are amortised over a period of three years being the useful life, as estimated by the management.

2.6 Revenue recognition

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

Income from services

Revenue is recognised at the time of generation and release of test reports, which coincides with the completion of service to the customer.

Management fees

Revenue from management fees is recognised on an accrual basis, in accordance with the terms of the relevant agreements, as and when services are rendered.

Rent received

Revenue is recognised on an accrual basis, in accordance with the terms of the relevant agreements, as and when services are rendered.

Interest

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

2.7 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Fixed Assets

Tangible Assets

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

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.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.



Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset 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.

Computer software

Acquired computer software and licenses are capitalised on the basis of costs incurred to acquire and bring the specific software to its intended use. These costs are amortised over a period of three years being the useful life, as estimated by the management.

Intangible assets for internally generated assays

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.
- Its ability to use or sell the asset.
- The asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Expenditure on development activities, whereby research findings are applied to a plan or design for the new or substantially improved tests, is capitalised, if the cost can be reliably measured, the test is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads including rent that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the Profit and Loss Account as an expense as incurred. During the period of development, the asset is tested for impairment annually.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Fixed assets used for research and development are depreciated in accordance with the Company's policy as stated below. Materials identified for use in research and development process are carried as inventories and charged to Profit and Loss Account on issuance of such materials for research and development activities.

2.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of Exchange differences

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



2.11 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The Company operates defined benefit plan for its employees, i.e. gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. 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.

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.

The Company has superannuation obligation administered with Life Insurance Corporation of India (LIC). Contributions to the defined contribution scheme are charged to profit and loss account when contributions paid/ payable are due to such fund. There are no other obligations other than the contribution payable to the respective fund.

2.12 Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

2.13 Borrowing costs

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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Ancillary costs incurred in connection the arrangement of borrowings are amortised over the period of the loan.

2.14 Segment reporting policies

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

2.15 Leases

Operating leases

Where the company is lessee

Operating Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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

Finance Lease

Where the company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Where the company is a lessor

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.



2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for potential equity shares as appropriate.

2.17 Taxes on income

Tax expense comprises 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 and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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 income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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 unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset 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.

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 entity and the same taxation authority.

2.18 Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

2.19 Impairment of 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 or cash-generating unit's (CGU) 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 or CGU 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 is provided on the revised carrying amount of the asset over its remaining useful life.

2.20 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



2.21 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.

2.22 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.23 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.24 Operating Cycle

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

2.25 Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction cost to the extent to which the expenditure is directly attributable to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned, if any, during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

2.26 Miscellaneous Expenditure

Miscellaneous expenditure pertains to expenditure incurred in relation to share issue expenses and will be adjusted from securities premium account as and when such shares are issued.

2.27 Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.



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Note 3: Share capital

	As at 31 March 2016		As at 31 March 2015	
	Number	(Rupees)	Number	(Rupees)
(a) Authorised share capital				
Equity Shares of Rs. 10 each	61,333,334	613,333,340	61,333,334	613,333,340
Non- Cumulative Redeemable Preference Shares of Rs. 10 each	10,000,000	100,000,000	10,000,000	100,000,000
0.01% Compulsorily Convertible Preference Shares of Rs. 20 each	12,333,333	246,666,660	12,333,333	246,666,660
	83,666,667	960,000,000	83,666,667	960,000,000
(b) Issued share capital				
Equity Shares of Rs. 10 each	59,856,988	598,569,880	59,827,180	598,271,800
0.01% Compulsorily Convertible Preference Shares of Rs. 20 each	12,333,333	246,666,660	12,333,333	246,666,660
	72,190,321	845,236,540	72,160,513	844,938,460
(c) Subscribed and fully paid up share capital				
Equity Shares of Rs. 10 each	59,856,988	598,569,880	59,827,180	598,271,800
0.01% Compulsorily Convertible Preference Shares of Rs. 20 each	12,333,333	246,666,660	12,333,333	246,666,660
Total	72,190,321	845,236,540	72,160,513	844,938,460

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

	Year ended 31 March 2016		Year ended 31 March 2015	
	Number	(Rupees)	Number	(Rupees)
Equity shares				
At the beginning of the year	59,827,180	598,271,800	59,796,866	597,968,660
Issued during the year	29,808	298,080	30,314	303,140
Outstanding at the end of the year	59,856,988	598,569,880	59,827,180	598,271,800
0.01% Compulsorily convertible preference shares				
Shares outstanding at the beginning of the year	12,333,333	246,666,660	12,333,333	246,666,660
Shares outstanding at the end of the year	12,333,333	246,666,660	12,333,333	246,666,660

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 each. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The Company has made preferential allotment of shares to different shareholders and there are preferential rights available to these shareholders in accordance with agreement executed with the respective shareholders. Each holder of equity share is entitled to one vote per share.

(iii) Terms/rights attached to 0.01% compulsorily convertible preference shares (CCPS)

Pursuant to the subscription agreement dated 12 June 2012 executed by and amongst the Company, Fortis Healthcare Limited (Promoter), International Finance Corporation (IFC), NYLIM Jacob Ballas India Fund III LLC (NJBIF) and Existing Investors (Avigo and Sabre Group) the Company has allotted 4,000,000 (Forty Lac) and 8,333,333 (Eighty Three Lac Thirty Three Thousand Three Hundred Thirty Three) 0.01% Compulsorily Convertible Preference Shares of Rs. 20 (Rupees Twenty Only) each at a premium of Rs.280 (Rupees Two Hundred and Eighty Only) each to IFC & NJBIF respectively on such terms and conditions as mentioned in said agreement.

Each holder of CCPS can opt to convert its preference shares into equity shares within 42 months from the date of Issue, viz, 28 June 2012, upto 27 December 2015. Post 27 December 2015, if the holder exercises its conversion option, the Company will issue equity shares based on conversion formula linked with consolidated EBITDA for the year ended 31 March 2013.

If CCPS holders do not exercise conversion option, all preference shares are redeemable based on conversion formula linked with consolidated EBITDA for the year ended March 2013 at the end of 20th year from the date of issue or at the time of IPO of the Company whichever is earlier. The holders of CCPS will have priority over equity shares in the payment of their dividend and repayment of capital.

As on reporting date, International Finance Corporation (IFC) and NYLIM Jacob Ballas India Fund III LLC (NJBIF) have not exercised their right to convert CCPS into equity shares of the Company.

(iv) Shares held by holding Company and/or their subsidiaries/associates

Pursuant to the share purchase agreement between Oscar Investments Limited, Malav Holdings Private Limited, Shivi Holdings Private Limited, RHC Holding Private Limited, Maple Leaf Buildcon Private Limited ("Seller") and Fortis Healthcare Limited ("Buyer") dated 12 May 2011 for transfer of 42,749,217 equity shares of the Company which aggregate to 74.59% of the total paid up capital of the Company as at that date. Accordingly, Fortis Healthcare Limited became holding company of the Company. Details of shares held by holding company are as follow:

	As at 31 March 2016		As at 31 March 2015	
	Number	(Rupees)	Number	(Rupees)
Equity shares of Rs. 10 each				
Fortis Healthcare Limited	45,236,779	452,367,790	42,749,217	427,492,170



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(v) **Details of shares held by each shareholder holding more than 5% shares**

	Year ended 31 March 2016		Year ended 31 March 2015	
	Number	% of Holding	Number	% of Holding
Equity shares				
Fortis Healthcare Limited	45,236,779	75.57%	42,749,217	71.45%
Avigo PE Investments Limited	6,310,315	10.54%	6,310,315	10.55%
Logos Holding Company Private Limited	1,949,772	3.26%	4,449,772	7.44%
0.01% Compulsory convertible preference shares				
International Finance Corporation	4,000,000	32.43%	4,000,000	32.43%
NYLIM Jacob Ballas India Fund III LLC	8,333,333	67.57%	8,333,333	67.57%

(vi) **Shares reserved for issue under options**

Refer Note 40 for details of shares reserved for issue under the employee stock option (ESOP) plans of the company.

Note 4: Reserves and surplus

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
Securities premium reserve		
(a) Balance as per last financial statements	6,861,099,434	6,860,190,014
(b) Add: Premium received on allotment of Employee Stock Option Plan 2009	894,240	909,420
Closing balance	6,861,993,674	6,861,099,434
Surplus in the statement of profit and loss		
(a) Balance as per last financial statements	250,369,369	(211,514,343)
(b) Profit for the year	606,704,820	475,662,062
(c) Effect of depreciation adjusted from opening reserves (net of tax)	-	13,753,684
(d) Dividend accrued on compulsory convertible preference shares	18,584	24,666
Net surplus in the statement of profit and loss	857,055,605	250,369,369
Total reserves and surplus	7,719,049,279	7,111,468,803

Note 5: Long-term borrowings

Secured

(a) Term loans		
- From banks	237,846,742	377,104,317
- From other parties	-	855,439,405
(b) Other loans and advances		
- Hire purchase loans from banks	403,751	842,360
	238,250,493	1,233,386,082
(c) Less: Current maturities of long term loans (refer note 9.2)	238,250,493	366,506,937
	-	866,879,145

Notes:

(a) Term loans from banks:

- Term loan, having an outstanding balance of Rs. 9,275,315 as at 31 March 2016 (Rs. 22,342,412 as at 31 March 2015) from HDFC Bank Limited are secured by way of a first charge on the laboratories equipments, which have been purchased against these loans. Loan amount is repayable in 57 monthly equal installments with moratorium period of three months commencing from 1 March 2012. This outstanding balance is payable within 12 months as at 31 March 2016. Hence, it has been shown as current maturities of long-term debts in note 9.2 "Other Current liabilities".

- Term loan, having an outstanding balance of Rs. Nil as at 31 March 2016 (Rs. 50,000,000 as at 31 March 2015) from HDFC Bank Limited are secured by way of a first charge on the movable and immovable assets which have been purchased against these loans. Loan amount is repayable in 8 quarterly equal installments commencing from 1 October 2013. Loan is fully repaid on 17 August 2015.

- Term loan, having an outstanding balance of Rs. 228,571,427 as at 31 March 2016 (Rs. 304,761,905 as at 31 March 2015) are from Abu Dhabi Commercial Bank Ltd. and are secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of English mortgage over the property. Loan amount is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., 27 December 2013. 80% of total loan of Rs. 500,000,000 taken from GE Capital Services India had transferred to Abu Dhabi Commercial Bank Ltd. by way of assignment agreement dated 10 December 2013. This outstanding balance is payable within 12 months as at 31 March 2016. Hence, it has been shown as current maturities of long-term debts in note 9.2 "Other Current liabilities".

(b) Term loans from others:

- Term loan, having an outstanding balance of Rs. Nil as at 31 March 2016 (Rs. 17,344,167 as at 31 March 2015) are from SREI Equipments Private Limited and are secured by way of a first charge on the fixed assets, which have been purchased against these loans. Loan amount is repayable in 60 monthly equal installments along with interest from the date of loan viz., 5 October 2010. Loan is fully repaid during the year.

- Term loan, having an outstanding balance of Rs. Nil as at 31 March 2016 (Rs. 761,904,762 as at 31 March 2015) are from GE Money Financial Services Pvt Ltd. and are secured by way of a first charge on all present and future movable fixed assets and exclusive charge by way of English mortgage over the property. Loan amount is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., 26 March 2013. The said loan is fully prepaid during the year.

- Term loan, having an outstanding balance of Rs. Nil as at 31 March 2016 (Rs. 76,190,476 as at 31 March 2015) are from GE Capital Services India and are secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of English mortgage over the property. Loan amount is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., 26 March 2013. 80% of total loan of Rs. 500,000,000 taken from GE Capital Services India had transferred to Abu Dhabi Commercial Bank Ltd. by way of assignment agreement dated 10 December 2013. The said loan is fully prepaid during the year.

(c) Hire purchase loans:

- Hire purchase loans having an outstanding balance of Rs. 403,751 as at 31 March 2016 (Rs. 842,360 as at 31 March 2015) from HDFC Bank Limited are secured against hypothecation of the specific vehicles purchased from the loan.



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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note 6: Other long-term liabilities

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
(a) Others		
- Rent equalisation reserve	5,586,342	7,058,301
Total	5,586,342	7,058,301

Note 7: Long-term provisions

(a) Provision for employee benefits		
- Provision for gratuity (refer note 32)	61,810,497	53,513,547
Total	61,810,497	53,513,547

Note 8: Short-term borrowings

Secured

(a) **Loans repayable on demand**

Cash credit facility from banks

- HDFC Bank account

99,914,761

77,050,808

- Kotak Mahindra Bank account

29,907,860

Total

99,914,761

106,958,669

Notes:

Secured:

(a) Cash credit facility from HDFC Bank is secured by way of first charge on the Company's entire current assets. They are further secured by way of a second charge on the Company's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future. The Cash Credit is repayable on demand and carries interest rate of 10.55%. The total sanctioned limit is of Rs.140,000,000 out of which Rs. 99,914,761 (Rs. 77,050,809 as on 31 March 2015) as Book Balance as on 31 March 2016. Actual Utilisation of cash credit facility is Rs. Nil as on 31 March 2016.

(b) Cash credit facility from Kotak Mahindra Bank Limited is secured by way of first charge on the Company's entire current assets. They are further secured by way of a second charge on the Company's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future. The Cash Credit is repayable on demand and carries interest rate of 10.75%. The Cash credit limit is of Rs. 100,000,000 with Rs. 1,215,701 surplus fund (Rs. 29,907,860 utilised as on 31 March 2015) as book balance as on 31 March 2016, included in current account bank balances as per note 18. Actual Utilisation of cash credit facility is Rs. 1,144,262 as on 31 March 2016.

Note 9.1: Trade payables

Trade payables (refer note 34)

(a) Total outstanding dues of micro enterprises and small enterprises	935,736	188,255
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	549,197,328	463,135,001
	550,133,064	463,323,256

Note 9.2: Other Current liabilities

(a) Deposits from customers	156,604,513	151,350,751
Other liabilities		
(b) Current maturities of long-term debt (Refer note 5)	238,250,493	366,506,937
[Includes current maturity of hire purchase loans from bank Rs. 403,751 (Previous year Rs. 438,475)]		
(c) Interest accrued but not due on borrowings	356,751	2,489,761
(d) Dividend accrued but not due on Compulsory Convertible Preference Shares	86,770	68,186
(e) Creditors for purchase of fixed assets	10,550,712	24,884,489
(f) Liability against indemnification (refer note (a) below)	13,309,717	13,309,717
(g) Payable to joint venture	244,960	446,069
(h) Rent equalisation reserve	5,251,699	4,152,269
(i) Advances from customers	37,258,572	28,037,284
(j) Statutory payables	30,981,597	32,925,816
(including Tax deducted at source, employees provident fund, Employees state insurance corporation contribution, Professional tax, Service tax, Labour welfare etc.)		
Total	492,895,784	624,171,279

Note:

(a) At the time of acquisition of Piramal labs (SRLD), it was agreed that any charge relating to tax litigations before the date of acquisition shall be indemnified to SRL. Accordingly, the amount paid by Piramal to SRL (parent company), has been shown under liability against indemnification.

Note 10: Short-term provisions

(a) Provision for employee benefits		
- Provision for leave encashment	42,197,584	28,528,321
- Provision for gratuity (refer note 32)	9,412,676	1,370,466
(b) Other		
- Provision for wealth tax	-	121,550
Total	51,610,260	30,020,337



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Note 11.1: Tangible assets (at cost) (owned)

Block	Building	Land	Leasehold improvements	Laboratory equipment	Laboratory equipment under lease	Air conditioners	Computers and accessories	Office equipment	Furniture and fittings	Vehicles	Total
Cost											
At 01 April 2014	629,467,156	1,208,245,271	625,395,691	763,795,534	52,976,945	62,716,687	106,412,131	28,929,522	82,830,307	33,539,928	3,594,309,172
Additions	476,854	-	8,480,321	54,432,634	-	2,606,132	15,329,648	3,178,937	6,500,855	413,992	91,419,373
Deductions	-	-	-	44,808,517	-	437,319	8,196,646	1,729,509	3,504,776	1,550,478	60,227,245
At 31 March 2015	629,944,010	1,208,245,271	633,876,012	773,419,651	52,976,945	64,885,500	113,545,133	30,378,950	85,826,386	32,403,442	3,625,501,300
Additions	-	-	64,367,860	80,911,707	-	13,183,413	25,095,628	16,979,250	3,975,581	291,669	204,805,108
Transfer in/out (Refer Note 2 below)	-	-	-	52,160,722	(52,976,945)	-	47,182	769,041	-	-	-
Deductions	-	-	309,349,887	75,099,441	-	2,274,386	3,283,534	1,469,046	20,186,717	19,678,452	431,321,463
At 31 March 2016	629,944,010	1,208,245,271	388,893,985	831,392,639	-	75,794,527	135,424,409	46,658,195	69,615,250	13,016,659	3,398,984,945
Depreciation/ Amortisation											
At 01 April 2014	222,425,718	-	5,586,342	366,529,127	27,081,741	12,074,642	62,976,590	6,505,499	27,349,801	21,626,950	1,019,652,652
Charge for the year	41,708,955	-	105,568,905	50,491,877	4,156,441	4,589,861	28,723,887	12,067,621	11,779,485	4,602,120	263,689,152
Deletions	-	-	-	42,126,931	-	387,055	8,021,918	1,487,727	3,279,655	1,519,215	56,822,501
At 31 March 2015	264,134,673	-	378,651,489	374,894,073	31,238,182	16,277,448	83,678,559	17,085,393	35,849,631	24,709,855	1,226,519,303
Charge for the year	7,354,750	-	228,327,952	69,370,232	-	18,896,950	17,536,437	7,701,340	19,668,256	3,155,005	372,010,922
Transfer in/out	-	-	-	31,119,498	(31,238,182)	-	-	118,684	-	-	-
Deletions	-	-	309,349,887	54,677,833	-	2,073,290	2,857,110	1,171,929	18,483,898	18,909,202	407,523,149
At 31 March 2016	271,489,423	-	297,629,554	420,705,970	-	33,101,108	98,357,886	23,733,488	37,033,989	8,955,658	1,191,007,076
Net block											
At 31 March 2015	365,809,337	1,208,245,271	255,224,523	398,525,578	21,738,763	48,608,052	29,866,574	13,293,557	49,976,755	7,693,587	2,398,981,997
At 31 March 2016	358,454,587	1,208,245,271	91,264,432	410,686,669	-	42,693,419	37,066,523	22,924,707	32,581,261	4,061,001	2,207,977,870
Capital work-in-progress											
											2,887,605

Notes:

- Vehicles include those taken on hire purchase having gross block of Rs. 2,373,310 (Rs. 2,573,310 as at 31 March 2015) and accumulated depreciation of Rs. 1,433,450 (Rs. 1,103,391 as at 31 March 2015) as at 31 March 2016. Depreciation for the current year is Rs. 330,059 (Rs. 278,088 as at 31 March 2015).
- During the year, the assets having gross block of Rs. 52,976,945 have been transferred from the block of laboratory equipments under lease to the block of laboratory equipments, as the finance lease has ended and the ownership has been transferred to the Company after discharging all liabilities against those assets.
- Note 11.1 does not include laboratory equipment installed by suppliers, free of costs with the Company's commitment to purchase reagents from such suppliers over the term of the agreements. These equipment remain the property of the suppliers throughout the agreements.
- During the current period, the Company sold its laboratory equipments due to closure of laboratories in the current year having net Block of Rs. 17,675,348 resulting in loss on sale of assets of Rs. 7,825,350 which is shown as exceptional items in statement of profit and loss. (refer note 26.1)
- During the current year, Company decided to close a laboratory. Assets relating to the laboratory having Net Block of Rs. 168,441,581 were impaired. Accordingly, an impairment loss of Rs. 164,008,826 has been recognized as an exceptional items in statement of profit and loss. (refer note 26.1)



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Note 11.2: Intangible assets (at cost)

Block	(Rupees)		
	Software and other intangible assets	Intangible assets Assay developed	Total
Cost			
At 1 April 2014	50,151,618	76,043,368	126,194,986
Additions	11,195,015	46,779,290	57,974,305
Deductions	-	-	-
At 31 March 2015	61,346,633	122,822,658	184,169,291
Additions	9,171,070	42,303,381	51,474,451
Deductions	-	-	-
At 31 March 2016	70,517,703	165,126,039	235,643,742
Amortisation			
At 1 April 2014	30,178,776	33,084,265	5,586,342
Charge for the year	15,650,608	42,798,188	58,448,796
Deletions	-	-	-
At 31 March 2015	45,829,384	75,882,453	64,035,138
Charge for the year	9,670,347	61,175,412	70,845,759
Deletions	-	-	-
At 31 March 2016	55,499,731	137,057,865	134,880,897
Net block			
At 31 March 2015	15,517,249	46,940,205	62,457,454
At 31 March 2016	15,017,972	28,068,174	43,086,146
Intangible assets under development	21,333,400	6,525,212	27,858,612



SRL LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note 12: Non-current investments

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
Long term investments (at cost)		
(a) In subsidiary company (refer note 41)		
- Unquoted, trade and fully paid-up 3,958,200 (3,958,200 as at 31 March 2015) equity shares of Rs. 10 each fully-paid up in SRL Diagnostics Private Limited (formerly Piramal Diagnostic Services Private Limited)	3,897,440,834	3,897,440,834
50,000 (Nil as at 31 March 2015) equity shares of Rs. 10 each fully-paid up in SRL Reach Limited	500,000	-
(b) In joint venture (refer note 42)		
- Unquoted, trade and fully paid-up 240,000 (240,000 as at 31 March 2015) equity shares of Nepalese Rupees 100 each fully paid-up in SRL Diagnostics (Nepal) Private Limited (formerly Super Religare Reference Laboratories (Nepal) Private Limited)	15,000,000	15,000,000
Total	3,912,940,834	3,912,440,834

Note 13: Deferred tax assets (net)

Deferred tax asset		
(a) Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	52,598,564	34,317,344
(b) Impact of difference between tax depreciation and depreciation charged for the financial reporting	146,400,607	33,415,007
(c) Provision for doubtful debts and advances	23,971,605	22,740,040
(d) Provision for lease equalisation	3,750,829	3,879,754
Deferred tax asset	226,721,605	86,828,794

Note 14: Long-term loans and advances

Unsecured, considered good		
(a) Capital advances*	112,279,576	107,011,860
(b) Security deposits		
- Deposits to related parties (refer note 28)	15,013,512	15,013,512
- Deposits to others	78,108,807	48,769,071
(c) Loan to subsidiaries**	1,930,000,000	1,778,000,000
(d) Advance tax and tax deducted at source (net of provision for taxes Rs. 797,675,649 (as at 31 March 2015 Rs. 399,989,706))	59,829,945	265,343,004
	2,195,231,840	2,214,137,447
Unsecured, considered doubtful		
(a) Security deposits	5,000,000	5,000,000
(b) Less: Provision for doubtful deposits	(5,000,000)	(5,000,000)
Total	2,195,231,840	2,214,137,447

* Includes Rs. 100,000,000 (Rs. 100,000,000 as at 31 March 2015) paid towards the purchase of property.

****Loan to subsidiaries:**

(a) SRL Diagnostics Private Limited	1,880,000,000	1,778,000,000
(b) SRL Reach Limited	50,000,000	-
(Loan to subsidiary companies carries an interest rate of 13% per annum)		

Note 15: Other non-current assets

Unsecured, considered good		
(a) Deposits with remaining maturity for more than 12 months	2,306,254	621,175
(b) Arrangement fees	-	2,094,889
Total	2,306,254	2,716,064

Note 16: Inventories (at lower of cost and net realisable value)

(a) Reagents, chemicals and consumables (refer note (a) below)	179,061,600	176,420,702
Total	179,061,600	176,420,702

Note:

(a): The Company's business does not involve any conversion process for materials. Reagents and chemicals are used to conduct various pathology and radiology procedures and are consumed in the process. Other consumable stores represent various items of stores and spares used in normal course of business.



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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note 17: Trade receivables

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
(a) Outstanding for a period exceeding six months from the date they are due for payments		
- Secured, considered good*	2,839,670	2,622,392
- Unsecured, considered good	53,363,745	62,153,502
- Unsecured, considered doubtful	45,386,442	51,365,500
	101,589,857	116,141,395
Provision for doubtful debts	(45,386,442)	(51,365,500)
	56,203,415	64,775,894
(b) Other receivables		
- Secured, considered good*	24,913,923	19,117,983
- Unsecured, considered good	754,528,660	712,180,125
- Unsecured, considered doubtful	6,771,629	3,085,630
	786,214,212	734,383,738
Provision for doubtful debts	(6,771,629)	(3,085,630)
	779,442,583	731,298,108
Total	835,645,998	796,074,002

* These accounts receivable balances are secured by way of deposits received from customers, shown as 'Deposits from customers' in note- 9.2 in 'Other current liabilities'.

Note 18: Cash and bank balances

Cash and cash equivalents

(a) Balances with banks:		
- On current accounts	1,707,956	710,953
- On cash collection accounts	22,817,334	29,801,181
- On EEFC accounts	-	326,390
- Deposits with original maturity of less than three months	25,000,000	-
	49,525,290	30,838,524
(b) Cheques, drafts on hand	7,968,661	13,973,511
(c) Cash on hand	8,828,530	7,103,823
Other bank balances		
(d) Deposits with original maturity for more than 12 months	6,923,582	549,194
(e) Deposits with original maturity for more than 3 months but less than 12 months	278,578	297,301
	73,524,641	52,762,353

Note 19: Short-term loans and advances

Unsecured, considered good

(a) Loans and advances to related parties *		
- Loan to a subsidiaries	50,000,000	50,000,000
- Recoverable from subsidiaries	3,336,714	3,730,991
(b) Security deposits	7,315,752	12,862,733
(c) Loans and advances to employees	13,178,064	18,610,338
(d) Prepaid expenses	25,816,234	21,736,201
(e) Advance tax and tax deducted at source (net of provisions for tax Rs. Nil (as at 31 March 2015: Rs. Nil))	-	212,892,815
(f) Balance with government authorities (Cenvat)	619,590	677,432
(g) Other recoverable	14,503,034	19,839,004
	114,769,388	340,349,514

Unsecured considered doubtful

(h) Advances recoverable in cash or in kind or for value to be received	12,108,009	6,256,336
(i) Less: Provision for doubtful advances	(12,108,009)	(6,256,336)
Total	114,769,388	340,349,514

*** Dues from companies in which one or more directors of the Company are directors:**

(a) Loan to subsidiary company:		
- SRL Diagnostics Private Limited	50,000,000	53,730,991
(repayable on demand carrying an interest @13% per annum)		
(b) Recoverable from subsidiary company:		
- SRL Reach Limited	3,336,714	-
	53,336,714	53,730,991

Note 20: Other current assets

Unsecured, considered good

(a) Interest accrued on		
- Fixed deposits	572,721	107,612
- Income tax refund	-	29,073,134
(b) Arrangement fees	558,126	700,215
	1,130,847	29,880,961

Due from related parties

(c) Interest accrued & due on loan to subsidiaries	3,093,287	-
Total	4,224,134	29,880,961



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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note 21: Revenue from operations

	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
(a) Sale of services	5,803,947,803	5,097,507,318
(b) Other operating revenues		
- Management fees	56,373,979	38,948,279
Revenue from operations (gross)	5,860,321,782	5,136,455,597

Note 22: Other income

(a) Interest income		
- on bank deposits	9,599,629	95,528
- on loan to subsidiary	258,090,602	235,720,274
- on loan to director	-	813,151
- on income tax refund	29,199,047	39,703,146
(b) Exchange differences (net)	4,731,967	-
(c) Liabilities no longer required written back	27,416,430	21,241,744
(d) Miscellaneous income	23,711,476	44,531,859
Total	352,749,151	342,105,702

Note 23: Consumption of reagents and other consumables

(a) Inventories at the beginning of the year	176,420,702	159,847,409
(b) Add: Purchases	1,612,150,937	1,521,461,573
	1,788,571,639	1,681,308,982
(c) Less: Inventories at the end of the year	179,061,600	176,420,702
Consumption of reagents and other consumables	1,605,331,202	1,504,888,280
(d) Less: amount capitalised (refer note 39)	4,178,837	13,702,116
Net consumption of reagents and other consumables	1,601,152,365	1,491,186,164

Note 24: Employee benefits expense

(a) Salaries, wages and bonus	1,232,815,024	1,073,090,224
(b) Contribution to provident and other funds	72,438,295	62,625,783
(c) Gratuity expense	20,780,082	23,590,152
(d) Staff welfare expenses	24,873,561	21,716,738
	1,350,906,962	1,181,022,897
(e) Less: amount capitalised (refer note 39)	13,691,960	16,744,902
Total	1,337,215,002	1,164,277,995

Note 25: Other expenses

(a) Rent:		
- Offices and labs	243,389,300	225,785,783
- Equipments	1,930,112	1,919,612
(b) Professional fees to doctors	212,987,930	176,102,456
(c) Postage and courier	163,132,146	142,376,257
(d) Advertisement and sales promotion	155,952,788	150,083,619
(e) Legal and professional	146,199,419	135,186,104
(f) Payment to auditors*		
-As auditor	3,450,000	3,450,000
-For taxation matters	250,000	250,000
-For company law matters	25,000	25,000
-For reimbursement of expenses	400,000	372,500
(g) Travelling and conveyance	114,600,114	106,427,578
(h) Power and fuel	112,051,576	100,916,052
(i) Provision for doubtful debts and advances	57,643,018	31,235,369
(j) Repairs and maintenance:		
- Plant and machinery	52,248,423	43,635,306
- Building	1,585,288	1,101,646
- Others	14,564,467	13,311,757
(k) Printing and stationery	37,945,272	32,440,564
(l) Communication	22,286,480	21,826,103
(m) Housekeeping expenses	17,227,640	15,358,444
(n) Security services expenses	12,834,024	10,531,318
(o) Donation	10,662,906	10,000
(p) Rates and taxes	7,079,040	5,018,127
(q) Insurance	4,265,031	4,682,263
(r) Loss on sale/ discard of fixed assets (net)	1,941,993	1,692,211
(s) Bad debts written off	-	1,085,297
(t) Exchange differences (net)	-	1,558,133
(u) Miscellaneous expenses	36,417,841	29,006,491
	1,431,069,808	1,255,387,990
(v) Less: amount capitalised (refer note 39)	11,753,634	3,385,349
Total	1,419,316,174	1,252,002,641

*Payment made to auditor for the previous year and reimbursement of expenses paid in current year amounting to Rs. 47,080 relates to amount paid to previous auditors of the Company.



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Note 26: Finance costs

	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
(a) Interest expense:		
-on fixed loans	106,737,381	166,478,621
-on hire purchase loans	87,869	124,417
-on others	13,521,175	20,250,048
-on finance lease	-	1,409,909
(b) Other borrowing costs	8,230,259	4,739,102
Total	128,576,684	193,002,097

Note 26.1: Exceptional Items

(a) Employee benefits including incremental bonus due to introduction of 'The Payment of Bonus (Amendment) Act 2015 (refer note (a) below)	27,547,490	-
(b) Loss on sale of assets sold (net) (refer note 11.1)	7,825,350	-
(c) Impairment of assets (refer note 11.1)	164,008,826	-
Total	199,381,666	-

Note:

a. Statutory bonus recorded in the current year as an exceptional item represents the amount accrued for bonus payable to existing employees for the period from 1 April 2014 to 31 December 2015 due to enactment of 'The Payment of Bonus (Amendment) Act, 2015' with retrospective effect from 1 April 2014 for which notification was issued in January 2016.

Note 27: Earnings per share

Basic:

(a) Profit after tax	606,704,820	475,662,062
(b) Less: Preference dividend	18,584	24,666
(c) Profit for the year attributable to the equity shareholders	606,686,236	475,637,396
(d) Weighted average number of equity shares in calculating basic EPS	59,852,509	59,808,576
Earnings per share (basic)	10.14	7.95

Diluted:

(a) Profit after tax	606,704,820	475,662,062
(b) Weighted average number of equity shares in calculating diluted EPS	79,132,486	78,946,763
Earnings per share (diluted)	7.67	6.03
Par value per equity share	10.00	10.00



Note 28: Related party disclosures

A. Names of related parties:

- (a) **Enterprises having direct control over the Company**
Fortis Healthcare Limited, holding company
- (b) **Individuals (directly/ indirectly) having control over the reporting enterprise**
Mr. Malvinder Mohan Singh, Chairman
Mr. Shivinder Mohan Singh, Director
- (c) **Key Managerial Personnel**
Dr. Sanjeev K. Chaudhry, Managing Director
Mr. Sanjeev Vashishta, Chief Executive Officer
Mr. Saurabh Chadha, Chief Financial Officer
Mr. Ravi Batra, Company Secretary (From November 1, 2014 onwards)
- (d) **Subsidiary company**
SRL Diagnostics Private Limited
SRL Reach Limited
- (e) **Joint venture company**
SRL Diagnostics (Nepal) Private Limited
- (f) **Enterprises over which persons mentioned at (ii), (iii) and (iv) have significant influence and with whom**
AEGON Religare Life Insurance Company Limited
Bar Chem
Escort Heart Institute & Research Centre Limited
Fortis C-DOC Healthcare Limited
Fortis Clinical Research Limited
Fortis Health Management Limited
Fortis Hospitals Limited
Fortis Malar Hospitals Limited
Hiranandani Healthcare Private Limited
International Hospital Limited
Lalitha Healthcare Private Limited
Religare Health Insurance Company Limited
Hale & Tempest Company Limited
Religare Capital Markets Limited
HealthFore Technologies Limited
Ligare Travels Private Limited (Formerly known as Ligare Travels Limited)
RWL Healthworld Limited
RHC Holding Private Limited
SRL Diagnostics FZ-LLC
DDRC SRL Diagnostics Private Limited
Fortis Health Management (East) Limited
Religare Wealth Management Limited
Fortis Cancer Care Limited
Birdie & Birdie Realtors Private Limited
Fortis Charitable Foundation



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B. Transactions with related parties during the year
Nature of transaction / Name of the Related party

	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
(a) Rendering of Pathology services:		
Escort Heart Institute & Research Centre Limited	131,933,860	115,946,029
Fortis C DOC Healthcare Limited	12,126,275	9,957,249
Fortis Health Management Limited	12,304,351	10,795,481
Fortis Healthcare Limited	243,616,955	220,973,284
Fortis Hospitals Limited	774,784,579	630,521,309
Fortis Health Management (East) Limited	8,052,039	7,358,595
Fortis Malar Hospitals Limited	57,223,438	39,748,847
Hiranandani Healthcare Private Limited	99,777,348	88,699,122
International Hospital Limited	12,418,203	8,770,964
Lalitha Healthcare Private Limited	6,557,748	9,763,282
Fortis Charitable Foundation	12,312,168	-
SRL Diagnostics FZ-LLC	92,243,771	75,523,620
SRL Diagnostics (Nepal) Private Limited	13,204,314	12,758,623
AEGON Religare Life Insurance Company Limited	-	15,900
Fortis Clinical Research Limited	-	2,717,776
HealthFore Technologies Limited	192,586	-
Religare Wealth Management Limited	-	5,900
Religare Health Insurance Company Limited	9,597,895	5,578,657
RWL Healthworld Limited	34,748,875	35,788,082
SRL Diagnostics Private Limited	37,163,104	49,293,282
SRL Reach Limited	804,854	-
DDRC SRL Diagnostics Private Limited	23,670,924	22,196,255
	1,582,733,287	1,346,412,257
(b) Receiving of services:		
(i) Tests outsourcing services		
Fortis Healthcare Limited	2,550,132	5,184,482
Fortis Hospitals Limited	7,539,081	9,703,078
DDRC SRL Diagnostics Private Limited	601,200	-
SRL Diagnostics Private Limited	15,172,767	9,433,875
(ii) Rental Services		
Bar Chem	39,182,065	36,445,823
Birdie & Birdie Realtors Private Limited	31,434,560	28,479,730
(iii) Travel agent services		
Ligare Travels Private Limited (Formerly known as Ligare Travels Limited)	18,572,944	22,142,017
(iv) Brand License fees		
(h) RHC Holding Private Limited	10,419,500	-
(v) Advisory services		
(i) Hale & Tempest Company Limited	2,651,832	2,459,970
	128,124,081	113,848,975
(c) Reimbursement of expenses to:		
Escort Heart Institute & Research Centre Limited	11,159,961	10,501,826
Fortis Healthcare Limited	168,762	706,602
Fortis Hospitals Limited	1,177,750	1,900,900
Hiranandani Healthcare Private Limited	7,682,480	7,034,730
Fortis Charitable Foundation	10,642,906	-
SRL Diagnostics Private Limited	1,484,092	-
Birdie & Birdie Realtors Private Limited	52,650	-
SRL Diagnostics FZ-LLC	547,354	-
SRL Diagnostics (Nepal) Private Limited	1,137,982	1,336,546
Hale & Tempest Company Limited	1,409,587	2,193,846
DDRC SRL Diagnostics Private Limited	8,045,722	7,178,697
	43,509,246	30,853,147
(d) Reimbursement of expenses from:		
Escort Heart Institute & Research Centre Limited	1,536,000	1,380,000
Fortis Malar Hospitals Limited	292,007	267,876
Fortis Health Management (East) Limited	-	217,874
Fortis Health Management Limited	258,071	240,000
Fortis Hospitals Limited	16,267,685	9,673,119
Hiranandani Healthcare Private Limited	21,464,419	18,693,455
Religare Capital Markets Limited	157,814	-
SRL Diagnostics FZ-LLC	1,526,004	1,203,036
Fortis Healthcare Limited	7,659,976	8,359,565
Fortis Cancer Care Limited	6,074,900	10,329,872
DDRC SRL Diagnostics Private Limited	1,751	-
SRL Reach Limited	24,793,143	-
SRL Diagnostics (Nepal) Private Limited	1,467,524	385,278
SRL Diagnostics Private Limited	4,677,856	17,087,766
	86,177,150	67,837,841
(e) Loans given		
SRL Diagnostics Private Limited	185,000,000	95,000,000
SRL Reach Limited	50,000,000	-
	235,000,000	95,000,000



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	For the year ended 31 March 2016 (Rupees)	For the year ended 31 March 2015 (Rupees)
(f) Loans received back		
SRL Diagnostics Private Limited	(83,000,000)	(20,000,000)
	(83,000,000)	(20,000,000)
(g) Interest received/receivable		
SRL Diagnostics Private Limited	254,653,616	235,720,274
SRL Reach Limited	3,436,986	-
	258,090,602	235,720,274
(h) Remuneration to key managerial personnel		
Dr. Sanjeev K. Chaudhry, Managing Director		
Salary, bonus and contribution to PF	14,895,000	14,895,000
Mr. Sanjeev Vashishta, Chief Executive Officer		
Salary, bonus and contribution to PF	21,180,800	15,132,816
Mr. Saurabh Chadha, Chief Financial Officer		
Salary, bonus and contribution to PF	7,120,400	6,583,400
Mr. Ankush Agarwal, Company Secretary (upto Oct, 2014)		
Salary, bonus and contribution to PF	-	609,194
Mr. Ravi Batra, Company Secretary (From Nov 1, 2015)		
Salary, bonus and contribution to PF	5,007,000	1,622,978
	48,203,200	38,843,388

Note: The remuneration to the key managerial personnel includes incentives and does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

(i) Purchase of Reagents and consumables		
Fortis Hospitals Limited	1,837,933	2,684,003
Fortis Health Management Limited	38,450	41,351
Hiranandani Healthcare Private Limited	128,970	246,040
RWL Healthworld Limited	347,852	243,751
International Hospital Limited	-	46,797
	2,353,205	3,261,942
(j) Purchase of intangible assets		
HealthFore Technologies Limited	21,333,400	-
	21,333,400	-

C. Balances outstanding at the year end:

(a) Loans given		
SRL Diagnostics Private Limited	1,930,000,000	1,828,000,000
SRL Reach Limited	50,000,000	-
	1,980,000,000	1,828,000,000
(b) Deposits given to Related parties		
Birdie & Birdie Realtors Private Limited	8,000,000	8,000,000
Bar Chem	7,013,512	7,013,512
	15,013,512	15,013,512
(c) Trade receivables at the end of year:		
Escort Heart Institute & Research Centre Limited	24,446,559	24,201,000
Fortis C DOC Healthcare Limited	16,208,069	14,794,355
Fortis Health Management Limited	1,540,997	2,186,151
Fortis Healthcare Limited	19,160,536	25,459,837
Fortis Hospitals Limited	88,497,846	99,050,697
Fortis Health Management (East) Limited	1,158,600	1,893,723
Fortis Malar Hospitals Limited	4,194,302	3,789,162
Hiranandani Healthcare Private Limited	13,509,897	9,349,600
International Hospital Limited	2,445,575	2,616,493
Fortis Cancer Care Limited	744,500	8,929,089
Lalitha Healthcare Private Limited	1,342,318	3,149,944
SRL Diagnostics FZ-LLC	70,546,475	52,911,595
SRL Diagnostics (Nepal) Private Limited	1,562,135	2,917,672
SRL Reach Limited	159,116	-
Religare Wealth Management Limited	2,600	2,600
Religare Health Insurance Company Limited	5,474,740	2,339,745
AEGON Religare Life Insurance Company Limited	-	7,350
Fortis Clinical Research Limited	-	6,337
RWL Healthworld Limited	9,264,026	8,733,228
SRL Diagnostics Private Limited	3,902,491	6,735,019
DDRC SRL Diagnostics Private Limited	3,031,724	3,708,887
	267,192,506	272,782,484



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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
(d) Trade payables at the end of year:		
Bar Chem	2,819,071	253,885
Hale & Tempest Company Limited	-	130,400
Birdie & Birdie Realtors Private Limited	5,022,700	52,650
SRL Diagnostics Private Limited	3,836,174	2,648,748
	11,677,945	3,085,683
(e) Other payable at the end of the year		
SRL Diagnostics Private Limited	28,582	27,610
SRL Diagnostics (Nepal) Pvt. Limited	244,959	446,069
RWL Healthworld Limited	-	10,222
Fortis Charitable Foundation	22,000	-
Fortis Healthcare Limited	115,307	159,118
HealthFore Technologies Limited	10,432	-
Ligare Travels Private Limited (Formerly known as Ligare Travels Limited)	594,556	729,355
	1,015,836	1,372,374
(f) Loans and advances at the end of the year		
SRL Diagnostics FZ-LLC	1,250,194	2,318,350
SRL Diagnostics Private Limited	-	3,730,991
SRL Reach Limited	3,336,714	-
Relligare Capital Markets Limited	-	186,123
	4,586,908	6,235,464
(g) Other receivable at year end:		
Interest receivable:		
(a) SRL Reach Limited	3,093,288	-
	3,093,288	-

Other transactions

The subsidiary company has taken cash credit facility from Kotak Mahindra Bank Limited of Rs 150,000,000 as on March 31, 2016 (Previous year Rs 150,000,000) which is guaranteed by SRL Limited.

Note 29: Leases

Operating Leases

(a) As lessor

The company has given laboratory equipments on lease to SRL Diganostics Private Limited.

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
Lease income for the year	3,200,000	9,600,000
	3,200,000	9,600,000

(b) As lessee

(i) Labs, offices, godowns and guest houses

The Company has obtained lab premises, office premises, godowns and guest houses on operating lease arrangements. The lease terms varies from 11 months to 9 years, renewable at the option of the Company. There are escalation clauses in some of the lease agreements which is ranging from 5% to 25%. There are no restrictions imposed by the lease arrangements.

(ii) Lab equipments

Certain lab equipments are obtained under operating leases. The lease period varies between 11 months to 9 years. There is no escalation clause in the lease agreements. There are no restrictions imposed by the lease agreements. There are no sub-leases.

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
Lease expense for the year	240,684,930	227,705,395
Future minimum lease payments under non-cancellable lease agreements:		
-Not later than one year	99,039,322	93,555,121
-Later than one year and not later than five years	292,758,642	104,292,939
-Later than five years	99,545,028	13,025,060
	491,342,992	210,873,120

Note 30: Capital and other commitments

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2016 were Rs 24,859,638 (Rs.26,760,110 as at 31 March 2015) net of advance paid.
- (b) For commitment relating to lease arrangements, please refer note 29.



Note 31: Contingent liabilities

- (a) The Company has received a show cause cum demand notice dated 20 April 2007 for Rs. 8,143,897 (Rs. 8,143,897 as at 31 March 2015) in respect of service tax relating to 'Clinical Trial Studies' rendered during the period from July 2003 to April 2006. The Company has responded to the Directorate General of Central Excise Intelligence, Mumbai on 8 May 2007. In the opinion of the management, the said demand is non-tenable and not likely to devolve on the Company. Accordingly, no provision in respect of the said demand is considered in the books of accounts.
- (b) Demands against various Medico-Legal cases by the customers which are disputed by the Company as at 31 March 2016 amounted to Rs. 17,696,824 (Rs. 147,173,766 as at 31 March 2015). Besides, the Company has also received various others claims by its customers for compensation in lieu of non satisfactory test results, the amount of which is not ascertainable. However, in the opinion of the management, most of these claims are non-tenable and are not likely to devolve on the Company. On the basis of past history of such cases, the management is of view that there will not be any substantial outflow of resources in respect of the above and hence no provision there against is considered necessary.

- (c) The Company is currently under litigation with the Income tax department against certain income tax demands for non-deduction of withholding taxes on the payments made by the Company of discounts to its collection centers and certain other miscellaneous matters totalling to Rs. 510,735,819 (Rs. 508,127,421 as at 31 March 2015) in relation to Assessment years (AY) 2006-07, 2007-08, 2008-09, 2009-10, 2012-13 and 2013-14. The year wise details of demand, protest amount deposited and forum where they are pending has been enumerated below:-

Assessment Year	Demand Amount (Rs.)	Protest Amount Deposited (Rs.)	Forum Pending
2006-07	15,820,130	-	Delhi High Court
2007-08	125,613,647	-	ITAT
2008-09	81,525,220	-	ITAT
2008-09	61,428,143	-	ITAT
2008-09	12,509,302	-	ITAT
2009-10	131,873,480	-	ITAT
2010-11	73,843,770	-	ITAT
2012-13	5,513,729	-	CIT(A)
2013-14	2,608,398	-	CIT(A)

The management based on its internal evaluation and advice obtained from its tax advisors is of the opinion that the demand is not tenable as the company is having favourable orders from CIT(A) and ITAT and does not expect any economic outflow. Accordingly, it has filed an appeal against these orders and has not considered need for any provision for the purpose of preparation of its accounts.

- (d) The Company had received an order under section 201(1) and 201(1A) of the Income Tax Act, 1961 from Deputy Commissioner Income Tax (TDS), Mumbai in relation to Assessment Years 2008-09 and 2009-10 aggregating to Rs. 29,119,030 and Rs. 13,456,160 respectively primarily on account of mismatch in the online database of tax department with returns/ challans filed by the Company. The Company has filed an appeal before Commissioner (Appeals) XIV, Mumbai against the said orders. The CIT(A) has already allowed the appeal in favour of Company. Further the Direction has been issued to the Company to revise the return in co-ordination with assessing officer. The Company is in process of rectifying those demand by revising its return for said period. Based on data available in TRACES as on 31 March 2016 demand of Rs. 10,955,320 and Rs. 688,510 respectively is outstanding. The Company is of the view that the demand is not tenable as the case has already been allowed in the favour of the Company by CIT (A) and no economic outflow is expected against the same.
- (e) The Assistant Commissioner of Income Tax, New Delhi passed an assessment order dated 24 March 2015 disallowing certain expenses claimed by it in the assessment year 2011-12 and thereby the taxable loss of the Company was assessed at Rs. 100,818,403 whereas the losses claimed by the Company were Rs. 127,128,513. The Company has filed an appeal before Commissioner of Income Tax (Appeals), New Delhi against the above order vide acknowledgement dated 21 April 2015. The company already has similar case from ITAT for AY 2006-07 and AY 2008-09 in the favour of the Company and hence the Management considers the demand is not tenable.
- (f) The Company had received order under section 201(1) and 201(1A) of the Income Tax Act, 1961 from Income Tax officer (TDS), Mumbai in relation to Assessment Years 2008-09 and 2009-10 aggregating to Rs. 45,704,491 and Rs. 53,179,880 for non-deduction of taxes under the provisions of section 194H and section 195. CIT(A) has passed favourable order dated 11 April 2014. The Company is of the view that the demand is not tenable taking into account the favourable order of CIT(A) and no economic outflow is expected against the same.
- (g) The Company has given the following guarantees for its wholly owned subsidiary SRL Diagnostics Private Limited as follows:
a. Rs. Nil utilisation (sanction limit Rs. 150,000,000) of working capital demand loan taken from Kotak Mahindra Bank Limited.
- (h) The Company has given bank guarantee of Rs. 33,443,187 (Rs. 6,065,687 as at 31 March 2015).



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Note 32: Employee Benefits

The Company has a defined benefit gratuity plan, wherein every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum limit of Rupees 1,000,000 in terms of the provisions of Gratuity Act, 1972. The gratuity plan is unfunded.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the amounts recognised in the balance sheet for the gratuity plan.

	Year ended 31 March 2016	Year ended 31 March 2015
	(Rupees)	(Rupees)
Statement of profit and loss		
Net employee benefits expense		
Current service cost	13,527,365	15,171,541
Interest cost on benefit obligation	3,897,103	2,758,901
Net actuarial loss recognised in the year	3,355,614	5,659,710
Net benefit expense	<u>20,780,082</u>	<u>23,590,152</u>

Balance sheet

Details of Provision for gratuity

Defined benefit obligation	71,223,173	54,884,013
	<u>71,223,173</u>	<u>54,884,013</u>

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

Opening defined benefit obligation	54,884,013	38,375,357
Interest cost	3,897,103	2,758,901
Current service cost	13,527,365	15,171,541
Benefits paid	(4,440,922)	(7,081,496)
Actuarial gain on obligation	3,355,614	5,659,710
Closing defined benefit obligation	<u>71,223,173</u>	<u>54,884,013</u>

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown

Discount rate	7.40% p.a.	7.92% p.a.
Employee turnover		
Upto 30 years	33% p.a.	3% p.a.
30-45 years	18% p.a.	2% p.a.
45 years and above	9% p.a.	1% p.a.
Mortality rate	Indian Assured Lives 2006-08 Ultimate	Indian Assured Lives 2006-08 Ultimate
Compensation cost increase rate	6.50%	6.50%

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.

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Experience adjustments	(Rupees)				
Defined benefit obligation	71,223,173	54,884,013	38,375,357	32,130,876	22,995,883
Experience adjustment on plan liabilities- (gain)	(1,575,902)	(541,527)	(867,935)	(1,548,774)	(255,743)

Note 33: Unhedged foreign currency exposure

The Company has not taken any derivative instruments in respect of its foreign currency exposures in the current year as well as the previous year. The particulars of unhedged foreign currency exposure as at the balance sheet date are as follows:

	Currency	31 March 2016			31 March 2015		
		Rupees	Conversion Rate	Amount in foreign currency	Rupees	Conversion Rate	Amount in foreign currency
Trade receivables	USD	47,560,546	66.14	719,089	31,189,043	62.53	498,785
	GBP	-	95.20	-	-	92.76	-
Advance from customers	EURO	334,820	74.82	4,475	303,585	67.85	4,475
	USD	7,404,902	66.14	111,958	5,075,977	62.53	81,177
EEFC accounts	USD	-	66.14	Nil	326,390	62.53	5,220
Cash balances	AED	17,676	18.00	982	31,184	17.02	1,832
	EURO	76,840	74.82	1,027	69,678	67.85	1,027
	USD	312,445	66.14	4,724	271,505	62.53	4,342
	GBP	11,424	95.20	120	25,044	92.76	270
	SGD	9,974	48.89	204	9,282	45.50	204
	BHD	7,143	174.23	41	6,750	164.626	41
	LKR	10,892	0.44	24,755	11,528	0.50	25,105
Trade payables	USD	-	66.14	-	1,262,064	62.53	20,183
	EURO	-	74.82	-	36,162	67.85	533
	GBP	-	95.20	-	130,400	92.76	1,406
Advance to vendors	EURO	-	74.82	-	665,227	67.85	9,805
	USD	-	66.14	-	135,546	62.53	2,168



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Note 34: Details of dues to Micro and Small Enterprises as per MSMED Act, 2006*

	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
(a) The principal amount remaining unpaid as at the end of year	918,566	145,228
(b) Interest due on above principal and remaining unpaid as at the end of the year	17,170	43,027
(c) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	17,170	43,027
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	17,170	43,027
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 35: Value of imported and indigenous materials consumed

	Year ended 31 March 2016 (Rupees)	%	Year ended 31 March 2015 (Rupees)	%
(a) Indigenous	1,600,552,464	99.96	1,489,134,829	99.86
(b) Imported	599,901	0.04	2,051,335	0.14
	1,601,152,365	100.00	1,491,186,164	100.00

Note 36: CIF value of imports

	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
(a) Capital goods	8,352,648	21,941,383
(b) Materials	269,978	1,713,339
	8,622,626	23,654,722

Note 37: Expenditure in foreign currency (accrual basis)

(a) Cost of tests outsourced	3,075,847	3,287,716
(b) Advertisement and business promotion	9,558	9,164
(c) Legal and professional	5,286,833	5,468,889
(d) Travelling and conveyance	1,875,484	2,468,251
(e) Repairs and maintenance	2,075,604	2,001,338
(f) Miscellaneous expenses	104,156	-
	12,427,482	13,235,358

Note 38: Earnings in foreign currency (accrual basis)

(a) Value of services rendered	64,076,887	79,282,130
	64,076,887	79,282,130

Note 39: Expenditure incurred during development period

During the year, the Company has capitalised the following expenses of revenue nature to the cost of fixed assets/ capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(a) Salaries, wages and bonus	13,691,960	16,744,902
(b) Other expenses:		
- Rent- Offices and labs	4,634,482	-
- Consumption of reagents and other consumables	4,178,837	13,702,116
- Power and fuel	3,919,091	3,229,417
- Travelling and conveyance	1,195,986	-
- Miscellaneous expenses	2,004,075	155,932
	29,624,431	33,832,367



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Note 40: Employee Stock Option Plans

The Company has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiary. The shareholders of the Company vide their resolution dated August 17, 2009 granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' (the 'Scheme'). The grant date for the options is August 22, 2009. Under the said Scheme 1,517,470 options of the equity shares of the Company have been granted to the employees of the Company at an exercise price of Rs. 40 per share. Also the shareholders of the Company vide their resolution dated September 20, 2013 granted approval to 'SRL Limited Employee Stock Option Scheme 2013' (the 'Scheme'). The grant date for the options is September 30, 2013 and November 02, 2015. Under the said Scheme total 1,195,937 options of the equity shares of the Company have been granted to an employees of the Company at an exercise price of Rs.201 to Rs 428 per share. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company.

	Grant I	Grant II	Grant III
Scheme	ESOP 2009	ESOP 2013	ESOP 2013
Date of grant	22 August 2009	30 September 2013	2 November 2015
Date of Board Approval	22 August 2009	23 August 2013	23 August 2013
Date of Shareholder's approval	17 August 2009	September 30, 2013	30 September 2013
Number of options granted	1,517,470	200,000	995,937
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period	Over three years - 22 August 2009 to 30 September 2016 to 30 21 August 2012	Over three years - September 2018	Over three years - 2 November 2018 to 1 November 2020
Exercise Period up to	Up to 21 August 2019	Up to 29 September	Up to 1 November 2022
Exercise Period	21 August 2019	29 September 2022	1 November 2022
Grant value	40	201	428

The details of activity under the Plan have been summarized below:

	As at 31 March 2016		As at 31 March 2015	
	Number of Options	Weighted Average (Rupees)	Number of Options	Weighted Average (Rupees)
Outstanding at the	1,111,650	68	1,164,968	40
Granted during the year	995,937	428	-	-
Vested during the year	-	-	-	-
Exercised during the year	29,808	40	30,314	40
Forfeited/ Cancelled during	36,936	40	23,004	40
Outstanding at the end of	2,040,843	245	1,111,650	68
Exercisable option at the end	844,906	40	911,650	40
Remaining life	6.5		7.5	
Range of exercise price	40 - 428		40 - 201	

The weighted average fair value of stock options granted during the year is Rs. 428. The discounted cash flow valuation model has been used for computing the weighted average fair value considering the following inputs:

Exercise Price	428
Life of the options granted (Vesting and exercise period) in years	6.5
Expected dividends	-
Average risk-free interest rate	7.86%
Expected dividend rate	0%

In March 2005 the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after 1 April 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

	Year ended 31 March 2016	Year ended 31 March 2015
	(Rupees)	(Rupees)
Profit/ (loss) as reported	606,704,820	475,662,062
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method	-	-
Proforma profit/ (loss)	606,704,820	475,662,062
Earnings Per Share		
Basic		
- As reported	10.14	7.95
- Pro forma	10.14	7.95
Diluted *		
- As reported	7.67	6.03
- Pro forma	7.67	6.03

* Company has conducted Fair value of Equity shares from independent valuer on 30 September 2015 based on which Diluted numbers of shares are calculated for purpose of Earning per share.



SRL LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note 41: Investment in subsidiaries

Included under note 12 are investments of Rs. 3,897,440,834 (Previous year Rs. 3,897,440,834) in SRL Diagnostics Private Limited. Also, included under note 14 and note 19 are long term/ short term loans and advances of Rs.1,930,000,000 (Previous year Rs. 1,828,000,000) advanced to SRL Diagnostics Private Limited (wholly owned subsidiary).

The net assets of SRL Diagnostics Private Limited at consolidated levels as at March 31, 2016 is equivalent to Rs. 46,80,69,166 (deficit) as against the Company's investment of Rs. 3,897,440,834, reflecting temporary erosion in these investments.

Further included in note 12 are investments of Rs. 500,000 (Previous year Rs. Nil) in SRL Reach Limited, which was incorporated as on May 1, 2015 in RoC- Delhi under the provisions of the Companies Act, 2013. Also, included under note 14 long term loans and advances of Rs.50,000,000 (Previous year Rs. Nil) advanced to SRL Reach Limited (wholly owned subsidiary).

The net assets of SRL Reach Limited as at March 31, 2016 is equivalent to Rs. 31,075,498 (deficit) as against the Company's investment of Rs. 500,000, reflecting temporary erosion in these investments.

The management has approved plans based on which the diminution in the value of the investments and loans and advances is not considered other than temporary and accordingly no provision is considered necessary at this stage. The Company is committed to continuously provide financial and operating support to the subsidiary and considers investment and loan and advances to be of strategic nature.

Note 42: Interest in a joint venture

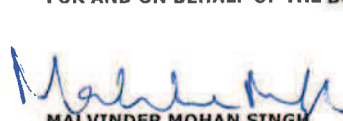
The Company entered into a Joint Venture agreement with Life Care Services Private Limited Nepal, to carry on the business of operating pathology labs and diagnostics centers in Nepal and, for this purpose, has incorporated SRL Diagnostics (Nepal) Pvt Limited ("SRRL") with 50% interest in assets, liabilities, expenses and income. The Company has invested Rs. 15,000,000 (Previous year Rs. 15,000,000) in this company.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2016 are as follows:

	March 31 2016 (Rupees)	March 31 2015 (Rupees)
(a) Current assets	13,730,230	11,213,868
(b) Non-current assets	4,261,948	5,872,956
(c) Current liabilities	2,005,113	2,179,843
(d) Non-current liabilities	1,448,417	1,233,332
Equity	14,538,648	13,673,650
(a) Revenue	23,104,219	22,851,586
(b) Cost of materials consumed	12,886,717	13,062,668
(c) Employee benefits expense	4,085,672	4,063,505
(d) Other expense	3,692,202	4,106,046
(e) Finance costs	12,899	24,332
(f) Depreciation and amortization expense	1,802,608	1,997,567
Profit/ (loss) before tax	624,121	(402,531)
(g) Tax expense	(240,878)	(203,837)
Profit/ (loss) after tax	864,999	(198,694)

Note 43: Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification. Figures for the previous year have been audited by another firm of Chartered Accountants.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



MALVINDER MOHAN SINGH **HARPAL SINGH**
Chairman Director
DIN: 00042981 DIN: 00078224



SANJEEV VASHISHTA **SAURABH CHADHA**
Chief Executive Officer Chief Financial Officer


RAVI BATRA
Chief Risk Officer and Company Secretary

Place: Gurgaon
Date: 24 May 2016

