

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Fortis C-Doc Healthcare Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Fortis C-Doc Healthcare Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("Act"), read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

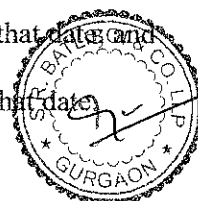
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

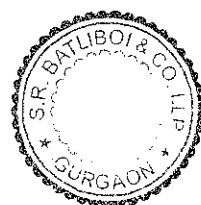
*Rajeev Sawhney*

per Rajeev Sawhney  
Partner

Membership Number: 96333

Place of Signature: Gurgaon

Date: May 28, 2014



**Annexure referred to in our report of even date**

Re: Fortis C-Doc Healthcare Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of items of inventories and certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) In our opinion there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company is covered as part of the internal audit function operated by its parent company. *During the year, no internal audit was carried out and, accordingly, we are unable to comment on the internal audit system.*

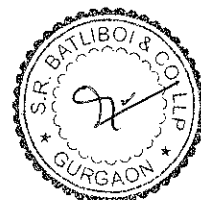


## S.R. BATLIBOI & CO. LLP

Chartered Accountants  
(VIII)

To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.

- (ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*. The provisions relating to investor education and protection fund and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and protection fund and excise duty are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, and cess which have not been deposited on account of any dispute. The provisions relating to investor education and protection fund and excise duty are not applicable to the Company.
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs. 68,147,231 received on short term basis have been used for long-term purpose representing acquisition of fixed assets, long term deposits and funding of losses.*



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

*Rajeev Sawhney*

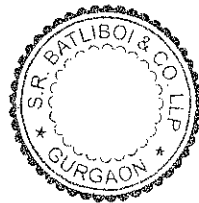
per Rajeev Sawhney

Partner

Membership Number: 96333

Place of Signature: Gurgaon

Date: May 28, 2014



**Fortis C-Doc Healthcare Limited**  
**Balance Sheet as at March 31, 2014**

	Notes	March 31, 2014 (in ₹)	March 31, 2013 (in ₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4 (i)	67,677,290	12,043,750
Reserves and surplus	4 (ii)	(73,879,911)	(22,694,723)
		<b>(6,202,621)</b>	<b>(10,650,973)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4 (iii)	82,609,895	88,370,332
Other long term liabilities	4 (iv)	15,239,919	13,903,417
Long-term provisions	4 (v)	933,000	683,000
		<b>98,782,814</b>	<b>102,956,749</b>
<b>Current liabilities</b>			
Short-term borrowings	4 (vi)	-	15,057,000
Trade payables	4 (vii)	29,228,652	20,799,561
Other current liabilities	4 (viii)	37,456,130	40,562,925
Short-term provisions	4 (ix)	1,177,000	901,000
		<b>67,861,782</b>	<b>77,320,486</b>
<b>TOTAL</b>		<b>160,441,975</b>	<b>169,626,262</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	4 (x)	136,588,562	152,739,417
		<b>136,588,562</b>	<b>152,739,417</b>
Long-term loans and advances	4 (xi)	13,880,817	12,863,615
Other non-current assets	4 (xii)	669,893	865,685
		<b>151,139,272</b>	<b>166,468,717</b>
<b>Current assets</b>			
Inventories	4 (xiii)	623,366	435,730
Trade receivables	4 (xiv)	2,272,732	871,610
Cash and bank balances	4 (xv)	4,385,424	332,883
Short-term loans and advances	4 (xvi)	1,320,596	1,125,445
Other current assets	4 (xvii)	700,585	391,877
		<b>9,302,703</b>	<b>3,157,545</b>
<b>TOTAL</b>		<b>160,441,975</b>	<b>169,626,262</b>

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S. R. Batliboi & Co. LLP**

Firm Registration Number: 301003

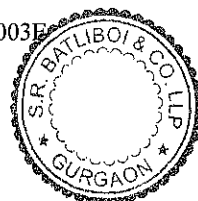
Chartered Accountants

*Rajeev Sawhney*

per Rajeev Sawhney

Partner

Membership No.: 96333



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

**Fortis C-Doc Healthcare Limited**

*Dr. Anoop Misra*

Dr. Anoop Misra

Director

*Ashish Bhatia*

Ashish Bhatia

Director

Place: Gurgaon

Date: May 28, 2014

Place: Gurgaon

Date: May 28, 2014

**Fortis C-Doc Healthcare Limited**  
**Notes to financial statements for the year ended March 31, 2014**

	Notes	March 31, 2014 (in ₹)	March 31, 2013 (in ₹)
<b>INCOME</b>			
Revenue from operations	4 (xviii)	129,724,274	56,858,781
Other income	4 (xix)	472,131	371,414
<b>Total revenue</b>		<b>130,196,405</b>	<b>57,230,195</b>
<b>EXPENDITURE</b>			
Purchase of medical consumables and drugs		13,017,525	3,293,582
Increase in inventories of medical consumables and drugs	4 (xx)	(187,636)	(255,337)
Employee benefits expense	4 (xxi)	28,895,377	25,842,326
Other expenses	4 (xxii)	105,682,207	60,521,638
<b>Total expenses</b>		<b>147,407,473</b>	<b>89,402,209</b>
<b>Loss before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(17,211,068)</b>	<b>(32,172,014)</b>
Finance costs	4 (xxiii)	15,348,390	11,295,505
<b>Loss before tax, depreciation and amortization</b>		<b>(32,559,458)</b>	<b>(43,467,519)</b>
Depreciation and amortization expense	4 (xxiv)	18,625,730	12,260,001
<b>Loss before tax</b>		<b>(51,185,188)</b>	<b>(55,727,520)</b>
<b>Tax expense:</b>			
Current tax (including MAT payable) [including ₹ Nil (previous year ₹ 360,597) related to prior years]		-	444,951
<b>Total tax expenses</b>		<b>-</b>	<b>444,951</b>
<b>Loss for the year</b>		<b>(51,185,188)</b>	<b>(56,172,471)</b>
<b>Loss per share [Nominal value of shares ₹ 10/- each (Previous year ₹ 10/- each)]</b>			
Basic and diluted	4 (xxv)	(39.50)	(46.64)

Summary of significant accounting policies

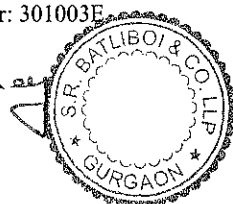
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The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S. R. Batliboi & Co. LLP**  
Firm Registration Number: 301003E  
Chartered Accountants

per *Rajeev Sawhney*  
**per Rajeev Sawhney**  
Partner  
Membership No.: 96333



**For and on behalf of the Board of Directors of**  
**Fortis C-Doc Healthcare Limited**

*Dr. Anoop Misra*  
**Dr. Anoop Misra**  
Director

*Ashish Bhatia*  
**Ashish Bhatia**  
Director

Place: Gurgaon  
Date: May 28, 2014

Place: Gurgaon  
Date: May 28, 2014

Fortis C-Doc Healthcare Limited  
Cash Flow Statement for the year ended March 31, 2014

	March 31, 2014 (in ₹)	March 31, 2013 (in ₹)
<b>A. Cash flow from operating activities</b>		
Net loss before tax	(51,185,188)	(55,727,520)
Adjustments for:		
Depreciation and amortization expense	18,625,730	12,260,001
Provision for doubtful debts	117,190	-
Interest expense	14,716,990	11,026,399
<b>Operating loss before working capital changes</b>	<b>(17,725,278)</b>	<b>(32,441,120)</b>
Movements in working capital :		
Increase in trade receivables	(1,518,312)	(427,565)
Increase in inventories	(187,636)	(255,337)
Increase in loans and advances	(195,151)	(632,800)
Increase in other assets	(112,916)	(195,996)
Decrease/ (Increase) in trade payables, other liabilities and provisions	(873,950)	28,344,275
<b>Cash used in operations</b>	<b>(20,613,243)</b>	<b>(5,608,543)</b>
Direct taxes paid (net of refunds)	(1,430,827)	(2,459,888)
<b>Net cash used in operating activities (A)</b>	<b>(22,044,070)</b>	<b>(8,068,431)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(9,227,554)	(45,408,134)
<b>Net cash used in investing activities (B)</b>	<b>(9,227,554)</b>	<b>(45,408,134)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital including premium	55,633,540	-
Proceeds from long term borrowings	9,220,937	94,008,958
Repayments of short-term borrowings	(15,057,000)	(29,750,058)
Loan arrangement fees paid	-	(1,061,566)
Interest paid	(14,473,312)	(11,293,407)
<b>Net cash flow from financing activities (C)</b>	<b>35,324,165</b>	<b>51,903,927</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>4,052,541</b>	<b>(1,572,638)</b>
<b>Total cash and cash equivalents at the beginning of the year</b>	<b>332,883</b>	<b>1,905,521</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,385,424</b>	<b>332,883</b>
<b>Components of cash and cash equivalents:</b>		
Cash in hand	189,860	253,328
Balances with banks on current accounts	4,195,564	79,555
<b>Total</b>	<b>4,385,424</b>	<b>332,883</b>

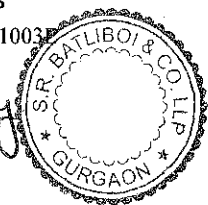
Summary of significant accounting policies

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As per our report of even date

For S. R. Batliboi & Co. LLP  
Firm Registration Number: 301003  
Chartered Accountants

per Rajeev Sawhney  
Partner  
Membership No.: 96333



Place: Gurgaon  
Date: May 28, 2014

For and on behalf of the Board of Directors of  
Fortis C-Doc Healthcare Limited

Dr. Anoop Misra  
Director

Ashish Bhatia  
Director

Place: Gurgaon  
Date: May 28, 2014



**1. Nature of Operations**

Fortis C Doc Healthcare Limited ('the Company') was incorporated on September 17, 2010 to carry on the business of setting up and operate Healthcare Centers including OPDs, IPDs and hospitals for diabetic, renal and ophthalmology patients etc., and to impart training relating to diabetic, renal and ophthalmology and also to carry out research, sponsored or otherwise, in pursuit of medical knowledge for cure and treatment of various ailments affecting human body. The Company became a subsidiary of Fortis Health Management (North) Limited ('FHMNL') on May 24, 2011. FHMNL was the holding company till March 31, 2013. FHMNL has merged with Fortis Hospitals Limited and the Scheme of Amalgamation has been approved and sanctioned by the Hon'ble High Court vide its Order dated July 22, 2013 with the appointed date of April 1, 2012.

**2. 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 financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis.

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

As at March 31, 2014, the Company has share capital of ₹ 67,677,290 and accumulated losses of ₹ 110,011,161 and net current liabilities of ₹ 58,559,079. Additional funds required for the operation of the Company would be made available with the support of Fortis Healthcare Limited ('FHL'), the holding company of Fortis Hospitals Limited (direct holding company), for which FHL has provided appropriate assurances to the management. Management, based on continuing financial and operational support from FHL, has prepared these financial statements on a going concern basis and do not consider need for any adjustments to the carrying value of assets and liabilities. FHL has provided the management a letter of support for continuing financial and operational support.

**3. Summary of significant accounting policies**

**a. Use of estimates**

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

**b. Tangible fixed assets**

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



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

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

**c. Depreciation on tangible fixed assets**

- i. Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets.

S.No.	Assets	Rates (SLM)
1.	Leasehold Improvement	13.87%
2.	Medical Equipments	7.07%
3.	Furniture and fittings	6.33%
4.	Computers	16.21%
5.	Plant & Machinery	10.34%
6.	Office equipments	4.75%

- ii. Depreciation on Leasehold Improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.
- iii. Individual assets not exceeding ₹ 5,000 are depreciated fully in the year of purchase in accordance with Companies Act, 1956.

**d. Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is related 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 statement of profit and loss.

All direct capital expenditures on expansion are capitalized. All indirect expenses are usually excluded from the cost of fixed assets because they do not relate to a specific fixed asset. However, where such expenses are specifically attributable to construction of a project or bringing it to its working condition, are included as part of the cost of the construction project or as a part of the cost of the fixed asset.

Expenditure of administrative or general overheads nature incurred during the startup and commissioning of the hospital project, including such expenditure on test run, is usually capitalized as an indirect element of construction costs. However, expenditure incurred post commercial launch of the hospital is charged to statement of profit and loss.



**e. 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.

Gains or losses arising from derecognition of intangible 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.

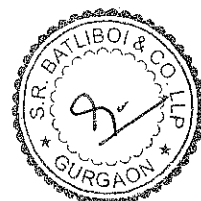
**f. Impairment of tangible and intangible assets**

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factor. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to assets. This rate is estimated from the rate implicit in current market assessment for similar assets or from weighted average cost of capital of the company. Impairment losses are recognised in the statement of profit and loss.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- (iii) An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**g. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long term 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.



**h. Leases**

*Where the Company is the lessee*

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

*Where the Company is the lessor*

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

**i. Inventories**

Inventories are valued as follows:

Medical Consumables, Drugs and Stores and Spares	Lower of cost and net realizable value. Cost is determined on First in First Out ('FIFO') basis.
--	--

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**j. Revenue recognition**

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

*Operating Income*

Operating income is recognised as and when the services are rendered / pharmacy items are sold. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Management fee from hospitals and income from medical services is recognised as per the contractual obligations arising out of the contractual arrangements with respective hospitals.

*Income from Academic Services*

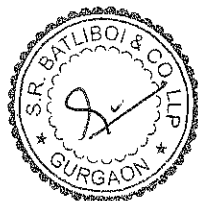
Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

*Interest*

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

**k. Unamortised finance charges**

Costs incurred in raising funds are amortised on straight line basis over the period for which the funds have been obtained, using time proportionate basis.



**I. Foreign currency transactions and balances**

**i) Initial recognition**

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

**ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**iii). Exchange differences**

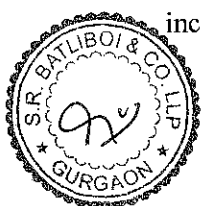
The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- a. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- b. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- c. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- d. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of b and c above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

**iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of the forward exchange contract is amortized as an income/expense over the life of contract. Exchange difference on such contracts, except the contracts



which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period. Any gain/loss arising on forward contracts which are long term foreign currency monetary items is recognised in accordance with paragraph (iii) (b) and (iii) (c).

**m. Income taxes**

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.

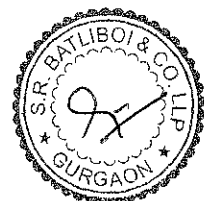
Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.



**n. Retirement and other employee benefits:**

**i) Contribution to provident fund**

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. The provident fund contribution is being deposited with "Fortis Healthcare Limited Provident Fund Trust" managed by Fortis Healthcare Limited, the holding company of Fortis Hospitals Limited (direct holding company); such contribution to the trust additionally requires guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date by Fortis Healthcare Limited. There are no other obligations on the Company other than the contribution payable to the fund.

**ii) Gratuity**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year using projected unit credit method.

**iii) Compensated absences**

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

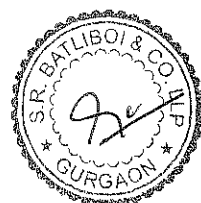
The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**iv) Actuarial gain/ losses**

Actuarial gains/losses are recognised in the statement of profit and loss as they occur.

**o. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year (including prior period items, if any) attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



**p. Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event and 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.

**q. Cash and cash equivalents**

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

**r. Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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 includes interest income included under other income, but does not include depreciation and amortization expense, finance costs and tax expense.

**s. 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.

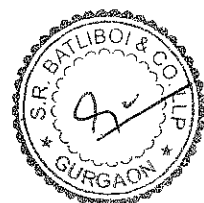
**t. Borrowing costs**

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily take 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.

**u. Segment Reporting**

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





March 31, 2014    March 31, 2013  
(in ₹)                (in ₹)

4 (i) Share capital

Authorised shares (Nos.)

7,000,000 (Previous year 2,000,000) Equity shares of ₹ 10 each

70,000,000                20,000,000  
70,000,000                20,000,000

Issued, subscribed and fully paid up shares (Nos.)

6,767,729 (Previous year 1,204,375) Equity shares of ₹ 10 each fully paid up

67,677,290                12,043,750

Total issued, subscribed and fully paid up share capital

67,677,290                12,043,750

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

Particulars	March 31, 2014		March 31, 2013	
	Number	Value ₹	Number	Value ₹
At the beginning of the year	1,204,375	12,043,750	1,204,375	12,043,750
Issued during the year	5,563,354	55,633,540	-	-
Outstanding at the end of the year	6,767,729	67,677,290	1,204,375	12,043,750

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended March 31, 2014, the amount of dividend recognised as distributions to equity shareholders was ₹ Nil. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

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

Name of Shareholder	March 31, 2014		March 31, 2013	
	Number	Value ₹	Number	Value ₹
Fortis Hospitals Limited, the holding company*	4,060,637	40,606,370	722,625	7,226,250

\* including 3 shares held by nominees.

Fortis Health Management (North) Limited (FHMNL) was the holding company till March 31, 2013. FHMNL has merged with Fortis Hospitals Limited and the Scheme of Amalgamation has been approved and sanctioned by the Hon'ble High Court vide its Order dated July 22, 2013 with the appointed date of April 1, 2012.

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

Name of Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, the holding company*	4,060,637	60%	722,625	60%
Dr. Angeli Misra	1,590,651	24%	289,051	24%
Dr. Anoop Misra	1,092,354	14%	168,612	14%

\* including 3 shares held by nominees.

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

Fortis Health Management (North) Limited (FHMNL) was the holding company till March 31, 2013. FHMNL has merged with Fortis Hospitals Limited and the Scheme of Amalgamation has been approved and sanctioned by the Hon'ble High Court vide its Order dated July 22, 2013 with the appointed date of April 1, 2012.

4 (ii) Reserves and surplus

Securities premium account

Balance as per last financial statements

36,131,250                36,131,250

Closing balance

36,131,250                36,131,250

Deficit in the statement of profit and loss

Balance as per last financial statements

(58,825,973)                (2,653,502)

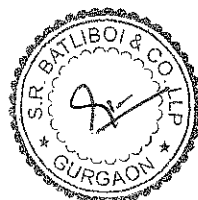
Add: Loss for the year

(51,185,188)                (56,172,471)

Net deficit in statement of profit and loss

(110,011,161)                (58,825,973)

(73,879,911)                (22,694,723)



Fortis C-Doc Healthcare Limited  
Notes to financial statements for the year ended March 31, 2014

	March 31, 2014 (in ₹)	March 31, 2013 (in ₹)
<b>4 (iii) Long-term borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
- from banks*	67,246,401	88,370,332
	<b>67,246,401</b>	<b>88,370,332</b>
<b>Unsecured</b>		
<b>Loans and advances from related parties</b>		
- from a holding company**	15,363,494	-
	<b>15,363,494</b>	<b>-</b>
	<b>82,609,895</b>	<b>88,370,332</b>

\*Loan from Bank carries interest @12.5-12.75% p.a. and secured by exclusive charge on entire fixed assets and current assets of the company (both present and future) along with corporate guarantee of Fortis Healthcare Limited and personal guarantee of Dr. Anoop Misra and Dr. Angeli Misra. The loan is repayable in 20 structured installment starting from June 30, 2013.

Year	Amount in ₹
5% in the 1st year	5,155,000
20% in the 2nd year	20,620,000
25% in the 3rd year	25,775,000
25% in the 4th year	25,775,000
19% in the 5th year	15,696,402

\*\* Loan from holding company carries interest @13% p.a. and is repayable on March 31, 2016.

<b>4 (iv) Other long term liabilities</b>		
Lease equalisation reserve	15,216,912	13,903,417
Interest accrued but not due	23,007	-
	<b>15,239,919</b>	<b>13,903,417</b>
<b>4 (v) Long-term provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 8)	933,000	683,000
	<b>933,000</b>	<b>683,000</b>
<b>4 (vi) Short-term borrowings</b>		
<b>Unsecured</b>		
- from a holding company*	-	15,057,000
	<b>-</b>	<b>15,057,000</b>

\*Loan from holding company carries interest @13% p.a. and is repayable on demand on or before March 31, 2015.

<b>4 (vii) Trade payables</b>		
Trade Payables (refer note 9 for details of dues to micro and small enterprises)	29,228,652	20,799,561
	<b>29,228,652</b>	<b>20,799,561</b>
<b>4 (viii) Other current liabilities</b>		
Current maturities of long-term borrowings	20,620,000	5,638,626
Interest accrued but not due on borrowings	964,991	744,320
Share application money	-	10,416,000
Advances from patients	1,136,345	3,130,403
Capital creditors	11,595,702	18,762,006
Security deposits	200,000	-
Statutory payables	2,301,092	1,377,934
Book overdrafts	-	334,136
Lease equalisation reserve	638,000	159,500
	<b>37,456,130</b>	<b>40,562,925</b>
<b>4 (ix) Short-term provisions</b>		
<b>Provision for employees benefits</b>		
Provision for gratuity (refer note 8)	16,000	18,000
Provision for leave encashment	1,161,000	883,000
	<b>1,177,000</b>	<b>901,000</b>



4(x) : Tangible assets

	Leasehold improvements	Plant and machinery	Medical equipments	Furniture and fittings	Computers	Office equipments	Total
<b>Gross Block</b>							
At April 1, 2012	616,904	-	507,507	173,049	69,132	206,498	1,573,090
Additions	92,252,665	11,498,955	47,419,204	10,111,951	2,332,180	80,408	163,695,363
At March 31, 2013	92,869,569	11,498,955	47,926,711	10,285,000	2,401,312	286,906	165,268,453
Additions	190,799	-	1,590,709	94,710	598,657	-	2,474,875
At March 31, 2014	93,060,368	11,498,955	49,517,420	10,379,710	2,999,969	286,906	167,743,328
<b>Depreciation</b>							
At April 1, 2012	96,000	-	29,210	119,569	17,145	7,111	269,035
Charge for the year	7,582,838	668,377	2,499,600	994,381	487,974	26,831	12,260,001
At March 31, 2013	7,678,838	668,377	2,528,810	1,113,950	505,119	33,942	12,529,036
Charge for the year	12,943,774	1,184,199	3,441,531	627,646	415,530	13,050	18,625,730
At March 31, 2014	20,622,612	1,852,576	5,970,341	1,741,596	920,649	46,992	31,154,766
<b>Net Block</b>							
At March 31, 2013	85,190,731	10,830,578	45,397,901	9,171,050	1,896,193	252,964	152,739,417
At March 31, 2014	72,437,756	9,646,379	43,547,079	8,638,114	2,079,320	239,914	136,588,562



**Fortis C-Doc Healthcare Limited**  
**Notes to financial statements for the year ended March 31, 2014**

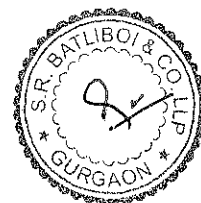
	March 31, 2014 (in ₹)	March 31, 2013 (in ₹)
<b>4 (xi) Long-term loans and advances</b>		
<b>Unsecured-considered good</b>		
Capital advances	128,200	541,825
Security deposits	7,860,750	7,860,750
Advance income tax (net of provision for taxation)	5,891,867	4,461,040
	<u>13,880,817</u>	<u>12,863,615</u>
<b>4 (xii) Other non-current assets</b>		
<b>Unsecured, considered good</b>		
Unamortised finance charges	669,893	865,685
	<u>669,893</u>	<u>865,685</u>
<b>4 (xiii) Inventories (valued at lower of cost and net realisable value)</b>		
Medical consumables and drugs	623,366	435,730
	<u>623,366</u>	<u>435,730</u>
<b>4 (xiv) Trade receivables</b>		
<b>Outstanding for a period exceeding six months (from the date they are due for payment)</b>		
Unsecured, considered good	357,545	353,752
Considered doubtful	117,190	-
	<u>474,735</u>	<u>353,752</u>
<b>Other receivables</b>		
Unsecured, considered good	1,915,187	517,858
	<u>1,915,187</u>	<u>517,858</u>
Less: Provision for bad and doubtful	117,190	-
	<u>2,272,732</u>	<u>871,610</u>
<b>4 (xv) Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks	4,195,564	79,555
- on current accounts	189,860	253,328
Cash in hand	<u>4,385,424</u>	<u>332,883</u>
<b>4 (xvi) Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Advances recoverable in cash or in kind or for value to be received	1,320,596	1,125,445
	<u>1,320,596</u>	<u>1,125,445</u>
<b>4 (xvii) Other current assets</b>		
<b>Unsecured, considered good</b>		
Unamortised finance charges	195,881	195,881
Accrued operating income	504,704	195,996
	<u>700,585</u>	<u>391,877</u>



**Fortis C-Doc Healthcare Limited**  
**Notes to financial statements for the year ended March 31, 2014**

	March 31, 2014 (in ₹)	March 31, 2013 (in ₹)
<b>4 (xviii) Revenue from operations</b>		
<b>Sale of services</b>		
In patient	53,515,679	9,981,088
Out patient	51,938,818	25,922,975
Income from medical services	24,144,077	19,708,619
	<b>129,598,574</b>	<b>55,612,682</b>
Less: Trade discounts	2,405,548	1,149,264
	<b>127,193,026</b>	<b>54,463,418</b>
 <b>Other operating income</b>		
Income from academic services	178,000	1,138,500
Income from rent (refer note 6 (ii))	2,286,748	1,034,363
Miscellaneous income	66,500	222,500
	<b>2,531,248</b>	<b>2,395,363</b>
	<b>129,724,274</b>	<b>56,858,781</b>
 <b>4 (xix) Other income</b>		
Interest income - Others	58,138	-
Miscellaneous income	413,993	371,414
	<b>472,131</b>	<b>371,414</b>
 <b>4 (xx) Increase in inventories of medical consumables and drugs</b>		
Inventory at the beginning of the year	435,730	180,393
Inventory at the end of the year	623,366	435,730
	<b>(187,636)</b>	<b>(255,337)</b>
 <b>4 (xxi) Employee benefits expense</b>		
Salaries, wages and bonus*	25,181,012	23,006,227
Gratuity expense (refer note 8)	1,146,000	413,000
Leave encashment	439,475	247,301
Contribution to provident and other funds	1,498,291	1,258,572
Staff welfare expenses*	608,299	910,926
Recruitment and training	22,300	6,300
	<b>28,895,377</b>	<b>25,842,326</b>

[\* Net of trial run expenses/ income, capitalized (refer note 12)]



**Fortis C-Doc Healthcare Limited**  
**Notes to financial statements for the year ended March 31, 2014**

	March 31, 2014 (in ₹)	March 31, 2013 (in ₹)
<b>4 (xxii) Other expenses</b>		
Contractual manpower	2,701,211	1,609,478
Power, fuel and water*	4,726,961	2,737,172
Housekeeping expenses including consumables*	1,078,678	1,260,476
Patient food and beverages	1,567,908	581,313
Pathology laboratory expenses	9,037,618	4,598,288
Radiology expenses	412,721	63,840
Consultation fees to doctors	15,232,175	4,143,873
Professional charges to doctors*	28,279,481	15,717,831
Cost of medical services	1,815,333	180,028
Repairs and maintenance		
- Building	479,244	331,856
- Plant and machinery	1,208,360	481,453
- Others	318,845	262,725
Rent (refer note 6 (i))*		
- Hospital building	27,123,558	16,783,055
- Equipments	142,784	-
- Others	539,457	927,239
Legal and professional fee	1,244,598	846,814
Travel and conveyance*	1,713,701	1,636,111
Rates and taxes*	557,782	280,534
Printing and stationary*	673,797	992,394
Communication expenses*	740,518	1,041,443
Insurance	929,858	769,633
Marketing and business promotion	3,304,668	3,807,777
Payment to auditor		
As auditor:		
- audit fee	393,260	393,260
- Tax audit fee	84,270	84,270
- Out of pocket expenses	84,989	57,948
- Other Services	18,399	-
Provision for doubtful debts	117,190	-
Miscellaneous expenses	1,154,843	932,827
	<b>105,682,207</b>	<b>60,521,638</b>
[* Net of trial run expenses/ income, capitalized (refer note 12)]		
<b>4 (xxiii) Finance Costs</b>		
Interest expense		
- on term loans	11,525,777	6,555,566
- others	3,191,213	4,470,833
Bank charges	631,400	269,106
	<b>15,348,390</b>	<b>11,295,505</b>
<b>4 (xxiv) Depreciation and amortization expense</b>		
Depreciation of tangible assets	18,625,730	12,260,001
	<b>18,625,730</b>	<b>12,260,001</b>
<b>4 (xxv) Loss per share</b>		
Loss as per statement of profit and loss	(51,185,188)	(56,172,471)
Weighted average number of equity shares in calculating basic and diluted loss per share	1,295,827	1,204,375

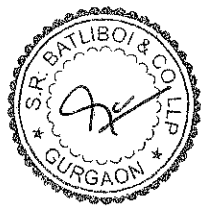


5. Related party disclosures

Names of related parties and related party relationship

Ultimate Holding Company	RHC Holding Private Limited (holding company of Fortis Healthcare Holdings Private Limited)
Holding Companies	Fortis Healthcare Holdings Private Limited (holding company of Fortis Healthcare Limited)
	Fortis Healthcare Limited (FHL) (holding company of Fortis Hospitals Limited)
	Fortis Hospitals Limited (FHsL)
	Fortis Health Management (North) Limited (FHMNL)*
Fellow Subsidiaries (parties with whom transactions have taken place)	SRL Limited (SRL) (Subsidiary of Fortis Healthcare Limited)
	Fortis Emergency Services Limited (FESL) (Subsidiary of Fortis Healthcare Holdings Private Limited)
	Religare Wellness Limited (RWL) (Subsidiary of Fortis Healthcare Holdings Private Limited)
Investing party of which reporting enterprises is an associate	C-Doc Healthcare Private Limited
Key managerial personnel	Dr. Anoop Misra- Executive Chairman
Relatives of key managerial personnel(s)	Dr. Angeli Misra- Director
Individuals having control over voting power	Mr. Malvinder Mohan Singh
	Mr. Shivinder Mohan Singh

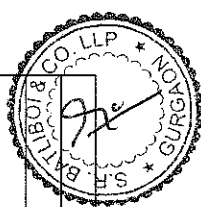
The disclosures in respect of Related Party Transactions are as under:



**Fortis C-Doc Healthcare Limited**

Notes to financial statements for the year ended March 31, 2014

Particulars	2013-14				2012-13			
	Holding Companies	Fellow Subsidiaries	Key managerial personnel(s)	Relatives of Key managerial personnel(s)	Holding Companies	Fellow Subsidiaries	Key managerial personnel(s)	Relatives of Key managerial personnel(s)
<b>Transactions during the year</b>								
<b>Equity Shares issued (including premium)</b>								
Fortis Hospitals Limited	33,380,120	-	-	-	-	-	-	-
Dr. Anoop Misra	-	-	13,016,000	-	-	-	-	-
Dr. Angeli Misra	-	-	-	9,237,420	-	-	-	-
<b>Share application money received</b>								
Dr. Anoop Misra	-	-	-	-	-	-	1,000,000	-
Dr. Angeli Misra	-	-	-	-	-	-	9,416,000	-
<b>Unsecured Loan</b>								
Fortis Hospitals Limited:								
Loan Received	30,836,320	-	-	-	-	-	-	-
Loan Repaid	30,529,826	-	-	-	-	-	-	-
Fortis Health Management (North) Limited*								
Loan Received	-	-	-	-	29,200,000	-	-	-
Loan Repaid	-	-	-	-	62,500,000	-	-	-
<b>Rental Income</b>								
Religare Wellness Limited	-	2,286,748	-	-	-	1,034,363	-	-
<b>Pathology Expenses</b>								
SRL Limited	-	9,037,618	-	-	-	4,578,443	-	-
Escorts Heart Institute & Research Centre Limited	-	-	-	-	-	15,275	-	-
<b>Radiology expenses</b>								

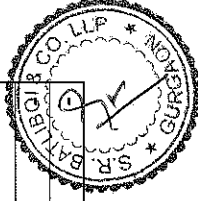




**Fortis C-Doc Healthcare Limited**


**Notes to financial statements for the year ended March 31, 2014**

Escorts Heart Institute & Research Centre Limited	-	156,565	-	-	-	5,000	-	-
<b>Income from Medical Services</b>								
Fortis Hospitals Limited	4,664,838	-	-	-	-	-	-	-
Fortis Health Management (North) Limited*	-	-	-	-	1,246,613	-	-	-
Escorts Heart Institute & Research Centre Limited	-	216,145	-	-	-	66,918	-	-
<b>Managerial Remuneration</b>								
Dr. Anoop Misra	-	-	12,637,680	-	-	-	12,637,680	-
<b>Rent Expense</b>								
Dr. Angeli Misra	-	-	-	-	-	-	660,000	-
<b>Medical consumables and drugs</b>								
Religare Wellness Limited	-	8,875,021	-	-	-	2,730,142	-	-
<b>Cost of medical services</b>								
Fortis Hospitals Limited	717,944	-	-	-	-	-	-	-
Fortis Health Management (North) Limited*	-	-	-	-	106,328	-	-	-
<b>Interest Expense</b>								
Fortis Hospitals Limited	3,191,213	-	-	-	-	-	-	-
Fortis Health Management (North) Limited*	-	-	-	-	4,470,833	-	-	-
<b>Travelling expenses</b>								
Fortis Emergency Services Limited	-	119,500	-	-	-	28,500	-	-
<b>Consultation fees to doctors</b>								
Fortis Hospitals Limited	1,619,230	-	-	-	-	-	-	-
Fortis Health Management	-	-	-	-	260,268	-	-	-



**Fortis C-Doc Healthcare Limited**

Notes to financial statements for the year ended March 31, 2014



Fortis C-Doc Healthcare Limited

Notes to financial statements for the year ended March 31, 2014

Trade receivables											
Fortis Hospitals Limited	359,236	-	-	-	-	-	-	-	-	-	-
Fortis Health Management (North) Limited*	-	-	-	-	-	-	153,668	-	-	-	-

\* Fortis Health Management (North) Limited (FHMNL) was the holding company till March 31, 2013. FHMNL has merged with Fortis Hospitals Limited and the Scheme of Amalgamation has been approved and sanctioned by the Hon'ble High Court vide its Order dated July 22, 2013 with the appointed date of April 1, 2012.



**6. Leases****i) Operating lease: Company as lessee**

The Company has taken Hospital premises and nursing hostel on rent. In all the cases, the agreements are further renewable at the option of the Company. There is an escalation clause of 15% rent increase on last paid rent after every three years in case of lease of Hospital premises. There is no restriction imposed by lease arrangement. The total lease payment in respect of such leases recognized in the statement of profit and loss for the year are ₹ 27,123,558 (Previous year ₹ 16,783,055) and capitalized during the year is ₹ Nil (Previous year ₹ 10,530,152).

The total future minimum lease amounts under non-cancellable operating leases are as under:

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Minimum lease payments:		
Not later than one year	-	15,300,000
Later than one year but not later than three years	-	-
Later than five years	-	-

**ii) Operating lease: Company as lessor**

The Company has sub-leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All the leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognized in the statement of profit and loss for the year is ₹ 2,286,748 (Previous year ₹ 1,034,363).

**7. Commitments**

Description	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Estimated amount of contracts remaining to be executed on capital account and not provided	110,208	-

**8. Disclosure under Accounting Standard – 15 (Revised) on 'Employee Benefits'**

The Company has a defined benefit gratuity plan. 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.

The Company also provides leave encashment, which is unfunded.

The following table summarizes the components of net employee benefit expenses recognized in the statement of profit and loss and the amounts recognized in the balance sheet for the respective plans:

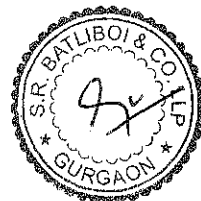


**Fortis C-Doc Healthcare Limited**
**Notes to financial statements for the year ended March 31, 2014**

Particulars	(in ₹)	
	Gratuity	Gratuity
	2013-2014	2012-2013
	(Unfunded)	(Unfunded)
<b>Statement of profit and loss</b>		
<b>Net employee benefit expenses (recognized in Personnel Expenses / Expenditure during construction period)</b>		
Current Service cost	392,000	326,000
Interest cost	20,000	25,000
Expected return of plan assets	-	-
Net actuarial loss/ (gain) recognized in the year	734,000	62,000
Net benefit expenses	1,146,000	413,000
Actual return on plan assets	-	-
<b>Balance Sheet</b>		
<b>Details of Provision for Gratuity as at year end</b>		
Present value of defined benefit obligation	949,000	701,000
Fair value of plan assets	-	-
Surplus/(deficit) of funds	(949,000)	(701,000)
Net asset/ (liability)	(949,000)	(701,000)
<b>Changes in present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	701,000	288,000
Current service cost	392,000	326,000
Interest cost on benefit obligation	20,000	25,000
Benefits paid	(898,000)	-
Actuarial (loss)/ gain recognized in the year	734,000	62,000
Closing defined benefit obligation	949,000	701,000

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

Particulars	As at March 31, 2014	As at March 31, 2013
Discount rate	9.25%	8.00%
Expected rate of return on plan assets	-	-
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (modified) ULT.	Indian Assured Lives Mortality (2006-08) (modified) ULT.
<b>Withdrawal / Employee Turnover Rate</b>		
Up to 30 years	18%	18%
Up to 44 years	6%	6%
Above 44 years	2%	2%
Experience loss adjustments on plan liabilities	Nil	Nil



Experience history for the current and previous year are as follows:

(Amount in ₹)

Particulars	Year ending	
	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Defined benefit obligation at the end of the period	(949,000)	(701,000)
Plan assets at the end of the period	-	-
Funded status	(949,000)	(701,000)
Experience gain/ (loss) adjustment on plan liabilities	(815,000)	(33,000)
Experience gain/ (loss) adjustment on plan assets	-	-
Actuarial gain/ (loss) due to change on assumptions	81,000	(29,000)

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes:

- a) 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.
- b) The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contributions expected to be paid to the plan during the annual period beginning after the balance sheet date as required by Para 120 (o) of the Accounting Standard 15 (Revised) on Employee Benefits are not disclosed.

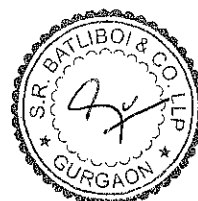
#### 9. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

During the period ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

#### 10. Material Consumed (including consumables)

Particulars	March 31, 2014 % of total consumption	March 31, 2013 % of total consumption	March 31, 2014 ₹	March 31, 2013 ₹
Indigenous	100%	100%	12,829,889	3,038,245
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>12,829,889</b>	<b>3,038,245</b>

Note: Material consumption consists of items of various nature and specifications and includes medical consumables, pharmaceuticals etc. Hence, it is not practicable to furnish the item wise details.



11. Value of imports calculated on CIF basis

(Amount in ₹)

Particulars	2013-14	2012-13
Capital goods	-	2,991,674

12. Capitalization of expenses

During the year, the company has capitalised the following expenses of revenue nature to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amount capitalised by the company.

PARTICULARS	As at March 31, 2014	As at March 31, 2013
	₹	₹
Opening	-	42,462,698
Salaries, wages and bonus	-	3,709,475
Professional charges to doctors	-	4,711,374
Power, fuel and water	-	433,181
Staff welfare expenses	-	-
Rent	-	10,530,152
Communication expenses	-	-
Housekeeping expenses including consumables	-	609,447
Printing and stationery	-	-
Rates and taxes	-	-
Travel and conveyance	-	-
Total	-	62,456,327
Less: Capitalised during the year	-	(62,456,327)
Balance carried forward to Capital Work in Progress	-	-

13. Previous Year Comparatives

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

As per our report of even date

S. R. Batliboi & Co. LLP  
Firm registration number: 301003E  
Chartered Accountants

*Rajeev Sawhney*  
per Rajeev Sawhney  
Partner  
Membership No. 96333



For and on behalf of the Board of Directors of  
Fortis C-Doc Healthcare Limited

*Anoop Misra*  
Dr. Anoop Misra  
Director  
*Ashish Bhatia*  
Ashish Bhatia  
Director

Place: Gurgaon  
Date: May 28, 2014

Place: Gurgaon  
Date: May 28, 2014