

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Independent Auditors' Report

To the Members of Fortis Healthstaff Limited

Report on the Financial Statements

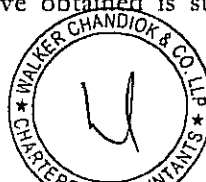
1. We have audited the accompanying financial statements of **Fortis Healthstaff Limited**, ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other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

Management's Responsibility for the Financial Statements

2. 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 the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

Auditors' Responsibility

3. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Company'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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Walker Chandiook & Co LLP

Opinion

6. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. 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.¹
8. 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 financial statements dealt with by this report are in agreement with the books of account
 - d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
 - 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 Act.

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For Walker Chandiook & Co LLP

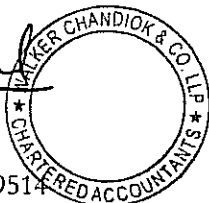
Chartered Accountants

Firm Registration No.: 001076N

Neeraj
per Neeraj Goel

Partner

Membership No.: 099514



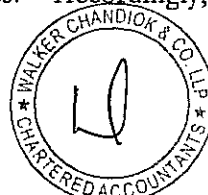
Place: Gurgaon

Date: May 28, 2014

Annexure to the Independent Auditors' Report of even date to the members of Fortis Healthstaff Limited on the financial statements for the year ended March 31, 2014

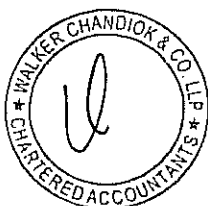
Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii)(a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.
- (e) 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 Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) *The Company did not have an internal audit system during the year.*
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's services. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.



Annexure to the Independent Auditors' Report of even date to the members of Fortis Healthstaff Limited on the financial statements for the year ended March 31, 2014

- (ix) (a) The Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) *In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* Further, the Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 4(xi) of the Order are not applicable.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) *In our opinion, the Company has used funds raised on short-term basis for long-term investment. The Company has invested in non current assets of Rs 8,577,068 and negative net worth of Rs 88,918,695 which is funded through short term funds in the form of short term borrowings, refundable share application money and trade payables.*
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.



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Annexure to the Independent Auditors' Report of even date to the members of Fortis Healthstaff Limited on the financial statements for the year ended March 31, 2014

- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N

Neeraj

per Neeraj Goel

Partner

Membership No.: 099514



Place: Gurgaon

Date: May 28, 2014

	Notes	As at 31 March 2014 (₹)	As at 31 March 2013 (₹)
Equity and liabilities			
Shareholders' funds			
Share capital	4	4,90,00,000	4,90,00,000
Reserves and surplus	5	(13,79,18,695)	(13,69,72,406)
		<u>(8,89,18,695)</u>	<u>(8,79,72,406)</u>
Current liabilities			
Short-term borrowings	6	7,94,50,000	7,94,50,000
Trade payables	7	2,06,57,993	2,54,19,642
Other current liabilities	8	3,45,15,385	3,52,44,235
Short-term provisions	9	-	4,69,787
		<u>13,46,23,378</u>	<u>14,05,83,664</u>
		<u>4,57,04,683</u>	<u>5,26,11,258</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	35,21,347	40,36,033
		<u>35,21,347</u>	<u>40,36,033</u>
Long-term loans and advances	11	50,55,721	7,29,313
		<u>85,77,068</u>	<u>47,65,346</u>
Current assets			
Current investments	12	1,02,80,523	1,02,80,523
Trade receivables	13	2,15,36,009	3,41,07,812
Cash and bank balances	14	52,89,176	12,91,538
Short-term loans and advances	15	21,907	21,66,039
		<u>3,71,27,615</u>	<u>4,78,45,912</u>
		<u>4,57,04,683</u>	<u>5,26,11,258</u>

Summary of significant accounting policies

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The accompanying notes (1 to 27) are an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

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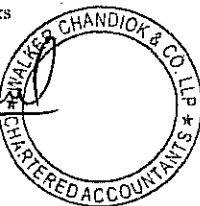
For Walker Chandok & Co LLP

Chartered Accountants

Neeraj

Per Neeraj Goel

Partner



Place: Gurgaon

Date: May 28, 2014

For and on behalf of board of directors

Sandeep

Director

[Signature]

Director

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Fortis HealthStaff Limited
Statement of Profit and Loss for the year ended 31 March 2014

	Notes	For the year ended 31 March 2014 (₹)	For the year ended 31 March 2013 (₹)
Revenue			
Revenue from operations	16	4,65,26,217	4,19,47,929
Other income	17	46,654	1,71,796
Total revenue		4,65,72,871	4,21,19,725
Expenses			
Cost of medical services	18	3,57,05,965.00	2,92,48,690
Employee benefits expense	19	9,28,317	4,49,440
Finance costs	20	248	1,011
Depreciation expense		5,14,686	5,14,686
Other expenses	21	87,36,918	9,76,922
Total expenses		4,58,86,134	3,11,90,749
Profit/(loss) before tax		6,86,737	1,09,28,976
Tax expense:			
Current tax		16,33,026	7,29,313
Minimum alternative tax credit entitlement		-	-7,29,313
Deferred tax		-	-
Profit/(loss) for the period		-9,46,289	1,09,28,976
Minority interest			
Share of Profit/(loss) in Associates (Net)			
Profit/ (loss) for the period		-9,46,289	1,09,28,976
Earnings per equity share:	22		
Basic and diluted		-0.19	2.23
Summary of significant accounting policies	3		

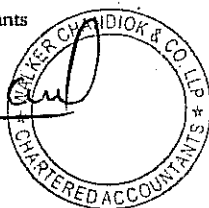
The accompanying notes (1 to 27) are an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Neeraj Goel
Per Neeraj Goel
Partner



Place : Gurgaon

Date : May 28, 2014

For and on behalf of board of directors

Pradeep Kumar
Director

Director

Director

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Fortis HealthStaff Limited
Cash Flow Statement for the year ended 31 March 2014

	31 March 2014 (₹)	31 March 2013 (₹)
A. Cash flow from operating activities		
Net profit/ (loss) before tax and exceptional items	6,86,737	1,09,28,976
Adjustments for:		
Depreciation	5,14,686	5,14,686
Profit on sale of investments	-	(1,69,023)
Provision for doubtful debts and advances	69,60,546	-
Unclaimed balances and excess provisions written back	-	(3,83,811)
Interest income	(7,360)	(2,773)
Operating profit/(loss) before working capital changes	81,54,609	1,08,88,055
Movements in working capital :		
Increase in trade receivables	56,11,257	(3,30,60,564)
Decrease/(increase) in loans and advances	21,44,132	(7,27,909)
Increase/(decrease) in trade payables, other liabilities and provisions	(54,90,499)	2,15,80,213
Cash generated from/ (used in) operations	1,04,19,499	(13,20,205)
Taxes paid	(64,20,221)	(61,800)
Net cash generated from/(used in) operating activities (A)	39,90,278	(13,82,005)
B. Cash flows from investing activities		
Proceeds of investments in mutual funds	-	20,00,000
Interest received	7,360	81,123
Net cash generated from/ (used in) investing activities (B)	7,360	20,81,123
Net increase/ (decrease) in cash and cash equivalents (A + B)	39,97,638	6,99,118
Total cash and cash equivalents at the beginning of the year	12,91,538	5,92,420
Cash and cash equivalents at the end of the year	52,89,176	12,91,538
Components of cash and cash equivalents:		
Balances with banks on current and cash credit accounts	52,89,176	12,91,538
Total	52,89,176	12,91,538

Summary of significant accounting policies

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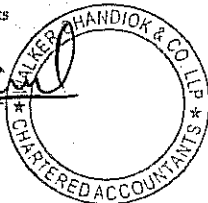
The accompanying notes (1 to 27) are an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

Walker Chandniok & Co LLP

For Walker Chandniok & Co LLP
Chartered Accountants

Per Neeraj Goel
Partner

Place : Gurgaon
Date : May 28, 2014



For and on behalf of board of directors

Sandesh
Director

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Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2014

1. Nature of operations

Fortis HealthStaff Limited (the 'Company') was incorporated on 31 January 1984. The Company is engaged in the business of providing healthcare solutions.

2. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

3. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Tangible assets

Fixed assets are stated at cost (or revalue amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

c. Depreciation

Depreciation on fixed assets is provided from the date asset is capitalised and has put to use during the year, on straight line based on estimated useful life of the asset after considering a residual value of 10% of the original cost. The estimated useful life of the assets is:

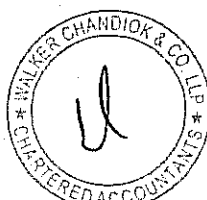
Asset description	Useful life (No. of years)	Depreciation rate (in %)
Vehicles (ambulances)	9	11.31%

Assets costing less than Rs. 5,000 each are depreciated fully in the year of purchase.

d. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. 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 at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2014

e. 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.

i) *Income from medical services at satellite centres and in patient services*

Revenue is recognized as and when the services are rendered, net of discount and allowances.

ii) *Interest income*

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

f. Investments

Investments that are readily realisable and intended to be held for not more than a year 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.

Profit/ loss on sale of investments are computed with reference to the average cost of the investment.

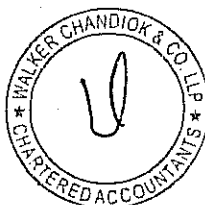
g. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with *the Income-tax Act, 1961* enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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 realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a 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 realised. 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.



Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2014

Minimum Alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

h. Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings/(loss) 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.

i. Provision and contingencies

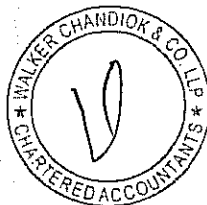
The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- Present obligation, where a reliable estimate cannot be made.

j. 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.



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	As at 31 March 2014 (₹)	As at 31 March 2013 (₹)
4 Share capital		
Authorised share capital		
4,900,000 (Previous year 4,900,000) Equity shares of ₹ 10 each	4,90,00,000	4,90,00,000
100,000 (Previous year 100,000) 10% Non cumulative redeemable preference shares of ₹ 10 each	10,00,000	10,00,000
	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued share capital		
4,900,000 (Previous year 4,900,000) Equity shares of ₹ 10 each fully paid up	4,90,00,000	4,90,00,000
	<u>4,90,00,000</u>	<u>4,90,00,000</u>
Subscribed and paid up share capital		
4,900,000 (Previous year 4,900,000) Equity shares of ₹ 10 each fully paid up	4,90,00,000	4,90,00,000
	<u>4,90,00,000</u>	<u>4,90,00,000</u>

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

Particulars	31 March 2014		31 March 2013	
	Number	Amounts (₹)	Number	Amounts (₹)
Shares outstanding at the beginning of the year	49,00,000	4,90,00,000	49,00,000	4,90,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	49,00,000	4,90,00,000	49,00,000	4,90,00,000

(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. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 shareholders.

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

Name of Shareholder	31 March 2014		31 March 2013	
	Number	Amounts (₹)	Number	Amounts (₹)
Fortis Healthcare Holdings Limited*	11,60,000	1,16,00,000	11,60,000	1,16,00,000
RHC Holding Private Limited**	23,00,000	2,30,00,000	23,00,000	2,30,00,000
Escorts Heart Institute & Research Centre Limited	14,40,000	1,44,00,000	14,40,000	1,44,00,000
Outstanding at the end of the year	49,00,000	4,90,00,000	49,00,000	4,90,00,000

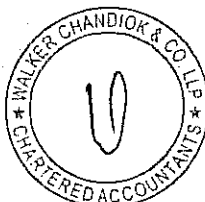
* including 6 equity shares held by its nominees.

** During the year ended 31 March 2012, the Company transferred 2,300,000 equity shares from Fortis Healthcare Limited to RHC Holding Private Limited. The consequent shareholding has been summarised in table (d) below.

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

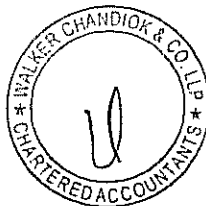
Name of Shareholder	31 March 2014		31 March 2013	
	No. of Shares held	% shareholding	No. of Shares held	Amounts (₹)
Fortis Healthcare Holdings Limited*	11,60,000	24%	11,60,000	24%
RHC Holding Private Limited	23,00,000	47%	23,00,000	47%
Escorts Heart Institute & Research Centre Limited	14,40,000	29%	14,40,000	29%

* including 6 equity shares held by its nominees.



	As at 31 March 2014 (₹)	As at 31 March 2013 (₹)
5 Reserves and surplus		
Deficit in the statement of profit and loss		
Balance at the beginning of the year	-13,69,72,406	-14,79,01,382
Add : Transferred from statement of profit and loss	-9,46,289	1,09,28,976
Balance at the end of the year	<u>-13,79,18,695</u>	<u>-13,69,72,406</u>
6 Short-term borrowings		
Unsecured		
From bodies corporate*	<u>7,94,50,000</u>	<u>7,94,50,000</u>
	<u>7,94,50,000</u>	<u>7,94,50,000</u>
* This loan is from a body corporate and carries no interest and is repayable on demand.		
7 Trade Payables		
Due to Micro, Medium & Small Enterprises (refer note (a) below)	-	-
Due to others	<u>2,06,57,993</u>	<u>2,54,19,642</u>
	<u>2,06,57,993</u>	<u>2,54,19,642</u>
a) During the period ended 31 December 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 2 October 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 required to be provided in the financial statements.		
8 Other current liabilities		
Share application pending allotment (refer note (a) below)	3,41,50,000	3,41,50,000
Other payables		
Advances from patients	-	10,300
Creditors for fixed assets	8,995	8,995
Statutory dues payables	3,56,390	6,21,584
Other payables	-	4,53,356
	<u>3,45,15,385</u>	<u>3,52,44,235</u>
a) During the financial year ending 31 March 2008, the Company received share application money of ₹ 34,150,000 from its holding company 'Fortis Healthcare Holdings Limited' which is pending allotment. It has been decided to repay the allotment money to 'Fortis Healthcare Holdings Limited' in the next financial year, hence has been included in 'Other current liabilities' under the head 'share application money pending allotment'.		
9 Short-term provisions		
Provision for tax (net of advance tax Rs.Nil Previous Year 259,526))	-	4,69,787
	<u>-</u>	<u>4,69,787</u>

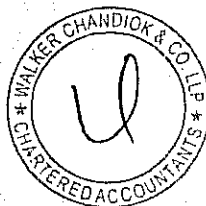
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10 Tangible assets (₹)

Gross block	Vehicles	Total
Balance as at 31 March 2013	45,50,719	45,50,719
Transfers from capital work in progress	-	-
Balance as at 31 March 2014	45,50,719	45,50,719
Accumulated depreciation		
Balance as at 31 March 2013	5,14,686	5,14,686
Charge for the year	5,14,686	5,14,686
Balance as at 31 March 2013	10,29,372	10,29,372
Net Block		
Balance as at 31 March 2013	40,36,033	40,36,033
Balance as at 31 March 2014	35,21,347	35,21,347

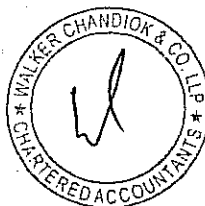
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Fortis HealthStaff Limited
Notes to the financial statements for the year ended 31 March 2014

	As at 31 March 2014 (₹)	As at 31 March 2013 (₹)
11 Long-term loans and advances		
Minimum alternative tax credit receivable	7,29,313	7,29,313
Prepaid taxes (net of provision on tax for ₹ 23,62,339 as at 31 March 2014, and ₹ 729,313 as at 31 March 2013)	43,26,408	-
	<u>50,55,721</u>	<u>7,29,313</u>
12 Current investments		
Trade investments :		
Investments in mutual funds (Quoted)	1,02,80,523	1,02,80,523
	<u>1,02,80,523</u>	<u>1,02,80,523</u>
13 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,50,35,058	1,00,91,797
Considered doubtful	81,77,236	12,16,690
	<u>2,32,12,294</u>	<u>1,13,08,487</u>
Less : Allowances for bad and doubtful debts	81,77,236	12,16,690
	<u>1,50,35,058</u>	<u>1,00,91,797</u>
Other debts		
Unsecured, considered good	65,00,951	2,40,16,015
	<u>65,00,951</u>	<u>2,40,16,015</u>
	<u>2,15,36,009</u>	<u>3,41,07,812</u>
14 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	52,89,176	12,91,538
	<u>52,89,176</u>	<u>12,91,538</u>
15 Short-term loans and advances		
Advances recoverable in cash and kind or for value to be received	21,907	20,944
Short term loans and advances to related parties		
-to Holding Company	-	21,45,095
	<u>21,907</u>	<u>21,66,039</u>

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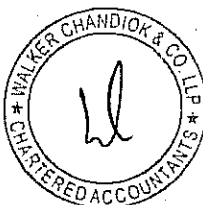
Fortis HealthStaff Limited

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

	For the year ended 31 March 2014 (₹)	For the year ended 31 March 2013 (₹)
16 Revenue from operations		
Sale of services		
Income from satellite centers	4,65,26,217	4,15,64,118
	<u>4,65,26,217</u>	<u>4,15,64,118</u>
Other operating revenues		
Unclaimed balances and excess provision written off	-	3,83,811
	<u>-</u>	<u>3,83,811</u>
Revenue from operations (net)	<u>4,65,26,217</u>	<u>4,19,47,929</u>
17 Other income		
Profit on redemption of mutual funds	-	1,69,023
Interest income		
- from bank deposits	7,360	2,773
Miscellaneous Income	39,294	-
	<u>46,654</u>	<u>1,71,796</u>
18 Cost of medical services		
Cost of medical services	3,57,05,965	2,92,48,690
	<u>3,57,05,965</u>	<u>2,92,48,690</u>
19 Employee benefits expense		
Salaries, wages and bonus*	7,58,429	4,49,440
Recruitment & training*	1,69,888	-
	<u>9,28,317</u>	<u>4,49,440</u>

* The above represents the allocation of directly attributable salary costs from a related party.

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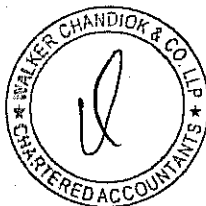


Fortis HealthStaff Limited

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

	For the year ended 31 March 2014 (₹)	For the year ended 31 March 2013 (₹)
20 Finance costs		
Bank charges	248	1,011
	<u>248</u>	<u>1,011</u>
21 Other expenses		
Legal and professional fees	2,71,552	1,56,975
Rates and taxes	-	1,200
Printing and stationery	-	14,175
Communication expenses	28,089	-
Insurance	20,944	22,348
Equipment Rental	11,65,410	-
Auditors' remuneration*	2,80,900	2,96,256
Provision for doubtful debts	69,60,546	-
Miscellaneous expenses	9,477	4,85,968
	<u>87,36,918</u>	<u>9,76,922</u>
* Auditors' remuneration (including service tax)		
As auditor		
Statutory audit	2,24,720	2,24,720
Tax audit	56,180	56,180
Out-of pocket expenses	-	15,356
	<u>2,80,900</u>	<u>2,96,256</u>
22 Earnings/(loss) per share		
a) Computation of profit for computing		
Net profit/(loss) for the year ended 31 March		
For basic and diluted profit/(loss) per share	(9,46,289)	1,09,28,976
b) Computation of number of shares for		
Basic and diluted profit/(loss) per share	49,00,000	49,00,000
c) Nominal value of shares	10	10
d) Computation		
Basic and diluted profit/(loss) per share	(0.19)	2.23

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Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2014

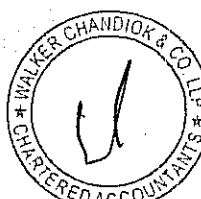
23. Related party transactions

In accordance with the requirements of Accounting Standard (AS)-18 on "Related Party Disclosures", the names of related parties where control exist and/or with whom transactions have taken place during the period and description of relationship, as identified and certified by the management, are:

	Name of related party	Relationship
(a)	Escorts Heart Institute and Research Centre Limited	Immediate holding company of Fortis Healthstaff Limited
(b)	Fortis Healthcare Limited	Immediate holding company of Escorts Heart Institute and Research Centre Limited
(c)	Fortis Healthcare Holdings Limited	Immediate holding company of Fortis Healthcare Limited
(d)	RHC Holding Private Limited	Immediate holding company of Fortis Healthcare Holdings Limited
(e)	Fortis Emergency Services Limited	In-direct associate of Fortis Healthcare Limited
(f)	Fortis Hospital Limited-Bangalore	Fellow Subsidiary of Escorts Heart Institute and Research Centre Ltd

(in)

Particulars	For the year ended 31 March	
	2014	2013
<u>Escorts Heart Institute and Research Centre Limited</u>		
<i>Transactions during the year</i>		
Cost of medical services	35,362,243	29,248,690
Allocation of employee expenses	928,317	449,440
<i>Outstanding balance</i>		
Trade payables	20,312,804	25,419,642
Advances recoverable in cash or in kind	21,907	20,944
<u>Fortis Healthcare Holdings Limited</u>		
<i>Outstanding balance</i>		
Other current liabilities (share application money pending allotment)	34,150,000	34,150,000
<u>RHC Holding Private Limited</u>		
<i>Outstanding balance</i>	79,450,000	79,450,000
Unsecured interest free short-term borrowings		
<u>Fortis Healthcare Limited</u>		
<i>Outstanding balance</i>		
Advance recoverable in cash or in kind	-	2,145,095
<u>Fortis Emergency Services Limited</u>		
<i>Transaction during the year</i>		
<i>Outstanding balances</i>		
Capital payables	8,995	8,995



Fortis HealthStaff Limited

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2014

Particulars	For the year ended 31 March	
	2014	2013
<u>Fortis Hospital Limited</u>		
Expense paid on behalf of Fortis Hospital Limited	11,85,885	-
Outstanding balances	11,85,885	-

Apart from the above transactions, the Company has leased out its vehicles (ambulances) to Fortis Emergency Services Limited for the period from 1 April 2013 to 31 March 2014. As the finalization of the arrangement between the two companies is currently under progress, no consideration has been charged by the Company for the leasing of the vehicles during the year ended 31 March 2014.

24. The Company's accumulated losses have completely eroded its net worth at the end of the year. However, the financial statements have been prepared on going concern basis considering the Company's plans and the continuing support committed by RHC Holding Private Limited, for the next 12 months.

25. In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in balance sheet and provisions for all known liabilities have been made.

26. 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 on 'Segment Reporting'.

27. Previous year comparatives

Previous year figures have been regrouped/ rearranged wherever consider necessary to make them comparable with those of the current year.

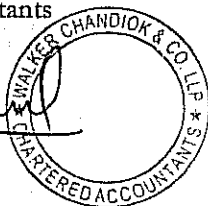
Walker Chandiolek & Co

For Walker Chandiolek & Co LLP

Chartered Accountants

per Neeraj Goel

Partner



For and on behalf of the Board of Directors

Sandip Kumar

Director

Director

Place: Gurgaon

Date: May 28, 2014

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