

INDEPENDENT AUDITOR'S REPORT

To the Members of Fortis Hospotel Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Fortis Hospotel 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, 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 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; and
- (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, the Statement of Profit and Loss, and the 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

Firm's Registration Number: 301003E

Rajeev Sawhney

per Rajeev Sawhney

Partner

Membership Number: 96333

Place : Gurgaon

Date: August 25, 2014



Annexure referred to in our report of even date

Re: Fortis Hospotel 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 fixed assets during the year.
- (ii) (a) The Company does not have any stock of inventory, hence provision of paragraph 4 (ii) (a) (b), and (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iii) (a) As informed, the Company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (a), (b), (c), (d), (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) As per the information and explanations given to us, certain items of fixed assets, due to their unique, specialized or proprietary nature, are purchased without inviting comparative quotations. Read with the above, in our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for rendering of services. The activities of the company do not involve purchase of inventory and sale of goods. 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) According to the information and explanations provided by the management, there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(v) (a) and (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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, which is commensurate with the size of the Company and the nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products / services 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 have generally been regularly



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deposited with the appropriate authorities *though there has been a slight delay in a few cases*. The provisions of investor education and protection fund 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 undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions of investor education and protection fund are not applicable to the Company.
- (c) According to the information and explanation 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.
- (x) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has not incurred cash loss in the current year and in 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 institutions, bank or debenture holder.
- (xii) According to the information and explanations given to us and based on the documents and records produced to 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 guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, the Company did not have any term loans outstanding during the year.
- (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 no funds raised on short-term basis have been used for long-term investment.
- (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



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- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (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 course of our audit.

For S.R. Batliboi & Co. LLP

Firm registration number: 301003E

Chartered Accountants

Rajeev Sawhney

per Rajeev Sawhney

Partner

Membership No.: 96333

Place: Gurgaon

Date: August 25, 2014



Fortis Hospotel Limited
Balance Sheet as at March 31, 2014

	Notes	As at March 31, 2014 Amount (in ₹)	As at March 31, 2013 Amount (in ₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,937,701,600	2,937,701,600
Reserves and surplus	4	2,735,822,528	3,034,219,872
		5,673,524,128	5,971,921,472
Non current liabilities			
Long-term borrowings	5	8,821,347,016	8,878,015,000
Other long term liabilities	6	2,485,000	2,813,000
Long-term provisions	7	692,000	701,000
		8,824,524,016	8,881,529,000
Current liabilities			
Trade payables	8	31,203,705	38,868,301
Other current liabilities	9	1,484,003,563	1,023,416,493
Short-term provisions	10	818,000	829,000
		1,516,025,268	1,063,113,794
TOTAL		16,014,073,412	15,916,564,266
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	11 (a)	7,139,417,018	7,352,541,958
Intangible assets	11 (b)	132,884,600	203,461,403
Capital work-in-progress		5,301,475	66,086,904
		7,277,603,093	7,622,090,265
Non-current investments	12	7,151,500,000	7,251,500,000
Long term loans and advances	13	248,398,551	115,680,800
Other non-current assets	14	-	41,347
		14,677,501,644	14,989,312,412
Current assets			
Current investments	15	81,482,075	264,251,190
Trade receivables	16	289,465,340	293,339,108
Cash and bank balances	17	11,326,792	39,078,833
Short term loans and advances	18	44,251,963	41,356,708
Other current assets	19	910,045,598	289,226,015
		1,336,571,768	927,251,854
TOTAL		16,014,073,412	15,916,564,266

Summary of significant accounting policies 2.1

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
Rajeev Sawhney
per Rajeev Sawhney
Partner
Membership No. 96333



Place : Gurgaon
Date : Aug 25, 2014

For and on behalf of the board of directors of
Fortis Hospotel Limited

Shalini Tyagi
Director

Dr. Virender Kumar Sobti
Director

Anita Rastogi
Company Secretary

Place : New Delhi
Date :

Fortis Hospotel Limited**Statement of Profit and loss for the year ended March 31, 2014**

	Notes	For the year ended March 31, 2014 Amount (in ₹)	For the year ended March 31, 2013 Amount (in ₹)
INCOME			
Revenue from operations	20	1,260,523,883	916,011,081
Other income	21	673,182,072	306,111,753
Total revenue		1,933,705,955	1,222,122,834
EXPENSES			
Purchase of medical consumables and drugs		14,810,890	1,275,343
Employee benefits expense	22	21,744,112	27,810,005
Other expenses	23	264,765,356	191,626,095
Total expenses		301,320,358	220,711,443
Earnings before interest, tax, depreciation and amortization(EBITDA)			
		1,632,385,597	1,001,411,391
Finance costs	24	1,544,751,681	747,462,312
Profit/loss before depreciation and amortization		87,633,916	253,949,079
Depreciation and amortization expense	25	386,031,260	211,545,399
(Loss)/profit for the year		(298,397,344)	42,403,680
(Losses)/earnings Per Share (EPS) [Nominal value of shares ₹ 10/-each] (Previous year ₹ 10/- each)			
Basic EPS	26	(1.02)	0.14
Diluted EPS		(1.02)	0.14
Summary of significant accounting policies	2.1		

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

Rajeev Sawhney
per Rajeev Sawhney

Partner

Membership No. 96333

Place : Gurgaon

Date : *Aug 25, 2014*



For and on behalf of the board of directors of

Fortis Hospotel Limited

Shalini Tyagi
Shalini Tyagi
Director

Dr. Virender Kumar Sobti
Dr. Virender Kumar Sobti
Director

Anita Rastogi
Anita Rastogi
Company Secretary

Place : New Delhi

Date :

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

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
A. Cash flow from operating activities		
Net (loss)/profit before tax	(298,397,344)	42,403,680
Adjustments for:		
Depreciation and amortization	386,031,261	211,545,398
(Profit) on redemption of mutual funds	(17,993,821)	(1,149,865)
Fixed Assets Written off	3,309,875	-
Bad debts/ sundry balances written off	722,779	772,152
(Interest) income	(652,867,600)	(300,996,569)
(Dividend) Income	(4,890)	(2,771,759)
Interest expense	1,544,442,395	741,768,176
Operating profit before working capital changes	965,242,655	691,571,213
Movements in working capital :		
Decrease/(increase) trade receivables	3,873,768	(287,361,260)
(Increase)/ decrease in loans and advances	(2,389,238)	145,622,934
(Increase)/decrease in other assets	(5,042,297)	1,692,709
Increase/(decrease) in trade payables, other liabilities and provisions	24,541,734	114,847,698
Cash generated from operations	986,226,622	666,373,294
Direct taxes paid	(135,046,039)	(62,473,734)
Net cash from/ (used in) operating activities (A)	851,180,583	603,899,560
B. Cash flows from investing activities		
Purchase of fixed assets	(284,766,946)	(644,990,747)
Proceeds from redemption of Optionally Convertible Debentures (OCD's)	100,000,000	-
Fixed deposits with banks (net)	13,876,840	(8,625,661)
Deposits with bodies corporate and others (net)	(1,228,796)	(35,671,204)
Proceeds/(purchase) of investments in subsidiaries and associates	-	(7,251,500,000)
Proceeds/(purchase) of investments in mutual funds	200,762,936	(263,101,325)
Interest received	37,131,661	13,117,669
Dividend Income	4,890	2,771,759
Net cash from/ (used in) investing activities (B)	65,780,585	(8,187,999,509)
C. Cash flows from financing activities		
Proceeds from long-term borrowings	-	8,265,791,786
Repayments of long term borrowings (net)	(40,702,908)	-
Repayments of short-term borrowings (net)	-	(527,422,236)
Interest Paid	(890,133,461)	(156,961,362)
Net cash from/ (used in) financing activities (C)	(930,836,369)	7,581,408,188
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(13,875,201)	(2,691,761)
Total cash and cash equivalents at the beginning of the year	17,803,552	20,495,313
Add: Cash and cash equivalents in respect of subsidiaries acquired/ (disposed off) during the year		
Cash and cash equivalents at the end of the year	3,928,351	17,803,552
Components of cash and cash equivalents:		
Cash in hand	56,181	60,477
Balances with banks on current and cash credit accounts	3,872,170	17,743,075
Total cash and cash equivalents	17	17,803,552

As per our report of even date

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

per Rajeev Sawhney
Partner
Membership No. 96333

Place : Gurgaon
Date : Aug 25, 2014



For and on behalf of the board of directors of
Fortis Hospotel Limited

Shalini Tyagi
Director

Dr. Virender Kumar Sobti
Director

Anita Rastogi
Company Secretary

Place : New Delhi
Date :

1. Nature of Operations

Fortis Hospotel Limited (the "Company") was incorporated in the year 1990 and is primarily involved in setting up and running of hospitals. The company is a 100% subsidiary of Religare Health Trust ("RHT"), which is listed in Singapore and is engaged in the business of providing clinical establishment services (certain Out Patient Department "OPD" and radio diagnostic services). The Company has entered into a Hospital and Medical Services Agreement (HMSA) with Fortis Hospitals Limited (FHsL) and shall provide FHsL on an exclusive principal to principal basis, hospital services including clinical establishment services, OPD services and radio diagnostic services and shall receive service fee in respect thereof. "

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 and under the historical cost convention, except in case of certain fixed assets for which revaluation is carried out in earlier year. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of Significant Accounting Policies

a. Use of Estimates

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

b. Tangible Fixed Assets

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

On 31 March 2008, the company revalued all its land existing as on that date. These lands are measured at fair value and less impairment losses, if any, recognized after the date of the revaluation. In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit and loss, in which case the increase is recognized in the statement of profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

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.



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 of the fixed assets estimated by the management, or those prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher. The company has used the following rates to provide the depreciation on its fixed assets:-

S.No.	Assets	Rates (SLM)
1.	Building	3.33%
2.	Plant and Machinery	10.34%
3.	Medical Equipments	12.5%
4.	Furniture and fittings	6.33%
5.	Computers	16.21%
6.	Office equipments	4.75%

- ii) There is no depreciation on leasehold land, since it has been taken on perpetual lease
 iii) Individual assets not exceeding ₹ 5,000 are depreciated fully in the year of purchase.
 iv) 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.

d. 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.

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

Software

Cost of software is amortized over a period of 5 years, being the estimated useful life as per the management estimates.

License fees

Intangibles representing license fees is amortized using straight line method over their estimated useful life of 5 years, being the term over which those rights for operating and managing of an hospital are acquired.

e. Borrowing Cost

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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



f. 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 Profit and Loss Account.

All direct capital expenditure 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.

g. Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account 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.

h. Impairment of Tangible and Intangible Assets

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 recognized 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.

i. Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of the acquisition of such investments 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 recognize a decline other than temporary in the value of such long term investments.

j. Inventories

Inventories of medical consumables in OPD & Radiology business and Diesel are expensed off on purchase.



k. Revenue Recognition

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

i) Services Fee

Both base service and variable performance linked fee arising from the provision of Clinical Establishments services is accounted in the profit and loss account for on an accrual basis

ii) Interest

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

iii) Rent Income

Revenue is recognized in accordance with the terms of lease agreements entered into with the respective lessees.

l. Foreign Currency Transaction

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: -

1. 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. For this purpose, 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.
2. 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.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

m. Retirement and Employee Benefits:

i) Provident Fund

Retirement Benefit in form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss account 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; 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 the Fortis Healthcare Limited. There are no other obligation other than the contribution payable to the fund.

ii) **Gratuity**

Gratuity liability is a defined benefit plan and the cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

iii) **Compensated Absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iv) **Actuarial Gain/Losses**

Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

n. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. 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 tax reflects the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences for earlier years.

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 balance sheet date, the Company re-assesses and recognizes 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 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.



Minimum Alternative Tax ('MAT') paid in a year is charged to the statement of profit & loss as current tax. Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India ('ICAI'), the said asset is created by way of a credit to the profit and loss account 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.

o. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to 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 recognized 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. 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 does not include depreciation and amortization expense, finance costs and tax expense.

r. 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.

s. 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.

t. 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'.



Fortis Hospotel Limited
Notes to the Financial Statement for the year ended March 31, 2014

	As at March 31, 2014 Amount (in ₹)	As at March 31, 2013 Amount (in ₹)
3 SHARE CAPITAL		
Authorised shares		
295,000,000 (Previous Year 295,000,000) Equity Shares of ₹10 each	2,950,000,000	2,950,000,000
	<u>2,950,000,000</u>	<u>2,950,000,000</u>
Issued, subscribed and paid up		
293,770,160 (Previous Year 293,770,160) Equity Shares of ₹10 each	2,937,701,600	2,937,701,600
	<u>2,937,701,600</u>	<u>2,937,701,600</u>

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

Particulars	March 31, 2014		March 31, 2013	
	Number	Value (₹)	Number	Value (₹)
At the beginning of the year	293,770,160	2,937,701,600	293,770,160	2,937,701,600
Issued during the year	-	-	-	-
Outstanding at the end of the year	293,770,160	2,937,701,600	293,770,160	2,937,701,600

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	March 31, 2014		March 31, 2013	
	Number	Value (₹)	Number	Value (₹)
Fortis Healthcare Limited*	149,822,782	1,498,227,820	149,822,782	1,498,227,820

* including 6 equity shares held by its nominees.

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

Name of Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited*	149,822,782	51	149,822,782	51
Fortis Health Management Limited	143,947,378	49	143,947,378	49

* including 6 equity shares held by its nominees.

As per the records of the company including its register of share holders/members and other declarations received from shareholders regarding beneficial interest the above shareholdings represents both legal and beneficial ownerships of shares.

e) Aggregate number of bonus shares issued during the period of five years immediately preceeding the reporting date

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium reserve in April 2011	-	-	146,885,080



Fortis Hospotel Limited

Notes to the Financial Statement for the year ended March 31, 2014

	As at March 31, 2014 Amount (in ₹)	As at March 31, 2013 Amount (in ₹)
4 RESERVES & SURPLUS		
a) Securities premium reserve		
Balance as per the last financial statement	1,128,907,400	1,128,907,400
Closing balance	1,128,907,400	1,128,907,400
b) Revaluation reserve		
Balance as per the last financial statement	2,309,753,073	2,309,753,073
Closing balance	2,309,753,073	2,309,753,073
c) Deficit in the statement of profit and loss		
Balance as per last financial statements	(404,440,601)	(446,844,281)
(Loss)/Profit for the year	(298,397,344)	42,403,680
Net (deficit) in the statement of profit and loss	(702,837,945)	(404,440,601)
	2,735,822,528	3,034,219,872
5 LONG TERM BORROWINGS		
Secured		
Deferred payment liabilities (Refer note 33 (i))	117,347,016	174,015,000
Unsecured		
Compulsorily convertible debentures		
8,704,000(Previous year: 8,704,000) 17.5 % Compulsorily convertible debentures of ₹ 1,000 each (Refer note 33 (ii))	8,704,000,000	8,704,000,000
	8,821,347,016	8,878,015,000
6 OTHER LONG TERM LIABILITIES		
Security deposit	2,485,000	2,813,000
	2,485,000	2,813,000
7 LONG TERM PROVISIONS		
Provision for employees' benefits		
Provision for gratuity (Refer note 29)	692,000	701,000
	692,000	701,000
8 TRADE PAYABLES		
Sundry creditors (refer note 31 for details of dues to micro and small enterprises)	31,203,705	38,868,301
	31,203,705	38,868,301
9 OTHER CURRENT LIABILITIES		
Current maturity of long term borrowing		
- Deferred payment liabilities (refer note 33 (i))	44,759,451	28,794,375
Security deposit	1,155,000	1,200,000
Capital creditors	34,676,903	276,918,173
Interest accrued and due on borrowings	1,239,609,127	585,300,193
Statutory payables	116,791,897	111,591,692
Book overdrafts	10,801,909	-
Payable to holding company, fellow subsidiaries and other related parties for or on behalf of transactions (refer note 27)	-	16,970,332
Others	36,209,276	2,641,728
	1,484,003,563	1,023,416,493
10 SHORT TERM PROVISIONS		
Provisions for employee's benefits		
Provision for gratuity (refer note 29)	16,000	8,000
Provision for leave encashment	802,000	821,000
	818,000	829,000



Fortis Hospotel Limited

Notes to the Financial Statement for the year ended March 31, 2014

Notes: 11- a. Tangible assets

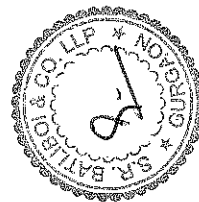
Particulars	Leasehold land (note 1)	Freehold land (note 1)	Building	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Total
Gross Block									
As at April 1, 2012	691,000,000	1,961,543,871	870,911,769	303,108,735	32,835,130	-	-	-	3,859,399,505
Additions	-	-	2,675,676,883	290,056,590	562,818,778	133,626,238	12,457,077	29,096,416	3,703,731,982
Disposals	-	-	-	-	-	-	-	-	-
As At March 31, 2013	691,000,000	1,961,543,871	3,546,588,652	593,165,325	595,653,908	133,626,238	12,457,077	29,096,416	7,563,131,487
Additions	-	-	54,870,803	39,013,005	5,562,175	2,824,348	94,856	-	102,365,187
Other adjustments	-	-	(182)	182	392,323	(392,323)	-	-	-
Disposals	-	-	-	22,286	28,644	-	-	-	50,930
As At March 31, 2014	691,000,000	1,961,543,871	3,601,459,273	632,156,226	601,579,762	136,058,263	12,551,933	29,096,416	7,665,445,744
Depreciation									
As at April 1, 2012	-	-	44,193,181	22,115,857	3,311,896	-	-	-	69,620,934
Charge for the year	-	-	68,880,112	27,954,239	38,839,686	3,777,376	899,027	618,155	140,968,595
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2013	-	-	113,073,293	50,070,096	42,151,582	3,777,376	899,027	618,155	210,589,529
Charge for the year	-	-	119,859,827	106,394,110	77,297,759	8,486,013	2,034,668	1,382,080	315,454,457
Disposals	-	-	-	3,752	11,508	-	-	-	15,260
As at March 31, 2014	-	-	232,933,120	156,460,454	119,437,833	12,263,389	2,933,695	2,000,235	526,028,726
Net Block									
As at March 31, 2013	691,000,000	1,961,543,871	3,433,515,359	543,095,229	553,502,326	129,848,862	11,558,050	28,478,261	7,352,541,958
As at March 31, 2014	691,000,000	1,961,543,871	3,568,526,153	475,695,772	482,141,929	123,794,874	9,618,238	27,096,181	7,139,417,018

Notes :-

1. Revaluations

The Company has revalued its Freehold land and Leasehold Land on March 31, 2008, at the values determined by an independent external valuer.

The historical cost of Freehold Land and Leasehold Land fair valued by the Company were ₹85,834,869 and ₹144,078,558 respectively and their fair value were ₹1,948,665,500 and ₹691,000,000 respectively. Hence, the revaluation resulted in an increase in the value of freehold land and leasehold land by ₹1,762,831,631 and ₹546,921,442, respectively.



Fortis Hospotel Limited

Notes to the Financial Statement for the year ended March 31, 2014

Note: 11-b Intangible assets

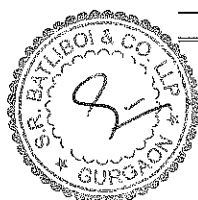
(Amount in ₹)

Particulars	License fee	Total
Gross Block		
As At April 1, 2012	352,884,020	352,884,020
Additions	-	-
Disposals	-	-
As At March 31, 2013	352,884,020	352,884,020
Additions	-	-
Disposals	-	-
As At March 31, 2014	352,884,020	352,884,020
Depreciation		
As At April 1, 2012	78,845,813	78,845,813
Charge for the year	70,576,804	70,576,804
Disposals	-	-
Depreciation as at March 31, 2013	149,422,617	149,422,617
Charge for the year	70,576,803	70,576,803
Disposals	-	-
Depreciation as at March 31, 2014	219,999,420	219,999,420
Net Block		
As at March 31, 2013	203,461,403	203,461,403
As at March 31, 2014	132,884,600	132,884,600



Fortis Hospotel Limited
Notes to the Financial Statement for the year ended March 31, 2014

	As at March 31, 2014 Amount (in ₹)	As at March 31, 2013 Amount (in ₹)
12 NON-CURRENT INVESTMENTS		
Non Trade (valued at cost unless otherwise stated)		
Debentures (unquoted)		
International Hospital Limited (Refer note 27)	7,151,500,000	7,251,500,000
Unsecured 9% Optionally Convertible Debentures (OCD's) 7,151,500 (Previous Year 7,251,500) of ₹ 1,000/- each fully paid up.		
	7,151,500,000	7,251,500,000
13 LONG TERM LOANS AND ADVANCES		
Unsecured-considered good		
Capital advances	771,169	3,099,457
Security deposit	7,914,333	7,914,333
Advance income tax	239,713,049	104,667,010
	248,398,551	115,680,800
14 OTHER NON CURRENT ASSETS		
Unsecured-considered good		
Others	-	41,347
	-	41,347
15 CURRENT INVESTMENTS		
Current Investments (valued at lower of cost and fair value, unless otherwise stated)		
Investments in Mutual Funds (quoted)	81,482,075	264,251,190
	81,482,075	264,251,190
Notes		
Aggregate value of quoted investment (Market Value ₹ 81,503,106 (Previous Year ₹ 267,441,394))	81,482,075	264,251,190
16 TRADE RECEIVABLES		
Outstanding for a period exceeding six months (from due date of payment)		
Unsecured, considered good	-	142,126
	-	142,126
Other receivables		
Secured, considered good	1,598,744	-
Unsecured, considered good	287,866,596	293,196,982
	289,465,340	293,196,982
	289,465,340	293,339,108
17 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
-On current accounts	3,872,170	17,743,075
-Cash in hand	56,181	60,477
Other bank balances		
Fixed deposits with original maturity for more than 3 months but less than 12 months	1,055,319	15,859,993
Held as margin money*	6,343,122	5,415,288
	11,326,792	39,078,833
* Margin money deposited given as bank guarantees with original maturity for more 3 months but less than 12 months.		
18 SHORT TERM LOANS AND ADVANCES		
Unsecured- considered good		
Advances recoverable in cash and kind or for value to be received	7,351,963	5,685,504
Short term loans and advances to related parties fellow subsidiary (refer note 27)	36,900,000	35,671,204
	44,251,963	41,356,708



Fortis Hospotel Limited

Notes to the Financial Statement for the year ended March 31, 2014

	As at March 31, 2014 Amount (in ₹)	As at March 31, 2013 Amount (in ₹)
19 OTHER CURRENT ASSETS		
Unsecured - considered good		
Interest accrued and due on loans	904,111,954	288,376,015
Technology renewal fund	1,950,000	850,000
Other assets	3,983,644	-
	<u>910,045,598</u>	<u>289,226,015</u>



Fortis Hospotel Limited
Notes to the Financial Statement for the year ended March 31, 2014

	For the year ended March 31, 2014 Amount (in ₹)	For the year ended March 31, 2013 Amount (in ₹)
20 REVENUE FROM OPERATIONS		
Sale of Services		
Income from hospital and medical services	1,223,479,035	903,324,481
	1,223,479,035	903,324,481
Other Operating Revenues		
Income from rent	36,992,110	12,455,790
Scrap sale	52,738	230,810
	37,044,848	12,686,600
	1,260,523,883	916,011,081
21 OTHER INCOME		
Profit on redemption of mutual funds	17,993,821	1,149,865
Interest on:		
-Bank deposits	2,230,353	2,268,986
-Others	650,637,247	298,727,583
Dividend income	4,890	2,771,759
Reversal of excess provision for gratuity (net) (refer note 29)	-	313,000
Miscellaneous income	2,315,761	880,560
	673,182,072	306,111,753
22 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages and bonus	20,470,376	26,644,700
Gratuity (refer note 29)	340,000	-
Contribution to provident & other funds	926,287	924,806
Staff welfare expenses	7,449	167,178
Recruitment & training	-	73,321
	21,744,112	27,810,005
23 OTHER EXPENSES		
Contractual manpower	12,227,549	12,992,841
Power, fuel and water	6,111,739	4,011,403
Housekeeping expenses including consumables	59,024,627	42,295,795
Radiology expenses	70,802,672	45,088,024
Consultation fees to doctors	25,320,778	15,785,816
Professional charges to doctors	26,608,200	-
Cost of medical services	88,555	124,123
Repairs & maintenance		
- Building	1,162,503	-
- Plant & machinery	3,939,006	1,426,903
- Others	3,645,774	2,090,758
Rent	28,459	-
Legal & professional fee	303,859	778,665
Travel & conveyance	555,357	1,149,688
Rates & taxes	10,798,736	16,119,167
Printing & Stationery	5,772	18,370
Communication expenses	67,215	112,961
Insurance	2,637,688	1,639,643
Auditor's remuneration		
- Statutory Audit Fees	758,430	424,690
- Tax Audit Fees	-	137,700
- Other services	-	321,514
- Out of pocket expenses	27,500	37,400
Foreign exchange fluctuation loss (net)	14,148,074	14,709,025
Bad debts and sundry balances written off	722,779	772,152
Fixed assets/CWIP written off	3,309,875	-
Security expenses	22,439,537	7,268,626
Miscellaneous expenses	30,672	24,320,831
	264,765,356	191,626,095



Fortis Hospotel Limited

Notes to the Financial Statement for the year ended March 31, 2014

	For the year ended March 31, 2014 Amount (in ₹)	For the year ended March 31, 2013 Amount (in ₹)
24 FINANCIAL COSTS		
Interest expenses		
-on term loans	18,565,829	57,275,197
-on others	1,525,876,566	684,492,979
Bank charges	309,286	5,694,136
	1,544,751,681	747,462,312
25 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	315,454,457	140,968,595
Amortization of intangible assets	70,576,803	70,576,804
	386,031,260	211,545,399
26 Earnings/ (losses) Per Share (EPS)		
(Loss)/profit as per Profit & Loss account	(298,397,344)	42,403,680
Weighted average number of equity share in calculating basic EPS	293,770,160	293,770,160



27. Related Party Disclosures

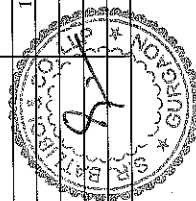
i. Names of related parties (as certified by the management)

(a)	Ultimate Holding Company	RHC Holding Private Limited (holding company of Fortis Healthcare Holdings Private Limited-formerly Fortis Healthcare Holdings Limited) (till October 19, 2012) Religare Health Trust (RHT) (a Singapore Listed Trust)
(b)	Holding Company	Fortis Health Management Limited (from January 8, 2012) Fortis Global Healthcare Infrastructure Pte. Ltd. (FGHIPL) (holding company of Fortis Health Management Limited) (from October 19, 2012) Fortis Healthcare Holdings Private Limited (holding company of Fortis Healthcare Limited ('FHL') (Holding company of FGHIPL) (till October 19, 2012) Fortis Healthcare Limited (till October 19, 2012)
(c)	Fellow subsidiaries	Escorts Heart Institute and Research Centre Limited ("EHIRCL") (till October 19, 2012) Fortis Health Management (North) Limited ("FHM(N)L") (merged with Fortis Hospitals Limited(FHsL) with effect from April 1, 2012 (till October 19, 2012) Fortis Hospital Management Limited ("FHoML") (till October 19, 2012) Fortis Malar Hospitals Limited ("FMHL") (till October 19, 2012) International Hospital Limited ("IHL") Escorts Heart and Super Speciality Institute Limited ('EHSSIL') (merged with IHL with effect from January 1, 2013)* Hospitalia Eastern Private Limited Fortis Health Management Limited (till January 8, 2012) Fortis Hospitals Limited (till October 19, 2012) Super Religare Laboratories Limited (till October 19, 2012) Fortis Health Management (South) Limited (till October 19, 2012) Kanishka Healthcare Limited ("KHL") (from October 19, 2012) now merged with IHL* Escorts Heart and Super Speciality Hospitals Limited ('EHSSHL')
(d)	Key management personnel	Mr. Surender Kumar (whole time director till October 18, 2012)
(e)	Individuals having control over voting power	Mr. Malvinder Mohan Singh Mr. Shivinder Mohan Singh
(f)	Entities over which significant influence is exercised by persons mentioned in (e) above.	Religare Finvest Limited Religare Technova IT Services Limited RWL Healthworld Limited (Formerly Religare Wellness Limited)

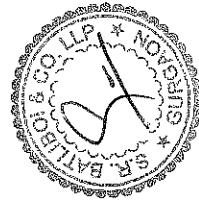
* During the year ended March 31, 2013, the board of directors of group companies approved a scheme of amalgamation of Kanishka Healthcare Limited, Escorts Hospital and Research Centre Limited and Escorts Heart and Super Speciality Institute Limited into International Hospital Limited. The scheme was approved by the Honorable High Court of Punjab & Haryana via order dated December 13, 2013. with appointed date of the merger as is January 01, 2013. Consequent to the merger Kanishka Healthcare Limited, Escorts Hospital and Research Centre Limited and Escorts Heart and Super Speciality Institute Limited have ceased to exist and have been merged with International Hospital Limited wef Jan 1, 2013.



Particulars	2013-14				2012-13			
	Holding Company	Subsidiary Company	Fellow Subsidiaries	Enterprises owned/significantly influenced by KMP/their relatives	Holding Company	Subsidiary Company	Fellow Subsidiaries	Enterprises owned/significantly influenced by KMP/their relatives
Transactions during the year:								
Service Fees (Income)								
Fortis Hospitals Limited	-	-	-	1,223,479,035	-	-	468,393,271	495,550,743
Income From Rent								
RWL Healthworld Limited	-	-	-	16,259,180	-	-	-	-
Expenses allocated by related parties								
Fortis Healthcare Limited	-	-	-	-	26,232,849	-	-	-
Expenses incurred on behalf of the Company by								
Fortis Hospitals Limited	-	-	-	4,324,407	-	-	-	-
Expenses incurred on behalf of								
Fortis Hospitals Limited	-	-	-	8,554,754	-	-	-	-
Interest Expense								
Fortis Global Healthcare Infrastructure Pte Ltd.	1,523,200,000	-	-	-	684,396,712	-	-	-
Interest Income								
Fortis Health Management Limited	3,113,424	-	-	-	797,260	-	-	-
Hospitalia Eastern Private Limited	-	-	1,064,516	-	-	-	262,192	-
International Hospital Limited	-	-	646,187,005	-	-	-	294,488,347	-
Esports Heart and Super Speciality Hospital Limited	-	-	-	-	-	-	1,093,480	-
Security deposit received on behalf of the Company from								
Fortis Hospitals Limited	-	-	-	-	-	-	881,200	-
Payment against expenses incurred by related Parties								
Fortis Healthcare Limited	-	-	-	-	56,690,000	-	-	-
Subscription to CCDs								
Fortis Global Healthcare Infrastructure Pte Ltd.	-	-	-	-	8,704,000,000	-	-	-
Issue of OCDs								
International Hospital Limited	-	-	-	-	-	-	7,251,500,000	-
Loan/Advances given								
Fortis Health Management Limited	14,000,000	-	-	-	21,000,000	-	-	-
Hospitalia Eastern Private Limited	-	-	4,400,000	-	-	-	5,500,000	-
International Hospital Limited	-	-	-	-	-	-	50,158,564	-
Esports Heart and Super Speciality Hospital Limited	-	-	-	-	-	-	41,000,000	-



Particulars	2013-14				2012-13			
	Holding Company	Subsidiary Company	Fellow Subsidiaries	Enterprises owned/significantly influenced by KMP/their relatives	Holding Company	Subsidiary Company	Fellow Subsidiaries	Enterprises owned/significantly influenced by KMP/their relatives
Loans/Advances taken								
Fortis Healthcare Limited	-	-	-	-	450,000,000	-	-	-
Loans/Advances paid back								
Fortis Healthcare Limited	-	-	-	-	848,938,426	-	-	-
Interest Received								
International Hospital Limited	-	-	1,202,273	-	-	-	-	-
Balance Outstanding at the year end:								
Unsecured Loan								
Fortis Global Healthcare Infrastructure Pte Ltd.	8,704,000,000	-	-	-	8,704,000,000	-	-	-
Trade Receivables								
Fortis Hospitals Limited	-	-	-	280,415,163	-	-	-	271,680,441
RWL Healthworld Limited	-	-	-	1,984,656	-	-	-	1,605,741
Other Current Assets								
Fortis Health Management Limited	3,643,430	-	-	-	717,534	-	-	-
Hospitalia Eastern Private Limited	-	-	1,235,571	-	-	-	235,973	-
International Hospital Limited	-	-	898,237,293	-	-	-	285,566,224	-
Escorts Heart and Super Speciality Hospital Limited	-	-	984,132	-	-	-	984,132	-
Loans/Advances recoverable								
Fortis Health Management Limited	27,000,000	-	-	-	16,000,000	-	-	-
International Hospital Limited	-	-	7,151,500,000	-	-	-	7,259,450,000	-
Hospitalia Eastern Private Limited	-	-	9,900,000	-	-	-	5,500,000	-
Other Current Liabilities								
Fortis Healthcare Limited	-	-	-	-	-	-	-	1,892,591
Fortis Global Healthcare Infrastructure Pte Ltd.	1,239,609,127	-	-	-	581,737,205	-	-	-



28. Capital and other Commitments

Description	March 31, 2014 (₹)	March 31, 2013 (₹)
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital Advances of ₹Nil (Previous Year ₹ 2,130,000)	15,41,081	29,869,325

29. Gratuity

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 Gratuity scheme is unfunded.

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

Profit & Loss Account

Net employee benefit expense (recognized in Employee Cost)

[AS15 Para 120 (c) (i) to (x)]

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
Current Service cost	197,000	391,000
Interest cost	43,000	88,000
Expected return of plan assets		
Actuarial loss/(gain) recognized in the year	100,000	(792,000)
Past service cost		
Net benefit expenses	340,000	(313,000)

Balance sheet

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
Present value of defined benefit obligation	708,000	709,000
Fair value of plan assets		-
Surplus/(deficit) of funds	708,000	(709,000)
Net asset/ (liability)	708,000	(709,000)

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

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
Opening defined benefit obligation	709,000	1,022,000
Current service cost	197,000	391,000
Interest cost on benefit obligation	43,000	88,000
Benefits paid	(340,000)	-
Actuarial losses/ (gains) recognized in the year	100,000	(792,000)
Closing defined benefit obligation	708,000	709,000



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

Particulars	March 31, 2014	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	LIC (2006-2008) Modified	LIC (2006-2008) Modified
Withdrawal / Employee Turnover Rate		
Up to 30 years	18%	18%
Up to 44 years	6%	6%
Above 44 years	2%	2%

Amounts for the current and the previous four periods are as follows:-

	Year ending				
	March 31, 2014 (₹)	March 31, 2013 (₹)	March 31, 2012 (₹)	March 31, 2011 (₹)	March 31, 2010 (₹)
Defined benefit obligation at the end of the period	(708,000)	(709,000)	(1,022,000)	(2,649,000)	(2,181,000)
Plan assets at the end of the period		-	-	-	-
Funded status	(708,000)	(709,000)	(1,022,000)	(2,649,000)	(2,181,000)
Experience gain/ (loss) adjustment on plan liabilities	(142,000)	818,000	143,000	(1,309,000)	820,000
Actuarial gain/ (loss) due to change on assumptions	42,000	(26,000)	64,000	-	33,000

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:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The Company's expected contribution to the 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.

30. Particulars of un-hedged foreign currencies

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
Capital Creditors	-	112,487,673



31. Details of dues to Micro and Small Enterprises as per 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 required to be provided in the financial statements.

32. Value of Imports Calculated on CIF basis:

Particulars	March 31, 2014 (₹)	March 31, 2013 (₹)
Capital goods	1,32,37,426	4,255,960

33. Borrowings:-**(i) Secured Loans**

Particulars	Note	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2013
		Non-Current (₹)	Current (₹)	Non-Current (₹)	Current (₹)
Deferred Credit Payment	(a)	117,347,016	44,759,451	174,015,000	28,794,375

- (a) Deferred credit payment facility was taken in the financial year 2011-2012 and carries interest @ 9% per annum for the first year and SBI Base rate plus (+) 50 BP for subsequent years. Deferred credit payment facility is secured by first charge by way of hypothecation of specific equipments of the company.

(ii) Unsecured Loans

Particulars	Note	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2013
		Non-Current (₹)	Current (₹)	Non-Current (₹)	Current (₹)
Compulsorily convertible debentures	(a)	8,704,000,000	-	8,704,000,000	-

- (a) These Compulsorily Convertible Debentures (CCD's) are convertible into 267,400,000 equity shares of the company at a price of ₹ 32.55 per share. The investor of CCD has a right to convert each CCD into the conversion share at any time on or prior to the maturity date which is 18 (eighteen) years from the date of issuance of the CCDs. These CCDs will carry interest at the rate of 17.5% p.a which is payable on quarterly basis (or such other period as mutually agreed between the parties)



34. Deferred Tax Assets / (Liability) consists of:

The company has deferred tax liability of ₹ 224,243,396 (previous year ₹146,688,552) and Deferred Tax Assets ₹460,008,423 (previous year ₹ 271,092,719) as per details below. In accordance with Accounting Standard 22 "Accounting for Taxes on Income", as notified under Companies Accounting Standard) Rules 2006, in view of the large amount of accumulated losses carried forward at the close of this year, deferred tax assets on timing differences, on carried forward losses and unabsorbed depreciation have not been recognized for in the books since it is not virtually certain whether the company will be able to use such losses/depreciation. Accordingly the company has not recognized deferred tax asset of ₹ 235,765,027 (previous year ₹124,404,167) to the extent of deferred tax liabilities and no deferred tax asset (net of deferred tax liability) has been created in these financial statements in the absence of above virtual certainty.

	March 31, 2014 (₹)	March 31, 2013 (₹)
Deferred tax liability arising on account of:		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	224,243,396	146,688,552
	224,243,396	146,688,552
Deferred tax asset arising on account of:		
On carry forward business losses and unabsorbed depreciation	460,008,423	271,092,719
	460,008,423	271,092,719
Deferred Tax Assets (Net)	235,765,027	124,404,167

35. Post acquisition of the Company by RHT group, Company reviewed the useful lives of medical equipments based on updated information and international practice and revised the estimated useful lives of medical equipments from 14 years to 8 years. Accordingly during the previous year ended March 31, 2013 management had revised the useful lives of medical equipments based upon an evaluation done by independent Chartered Accountant. The unamortized depreciable amount of assets are being charged over the remaining useful life of depreciable assets which is consistent with the requirement of Accounting Standard – 6, Depreciation Accounting, issued by The Institute of Chartered Accountants of India.

36. As at March 31, 2014, Company has share capital of ₹ 2,937,701,600 and accumulated losses of ₹ 702,837,945. Further net current liabilities are ₹ 1,516,025,268 and net current assets of ₹ 1,336,571,768. Additional funds required for the operation of the Company would be made available with the support of Fortis Global Healthcare Infrastructure Pte Limited ("FGHIPL"), the holding Company, for which FGHIPL has provided appropriate assurance to the management. Management, based on continuing financial and operational support from FGHIPL, 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. FGHIPL has provided the management a letter of support for continuing financial and operational support.



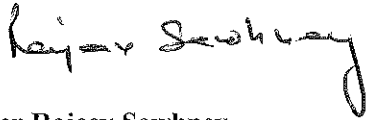
Fortis Hospotel Limited

Notes to the Financial Statements for the year ended March 31, 2014

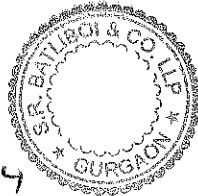
37. Previous Year Comparatives:

Previous year figures have been regrouped / reclassified wherever necessary to make them comparable with the current year figures.

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



per Rajeev Sawhney
Partner
Membership No. 96333



Place: Gurgaon

Date: Aug 25, 2014

For and on behalf of the board of directors of
Fortis Hospotel Limited



Shalini Tyagi
Director

Dr. Virender Kumar Sobti
Director



Anita Rastogi
Company Secretary

Place: New Delhi

Date: