

INDEPENDENT AUDITOR'S REPORT

To the Members of Hiranandani Healthcare Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hiranandani Healthcare Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 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

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 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit 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.V. GHATALIA & ASSOCIATES LLP

Chartered Accountants

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Emphasis of Matter

We draw attention to Note 33 to the financial statements, relating to the order of Navi Mumbai Municipal Corporation (NMMC), concerning alleged contravention of the provisions of Bombay Nursing Home Registration (Amended) Act, 2005 and more fully described therein. Based on the advice given by the external legal counsel, no provisions/adjustments have been considered necessary by the Company in this regard in the financial statements. Our opinion is not qualified in respect of this matter.

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 4 April 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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.V. Ghatalia & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 103162W


per Pramod Kumar Bapna
Partner
Membership Number: 105497



Place: Mumbai
Date: 27 May 2014

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Chartered Accountants

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Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Hiranandani Healthcare Private Limited ("the Company")

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (II) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (III) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(III)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(III)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (IV) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of items of inventories and certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. The activities of the Company do not involve 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) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (VI) The Company has not accepted any deposits from the public.
- (VII) The Company has an internal audit system commensurate with the size of the Company and nature of its business.



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- (viii) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*. The provisions of investor education and protection fund, employees' state insurance and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth-tax, service tax, customs duty and cess which have not been deposited on account of any dispute.
- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to INR 10,086,122 raised on short term basis in the form of working capital and short-term deferred loan facility from a financial institution have been used for long-term investment representing acquisition of fixed assets, repayment of long-term loans and funding of losses.*
- (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 did not have any debentures outstanding at the year-end.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.V. Ghatalia & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 103162W



per Pramod Kumar Bapna
Partner

Membership Number: 105497



Place: Mumbai

Date: 27 May 2014

Hiranandani Healthcare Private Limited
Balance Sheet as at 31 March 2014

(Amounts in INR)

	Notes	31 March 2014	31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	40,000,000	40,000,000
Reserves and surplus	4	(197,635,401)	(283,588,496)
		<u>(157,635,401)</u>	<u>(243,588,496)</u>
Non-current liabilities			
Long term borrowings	5	732,671,748	862,634,325
Other long-term liabilities	6	9,454,983	8,519,443
Long-term provisions	7	2,631,000	2,628,000
		<u>744,757,731</u>	<u>873,781,768</u>
Current liabilities			
Short-term borrowings	8	2,617,897	-
Trade payables	9.1	108,812,417	95,427,214
Other current liabilities	9.2	151,989,150	125,017,315
Short-term provisions	10	2,864,000	3,057,000
		<u>266,283,464</u>	<u>223,501,529</u>
Total		<u>853,405,794</u>	<u>853,694,801</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11.1	603,591,938	626,952,245
Intangible assets	11.2	2,886,060	2,515,836
Capital work-in-progress		5,314,641	-
Long-term loans and advances	12	63,642,997	52,622,892
Other non-current assets	13	1,772,808	1,644,529
		<u>677,208,444</u>	<u>683,735,502</u>
Current assets			
Inventories	14	8,970,505	14,384,128
Trade receivables	15	102,068,097	105,579,338
Cash and bank balances	16	39,856,325	20,072,361
Short-term loans and advances	17	9,620,149	16,549,294
Other current assets	18	15,682,274	13,374,178
		<u>176,197,350</u>	<u>169,959,299</u>
Total		<u>853,405,794</u>	<u>853,694,801</u>

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.V. Ghatalia & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 103162W

per Pramod Kumar Bapna
Partner
Membership No. : 105497

Place : Mumbai
Date : 27 May 2014



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

Sandeep Puri
Director

Raajiv Singhal
Director

Place : Navi Mumbai
Date : 27 May 2014

Hiranandani Healthcare Private Limited
Statement of Profit and Loss for the year ended 31 March 2014

(Amounts in INR)

	Notes	Year ended 31 March 2014	Year ended 31 March 2013
INCOME			
Revenue from operations	19	1,080,578,590	899,412,047
Other income	20	2,446,987	1,651,017
Total Revenue (I)		1,083,025,577	901,063,064
EXPENSES			
Cost of material consumed	21	194,428,527	173,259,926
Employee benefits expense	22	93,781,500	92,649,408
Other expenses	23	600,666,400	498,438,112
Total Expenses (II)		888,876,427	764,347,446
Profit before interest, tax, depreciation and amortization (EBITDA) (I-II)		194,149,150	136,715,618
Depreciation and amortization expense	24	35,661,910	35,381,876
Finance costs	25	72,534,145	75,967,857
Profit before tax		85,953,095	25,365,885
Tax expense		-	-
Profit for the year		85,953,095	25,365,885
Earnings per equity share	26		
Basic		21.49	6.34
Diluted		3.04	0.87
Summary of significant accounting policies	2.1		

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

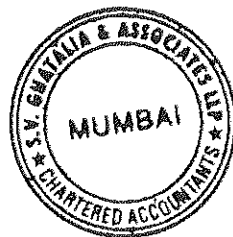
As per our report of even date

For S.V. Ghatalia & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 103162W



per Pramod Kumar Bapna
Partner
Membership No.: 105497

Place : Mumbai
Date : 27 May 2014



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


Sandeep Puri
Director


Raajiv Singhal
Director

Place : Navi Mumbai
Date : 27 May 2014

Hiranandani Healthcare Private Limited
Cash Flow Statement for the year ended 31 March 2014

..continued

Components of cash and cash equivalents:

	(Amounts in INR)	
	Year ended 31 March 2014	Year ended 31 March 2013
Cash in hand	2,054,177	948,054
Balances with banks on current and deposit accounts	27,017,067	19,124,307
Cheques on hand	785,081	-
Total	29,856,325	20,072,361

Notes:

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

Summary of significant accounting policies

2.1

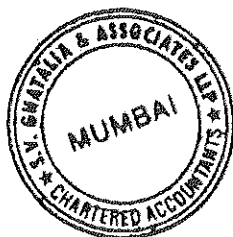
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.V. Ghatalia & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 103162W

per Pramod Kumar Bapna
Partner
Membership No. : 105497

Place : Mumbai
Date : 27 May 2014



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


Sandeep Puri
Director


Raajiv Singhal
Director

Place : Navi Mumbai
Date : 27 May 2014

1. Corporate Information

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

2. Basis of preparation

- a) 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 Act 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- b) The Company has earned profit of INR 85,953,095 (31 March 2013: INR 25,365,885) during the current year and has accumulated losses of INR 452,139,172 (31 March 2013: INR 538,092,267) as at the year end, as against the shareholder's fund of INR 40,000,000 (31 March 2013: INR 40,000,000). In view of the Company commencing hospital operations five years back, the commitment of continued financial support by the shareholders and the expected financial results projected by the management, the accounts have been continued to be prepared on a going concern basis.

2.1 Summary of significant accounting policies

a) Use of estimates

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

b) Tangible fixed assets

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

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

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

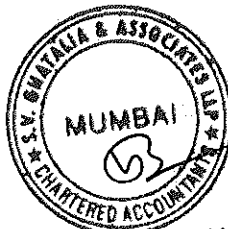
c) Depreciation on tangible fixed assets

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

Asset block - Rates (SLM)

Buildings - 3.34%
Plant and machinery - 4.75%
Medical equipments - 7.07%
Furniture and fittings - 6.33%
Computers - 16.21%
Office equipments - 4.75%
Vehicles - 9.50%

Individual assets not costing more than Rs. 5,000 are depreciated fully in the year of purchase.



d) Intangibles assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.
Cost of software is amortised on straight-line basis over a period of 5 years, being the estimated useful life.

e) Impairment of tangible and intangible assets

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

f) Leases

Where the Company is the lessee

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

g) Inventories

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

h) Revenue recognition

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

Income from services

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

Interest

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

Rental income

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

i) Foreign currency translation

Foreign currency transactions and balances

i) Initial recognition

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

ii) Conversion

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

iii) Exchange differences

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



j) Retirement and other employee benefits

i) Contributions to provident fund

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

ii) Gratuity

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

iii) Leave encashment

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

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

k) Income taxes

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

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

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

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

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

l) Earnings per share

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

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



m) Provisions

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

n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o) Cash and cash equivalents

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

p) Segment reporting

The Company is engaged in the business of healthcare services. This, in the context of Accounting Standard 17 - 'Segmental Information' notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) is considered to constitute one single primary segment.

q) Borrowing costs

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

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

r) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items and tax expense but includes interest income.

s) Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.



Hiranandani Healthcare Private Limited
Notes to the financial statements for the year ended 31 March 2014

	Amounts in INR	
	31 March 2014	31 March 2013
3. Share Capital		
Authorised		
4,800,000 (31 March 2013: 4,800,000) equity shares of INR 10 each	48,000,000	48,000,000
200,000 (31 March 2013: 200,000) zero percent redeemable preference shares of INR 10 each	2,000,000	2,000,000
	50,000,000	50,000,000
Issued, subscribed and paid up		
4,000,000 (31 March 2013: 4,000,000) Equity shares of INR 10 each fully paid up	40,000,000	40,000,000
Total	40,000,000	40,000,000

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

	31 March 2014		31 March 2013	
	Nos.	Amounts in INR	Nos.	Amounts in INR
Equity Shares				
At the beginning of the year	4,000,000	40,000,000	4,000,000	40,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	4,000,000	40,000,000	4,000,000	40,000,000

(b) Terms / rights attached to equity shares

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

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

Name of Shareholders	31 March 2014		31 March 2013	
	Nos.	Amounts in INR	Nos.	Amounts in INR
Equity Shares				
Fortis Healthcare Limited (holding company)	3,399,997	33,999,970	3,399,997	33,999,970
Fortis Healthcare Holdings Private Limited alongwith nominees (ultimate holding company)	600,000	6,000,000	600,000	6,000,000

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

Name of Shareholders	31 March 2014		31 March 2013	
	Nos.	% holding	Nos.	% holding
Equity Shares				
Fortis Healthcare Limited (holding company)	3,399,997	85%	3,399,997	85%
Fortis Healthcare Holdings Private Limited alongwith nominees (ultimate holding company)	600,000	15%	600,000	15%

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



Hiranandani Healthcare Private Limited
Notes to the financial statements for the year ended 31 March 2014

	(Amounts in INR)	
	31 March 2014	31 March 2013
4. Reserve and Surplus		
Securities premium account		
Balances as per last financial statements	254,503,771	254,503,771
Closing balance (A)	254,503,771	254,503,771
 (Deficit) in the statement of profit and loss		
Balance as per last financial statements	(538,092,267)	(563,458,152)
Profit for the year	85,953,095	25,365,885
Net (deficit) in the statement of profit and loss (B)	(452,139,172)	(538,092,267)
 Total (A+B)	(197,635,401)	(283,588,496)

	(Amounts in INR)			
	Non current portion		Current maturities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
5. Long-term borrowings				
Term loans from banks (Secured)	313,333,342	101,300,000	79,999,992	43,392,065
Loan from related party (Unsecured)	419,338,406	420,334,325	-	-
Debentures (Unsecured)				
Optionally convertible debentures	-	250,000,000	-	-
[Refer note (a) below]				
Compulsorily convertible debentures	-	91,000,000	-	-
[Refer note (b) below]				
	-	341,000,000	-	-
	732,671,748	862,634,325	79,999,992	43,392,065
 The above amount includes:				
Secured borrowings	313,333,342	101,300,000	79,999,992	43,392,065
Unsecured borrowings	419,338,406	761,334,325	-	-
Amount disclosed under the head 'Other current liabilities' (Refer Note 9.2)	-	-	(79,999,992)	(43,392,065)
Total	732,671,748	862,634,325	-	-

Explanatory notes:

- a) The Company had issued 2,500,000 Zero percent Optionally Convertible Debentures of INR 100 each to RHC Holding Private Limited on 31 March 2010 as per following terms and conditions :-
- The Debentures (until redeemed or option for conversion into equity shares exercised by the debenture holder) will not carry any interest till the end of five years from the date of allotment. In case the debentures are not redeemed/ converted into equity shares before the expiry of five years from the date of allotment, the Company shall pay simple interest @8% p.a. from the date of allotment till the date of redemption.
 - The debenture holder will have an option to seek conversion of each fully paid debenture into 10 fully paid equity shares of INR 10 each. The debenture holder can exercise the conversion option for part or full holding at any time beginning from the date of allotment and ending on the completion of 5th year from the date of allotment.
 - Each debenture outstanding at the end of 5th year from the date of allotment will be redeemed in four equal semi annual installment of INR 25 each beginning from the end of 5th year, from the date of allotment.
- During the year, the debenture holder, vide letter dated 18 March 2014, exercised option of early redemption before the expiry of five years from the date of allotment.
- b) The Company had issued 91 nos. 4% Compulsorily Convertible Debentures (CCD) of INR 1,000,000 each to Escorts Heart Centre Limited. On the date of maturity, each CCD shall be converted by issuance of 2,000 equity shares of INR 10 each at a premium of INR 490 per share. For the purpose of the conversion of debentures into equity shares, the valuation has been arrived on the basis of the average of the price arrived by using the discounted cash flow method, Earning Value/ Earning Before Interest Tax and Depreciation multiple and Earning Value/ Sales multiple.
- The Company and the debenture holder since then renegotiated the terms and the conditions of the aforesaid CCD issued. The same stand converted to "OCD" in lieu of "CCD". All other terms remained unchanged. During the year, the debenture holder had exercised the redemption option before the expiry of five years from the date of allotment, vide letter dated 14th March, 2014. The Company has repaid all the dues to the debenture holders.



Hiranandani Healthcare Private Limited
Notes to the financial statements for the year ended 31 March 2014

c) Term loan includes an Indian rupee loan from a bank carrying rate of interest @ 11.75% and is repayable in monthly installments of INR 6,666,666 by March 2019. The said loan is secured by equitable mortgage of 9 residential flats in Neel Sidhi Towers and a corporate guarantee by Fortis Healthcare Limited.

d) Term loan includes an Indian rupee loan from bank carrying rate of interest @ 14.5% (BPLR - 0.75%) is repayable in monthly installments of INR 3,400,000 by September 2016 and is secured by mortgage of leasehold rights of the hospital property and hypothecation of all equipments, medical equipments, furniture/interiors created out of the project expenditure. It is further secured by pledge of 6,923,500 equity shares of Fortis Healthcare Limited held by Fortis Healthcare Holdings Limited, the ultimate holding company and a corporate guarantee by Fortis Healthcare Limited.

During the current year, the Company has foreclosed the aforesaid loan and repaid all outstanding dues, alongwith prepayment charges to the bankers.

		(Amounts in INR)	
		31 March 2014	31 March 2013
6. Other long term liabilities			
Rent equilisation reserve		9,289,983	8,519,443
Security deposits		165,000	-
Total		9,454,983	8,519,443

		(Amounts in INR)	
		31 March 2014	31 March 2013
7. Long term provisions			
Provision for employees's benefits			
Provision for gratuity (refer note 27)		2,631,000	2,628,000
Total		2,631,000	2,628,000

		(Amounts in INR)	
		31 March 2014	31 March 2013
8. Short-term borrowings			
Deferred payment liabilities (unsecured)		2,617,897	-
Total		2,617,897	-

Explanatory notes:

During the current year, the Company has taken financial assistance from Siemens Financial Services Pvt. Ltd. for implementation of Oracle. The financial assistance is re-payable in four equal quarterly installments of INR 654,475 by March 2015.

		(Amounts in INR)	
		31 March 2014	31 March 2013
9.1 Trade payables		108,812,417	95,427,214
9.2 Other current liabilities			
Interest accrued but not due on borrowings		44,483,628	46,805,344
Current maturities of long term borrowings (refer note 5)		79,999,992	43,392,065
Payable to related parties		1,222,783	8,181,826
Statutory dues payable		13,334,070	12,308,763
Other payables			
Advances from patients (net of patient receivables)		11,652,210	13,205,870
Security deposits		193,000	168,000
Retention money deposits		1,075,421	955,447
Advance rent received		28,046	-
Total		151,989,150	125,017,315

		(Amounts in INR)	
		31 March 2014	31 March 2013
10. Short term provisions			
Provision for employees' benefits			
Provision for gratuity (refer note 27)		251,000	191,000
Provision for leave encashment		2,613,000	2,866,000
Total		2,864,000	3,057,000

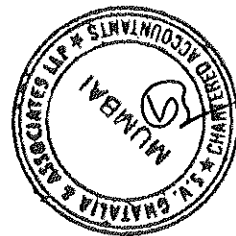


Hiranandani Healthcare Private Limited
Notes to the financial statements for the year ended 31 March 2014

11. Fixed assets

(Amounts in INR)

11.1 Tangible assets	Building	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Vehicles	Total
Gross Block								
As at 1 April 2012	477,315,132	69,916,752	181,406,492	20,616,304	6,390,591	6,660,982	256,103	762,562,356
Additions	985,481	1,927,982	7,169,119	440,994	180,432	2,113,011	1,208,000	14,025,019
Disposals / adjustments	-	123,780	111,784	149,019	67,457	101,100	256,103	809,243
As at 31 March 2013	478,300,613	71,720,954	188,463,827	20,908,279	6,503,566	8,672,893	1,208,000	775,778,132
Additions	2,169,869	5,958,931	4,535,831	705,320	97,035	641,469	-	14,108,455
Disposals / adjustments	-	3,679,855	36,930	462,235	425,494	137,106	9,022	4,750,642
As at 31 March 2014	480,470,482	74,000,030	192,962,728	21,151,364	6,175,107	9,177,256	1,198,978	785,135,945
Depreciation								
As at 1 April 2012	49,606,376	12,187,324	40,172,034	7,191,320	3,572,015	1,574,446	144,313	114,447,828
Charge for the year	15,254,571	3,395,674	13,073,447	1,230,817	1,104,967	565,750	69,256	34,694,482
Disposals / adjustments	-	27,296	32,257	20,936	55,706	21,917	158,311	316,423
As at 31 March 2013	64,860,947	15,555,702	53,213,224	8,401,201	4,621,276	2,118,279	55,258	148,825,887
Charge for the year	15,263,829	3,611,932	13,068,800	1,202,637	1,030,007	369,723	113,903	34,660,831
Disposals / adjustments	-	993,563	29,983	452,133	406,343	60,689	-	1,942,711
As at 31 March 2014	80,124,776	18,174,071	66,252,041	9,151,705	5,244,940	2,427,313	169,161	181,544,007
Net Block								
As at 31 March 2013	413,439,666	56,165,252	135,250,603	12,507,078	1,882,290	6,554,614	1,152,742	626,952,245
As at 31 March 2014	400,345,706	55,825,959	126,710,687	11,999,659	930,167	6,749,943	1,029,817	603,591,938



11.2 Intangible assets

	(Amounts in INR)	
	Software	Total
Gross Block		
As at 1 April 2012	2,470,404	2,470,404
Additions	1,658,726	1,658,726
Disposals / adjustments	-	-
As at 31 March 2013	4,129,130	4,129,130
Additions	1,371,304	1,371,304
Disposals / adjustments	-	-
As at 31 March 2014	5,500,434	5,500,434
Depreciation		
As at 1 April 2012	925,900	925,900
Charge for the year	687,394	687,394
Disposals / adjustments	-	-
As at 31 March 2013	1,613,294	1,613,294
Charge for the year	1,001,080	1,001,080
Disposals / adjustments	-	-
As at 31 March 2014	2,614,374	2,614,374
Net Block		
As at 31 March 2013	2,515,836	2,515,836
As at 31 March 2014	2,886,060	2,886,060

12. Long-term loans and advances

Unsecured-considered good

Capital advances

Security deposits

Advance income-tax

Balances with statutory / Government authorities

Total

	(Amounts in INR)	
	31 March 2014	31 March 2013
	6,475,525	2,286,632
	8,031,376	7,303,176
	48,934,943	42,830,778
	201,153	202,306
Total	63,642,997	52,622,892

13. Other non-current assets

Interest accrued on bank deposits

Margin money deposit (refer note 16)

Total

	(Amounts in INR)	
	31 March 2014	31 March 2013
	97,220	144,529
	1,675,588	1,500,000
Total	1,772,808	1,644,529

14. Inventories

Medical consumables and drugs

Total

	(Amounts in INR)	
	31 March 2014	31 March 2013
	8,970,505	14,384,128
Total	8,970,505	14,384,128



Hiranandani Healthcare Private Limited
Notes to the financial statements for the year ended 31 March 2014

		(Amounts in INR)	
		31 March 2014	31 March 2013
15. Trade receivables			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		24,765,539	15,907,526
Unsecured, considered doubtful		27,975,821	10,949,298
Provision for doubtful debts		(27,975,821)	(10,949,298)
	(A)	24,765,539	15,907,526
Other debts			
Unsecured, considered good		77,302,558	89,671,812
Unsecured, considered doubtful		2,944,836	-
Provision for doubtful debts		(2,944,836)	-
	(B)	77,302,558	89,671,812
Total (A+B)		102,068,097	105,579,338

		(Amounts in INR)	
		31 March 2014	31 March 2013
16. Cash and Bank Balances			
Cash and cash equivalents			
Cash in hand		2,054,177	948,054
Balances with banks			
On current accounts		27,017,067	19,124,307
Cheques on hand		785,081	-
		29,856,325	20,072,361
Other bank balances			
Deposit with original maturity for more than 3 months but less than 12 months		10,000,000	-
Margin money deposits		1,675,588	1,500,000
		41,531,913	21,572,361
Amounts disclosed under 'Other non-current assets' (refer note 13)		(1,675,588)	(1,500,000)
Total		39,856,325	20,072,361

		(Amounts in INR)	
		31 March 2014	31 March 2013
17. Short-term loans and advances			
Unsecured-considered good			
Balances with statutory / Government authorities		-	6,766
Advances recoverable in cash and kind or for value to be received		9,620,149	16,542,528
Total		9,620,149	16,549,294

		(Amounts in INR)	
		31 March 2014	31 March 2013
18. Other current assets			
Unbilled revenue		14,161,080	10,159,291
Export benefit receivable		1,468,901	3,214,887
Others		52,293	-
Total		15,682,274	13,374,178



Hiranandani Healthcare Private Limited
Notes to the financial statements for the year ended 31 March 2014

19. Revenue from operations

Income from services

In-patient
Out-patient

Less: Discounts

(Amounts in INR)	
Year ended 31 March 2014	Year ended 31 March 2013
969,505,052	811,590,714
130,114,254	102,089,420
1,099,619,306	913,680,134
26,458,909	19,443,820
(A) 1,073,160,397	894,236,314

Other operating revenues

Income from medical services & pharmacy
Export benefit received
Provisions no longer required written-back
Others

4,070,507	3,587,194
1,146,386	1,317,133
1,857,747	-
343,553	271,406
(B) 7,418,193	5,175,733

Total (A+B)

1,080,578,590	899,412,047
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20. Other income

Interest on bank deposits
Interest on income-tax refund
Miscellaneous income

Total

(Amounts in INR)	
Year ended 31 March 2014	Year ended 31 March 2013
153,830	155,734
1,129,047	-
1,164,110	1,495,283
2,446,987	1,651,017

21. Cost of material consumed

Inventories as at 31 March 2013
Add: Purchases
Less: Inventories as at 31 March 2014

Total

(Amounts in INR)	
Year ended 31 March 2014	Year ended 31 March 2013
14,384,128	16,257,164
189,014,904	171,386,890
8,970,505	14,384,128
194,428,527	173,259,926

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

22. Employee benefits expense

Salaries, wages and bonus
Contribution to provident & other funds
Staff welfare expenses

Total

(Amounts in INR)	
Year ended 31 March 2014	Year ended 31 March 2013
88,464,681	87,204,924
4,544,185	4,450,176
772,634	994,308
93,781,500	92,649,408



Hiranandani Healthcare Private Limited
Notes to the financial statements for the year ended 31 March 2014

23. Other expenses

Contractual manpower
Power, fuel and water
Housekeeping expenses
Patient food and beverages
Pathology laboratory expenses
Radiology expenses
Consultation fees to doctors
Professional charges to doctors

Repairs & maintenance
Building
Plant & machinery
Others

Rent

- Hospital building
- Equipments
- Others

Legal and professional fees
Traveling and conveyance
Rates and taxes
Printing and stationery
Communication expenses
Insurance expenses
Marketing and business promotion
Loss on sale of assets (net)
Payment to auditors (refer note below)
Provision for doubtful debts
Miscellaneous expenses

Total

(Amounts in INR)	
Year ended 31 March 2014	Year ended 31 March 2013
27,922,778	23,805,338
25,521,680	32,681,011
12,489,378	11,512,880
14,430,885	12,732,892
44,241,238	39,656,348
53,381,893	45,374,928
278,346,161	217,353,299
37,367,007	34,016,703
1,453,908	566,312
9,361,506	9,988,219
2,272,421	1,027,414
8,865,748	10,392,061
3,785,091	3,647,624
20,370	29,400
3,637,225	4,075,308
1,115,179	1,998,335
17,867,922	8,547,176
4,924,253	3,458,999
2,050,181	2,329,023
5,390,495	5,092,798
17,698,133	19,164,123
2,777,911	439,487
842,700	844,455
19,971,359	5,706,000
4,930,978	3,997,979
600,666,400	498,438,112

Payment to auditors (inclusive of service tax)

As auditors
Audit fees
Tax audit fees
Reimbursement of expenses

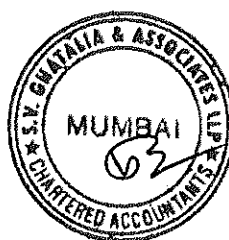
(Amounts in INR)	
Year ended 31 March 2014	Year ended 31 March 2013
758,430	758,430
84,270	84,270
-	1,755
842,700	844,455

24. Depreciation and amortization expense

Tangible assets
Intangible assets

Total

(Amounts in INR)	
Year ended 31 March 2014	Year ended 31 March 2013
34,660,829	34,694,482
1,001,081	687,394
35,661,910	35,381,876



Hiranandani Healthcare Private Limited
Notes to the financial statements for the year ended 31 March 2014

25. Finance costs

	(Amounts in INR)	
	Year ended 31 March 2014	Year ended 31 March 2013
Interest expense		
On term loans	15,307,057	27,535,529
On unsecured loan from related party	52,936,609	48,089,140
Loan pre-payment charges	3,551,700	-
Others	738,779	343,188
Total	72,534,145	75,967,857

26. Earnings per share

	Year ended 31 March 2014	Year ended 31 March 2013
Net Profit for calculation of basic EPS (Amounts in INR)	85,953,095	25,365,885
Weighted average number of equity shares in calculating basic EPS (Nos.)	4,000,000	4,000,000
<u>Add:</u> Weighted average number of equity shares which would be issued on the conversion of Compulsorily convertible debentures (Nos.)	24,283,112	25,182,000
Weighted average number of equity shares in calculating diluted EPS (Nos.)	28,283,112	29,182,000
Earnings per equity share [Nominal value of shares INR 10 each (31 March 2013: INR 10 each)]		
Basic EPS (Amount in INR)	21.49	6.34
Diluted EPS (Amount in INR)	3.04	0.87



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

a) Defined Benefit Plan

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

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

Statement of profit and loss

Net employee benefit expense recognized in the employee costs - Gratuity

	(Amount in INR)	
	31 March 2014	31 March 2013
Current service cost	1,090,000	905,000
Interest cost on benefit obligation	213,000	161,000
Expected return on plan assets	-	-
Actuarial losses/(gains) recognized	(932,000)	(120,000)
Net benefit expense	371,000	946,000

Balance sheet

Benefit asset / liability

	(Amount in INR)	
	31 March 2014	31 March 2013
Present value of defined benefit obligation	2,882,000	2,819,000
Fair value of plan assets	-	-
Net liability	(2,882,000)	(2,819,000)

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

	(Amount in INR)	
	31 March 2014	31 March 2013
Opening defined benefit obligation	2,819,000	1,947,525
Current service cost	1,090,000	905,000
Interest cost	213,000	161,000
Benefits paid	(308,000)	(74,525)
Actuarial losses/ (gains) recognized	(932,000)	(120,000)
Closing defined benefit obligation	2,882,000	2,819,000

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

	31 March 2014	31 March 2013
Discount rate	9.25%	8.00%
Expected rate of salary increase	10% for first 3 years starting 1 April 2012 & 8% thereafter	10% for first 3 years starting 1 April 2012 & 8% thereafter
Mortality table referred	Indian Assured Lives Mortality (2006-08) modified	Indian Assured Lives Mortality (2006-08) modified
Withdrawal rate / Employee turnover rate	18%	18%
Age upto 30 years	5%	5%
Age from 31 years to 44 years	3%	3%
Age above 44 years		



Hiranandani Healthcare Private Limited
Notes to the Financial Statements for the year ended 31 March 2014

Explanatory notes:

- i) 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.
- ii) 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.

Amounts for the current and previous periods are as follows:

	(Amount in INR)				
	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Defined benefit obligation	(2,882,000)	(2,819,000)	(1,947,525)	(1,691,000)	(998,000)
Plan assets	-	-	-	-	-
Funded status	(2,882,000)	(2,819,000)	(1,947,525)	(1,691,000)	(998,000)
Experience gain/(loss) adjustments on plan liabilities	617,000	221,000	(303,889)	4,000	-
Experience gain/ (loss) adjustments on assumptions	315,000	(101,000)	-	-	-

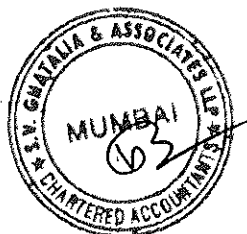
28. Lease Disclosure

Assets taken on Operating Lease:

Hospital/ nurses accommodation premises and equipments are obtained on operating lease. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. For all cases, there are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature other than the one for hospital premises at Navi Mumbai which is non cancellable. The total lease payments in respect of such leases recognized in the statement of profit and loss for the year are INR 11,223,309 (31 March 2013 INR 12,574,425).

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

	(Amount in INR)	
	31 March 2014	31 March 2013
Minimum lease payments :		
Not later than one year	6,793,666	6,660,456
Later than one year but not later than five years	28,560,843	28,000,827
Later than five years	99,023,910	106,377,593
Present value of minimum lease payments	134,378,419	141,038,875



29. Related Party Disclosure

Names of the related party and related party relationship

Related parties where control exists

Holding Company	Fortis Healthcare Limited
Ultimate Holding Company	Fortis Healthcare Holdings Private Limited RHC Holdings Private Limited

Related parties with whom transactions have taken place during the year

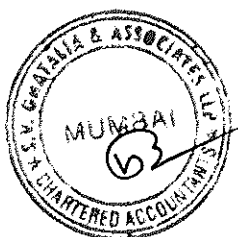
Enterprises which are under common control with reporting enterprise (Fellow Subsidiaries)	SRL Limited SRL Diagnostics Private Limited Fortis Hospitals Limited RWL Healthworld Limited (Formerly known as Religare Wellness Limited)
Enterprises over which any person mentioned above have significant influence	Escorts Heart Center Limited
Individuals (directly or indirectly) having control or significant influence	Mr. Malvinder Mohan Singh Mr. Shivinder Mohan Singh

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for relevant financial year:

a) Holding and ultimate holding companies

	(Amount in INR)	
Fortis Healthcare Limited, the holding company	31st March 2014	31st March 2013
Transactions during the year:		
Reimbursement of expenses paid	47,417	705,456
Reimbursement of expenses received	7,365,921	16,94,727
Interest expense paid	49,426,253	44,449,140
Loans taken	485,000,000	74,500,000
Loans repaid	526,000,000	20,400,000
Others		
Corporate Guarantee received for loans availed	600,000,000	600,000,000
Balance Outstanding at the year end		
Long term borrowings	419,338,406	420,334,324
Other current liabilities	44,483,628	47,282,766
Other current assets	39,964	-



Hiranandani Healthcare Private Limited
Notes to the Financial Statements for the year ended 31 March 2014

RHC Holdings Private Limited, the ultimate holding company

Balance Outstanding at the year end	
Long term borrowings	- 250,000,000

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

SRL Limited	31st March 2014	31st March 2013
Transactions during the year:		
Pathology laboratory expenses reimbursement	24,395,322	21,299,250
Pathology management fees paid/payable	2,247,204	2,247,204
Radiology expense reimbursement	52,892,990	45,058,843
Consumption and payroll expenses	17,598,712	15,940,164
Reimbursement of expenses received	6,346,771	9,020,236
Balance Outstanding at the year end		
Trade Payables	6,944,207	13,209,172

Fortis Hospitals Limited - Corporate office, Bangalore

Transactions during the year:		
Reimbursement expenses recoverable	2,528,086	2,862,686
Reimbursement expenses payable	5,257,748	3,707,808
Balance Outstanding at the year end		
Other current liabilities	1,222,782	924,465

Fortis Hospitals Limited - Unit Mulund, Mumbai

Transactions during the year:		
Reimbursement expenses recoverable	-	656,351
Reimbursement expenses payable	-	251,243
Balance Outstanding at the year end		
Advance given	-	24,921

Fortis Hospitals Limited - Unit Kalyan, Mumbai

Transactions during the year:		
Reimbursement expenses recoverable	54,033	-
Reimbursement expenses payable	-	-
Balance Outstanding at the year end		
Other current liabilities	-	-



Fortis Hospitals Limited - Unit Anandapur, Kolkata

Transactions during the year:

Reimbursement Expenses Recoverable
Reimbursement Expenses Payable

30,786

Balance Outstanding at the year end

Other current liabilities

Fortis Hospitals Limited - Unit FHKI, Kolkata

Transactions during the year:

Reimbursement expenses recoverable
Reimbursement expenses payable

52,395

9,033

Balance Outstanding at the year end

Other current liabilities

SRL Diagnostics Private Limited

Transactions during the year:

Radiology Expense

247,000

230,350

Balance Outstanding at the year end

Trade Payables

34,200

34,200

RWL Healthworld Limited(Formerly known as Religare Wellness Limited)

Transactions during the year:

Income from Pharmacy

2,592,654

1,860,559

Balance Outstanding at the year end

Trade Payable

Loans / Advances recoverable

244,716

2,503,634



c) Persons (directly or indirectly) having control or significant influence

	(Amount in INR)	
	31 March 2014	31 March 2013
Escorts Heart Centre Limited		
Transactions during the year:		
Interest expenses	3,510,356	3,640,000
Redemption of debentures	91,000,000	-
Balance Outstanding at the year end		
Debenture Amount Outstanding	-	91,000,000
Interest accrued but not due	-	6,801,118

30. Capital Commitment and other commitments

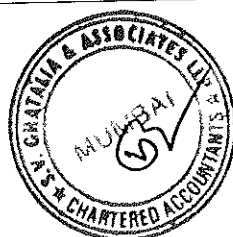
	(Amount in INR)	
Particulars	31 March 2014	31 March 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances of INR 64,75,524/- (31 March 2013 INR 15,00,000))	11,995,203	4,835,119

31. Contingent Liability

	(Amount in INR)	
Particulars	31 March 2014	31 March 2013
Bank Guarantee against Fixed Deposit	1,678,000	1,500,000

32. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

	(Amount in INR)	
Particulars	31 March 2014	31 March 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	150,672	496,049
Principal amount due to micro and small enterprises	27,121	3,307
Interest due on above	177,793	499,356
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year,	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year;	27,121	3,307
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	37,674	10,553



Hiranandani Healthcare Private Limited
Notes to the Financial Statements for the year ended 31 March 2014

33. Navi Mumbai Municipal Corporation (NMMC) issued an Order dated 26 June 2012, for immediate cancellation of the registration issued under Bombay Nursing Home Registration (Amended) Act 2005, wherein it was ordered to cease operation and functioning of the hospital with immediate effect and directed the Company to return the original certificate of registration on or before 30 June 2012. The Company had filed an appeal with Hon'ble High Court of Bombay challenging the NMMC's order. Pending final disposal of the appeal, the Hon'ble High Court of Bombay, vide its order dated 29 June 2012, has provided ad-interim relief on the effect, operation and implementation of NMMC order dated 26 June 2012. Based on the advice of external legal counsel, the Company believes that it has good grounds for a successful appeal. Accordingly, no provision or adjustment is considered necessary in the financial statements.
34. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.
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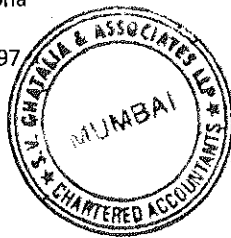
As per our report of even date attached

For S. V. Ghatalia & Associates LLP
Firm Registration Number: 103162W
Chartered Accountants



per Pramod Kumar Bapna
Partner
Membership No: 105497

Place: Mumbai
Date: 27 May 2014



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



Sandeep Puri
Director



Raajiv Singh
Director

Place: Navi Mumbai
Date: 27 May 2014