

SRL Limited
Standalone Financial Statements
Year ended March 31, 2014

S.R. BATLIBOI & CO. LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of SRL Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SRL 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 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 March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and



S.R. BATLIBOI & CO. LLP

Chartered Accountants

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

Pankaj Chadha

per Pankaj Chadha

Partner

Membership Number: 91813

Place of Signature: Gurgaon

Date: May 27 2014



Annexure referred to in paragraph 3 of our report of even date
Re: SRL 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 inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
- (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) The Company has granted loan to one firm covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 1,873,800,553 and the year-end balance of loans granted to such parties was Rs 1,753,000,000.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.



- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of items of inventories and certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it. The provisions relating to 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, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise 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 records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:



Name of the statute	Nature of Dues	Amount	Year to which the amount relates	Forum
Income Tax Act, 1961	Income tax	15,820,130	2006-07	Delhi High Court
Income Tax Act, 1961	Income tax	107,428,094	2007-08	ITAT
Income Tax Act, 1961	Income tax	94,034,522	2008-09	ITAT
Income Tax Act, 1961	Income tax	136,251,664	2008-09	CIT
Income Tax Act, 1961	Income tax	131,873,480	2009-10	ITAT
Income Tax Act, 1961	Income tax	66,636,040	2009-10	CIT
Income Tax Act, 1961	Income tax	73,843,770	2010-11	CIT
Finance Act, 1994 read with service tax rules, 1994	Service Tax	8,143,897	July 2003-April 2006	Commissioner of service tax Mumbai

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it 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 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 given guarantee for loans taken by wholly owned subsidiary from financial institution, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks.



S.R. BATLIBOI & CO. LLP

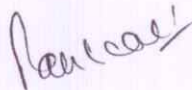
Chartered Accountants

- (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 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.
- (xix) The Company have no unsecured debentures outstanding at the year end. During the current year, the Company have redeemed unsecured debentures of Rs 36,0000,000 for which no security or charge was required to be created.
- (xx) The Company has not raised any money through public issue.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP

ICAI Firm registration number: 301003E

Chartered Accountants



per Pankaj Chadha

Partner

Membership No.: 91813

Place: Gurgaon

Date: May 27 2014

SRL Limited

Balance Sheet as at March 31, 2014

(All amounts in Rupees unless otherwise stated)

	Notes	As at March 31, 2014	As at March 31, 2013
Equity & Liabilities			
Shareholder's funds			
Share capital	3	844,635,320	844,635,320
Reserves and surplus	4	6,648,675,671	6,448,219,295
		<u>7,493,310,991</u>	<u>7,292,854,615</u>
Non-current liabilities			
Long-term borrowings	5	1,233,386,529	1,521,773,374
Other Long term liabilities	6	10,693,184	16,028,385
Long-term provisions	7	37,684,479	31,281,144
		<u>1,281,764,192</u>	<u>1,569,082,903</u>
Current liabilities			
Short-term borrowings	8	148,709,393	134,190,601
Trade payables	9	392,253,383	340,496,395
Other current liabilities	9	680,097,438	777,549,678
Short-term provisions	10	23,146,279	21,267,900
		<u>1,244,206,493</u>	<u>1,273,504,574</u>
TOTAL		<u>10,019,281,676</u>	<u>10,135,442,092</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11 (a)	2,574,656,520	1,203,311,520
Intangible assets	11 (b)	62,931,945	34,325,404
Capital work-in-progress		8,372,966	2,453,356
Intangible assets under development		46,240,988	64,390,314
Non-current investments	12	3,912,440,834	3,912,440,834
Deferred tax assets (net)	13	104,129,116	64,187,124
Long-term loans and advances	14	2,300,577,014	3,770,696,240
Other non-current assets	15	3,439,557	7,021,596
		<u>9,012,788,940</u>	<u>9,058,826,388</u>
Current assets			
Inventories	16	159,847,409	160,941,177
Trade receivables	17	665,269,228	536,472,174
Cash and cash equivalents	18	28,931,365	59,980,572
Short-term loans and advances	19	151,056,371	317,673,915
Other current assets	20	1,388,363	1,547,866
		<u>1,006,492,736</u>	<u>1,076,615,704</u>
TOTAL		<u>10,019,281,676</u>	<u>10,135,442,092</u>

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813



For and on behalf of the Board of Directors of
SRL Limited

Mr. Shivinder Mohan Singh
Chairman
DIN: 00042910

Dr. Sanjeev K. Chaudhry
Managing Director
DIN: 00015077

Sanjeev Vashishta
Chief Executive Officer

Saurabh Chadha
Chief Financial Officer

Ankush Agarwal
Company Secretary

Place: Gurgaon
Date: 27 May 2014



SRL Limited
Statement of Profit and Loss Account for the year ended March 31, 2014
(All amounts in Rupees unless otherwise stated)

	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue from operations (Gross)	21	4,326,264,378	3,625,124,730
Less: Service tax		9,554,188	6,810,476
Revenue from operations (Net)		4,316,710,190	3,618,314,254
Other income	22	264,167,238	262,000,026
Total Revenue		4,580,877,428	3,880,314,280
Expenses:			
Consumption of reagents and other consumables	23	1,311,007,967	1,198,876,568
Cost of tests outsourced		320,116,623	226,753,518
Employee benefits expenses	24	959,136,783	835,344,167
Other expenses	25	1,110,280,407	1,086,412,989
Total Expenses		3,700,541,780	3,347,387,242
Earning before financial expenses, depreciation/amortisation and taxes		880,335,648	532,927,038
Finance costs	26	232,846,432	133,572,538
Depreciation and amortization expense	11	334,733,947	253,567,065
Profit before tax		312,755,269	145,787,435
Tax expense			
- Current tax		152,216,219	70,111,539
- Deferred tax	13	(39,941,992)	(64,187,124)
Profit for the period		200,481,042	139,863,020
Earnings per equity share [nominal value of share Rs 10/- (Previous year Rs 10/-)]	27	3.35	2.34
- Basic		2.54	1.87
- Diluted			

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813



For and on behalf of the Board of Directors of
SRL Limited

Mr. Shivinder Mohan Singh
Chairman
DIN: 00042910

Dr. Sanjeev K. Chaudhry
Managing Director
DIN: 00015077

Sanjeev Vashista
Chief Executive Officer

Saurabh Chadha
Chief Financial Officer

Place: Gurgaon
Date: 27 May 2014

Ankush Agarwal
Company Secretary



SRL Limited
Cash Flow Statement for the year ended March 31, 2014
(All amounts in Rupees unless otherwise stated)

	For the year ended March 31, 2014	For the year ended March 31, 2013
I. Cash flows from operating activities		
Profit before taxation but after prior period adjustments	312,755,269	145,787,435
Adjustments for:		
Depreciation/ amortisation	334,733,947	253,567,065
Loss on fixed assets sold/ discarded	2,814,123	5,196,695
Foreign exchange fluctuation difference (net)	1,734,095	2,142,239
Provision for doubtful debts and advances	31,158,062	27,250,814
Profit on sale of current investments	-	(6,200,686)
Advances written off	2,231,000	896,700
Bad debts written off	6,661,509	-
Liabilities no longer required written back	(3,977,657)	(1,592,502)
Interest expense	228,615,345	126,925,885
Interest income	(246,375,535)	(241,420,021)
Operating profit before working capital changes	670,350,158	312,553,624
Movements in working capital		
Decrease/(Increase) in inventories	1,093,768	(20,878,931)
(Increase) in trade receivables	(168,089,161)	(57,733,458)
Decrease/(Increase) in other current assets	700,216	(475,625)
Decrease in loans and advances	60,800,759	73,450,156
Increase/(Decrease) in liabilities and provisions	91,330,374	(37,479,782)
Cash generated from/(used in) operations	656,186,114	269,435,984
Direct taxes paid	(176,494,095)	(172,144,319)
Net Cash generated from/(used in) Operating Activities	479,692,019	97,291,665
II. Cash flows from investing activities		
Purchase of current investments	-	(1,640,000,000)
Proceeds from sale of current investments	-	1,646,200,686
Interest received	246,044,777	244,803,530
Fixed deposits (with maturity more than three months) (net)	381,632	(153,949)
Loans given to body corporates	-	(80,000,000)
Loans repaid by body corporates	120,800,553	-
Purchase of fixed assets	(253,888,897)	(1,836,222,145)
Proceeds from sale of fixed assets including fixed assets held for sale	7,818,571	8,487,547
Net cash generated from /(used in) investing activities	121,156,636	(1,656,884,331)
III. Cash flows from financing activities		
Repayment of short term borrowings	(34,772,916)	(198,493,369)
Proceeds of short term borrowings	49,291,709	80,000,000
Repayment of long term borrowings	(517,517,451)	(268,899,092)
Proceeds of long term borrowings /body corporate	200,000,000	-
Proceeds from issue of preference share capital (including securities premium)	-	3,700,000,000
Redemption of preference share capital (including securities premium)	-	(1,366,580,844)
Share issue expenses paid	-	(74,908,543)
Hire purchase loan taken	-	970,000
Hire purchase loan repaid	(1,296,994)	(5,696,187)
Repayment of finance lease obligation	(11,077,946)	(9,851,320)
Interest paid	(319,477,137)	(286,862,235)
Cash generated from/(used in) financing activities	(634,850,735)	1,569,678,410
IV. Net increase in cash and cash equivalents [I+II+III]	(34,002,080)	10,085,744
V. Cash & cash equivalents at the beginning of the year	59,951,256	49,865,512
VI. Cash & cash equivalents at the end of the year [IV+V]	25,949,176	59,951,256



SRL Limited
Cash Flow Statement for the year ended March 31, 2014
(All amounts in Rupees unless otherwise stated)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash & cash equivalents include:		
Cash on hand	5,812,366	6,008,208
Cheques in hand	938,401	38,248,800
Balances with scheduled banks:		
-On cash collection accounts	17,186,343	13,951,445
-On EEFC accounts	1,485,743	-
-On current accounts	491,921	1,745,981
-On deposit accounts	3,016,591	26,138
Cash and bank balances as per Note 18	28,931,365	59,980,572
Less: Fixed deposits not considered as cash equivalents	3,016,591	26,138
Sub total	25,914,774	59,954,434
Less: Effect of Exchange Differences on Cash & Cash Equivalents held in foreign currency	(34,402)	3,178
Cash & Cash Equivalents in Cash Flow Statement	25,949,176	59,951,256

Notes:

The above 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.

Summary of significant accounting policies

2.1

As per our report of even date

For S. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813



For and on behalf of the Board of Directors of
SRL Limited

Shivinder Mohan Singh
Mr. Shivinder Mohan Singh
Chairman
DIN: 00042910

Dr. Sanjeev K. Chaudhry
Dr. Sanjeev K. Chaudhry
Managing Director
DIN: 00015077

Sanjeev Vashishta
Sanjeev Vashishta
Chief Executive Officer

Saurabh Chadha
Saurabh Chadha
Chief Financial Officer

Ankush Agarwal
Ankush Agarwal
Company Secretary

Place: Gurgaon

Date: 24 May 2014



Corporate Information

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

Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financials to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 to the extent considered applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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 disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon 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 the cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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

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

(c) Intangible assets

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

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

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

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

Computer Software

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



Intangible assets for internally generated assays

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

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

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

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

These costs are amortised over a period of five years being the useful life, as estimated by the management.

(d) Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher. All fixed assets are depreciated at the rates prescribed under Schedule XIV of the Companies Act, 1956, except for the following assets that are depreciated at rates based on the technically assessed useful lives of the assets, which are greater than the rates specified under Schedule XIV of the Companies Act, 1956:

Laboratory Equipments	7 years
Vehicles	5 to 10 years
Assets taken on finance lease	7 years
Assays Developed	5 years

Assets individually costing Rs. 5,000/- each or less are fully depreciated in the year of acquisition.

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

(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 or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

(f) Leases

Where the company is lessee

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

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.



(g) Investments

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

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

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

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

(h) Inventories

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

(i) 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.

Income from Services

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

Management fees

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

Rent received

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

Interest

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

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Ancillary costs incurred in connection the arrangement of borrowings are amortised over the period of the loan.

(k) Foreign currency translation

(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 reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

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



(l) Retirement and other employee benefits

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

The Company operates defined benefit plan for its employees, i.e. gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

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

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

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

(m) Income taxes

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

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 reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(n) Employee Stock Compensation Cost

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

(o) Segment Reporting Policies

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

(p) 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

(q) Provisions

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



(r) 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.

(s) Contingent Liabilities

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

(t) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction cost to the extent to which the expenditure is indirectly 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. Income earned, if any, during construction period is deducted from the total of the indirect expenditure.

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

(u) Miscellaneous Expenditure

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

(v) 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.



Note 3 Share Capital

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Authorised share capital		
61,333,334 (Previous year 61,333,334) Equity Shares of Rs. 10/- each	613,333,340	613,333,340
10,000,000 (Previous year 10,000,000) Non- Cumulative Redeemable Preference Shares of Rs. 10/- each	100,000,000	100,000,000
12,333,333 (Previous year 12,333,333) Compulsorily Convertible Preference Shares of Rs. 20/- each	246,666,660	246,666,660
	<u>960,000,000</u>	<u>960,000,000</u>
Issued share capital		
59,796,866 (Previous year 59,796,866) Equity Shares of Rs. 10/- each	597,968,660	597,968,660
12,333,333 (Previous year 12,333,333) Compulsorily Convertible Preference Shares of Rs. 20/- each	246,666,660	246,666,660
	<u>844,635,320</u>	<u>844,635,320</u>
Subscribed & fully paid up share capital		
59,796,866 (Previous year 59,796,866) Equity Shares of Rs. 10/- each	597,968,660	597,968,660
12,333,333 (Previous year 12,333,333) Compulsorily Convertible Preference Shares of Rs. 20/- each	246,666,660	246,666,660
Total	<u>844,635,320</u>	<u>844,635,320</u>

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

	March 31, 2014		March 31, 2013	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity shares				
At the beginning of the period	59,796,866	597,968,660	59,796,866	597,968,660
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>59,796,866</u>	<u>597,968,660</u>	<u>59,796,866</u>	<u>597,968,660</u>
Compulsorily convertible preference shares				
Shares outstanding at the beginning of the period	12,333,333	246,666,660	-	-
Shares issued during the period	-	-	12,333,333	246,666,660
Shares converted during the period	-	-	-	-
Shares outstanding at the end of the period	<u>12,333,333</u>	<u>246,666,660</u>	<u>12,333,333</u>	<u>246,666,660</u>
Non- cumulative redeemable preference shares				
Shares outstanding at the beginning of the period	-	-	10,000,000	100,000,000
Shares issued during the period	-	-	-	-
Shares redeemed during the period	-	-	(10,000,000)	(100,000,000)
Shares outstanding at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Terms/rights attached to equity shares

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



(c) Allotment of compulsorily convertible preference shares:

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

(d) Terms/rights attached to non cumulative redeemable preference shares:

- During the earlier years the Company had allotted 5,500,000 Non- Cumulative Redeemable Preference Shares to Oscars Investments Limited at Rs. 200 each consisting of face value of Rs. 10 each and premium of Rs. 190 each. The above said preference shares carrying 0% coupon rate and redeemable within 20 years from the date of allotment at the discretion of the Board of Directors in one or more tranches. Preference shares were redeemable at premium which would ensure 10% annualized yield to the preference shareholders. On June 28, 2012 the Company had redeemed the said preference shares out of the proceeds of fresh issuance of Compulsorily Convertible Preference Shares.

- During the earlier years the Company had allotted 4,500,000 Non- Cumulative Redeemable Preference Shares to Maple Leaf Buildcon Private Limited of Rs. 10 each at par. The above said preference shares carrying 0% coupon rate and redeemable within 20 years from the date of allotment at the discretion of the Board of Directors in one or more tranches. Preference shares were redeemable at premium which would ensure 12% annualized yield to the preference shareholders. On February 24, 2012 Maple Leaf Buildcon Private Limited was merged with RHC Holding Private Limited, accordingly, preferences shares were transferred to RHC Holding Private Limited. On June 28, 2012 the Company had redeemed the said preference shares out of the proceeds of fresh issuance of Compulsorily Convertible Preference Shares.

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

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

	For the year ended March 31, 2014		For the year ended March 31, 2013	
	Number	Amount in Rs	Number	Amount in Rs
Equity shares of Rs. 10/- each Fortis Healthcare Limited	42,749,217	427,492,170	42,749,217	427,492,170

(f) Details of Shares held by each shareholder holding more than 5% shares

Name of Shareholder	For the year ended March 31, 2014		For the year ended March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares				
Fortis Healthcare Limited	42,749,217	71.49%	42,749,217	71.49%
Avigo PE Investments Ltd	6,310,315	10.55%	6,310,315	10.55%
Logos Holding Company Private Limited	4,449,772	7.44%	4,449,772	7.44%
Compulsory convertible preference shares				
International Finance Corporation	4,000,000	32.43%	4,000,000	32.43%
NYLIM Jacob Ballas India Fund III LLC	8,333,333	67.57%	8,333,333	67.57%

(g) Shares reserved for issue under options

Refer details of shares reserved for issue under the employee stock option (ESOP) plans of the company, please refer note 40.

(h) During the financial year 2010-11, 5,199,899 equity shares were allotted on August 20, 2010 as fully paid-up pursuant to contract for consideration other than cash. Pursuant to a Share Purchase, Share Allotment and Debenture Subscription Agreement dated July 13, 2010 as amended by an agreement dated August 20, 2010, the Company acquired the entire equity share capital of SRL Diagnostics Private Limited (formerly Piramal Diagnostic Services Private Limited) (SRLD) from Piramal Healthcare Limited, Dr. Bhavin Jankharia and Dr. Avinash Phadke for a total consideration of Rs 3,722.88 million. The payment for the said consideration was discharged (a) partly by way of cash payment of Rs 722.88 million, (b) partly by allotment of Equity Shares worth Rs. 1,350 million in favour of Piramal Healthcare Limited, Dr. Avinash Phadke and Dr. Bhavin Jankharia, (c) partly, by way of allotment of 16,500 fully paid-up non-convertible debentures of face value of Rs. 100,000 each in favour of Piramal Healthcare Limited and (d) agreed to enable SRLD to repay Rs 2,277.12 million owed by it to PHL, subject to such repayment not exceeding Rs. 2,500 million. Piramal Healthcare Limited was allotted 5,069,902 Equity Shares, Dr. Avinash Phadke was allotted 77,998 Equity Shares and Dr. Bhavin Jankharia was allotted 51,999 Equity Shares. Such Equity Shares were subsequently transferred in favour of Maple Leaf Buildcon Private Limited, one of the Promoters, pursuant to the terms of the Share Purchase, Share Allotment and Debenture Subscription Agreement.

(i) During the previous financial year, 1,000,000 equity shares of face value of Rs. 10 have been transferred from Religare group companies employees to Avigo PE Investments Limited pursuant to a share purchase agreement dated June 12, 2012 executed between the parties.



Note 4: Reserve and surplus

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Securities premium reserve		
Balance as per last financial statements	6,860,190,014	4,558,811,366
Add: premium received on issue of equity shares	-	-
Add: premium received on issue of Compulsorily Convertible Preference Shares of Rs 20/- each	-	3,453,333,340
Less: premium paid/payable on redemption of non- cumulative redeemable preference shares of Rs. 10/- each	-	1,074,452,991
Less: amount utilised towards issue expenses of new equity shares	-	77,501,701
Closing Balance	6,860,190,014	6,860,190,014
Debenture redemption reserve		
Balance as per last financial statements	119,819,836	-
Add: amount transferred from statement of profit and loss account	-	119,819,836
Less: amount transferred to statement of profit and loss	(119,819,836)	-
Closing Balance	-	119,819,836
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(531,790,555)	(551,814,885)
Profit for the year	200,481,042	139,863,020
Transfer from debenture redemption account	119,819,836	-
Less: Appropriations		
Dividend accrued on compulsory convertible preference shares	24,666	18,854
Transfer to debenture redemption account	-	(119,819,836)
Net Deficit in the statement of profit and loss	(211,514,343)	(531,790,555)
Total reserves and surplus	6,648,675,671	6,448,219,295

(This space is intentionally left blank)



Note 5: Long term borrowings

	Non Current Portion		Current Maturities	
	As at March 31 , 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.	As at March 31 , 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Secured				
Term loans				
from banks	377,104,316	33,891,497	187,707,254	10,265,866
from other parties	855,439,855	1,473,842,286	237,443,028	97,212,251
Other loans and advances				
Long term maturities of finance lease obligations from others	-	12,454,745	12,454,745	11,077,946
Hire purchase loans from banks	842,358	1,584,846	742,588	1,297,095
	<u>1,233,386,529</u>	<u>1,521,773,374</u>	<u>438,347,615</u>	<u>119,853,158</u>
Unsecured				
Debentures				
3,600 (Previous year 3,600) 10% Redeemable Non- Convertible Debentures of Rs 100,000 each .	-	-	-	360,000,000
Total	<u>1,233,386,529</u>	<u>1,521,773,374</u>	<u>438,347,615</u>	<u>479,853,158</u>

Notes:

a. Term loans from banks:

- Rs. 33,859,189 (Previous year Rs. 44,157,363) from HDFC Bank Limited are secured by way of a first charge on the laboratories equipments, which have been purchased against these loans. Loan amount is repayable in 57 monthly equal installments with moratorium period of three months commencing from March 1, 2012.

- Rs. 150,000,000 (Previous year Rs. Nil) from HDFC Bank Limited are secured by way of a first charge on the movable and immovable assets which have been purchased against these loans. Loan amount is repayable in 8 quarterly equal installments commencing from October 01, 2013.

- Rs. 380,952,381 (Previous year Rs. Nil) are from Abu Dhabi Commercial Bank Ltd. and are secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of english mortgage over the property. Loan amount is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., December 27, 2013. 80% of total loan of Rs 500,000,000 taken from GE Capital Services India had transferred to Abu Dhabi Commercial Bank Ltd. by way of assignment agreement dated December 10, 2013.

b. Term loans from others:

- Rs. 45,263,836 (Previous year Rs. 71,054,539) are from SREI Equipments Private Limited and are secured by way of a first charge on the fixed assets, which

have been purchased against these loans. Loan amount is repayable in 60 monthly equal installments along with interest from the date of loan viz., October 5, 2010.

- Rs.952,380,952 (Previous year Rs. 1,000,000,000) are from GE Money Financial Services Pvt Ltd. and are secured by way of a first charge on all present and future movable fixed assets and exclusive charge by way of english mortgage over the property. Loan amount is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., March 26, 2013.

- Rs. 95,238,095 (Previous year Rs. 500,000,000) are from GE Capital Services India and are secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of english mortgage over the property. Loan amount is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., March 26, 2013. 80% of total loan of Rs 500,000,000 taken from GE Capital Services India had transferred to Abu Dhabi Commercial Bank Ltd. by way of assignment agreement dated December 10, 2013.

c. Finance lease obligation is secured by way of hypothecation of laboratory equipments in favour of lessor purchased from the loan . Finance lease obligation from

GE Capital Services India Limited of Rs. 1,2454,745 (Previous year Rs. 23,532,691) is repayable in 60 monthly lease rental commencing from April 1, 2010.

d. Hire purchase loans of Rs.1,584,946 (Previous year Rs. 2,881,940) from HDFC Bank Limited are secured against hypothecation of the specific vehicles purchased from the loan. Repayment of hire loans is follow:

- 1) Loan amount of Rs. 4,768,000 is repayable in 60 monthly equal installments along with interest commencing from date of loan.
- 2) Loan amount of Rs. 1,055,000 is repayable in 48 monthly equal installments along with interest commencing from date of loan.

e. During the year ended March 31, 2014, 10% Redeemable Non- Convertible 3,600 Debentures of Rs 100,000 each, were fully redeemed on the expiry of 36 months from the issue date.



Note 6: Other long term liabilities

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Others		
Rent equalisation reserve	10,693,184	16,028,385
Total	10,693,184	16,028,385

Note 7: Long term provisions

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Provision for employee benefits		
Provision for gratuity (refer note 32)	37,684,479	31,281,144
Total	37,684,479	31,281,144

Note 8: Short term borrowings

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Secured		
Loans repayable on demand		
Cash credit facility from banks	148,709,393	134,190,601
	148,709,393	134,190,601

Notes:

Secured:

a. Cash credit facility from HDFC Bank is secured by way of first charge on the Company's entire current assets. They are further secured by way of a second charge on the Company's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future. The Cash Credit is repayable on demand and carries interest rate of 12.25%. The total sanctioned limit is of Rs 140,000,000 as on March 31, 2014.

b. Cash credit facility from Kotak Mahindra Bank Limited is secured by way of first charge on the Company's entire current assets. They are further secured by way of a second charge on the Company's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future. The Cash Credit is repayable on demand and carries interest rate of 12.50%. The total sanctioned limit is of Rs 100,000,000 as on March 31, 2014.



Note 9: Other current liabilities

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Trade payables (refer note 34 for details of due to micro and small enterprises)	392,253,383	340,496,395
	<u>392,253,383</u>	<u>340,496,395</u>
Advances and Deposits from customers	152,227,227	129,865,469
Other Liabilities	438,347,615	479,853,158
Current maturities of long-term debt (Refer Note 5) [Includes current maturity of finance lease obligation Rs. 12,454,745 (Previous year Rs. 11,077,946) and of hire purchase loans from bank Rs. 742,588 (Previous Rs. 1,297,095)]		
Interest accrued but not due on borrowings	3,867,149	94,728,941
Dividend accrued but not due on Compulsory convertible Preference shares	43,520	18,854
Creditors for purchase of fixed assets	25,794,123	23,776,890
Liability against indemnification	13,309,717	-
Rent equalisation reserve	5,249,252	2,847,667
Advances from customers	12,773,318	14,439,874
Statutory payables	28,485,517	32,018,825
	<u>680,097,438</u>	<u>777,549,678</u>
Total	<u>1,072,350,821</u>	<u>1,118,046,073</u>

Note 10: Short term provisions

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Provision for employee benefits	22,316,851	20,345,528
Provision for leave encashment	690,878	849,732
Provision for gratuity (refer note 32)		
Other	138,550	72,640
Provision for wealth tax		
Total	<u>23,146,279</u>	<u>21,267,900</u>



Note 11 (a) Fixed assets

Block	Building	Land	Leasehold Improvements	Laboratory Equipments	Laboratory Equipments under Lease	Air Conditioners	Computers & Accessories	Office Equipments	Furniture & Fittings	Vehicles	Total
Cost or Valuation											
At 01.04.2012	-	-	566,735,506	626,111,326	52,976,945	56,567,559	81,022,759	21,325,324	53,202,828	38,103,193	1,496,045,440
Additions	-	-	324,051,340	113,039,764	-	1,610,710	10,883,623	1,161,527	33,036,389	1,270,820	485,054,173
Deductions	-	-	14,421,978	3,829,219	-	1,453,149	31,800	78,000	5,986,350	8,495,356	34,295,852
At 31.03.2013	-	-	876,364,868	735,321,871	52,976,945	56,725,120	91,874,582	22,408,851	80,252,867	30,378,657	1,946,803,761
Additions	362,473,381	1,208,245,271	28,203,166	42,782,868	-	6,865,057	17,433,591	6,696,278	4,298,560	2,883,340	1,679,881,712
Transfer in/(out)	266,993,575	-	(266,993,575)	-	-	873,490	2,896,042	175,607	1,721,120	222,069	32,376,301
Deductions	-	-	12,178,768	14,309,205	-	-	106,412,131	28,929,522	82,830,307	33,539,928	3,594,309,172
At 31.03.2014	629,467,156	1,208,245,271	625,395,691	763,795,534	52,976,945	62,716,687	106,412,131	28,929,522	82,830,307	33,539,928	3,594,309,172
Depreciation/ Amortisation											
At 01.04.2012	-	-	219,139,759	203,918,360	12,703,799	7,395,988	41,903,273	4,067,958	16,747,920	16,237,125	522,114,182
Charge for the year	-	-	128,115,166	81,054,054	7,188,971	2,690,433	11,363,599	1,209,992	4,804,501	5,562,954	241,989,670
Deductions	-	-	13,141,842	1,861,877	-	311,463	18,332	10,090	1,200,945	4,067,062	20,611,611
At 31.03.2013	-	-	334,113,083	283,110,537	19,892,770	9,774,958	53,248,540	5,267,860	20,351,476	17,733,017	743,492,241
Charge for the year	56,481,928	-	114,897,657	90,164,264	7,188,971	2,970,795	12,232,895	1,355,864	8,563,117	4,048,527	297,904,018
Transfer in/(out)	165,943,789	-	(165,943,789)	6,745,674	-	671,111	2,504,845	118,225	1,564,792	154,594	21,743,607
Deductions	-	-	9,984,366	-	-	-	62,976,590	6,505,499	27,349,801	21,626,950	1,019,652,652
At 31.03.2014	222,425,718	-	273,082,584	366,529,127	27,081,741	12,074,642	62,976,590	6,505,499	27,349,801	21,626,950	1,019,652,652
Net Block											
At 31.03.2013	-	-	542,251,785	452,211,334	33,084,175	46,950,162	38,626,042	17,140,991	59,901,391	13,145,640	1,203,311,520
At 31.03.2014	407,041,438	1,208,245,271	352,313,107	397,266,407	25,895,204	50,642,045	43,435,541	22,424,023	55,480,506	11,912,978	2,574,656,520
Capital work in Progress											
											8,372,966

Notes:

- (1) Vehicles include those taken on hire purchase having gross block ended March 31, 2014 of Rs. 7,317,474 (Previous year Rs. 7,317,474) and accumulated depreciation ended March 31, 2014 of Rs. 4,030,290 (Previous year Rs. 2,942,097). The depreciation for the current period is Rs. 1,088,193 (Previous year Rs. 1,082,239).
- (2) The Company purchased Building at SV Road, Goregaon on April 02, 2013, the building was earlier being used as leased premises. As a result of such purchase, the lease hold improvements with the gross block of Rs. 266,993,575 and accumulated depreciation of Rs. 165,943,789 has been transferred to building.
- (3) Note 11 does not include laboratory equipments installed by suppliers, free of costs with the Company's commitment to purchase reagents from such suppliers over the term of the agreements. These equipments remain the property of the suppliers throughout the agreements.
- (4) Laboratory equipments includes Rs. 1,040,000 (Previous year Rs. 1,040,000), accumulated depreciation of Rs. 744,323 (Previous year Rs. 603,195), jointly held with a related party.



Note 11(b) Intangible assets

Block	Software & Other Intangible Assets	Intangible assets - Assay developed	Total
Cost or Valuation			
At 01.04.2012	34,323,008	11,265,117	45,588,125
Additions	4,799,413	10,370,978	15,170,391
Deductions	-	-	-
At 31.03.2013	39,122,421	21,636,095	60,758,516
Additions	11,029,197	54,407,273	65,436,470
Transfer in/(out)	-	-	-
Deductions	-	-	-
At 31.03.2014	50,151,618	76,043,368	126,194,986
Depreciation/ Amortisation			
At 01.04.2012	14,196,687	659,030	14,855,717
Charge for the year	8,547,465	3,029,930	11,577,395
Deletions	-	-	-
At 31.03.2013	22,744,152	3,688,960	26,433,112
Charge for the year	7,434,624	29,395,305	36,829,929
Transfer in/(out)	-	-	-
Deletions	-	-	-
At 31.03.2014	30,178,776	33,084,265	63,263,041
Net Block			
At 31.03.2013	16,378,269	17,947,135	34,325,404
At 31.03.2014	19,972,842	42,959,103	62,931,945
Intangible assets under development			46,240,988



Note 12: Non-current investment

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Trade investments (valued at cost)		
In subsidiary companies		
Unquoted, trade and fully paid-up		
3,958,200 (Previous year 3,958,200) equity shares of Rs 10 each fully-paid up in SRL Diagnostics Private Limited (formerly Piramal Diagnostic Services Private Limited)	3,897,440,834	3,897,440,834
In joint venture		
Unquoted, Trade and Fully paid-up		
240,000 (Previous year 240,000) equity shares of NR 100 each fully paid-up in SRL Diagnostics (Nepal) Pvt Ltd. (formerly Super Religare Reference Laboratories (Nepal) Pvt. Ltd.)	15,000,000	15,000,000
Total	3,912,440,834	3,912,440,834

Note 13: Deferred tax assets (net)

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Deferred tax liability		
Impact of difference on account of finance lease	4,568,412	3,098,979
Gross deferred tax liability	4,568,412	3,098,979
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	26,572,128	18,149,900
Impact of difference between tax depreciation and depreciation charged for the financial reporting	47,551,224	25,058,353
Provision for Doubtful debts & advances	29,155,342	17,953,515
Provision for Lease equalisations	5,418,834	6,124,335
Gross deferred tax asset	108,697,528	67,286,103
Net deferred tax asset	104,129,116	64,187,124

Note 14: Long term loans and advances

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Capital advances*		
Unsecured, considered good	104,649,138	1,581,831,473
Security deposits		
Unsecured, considered good		
Deposits to related parties	7,013,512	7,013,512
Deposits to others	65,947,422	62,361,637
Unsecured, considered doubtful	5,000,000	-
Less: Provision for doubtful deposits	(5,000,000)	-
	72,960,934	69,375,149
Other loans and advances		
Unsecured, considered good		
Loan to a subsidiary (Refer note 41)	1,653,000,000	1,673,800,553
Advance tax and tax deducted at source (net of provisions)	469,966,942	445,689,065
	2,122,966,942	2,119,489,618
Total	2,300,577,014	3,770,696,240

* Includes Rs. 100,000,000 (Previous year Rs. 1,576,619,713) paid towards the purchase of property.

Dues from private limited companies in which one or more directors of the Company are directors:
SRL Diagnostics Private Limited

1,653,000,000

1,673,800,553



Note 15: Other non current assets

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Unsecured, considered good unless stated otherwise		
Non-current bank balances (refer Note 18)	644,452	4,016,536
Arrangement fees	2,795,105	3,005,060
Total	3,439,557	7,021,596

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

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Reagents, Chemicals and Consumables	159,847,409	160,941,177
Total	159,847,409	160,941,177

Note:

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

Note 17: Trade Receivables

	Current As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Outstanding for a period exceeding six months from the date they are due for payments		
Secured, considered good	1,755,510	2,271,668
Unsecured, considered good	79,420,574	81,375,585
Unsecured, Considered doubtful	66,026,993	45,865,156
	147,203,077	129,512,409
Provision for doubtful debts	(66,026,993)	(45,865,156)
	81,176,084	83,647,253
Other receivables		
Secured, considered good	32,466,941	50,036,112
Unsecured, considered good	551,626,203	402,788,809
Unsecured, considered doubtful	10,656,763	5,377,595
	594,749,907	458,202,516
Provision for doubtful debts	(10,656,763)	(5,377,595)
	584,093,144	452,824,921
Total	665,269,228	536,472,174



ote 18: Cash and bank balances

	Non-Current		Current	
	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	491,921	1,745,981
On cash collection accounts	-	-	17,186,343	13,951,445
On EEFC accounts	-	-	1,485,743	-
	-	-	19,164,007	15,697,426
Cheques, drafts on hand	-	-	938,401	38,248,800
Cash on hand	-	-	5,812,366	6,008,208
Other bank balances				
Deposits with original maturity for more than 12 months	644,452	4,016,536	3,014,591	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	2,000	26,138
	644,452	4,016,536	28,931,365	59,980,572
Amount disclosed under other non current assets (refer note 15)	(644,452)	(4,016,536)	-	-
	-	-	28,931,365	59,980,572

Notes:

Deposits accounts include Rs 3,347,253 (Previous year Rs 3,934,671) of deposits pledged against bank guarantee and Rs 313,789 (Previous year Rs 1,061,013) are lien to others.

ote 19: Short term loans and advances

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Loans and advances to related parties *		
Unsecured, considered good		
Loan to a subsidiary (refer note 41)	100,000,000	200,000,000
Recoverable from subsidiaries	866,372	145,948
	100,866,372	200,145,948
Others		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	45,516,474	32,857,967
Deposits to other parties	4,254,594	84,117,705
Balance with statutory authorities	418,931	552,295
	50,189,999	117,527,967
Unsecured considered doubtful		
Advances recoverable in cash or in kind or for value to be received	4,092,478	4,092,478
	(4,092,478)	(4,092,478)
Less: Provision for doubtful advances		
	151,056,371	317,673,915
Total		
* Dues from private limited companies in which one or more directors of the Company are directors:		
SRL Diagnostics Private Limited	100,866,372	200,145,948
	100,866,372	200,145,948



Note 20: Other current assets

	As at March 31, 2014 Amount in Rs.	As at March 31, 2013 Amount in Rs.
Unsecured, considered good		
Interest accrued on		
- Fixed deposits	688,148	357,390
Arrangement fees	700,215	1,190,476
Total	1,388,363	1,547,866

(This page is intentionally left blank)



Note 21: Revenue from Operations

	For the year ended March 31, 2014 Amount in Rs.	For the year ended March 31, 2013 Amount in Rs.
Sale of services	4,306,644,218	3,613,894,519
Other operating revenues	19,620,160	11,230,211
Revenue from operations	4,326,264,378	3,625,124,730

Note 22: Other Income

	For the year ended March 31, 2014 Amount in Rs.	For the year ended March 31, 2013 Amount in Rs.
Interest income		
on bank deposits	2,507,829	333,347
on loan to subsidiary	235,847,921	241,086,674
on income tax refund	8,019,785	-
Other non-operating income		
Liability no longer required written back	3,977,657	1,592,502
Foreign exchange fluctuation difference (net)	1,340,713	-
Profit on sale of investments	-	6,200,686
Miscellaneous income	12,473,333	12,786,817
Total	264,167,238	262,000,026

Note 23: Consumption of reagents and other consumables *

	For the year ended March 31, 2014 Amount in Rs.	For the year ended March 31, 2013 Amount in Rs.
Inventories as at April 1, 2013	160,941,177	140,062,246
Add: Purchases	1,309,914,199	1,219,755,499
	1,470,855,376	1,359,817,745
Less: Inventories as at March 31, 2014	159,847,409	160,941,177
Consumption of reagents and other consumables	1,311,007,967	1,198,876,568

* Net of the amount capitalised (refer note 39)



Note 24: Employee Benefit Expenses

	For the year ended March 31, 2014 Amount in Rs.	For the year ended March 31, 2013 Amount in Rs.
Salaries, wages and bonus*	857,880,478	752,863,609
Contribution to		
- Provident fund	42,015,599	33,902,359
- Employees' state incorporation fund	9,433,327	8,943,177
- Superannuation fund	805,186	759,870
Gratuity expenses (refer note 32)	9,861,100	11,390,467
Staff welfare expenses	39,141,093	27,484,685
[include prior period expense of Rs Nil (previous year Rs 26,277)]		
Total	959,136,783	835,344,167

* Net of the amount capitalised (refer note 39)

Note 25: Other Expenses

	For the year ended March 31, 2014 Amount in Rs.	For the year ended March 31, 2013 Amount in Rs.
Power and fuel *	85,480,428	83,563,975
[include prior period expense of Rs 11,921 (previous year Rs Nil)]		
Rent: *		
- Offices and labs	213,604,124	313,609,715
- Car lease	-	5,308,021
- Equipments	1,111,112	1,111,111
Rates and taxes *	8,298,086	6,861,910
Insurance	4,702,802	13,192,639
Repairs and maintenance: *		
[include prior period expense of Rs 12,780 (previous year Rs 177,458)]		
- Plant and machinery	36,082,378	26,973,990
- Building	1,635,064	2,378,798
- Others	10,982,759	11,618,200
Advertisement and sales promotion *	141,664,060	114,985,732
Postage and courier *	122,435,876	110,991,486
[include prior period expense of Rs 21,190 (previous year Rs Nil)]		
Travelling and conveyance *	87,672,206	70,391,785
[include prior period expense of Rs 10,000 (previous year Rs Nil)]		
Printing and stationery	32,820,710	20,022,980
[include prior period expense of Rs 2,974 (previous year Rs Nil)]		
Communication *	18,734,142	15,697,115
[include prior period expense of Rs 7,386 (previous year Rs 62,359)]		
Legal and professional	97,001,227	84,827,818
[include prior period expense of Rs 45,936 (previous year Rs 527,912)]		
Payment to Auditors		
-As Auditor	4,100,000	3,700,000
-For taxation matters	250,000	250,000
-For company law matters	75,000	150,000
-For reimbursement of expenses	272,530	717,242
Professional fees to doctors	139,615,629	119,631,014
Loss on fixed assets sold/ discarded (net)	2,814,123	5,196,695
Bad debts written off	6,661,509	-
Provision for doubtful debts and advances	31,158,062	27,250,814
Advances written off	2,231,000	896,700
Foreign exchange fluctuation difference (net)	-	286,434
Donation	-	15,000
Miscellaneous expenses *	60,877,580	46,783,815
[include prior period expense of Rs 14,996 (previous year Rs 277,054)]		
Total	1,110,280,407	1,086,412,989

* Net of the amount capitalised (refer note 39)



Note 26: Finance Cost

	For the year ended March 31, 2014 Amount in Rs.	For the year ended March 31, 2013 Amount in Rs.
Interest expense:		
-on fixed loans	193,485,888	27,839,870
-on hire purchase loans	243,822	508,845
-on other loans	15,154,460	14,028,637
-on debentures	16,831,478	79,358,549
-on loan from corporates	-	1,134,773
-on finance lease	2,899,697	4,055,211
Other borrowing costs	4,231,087	6,646,653
Total	232,846,432	133,572,538

Note 27: Earning per Share

	For the year ended March 31, 2014 Amount in Rs.	For the year ended March 31, 2013 Amount in Rs.
Net Profit as per Profit and Loss Account	200,481,042	139,863,020
Weighted average number of equity shares in calculating basic EPS	59,796,866	59,796,866
Weighted average number of equity shares in calculating diluted EPS	78,977,760	74,604,759
Profit Per Share (Basic)	3.35	2.34
Profit Per Share (Diluted)	2.54	1.87



28 Related Party Disclosures

a. Names of related parties:

- (i) Enterprises having direct control over the Company
Fortis Healthcare Limited, holding company
- (ii) Individuals (directly/ indirectly) having control over the reporting enterprise
 - a. Mr. Malvinder Mohan Singh, Director
 - b. Mr. Shivinder Mohan Singh, Chairman
- (iii) Key Managerial Personnel
 - a. Dr. Sanjeev K. Chaudhry, Managing Director
 - b. Mr. Sanjeev Vashishta, Chief Executive Officer
 - c. Mr. Kiran Vaidya, Chief Operating Officer
- (iv) Subsidiary Companies
 - a. SRL Diagnostics Private Limited
- (v) Joint Venture Companies
 - a. SRL Diagnostics (Nepal) Private Ltd.
- (vi) Enterprises over which persons mentioned at (iii) and (iv) have significant influence and with whom transactions have taken place during the year:
 - a. AEGON Religare Life Insurance Company Limited
 - b. Bar Chem
 - c. Dion Global Solutions Limited
 - d. Escort Heart Institute & Research Centre Limited
 - e. Escorts Heart & Super Specialty Hospital Limited (Mergred with International Hospital Limited w.e.f. January 17, 2014)
 - f. Escorts Heart & Super Specialty Institute Limited (Mergred with International Hospital Limited w.e.f. January 17, 2014)
 - g. Escorts Hospital & Research Centre Limited (Mergred with International Hospital Limited w.e.f. January 17, 2014)
 - h. Fortis C DOC Healthcare Limited
 - i. Fortis Clinical Research Limited
 - j. Fortis Health Management (North) Limited (Mergred with Fortis Hospitals Limited w.e.f. Sep 01, 2013)
 - k. Fortis Health Management Limited
 - l. Fortis Hospital Management Limited
 - m. Fortis Hospitals Ltd
 - n. Fortis Malar Hospitals Limited
 - o. Hiranandani Healthcare Private Limited
 - p. International Hospital Limited
 - q. Karushka Healthcare Limited (Mergred with International Hospital Limited w.e.f. January 17, 2014)
 - r. Lalitha Healthcare Private Limited
 - s. REL Infracilities Limited
 - t. Religare Health Insurance Company Limited
 - u. RGAM Investment Advisers Private Limited (Formerly known as RGAM Corporation Private Limited)
 - v. Quality Healthcare Medical Services Limited
 - w. Ligare Aviation Limited (Formerly known as Religare Aviation Limited)
 - x. Religare Capital Markets Limited
 - y. Religare Enterprises Ltd
 - z. Religare Finvest Limited
 - aa. Religare Securities Limited
 - ab. HealthFore Technologies Limited (formerly known as Religare Technologies Limited)
 - ac. Ligare Travels Limited
 - ad. Ligare Voyages Limited
 - ae. RWL Healthworld Limited (Formerly known as Religare Wellness Limited)
 - af. RHC Holding Private Limited
 - ag. Shivi Holding Private Limited
 - ah. Sthirise Medicare Private Limited
 - ai. Super Religare Laboratories International FZ LLC
 - aj. DDRC SRL Diagnostics Private Limited
 - ak. RHC Holding Private Limited
 - al. Finserve Shared Services Limited (Formerly known as Religare Corporate Services Limited)
 - am. Fortis Health Management (East) Limited
 - an. Ligare Training Academy Limited (formerly Religare Aviation Training Academy)
 - ao. Religare Wealth Management Limited (Formerly known as Religare Macquarie Wealth Management Ltd.)
 - ap. Religare Commodities Limited

(This space is intentionally left blank)



b. Transactions with related parties

Nature of transaction / Name of the Related party

	Year ended March 31, 2014	Year ended March 31, 2013
Rendering of services:		
Escort Heart Institute & Research Centre Limited	81,186,857	80,593,142
Fortis C DOC Healthcare Limited	9,037,615	4,578,447
Fortis Health Management (North) Limited (Merged with Fortis Hospitals Limited w.e.f. Sep 01, 2013)	140,300,280	263,362,318
Fortis Health Management Limited	7,344,747	5,383,986
Fortis Healthcare Limited	102,408,358	85,652,206
Fortis Hospitals Ltd	415,925,526	160,056,159
Fortis Health Management (East) Limited	5,483,897	-
Fortis Malar Hospitals Limited	28,037,962	25,220,268
Hiranandani Healthcare Private Limited	79,483,842	68,561,797
International Hospital Limited	1,588,174	-
Kanishka Healthcare Limited (Merged with International Hospital Limited w.e.f. January 17, 2014)	4,870,294	5,008,503
Lalitha Healthcare Private Limited	11,568,853	11,541,515
Super Religare Laboratories International FZ LLC	67,113,388	34,584,643
SRL Diagnostics (Nepal) Private Ltd.	11,497,201	10,902,967
AEGON Religare Life Insurance Company Limited	17,331	13,600
Fortis Clinical Research Limited	8,972,415	6,913,046
Quality Healthcare Medical Services Limited	4,017,430	2,048,340
Religare Wealth Management Limited (Formerly known as Religare Macquarie Wealth Management Ltd.)	26,800	-
Religare Health Insurance Company Limited	4,885,220	-
RWL Healthworld Limited (Formerly known as Religare Wellness Limited)	31,764,358	29,421,860
SRL Diagnostics Private Limited	47,327,382	28,477,829
DDRC SRL Diagnostics Private Limited	23,037,009	17,996,422
Ligare Travels Limited	-	150
Ligare Training Academy Limited (formerly Religare Aviation Training Academy)	-	8,000
	1,085,894,938	840,325,198
Receiving of services:		
Fortis Health Management (North) Limited (Merged with Fortis Hospitals Limited w.e.f. Sep 01, 2013)	8,381,930	16,271,048
Fortis Healthcare Limited	6,300,171	6,862,017
Fortis Hospitals Ltd	11,064,914	-
Bar Chem	34,313,714	32,824,811
Religare Finvest Limited	-	5,401,506
Ligare Travels Limited	12,132,556	12,319,428
Religare Health Insurance Company Limited	13,048,777	16,786,440
REL Infrastructures Limited	-	231,106
RGAM Investment Advisers Private Limited (Formerly known as RGAM Corporation Private Limited)	-	20,786,600
Religare Capital Markets Limited	-	20,843,925
Finserve Shared Services Limited (Formerly known as Religare Corporate Services Limited)	-	481,808
SRL Diagnostics Private Limited	7,309,474	3,753,717
	92,551,536	136,562,406
Reimbursement of expenses to:		
Escort Heart Institute & Research Centre Limited	9,352,506	9,781,520
Fortis Health Management (North) Limited (Merged with Fortis Hospitals Limited w.e.f. Sep 01, 2013)	208,226	643,700
Fortis C DOC Healthcare Limited	25,000	-
Fortis Healthcare Limited	2,282,748	11,509,188
Fortis Hospitals Ltd	698,800	914,898
Fortis Malar Hospitals Limited	952,282	970,135
Hiranandani Healthcare Private Limited	6,165,236	6,300,086
SRL Diagnostics Private Limited	3,966,139	-
Religare Finvest Limited	36,663	-
SRL Diagnostics (Nepal) Private Ltd.	2,687,728	1,374,330
Super Religare Laboratories International FZ LLC	-	736,290
Religare Commodities Limited	-	42,818
DDRC SRL Diagnostics Private Limited	4,475,272	3,238,555
	30,850,600	35,511,519
Reimbursement of expenses from:		
Fortis Health Management (North) Limited (Merged with Fortis Hospitals Limited w.e.f. Sep 01, 2013)	304,049	20,669,495
Fortis Health Management (East) Limited	1,118,945	-
Fortis Health Management Limited	25,087	23,982
Fortis Hospitals Ltd	6,933,651	5,519,908
Hiranandani Healthcare Private Limited	17,741,385	15,939,665
International Hospital Limited	4,487	-
Kanishka Healthcare Limited (Merged with International Hospital Limited w.e.f. January 17, 2014)	13,924	18,031
Super Religare Laboratories International FZ LLC	1,257,074	874,504
Fortis Healthcare Limited	2,233,420	428,310
Religare Capital Markets Limited	-	186,123
Religare Enterprises Ltd.	-	1,026,745
SRL Diagnostics (Nepal) Private Ltd.	2,296,316	1,143,082
SRL Diagnostics Private Limited	3,585,396	3,641,305
	35,513,734	49,471,150



	Year ended March 31, 2014	Year ended March 31, 2013
Short-term borrowings repaid		
Fortis Healthcare Ltd	-	(15,000,000)
RHC Holding Private Limited	-	(18,800,000)
	-	(33,800,000)
Loan given		
SRL Diagnostics Private Limited	-	80,000,000
	-	80,000,000
Loan received back		
SRL Diagnostics Private Limited	(120,800,553)	-
	(120,800,553)	-
Interest paid/payable		
RHC Holding Private Limited	-	622,718
Fortis Healthcare Ltd	-	512,055
	-	1,134,773
Interest received/receivable		
SRL Diagnostics Private Limited	235,847,922	241,086,675
	235,847,922	241,086,675
Remuneration to key managerial personnel		
Dr. Sanjeev K. Chaudhry, Managing Director Salary, bonus and contribution to PF	14,895,000	14,895,000
Mr. Sanjeev Vashishta, Chief Executive Officer Salary, bonus and contribution to PF	8,461,730	11,229,900
Mr. Kiran Vaidya, Chief Operating Officer Salary, bonus and contribution to PF	8,364,960	10,424,960
	31,721,690	36,549,860
Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.		
Purchase of Raw Material		
Fortis Hospitals Ltd	284,326	468,708
Hiranandani Healthcare Private Limited	318,626	3,073,253
RWL Healthworld Limited (Formerly known as Religare Wellness Limited)	166,989	106,765
Fortis Health Management (North) Limited (Merged with Fortis Hospitals Limited w.e.f. Sep 01, 2013)	-	224,611
	769,941	3,873,337
Purchase of Fixed Assets		
HealthFore Technologies Limited (formerly known as Religare Technologies Limited)	-	2,431,663
SRL Diagnostics (Nepal) Private Ltd.	-	33,740
Escort Heart Institute & Research Centre Limited	1,151,131	-
SRL Diagnostics Private Limited	5,711,427	419,628
	6,862,558	2,885,031
Sale of Fixed Assets		
SRL Diagnostics Private Limited	9,459,752	-
	9,459,752	-
Balances outstanding at the year end:		
Loans given		
SRL Diagnostics Private Limited	1,753,000,000	1,873,800,553
	1,753,000,000	1,873,800,553



	Year ended March 31, 2014	Year ended March 31, 2013
Trade receivables at the end of year:		
Escort Heart Institute & Research Centre Limited	5,564,159	5,698,409
Fortis C DOC Healthcare Limited	11,282,898	3,180,063
Fortis Health Management (North) Limited (Merged with Fortis Hospitals Limited w.e.f. Sep 01, 2013)	-	33,403,562
Fortis Health Management Limited	665,171	883,298
Fortis Healthcare Limited	9,570,724	6,588,150
Fortis Hospitals Ltd	52,439,422	30,543,072
Fortis Health Management (East) Limited	1,641,718	-
Fortis Malar Hospitals Limited	861,883	1,772,139
Hiranandani Healthcare Private Limited	6,944,207	13,209,172
International Hospital Limited	896,177	-
Kanishka Healthcare Limited (Merged with International Hospital Limited w.e.f. January 17, 2014)	-	849,824
Lalitha Healthcare Private Limited	2,354,375	1,799,087
Super Religare Laboratories International FZ LLC;	69,531,943	40,296,953
SRL Diagnostics (Nepal) Private Ltd.	3,117,075	2,943,446
Religare Wealth Management Limited (Formerly known as Religare Macquarie Wealth Management Ltd.)	1,300	-
Religare Health Insurance Company Limited	1,740,662	-
AEGON Religare Life Insurance Company Limited	4,478	4,447
Fortis Clinical Research Limited	3,558,817	2,229,222
Quality Healthcare Medical Services Limited	491,246	911,030
RWL Healthworld Limited (Formerly known as Religare Wellness Limited)	7,522,834	3,109,454
SRL Diagnostics Private Limited	4,554,824	6,570,457
DDRC SRL Diagnostics Private Limited	937,566	3,773,472
Ligare Travels Limited	2,256	2,256
Ligare Training Academy Limited (formerly Religare Aviation Training Academy)	10,372	10,372
	183,694,106	157,777,885
Trade payables at the end of year:		
Bar Chem	1,091,151	482,256
HealthFore Technologies Limited (formerly known as Religare Technologies Limited)	-	1,905,942
SRL Diagnostics Private Limited	2,392,983	958,676
	3,484,134	3,346,874
Other payable at the end of the year		
SRL Diagnostics Private Limited	33,223	-
Fortis Healthcare Limited	-	5,129,182
Ligare Travels Limited	650,233	468,633
	683,456	5,597,815
Loans and advances at the end of the year		
Super Religare Laboratories International FZ LLC;	1,471,346	1,267,778
SRL Diagnostics (Nepal) Private Ltd.	492,966	1,413,661
SRL Diagnostics Private Limited	866,376	145,948
Fortis Healthcare Limited	233,983	-
Religare Capital Markets Limited	186,123	186,123
	3,250,794	3,013,510

- a) As explained in note 3 above, the Company invested Rs. 3,722,875,000 in SRL Diagnostics Private Limited (which in turn has a joint venture investment in DDRC SRL Diagnostics Private Limited), incurred acquisition related costs of Rs. 174,565,834. These investments of Rs. 3,897,440,834 are included in note 12 of these financial statements.
- b) During the previous year, SRL Limited had borrowed Rs. 150,00,00,000 alongwith the Subsidiary company as a co-borrower, from certain financial institutions for the purchase of building for the Company. The loan is secured against first pari-passu charge on all present and future tangible assets excluding freehold land and assets exclusively charged to other lenders, and second pari-passu charge on all present and future current assets of the Company.

(This space is intentionally left blank)



29 Leases

Finance Lease

Fixed Assets include assets obtained on finance lease. The lease term is for 3 to 5 years and renewable, for such further term as may be agreed by the parties, at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease arrangements. There are no subleases.

Operating Leases

(i) Labs, Offices, Godowns and Guest houses

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

(ii) Cars

The Company has obtained 7 cars on an operating lease arrangement. The lease term is for 12 months, renewable at the option of the Company. There is no escalation clause in the lease agreement. There is no restriction imposed by the lease arrangement. There are no subleases.

(iii) Lab Equipments

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

Total minimum lease payments at the year end

Less: Amount representing finance charges

Present value of minimum lease payments

Minimum Lease payments

Not later than one year [Present value Rs. 13,921,149 (Previous year Rs. 13,921,149)]

Later than one year and not later than five years [Present value Rs. Nil (Previous year Rs. 12,454,746)]

Later than five years

Lease payments for the year

Future minimum lease payments under non-cancellable lease agreements

Not later than one year

Later than one year and not later than five years

Later than five years

Finance Lease	
March 31, 2014	March 31, 2013
13,921,146	27,842,298
1,466,401	4,309,607
12,454,745	23,532,691
Operating Lease	
March 31, 2014	March 31, 2013
214,715,236	320,028,846
20,584,258	52,037,732
8,925,375	75,396,617
29,509,633	127,434,349

(This space is intentionally left blank)



30 Capital and other commitments

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2014 were Rs 8,029,181 (Previous year Rs. 3,800,867).
- b. For commitment relating to lease arrangements, please refer note 29

31 Provisions and Contingencies

- a. The Company has received a show cause cum demand notice dated April 20, 2007 for Rs. 8,143,897 (Previous year Rs. 8,143,897) in respect of service tax relating to 'Clinical Trial Studies' rendered during the period from July 2003 to April 2006. The Company has responded to the Directorate General of Central Excise Intelligence, Mumbai on May 8, 2007. In the opinion of the management, the said demand is non-tenable and not likely to devolve on the Company. Accordingly, no provision in respect of the said demand is considered in the books.
- b. Demands against various Medico-Legal cases by the customers which are disputed by the Company as at March 31, 2014 amounted to Rs. 147,218,766 (Previous year Rs. 144,743,618). Besides, the Company has also received various others claims by its customers for compensation in lieu of non satisfactory test results, the amount of which is not ascertainable. However, in the opinion of the management, most of these claims are non-tenable and are not likely to devolve on the Company. On the basis of past history of such cases, the management is of view that there will not be any substantial outflow of resources in respect of the above and hence no provision there against is
- c. The Company is currently under litigation with the Income tax department against certain income tax demands for non-deduction of withholding taxes on the payments made by the Company of discounts to its collection centers and certain other miscellaneous matters totaling to Rs. 484,428,139 (previous year Rs 491,104,390) in relation to Assessment years (AY) 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11. The year wise details of demand, protest amount deposited and forum where they are pending has been enumerated below:-

Assessment Year	Demand Amount (Rs.)	Protest Amount Deposited (Rs.)	Forum Pending
2006-07	15,820,130	-	Delhi High Court
2007-08	125,613,647	18,185,553	ITAT
2008-09	94,034,522	-	ITAT
2008-09	61,428,143	-	CIT(A)
2009-10	131,873,480	-	ITAT
2010-11	73,843,770	-	CIT(A)

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

- d. The Company has received order under section 201(1) and 201(1A) of the Income Tax Act, 1961 from Deputy Commissioner Income Tax (TDS), Mumbai in relation to Assessment Year 2008-09 and 2009-10 aggregating to Rs. 29,119,030 and Rs. 13,456,160 respectively primarily on account of mismatch in the online database of tax department with returns/ challans filed by the Company. The Company has filed an appeal before Commissioner (Appeals) XIV, Mumbai against the said orders. The Company's appeal is pending before CIT(A). The Company is of the view that the demand is not tenable and no economic outflow is expected against the same.
- e. The Company has received order under section 201(1) and 201(1A) of the Income Tax Act, 1961 from Income Tax officer (TDS), Mumbai in relation to Assessment Year 2008-09, 2009-10 aggregating to Rs. 45,704,491 and Rs 53,179,880 for non-deduction of taxes under the provisions of section 194H and section 195. The Company's appeal is pending before CIT(A). The Company is of the view that the demand is not tenable and no economic outflow is expected against the same.
- f. The Company has given the following guarantees for its wholly owned subsidiary SRL Diagnostic Private Limited as follows:
 - a. Rs. 317,647,060 (sanction limit Rs 450,000,000) on the term loan taken from GE Money Financial Services Private Limited.
 - b. Rs. 7,194,844 (sanction limit Rs 100,000,000) on the working capital demand loan taken from Kotak Mahindra Bank Limited.
- g. The Company has given bank guarantee of Rs 7,997,176 (Previous Year Rs 5,681,876)

(This space is intentionally left blank)



32 Gratuity

The Company has a defined benefit gratuity plan, wherein every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The gratuity plan is unfunded.

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

	March 31, 2014	March 31, 2013
Profit and Loss account		
Net employee benefit expense		
Current service cost	11,741,602	9,790,312
Interest cost on benefit obligation	2,759,354	1,746,820
Net actuarial (gain)/ loss recognised in the year	(4,639,856)	(146,665)
Past service cost	-	-
Net benefit expense	9,861,100	11,390,467
Balance sheet		
Details of Provision for gratuity		
Defined benefit obligation	38,375,357	32,130,876
Less: Unrecognised past service cost	38,375,357	32,130,876
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	32,130,876	22,995,883
Interest cost	2,759,354	1,746,820
Current service cost	11,741,602	9,790,312
Past service cost	-	-
Benefits paid	(3,616,619)	(3,282,219)
Transfer In	-	1,026,745
Actuarial (gain)/loss on obligation	(4,639,856)	(146,665)
Closing defined benefit obligation	38,375,357	32,130,876
The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:		
Discount Rate	9.10% p.a.	8.18% p.a.
Employee Turnover		
Upto 30 years	3% p.a.	3% p.a.
30-45 years	2% p.a.	2% p.a.
45 years and above	1% p.a.	1% p.a.
Mortality rate	Indian Assured Lives 2006-08 Ultimate	Indian Assured Lives 2006-08 Ultimate
Compensation cost increase rate	6.50%	6.50%

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

Amounts for the current and previous periods are as follows:

	March 31, 2014	March 31, 2013	March 31, 2012
Defined Benefit obligation	38,375,357	32,130,876	22,995,883
Experience adjustment on plan liabilities- (gain)/loss	(867,935)	(1,548,774)	(255,743)

(This space is intentionally left blank)



33 Derivative Instruments and Unhedged foreign Currency Exposure

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

	Currency	March 31, 2014			March 31, 2013		
		Amount in INR	Conversion Rate	Amount in Foreign Currency	Amount in INR	Conversion Rate	Amount in Foreign Currency
Sundry Debtors	USD	18,526,376	59.76	310,013	17,162,698	54.35	315,781
	GBP	1,684,871	99.42	16,947	Nil	82.56	Nil
Advance from Customers						69.66	
	EURO	367,756	82.18	4,475	311,729		4,475
	USD	4,339,413	59.76	72,614	259,467	54.35	4,774
EEFC Accounts	USD	1,485,743	59.76	24,862	Nil	54.35	Nil
	EURO	Nil	82.18	Nil	Nil	69.66	Nil
Cash balances	AED	46,077	16.27	2,832	29,994	14.79	2,028
	EURO	84,399	82.18	1,027	71,541	69.66	1,027
	USD	99,919	59.76	1,672	99,378	54.35	1,828
	GBP	9,942	99.42	100	8,256	82.56	100
	SGD	9,680	47.45	204	8,938	43.81	204
	BHD	6,348	154.83	41	Nil	Nil	Nil
	LKR	819	0.46	1,780	Nil	Nil	Nil
Sundry Creditors	USD	2,779,856	59.76	46,517	Nil	54.35	Nil
	EURO	77,331	82.18	941	Nil	69.66	Nil
	GBP	165,435	99.42	1,664	Nil	82.56	Nil
Advance to vendor						82.56	
	GBP	Nil	99.42	NIL	1,560,384		18,900
	JPY	Nil	0.58	NIL	417,975	0.58	720,647
	EURO	903,815	82.18	10,998	Nil	69.66	Nil
	USD	439,834	59.76	7,360	Nil	54.35	Nil

(This page is intentionally left blank)



34 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006
The principal amount remaining unpaid as at the end of year

March 31, 2014	March 31, 2013
146,382	-

Interest due on above principal and remaining unpaid as at the end of the year

2,599

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

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.

95,797

The amount of interest accrued and remaining unpaid at the end of each accounting year, and

95,798

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

35 Value of Imported and Indigenous materials consumed

	March 31, 2014		March 31, 2013	
	Rupees	%	Rupees	%
Indigenous	1,310,668,927	99.97	1,198,498,746	99.97
Imported	339,040	0.03	377,822	0.03
	1,311,007,967	100.00	1,198,876,568	100.00

36 CIF Value of Imports

Capital goods
Materials

March 31, 2014	March 31, 2013
5,059,605	32,401,871
289,766	293,911
5,349,371	32,695,782

37 Expenditure in Foreign Currency (accrual basis)

Cost of tests outsourced
Advertisement and business promotion
Legal and professional
Postage and courier
Travelling and conveyance
Repairs and maintenance

March 31, 2014	March 31, 2013
4,528,576	2,803,451
-	141,534
2,514,005	5,999,659
731,093	867,397
1,693,085	2,072,701
1,941,059	-
11,407,818	11,884,742

38 Earnings in Foreign Exchange (accrual basis)

Value of services rendered

March 31, 2014	March 31, 2013
41,210,049	23,600,157

39 Expenditure incurred during construction period

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

	March 31, 2014	March 31, 2013
Rent	572,736	98,548,502
- Offices and labs	23,560,676	24,567,781
Salaries, wages and bonus	3,139,089	6,801,979
Power and fuel	-	260,828
Rates and taxes	87,767	182,431
Travelling and conveyance	14,778,050	13,124,546
Consumption of reagents and other consumables	-	-
Repairs and maintenance:	-	-
- Building	-	37,989
- Others	3,708	-
Printing and stationery	42,281	-
Communication	173,234	1,204,521
Miscellaneous expenses	42,357,541	144,728,577



40 Employee Stock Option Plans

The Company has provided share-based payment scheme to the eligible employees and directors of the Company/its subsidiaries. The shareholders of the Company vide their resolution dated August 17, 2009 granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' (the 'Scheme'). The grant date for the options is August 22, 2009. Under the said Scheme 1,517,470 options of the equity shares of the Company have been granted to the employees of the Company at an exercise price of Rs. 40 per share. In the current year the shareholders of the Company vide their resolution dated September 20, 2013 granted approval to 'SRL Limited Employee Stock Option Scheme 2013' (the 'Scheme'). The grant date for the options is September 30, 2013. Under the said Scheme 200,000 options of the equity shares of the Company have been granted to an employee of the Company at an exercise price of Rs.201 per share. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company.

Particulars	Grant I	Grant II
Date of grant	22/Aug/09	30/Sep/13
Date of Board Approval	22/Aug/09	23/Aug/13
Date of Shareholder's approval	17/Aug/09	20/Sep/13
Number of options granted	8/Sep/54	200,000
Method of Settlement	Equity	Equity
Vesting Period	Over three years - August 22, 2010 to August 22, 2012	Over three years - September 30, 2016 to September 30, 2018
Exercise Period up to	Up to August 21, 2019	Up to September 30, 2022
Exercise Period	21/Aug/19	30/Sep/22
Grant value	40	201

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

	March 31, 2014		March 31, 2013	
	Number of Options	Weighted Average exercise price	Number of Options	Weighted Average exercise price
Outstanding at the beginning of the year	1,046,220	40	1,095,256	40
Granted during the year	200,000	201		
Vested during the year	-	-		
Exercised during the year	-	-		
Forfeited /Cancelled during the year	81,252	40	49,036	40
Outstanding at the end of the year	1,164,968	68	1,046,220	40
Exercisable option at the end of the year	964,968	40	1,046,220	40
Remaining life	7		6	
Range of exercise price	40-201		40	

The weighted average fair value of stock options granted during the year is Rs. 201. The discounted cash flow valuation model has been used for computing the weighted average fair value considering the following inputs:

Exercise Price	201
Life of the options granted (Vesting and exercise period) in years	5
Expected dividends	-
Average risk-free interest rate	7.86%
Expected dividend rate	0%

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

	31-Mar-14	31-Mar-13
Profit/(Loss) as reported	200,481,042	139,863,020
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method	-	(2,823,419)
Proforma profit/ (loss)	200,481,042	137,039,601
Earnings Per Share		
Basic		
- As reported	3.35	2.34
- Pro forma	3.35	2.29
Diluted		
- As reported	2.54	1.87
- Pro forma	2.54	1.84



41 Investment in subsidiaries

Included under note 12 are investments of Rs. 3,897,440,834 (Previous year Rs. 3,897,440,834) in SRL Diagnostics Private Limited. Also, included under note 14 & note 19 are long term/short term loans and advances of Rs. 1,753,000,000/- (Previous year Rs. 1,873,800,553) advanced to SRL Diagnostics Private Limited (wholly owned subsidiary).

The net assets of SRL Diagnostics Private Limited at consolidated levels as at March 31, 2014 is equivalent to Rs. 276,184,796 (deficit) as against the Company's investment of Rs. 3,897,440,834, reflecting temporary erosion in these investments.

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

42 Interest in a joint venture

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

The company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2014 are as follows:

	March 31, 2014	March 31, 2013
Current assets	11,848,918	9,073,862
Non-current assets	5,819,332	7,593,467
Current liabilities	3,121,407	2,952,074
Non-current liabilities	674,499	1,350,043
Equity	13,872,344	12,365,212
Revenue	21,301,672	18,358,800
Cost of material consumed	11,550,285	10,295,337
Employee benefit expense	3,590,290	2,960,406
Other expense	3,106,754	2,765,374
Finance costs	15,952	22,291
Depreciation and amortization expense	1,775,583	1,679,323
Profit before tax	1,262,808	636,069
Tax expense	(244,325)	(110,496)
Profit after tax	1,507,132	746,565

43 The Company had issued 16,500 10% Redeemable Non-Convertible Debentures of Rs 100,000/- each during the year ended March 31, 2011 out of which 12,900 debentures were redeemed on July 05, 2012 and 3600 debentures were redeemed on August 20, 2013. At the year ended March 31, 2014 debentures are fully redeemed by the Company.

44 Included under Loans and advances is a overdue deposit recoverable for a value of Rs.15,854,200 from a party in relation to a building vacated by the Company more than 24 months ago, which based on legal action and advice taken as well as management's engagement with the said party is considered good and fully recoverable by the management. Although aged, management does not consider need to make any additional provision for these recoverable deposits.

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

As per our report of even date

For S. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813



For and on behalf of the Board of Directors of
SRL Limited

Mr. Shivinder Mohan Singh
Chairman
DIN: 00042910

Sanjeev Vashista
Chief Executive Officer

Ankush Agarwal
Company Secretary

Dr. Sanjeev K. Chaudhry
Managing Director
DIN: 00015077

Saurabh Chadha
Chief Financial Officer

Place: Gurgaon
Date: 22 May 2014

