



FORTIS HEALTHCARE LIMITED

CIN: L85110DL1996PLC076704

Registered Office: Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025

Tel.: +91-11-4713 5000/2682 5000, **Fax:** +91-11-2682 5013

Email: secretarial@fortishealthcare.com, **Website:** www.fortishealthcare.com

NOTICE

Notice is hereby given that the **Nineteenth Annual General Meeting** of **Fortis Healthcare Limited** will be held on Wednesday, **23rd September, 2015 at 12:00 Noon** at **PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016**, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Standalone Financial Statements of the Company together with Reports of the Board and Auditors thereon and the Audited Consolidated Financial Statements of the Company including Auditors' Report thereon.
2. To appoint a director in place of Mr. Harpal Singh (DIN- 00078224), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018), be and are hereby appointed as Statutory Auditors of the Company for a period of 5 years, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013, at such remuneration plus service tax, out-of-pocket, travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and the Rules made thereunder and other applicable provisions, if any, of Companies Act, 2013, (hereinafter referred to as "the Act") (including any statutory modification or re-enactment thereof, for the time being in force) and of Articles of Association of the Company and further subject to the approval of the Central Government, if any, and all other applicable regulatory and other approvals, consents and permissions as may be necessary in this regard and to such conditions as may be imposed by any authority while granting such approval(s), consent(s) and permission(s) and as may be agreed to by the Board of Directors of the

Company (which term shall be deemed to include any Committee thereof which may have been constituted or may hereinafter be constituted by the Board of Directors of the Company, or any director/officer authorized by the Board of Directors/Committee for this purpose), the approval of the Members of the Company be and is hereby accorded to re-appoint Mr. Malvinder Mohan Singh (DIN: 00042981), as Whole-time Director of the Company, designated as "Executive Chairman", with effect from April 1, 2016 for a period of 3 (three) years, not liable to retire by rotation, on the following terms and conditions:-

- A. Total Remuneration: 5% of Net Profits or ₹ 15,00,00,000 (₹ Fifteen Crores only) per annum, whichever is higher, with the authority granted to the Board of Directors to determine the total remuneration as recommended by the Nomination and Remuneration Committee and revise it from time to time within the limits stipulated in this Resolution.

Besides the above, Mr. Malvinder Mohan Singh shall also be entitled to the following facilities which shall not be included in the computation of ceiling on total remuneration subject to the provisions of the Act and Company's Policy in this regard from time to time:

- i. Provision of Company maintained Car(s) along with chauffeur;
- ii. Telephone and other communication facilities at residence;
- iii. Hospitalization and Accident Insurance as per the policy of the Company;
- iv. Encashment of Earned Leave at the end of the tenure;
- v. Entitlement for travel (Class / Mode) shall be as per the Company Policy from time to time, expenses for which will be borne by the Company on actual cost basis.

Apart from the above, Mr. Singh shall be entitled to reimbursement of any other business related expenses on actual cost basis.

The value of Allowances & Perquisites shall be taken as per Income Tax Rules, wherever applicable. In the absence of any applicable rules, the Allowances & Perquisites shall be valued at actual cost.

In addition to the above, Mr. Singh will also be entitled to the following benefits as per the policy/rules of the Company in force from time to time:

- i. Company's contribution to Provident Fund;
- ii. Payment of Gratuity and other retirement benefits

and these may not be included in the computation of ceiling on total remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Notwithstanding anything herein above and subject to the terms of the approval of the Ministry of Corporate Affairs, Central Government, where in any financial year during the currency of tenure of Mr. Malvinder Mohan Singh, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Singh ₹ 15 crores or such remuneration as may be decided by Nomination and Remuneration Committee within the said limit, as minimum remuneration.

Sitting Fee:

He shall not be paid any sitting fee for attending Meetings of the Board and/or any of its Committee(s).

General:

He shall be eligible for other facilities and benefits etc. as per rules of the Company from time to time. He shall be subject to the other service conditions, rules and regulations of the Company from time to time.

- B. Subject to the superintendence, control and direction of the Board, Mr. Malvinder Mohan Singh shall perform such duties and functions as would be commensurate with his position as Executive Chairman of the Company and as may be delegated to him by the Board from time to time.

RESOLVED FURTHER THAT Board of Directors on the recommendation of Nomination and Remuneration Committee, may pay remuneration to Mr. Malvinder Mohan Singh, exceeding the aforesaid limits, provided that total remuneration paid to all Executive Directors taken together shall not exceed 10% of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and to sign, execute and file and/or modify or withdraw all such applications, forms, papers and documents as may be considered necessary or expedient including appointing attorney(s) or authorized representatives, to give effect to this Resolution."

5. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provision of Sections 196 and 197 read with Schedule V and the Rules made thereunder and other applicable provisions, if any, of Companies Act 2013 (hereinafter referred to as "the Act") (including any statutory modification or re-enactment thereof, for the time being in force) and of Articles of

Association of the Company and further subject to the approval of the Central Government, if any, and all other applicable regulatory approvals, consents and permissions as may be necessary in this regard and to such conditions as may be imposed by any authority while granting such approval(s), consent(s) and permission(s) and as may be agreed to by the Board of Directors of the Company (which term shall be deemed to include any Committee thereof which may have been constituted or may hereinafter be constituted by the Board of Directors of the Company, or any director/officer authorized by the Board of Directors/ Committee for this purpose), the approval of the Members of the Company be and is hereby accorded to re-appoint Mr. Shivinder Mohan Singh (DIN: 00042910), as Managing Director of the Company, designated as "Executive Vice Chairman" of the Company, for a period of 3 (three) years, w.e.f. November 13, 2015 not liable to retire by rotation, on the following terms and conditions:

- A. Total Remuneration: 5% of Net Profits or ₹ 15,00,00,000 (₹ Fifteen Crores only) per annum, whichever is higher, with the authority granted to the Board of Directors to determine the total remuneration as recommended by the Nomination and Remuneration Committee and revise it from time to time within the limits stipulated in this Resolution.

Besides the above, Mr. Shivinder Mohan Singh shall also be entitled to the following facilities which shall not be included in the computation of ceiling on total remuneration subject to the provisions of the Act and Company's policy in this regard from time to time:

- i. Provision of Company maintained Car(s) along with chauffeur;
- ii. Telephone and other communication facilities at residence;
- iii. Hospitalization and Accident Insurance as per the policy of the Company;
- iv. Encashment of Earned Leave at the end of the tenure;
- v. Entitlement for travel (Class/ Mode) shall be as per the Company Policy from time to time, expenses for which will be borne by the Company on actual cost basis.

Apart from the above, Mr. Singh shall be entitled to reimbursement of any other business related expenses on actual cost basis.

The value of Allowances & Perquisites shall be taken as per Income Tax Rules, wherever applicable. In the absence of any applicable rules, the Allowances & Perquisites shall be valued at actual cost.

In addition to the above, Mr. Singh will also be entitled to the following benefits as per the policy/ rules of the Company in force from time to time:

- i. Company's contribution to Provident Fund;
- ii. Payment of Gratuity and other retirement benefits

and these may not be included in the computation of ceiling on total remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Notwithstanding anything herein above and subject to the terms of the approval of the Ministry of Corporate Affairs, Central Government, where in any financial year during the currency of tenure of Mr. Shivinder Mohan Singh, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Singh ₹ 15 crores or such remuneration as may be decided by Nomination and Remuneration Committee within the said limit, as minimum remuneration.

Sitting Fee:

He shall not be paid any sitting fee for attending Meetings of the Board and/or any of its Committee(s).

General:

He shall be eligible for other facilities and benefits etc. as per rules of the Company from time to time. He shall be subject to the other service conditions, rules and regulations of the Company from time to time.

- B. Subject to the superintendence, control and direction of the Board, Mr. Shivinder Mohan Singh shall perform such duties and functions as would be commensurate with his position as Executive Vice Chairman of the Company and as may be delegated to him by the Board from time to time.

RESOLVED FURTHER THAT Board of Directors on the recommendation of Nomination and Remuneration Committee, may pay remuneration to Mr. Shivinder Mohan Singh, exceeding the aforesaid limits, provided that total remuneration paid to all Executive Directors taken together shall not exceed 10% of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and to sign, execute and file and/or modify or withdraw all such applications, forms, papers and documents as may be considered necessary or expedient including appointing attorney(s) or authorised representatives to give effect to this Resolution."

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in supersession of the resolutions passed by the Members at its meetings held on September 19, 2011, September 29, 2012 and September 24, 2014, in this regard, and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Article 87 of the Articles of Association, the Company be and is hereby authorised to pay Honorarium to its Non-Executive Directors (other than Nominee Director(s)), for

the time being on the Board of the Company and who may be appointed in such position hereinafter, for a period of five years commencing from April 1, 2015, not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year as may be specified under the Companies Act, 2013 from time to time and computed in the manner provided under Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the director for attending the meetings of the Board or Committee thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to do all such acts and to take all steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), remuneration of ₹ 2.30 lacs plus out of pocket expenses and taxes, being paid to M/s. Jitender, Navneet & Co., Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company, for the Financial Year ended March 31, 2015, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors of the Company be and is hereby authorized to contribute, in any financial year, charitable and other bonafide funds, any amounts the aggregate of which, may exceed five per cent of its average net profits for the three immediately preceding financial years, subject to a limit of ₹ 5 Crore."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
For Fortis Healthcare Limited

Sd/-
Date : August 6, 2015
Place : Gurgaon

Rahul Ranjan
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is enclosed herewith and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY(IES) NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, to be effective shall be duly filled, stamped, signed and deposited, not less than 48 hours before the commencement of the Meeting at the Registered Office of the Company.

Pursuant to the provisions of Companies Act, 2013 and the rules thereunder, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Pursuant to provisions of Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/ re-appointment/ Change in remuneration at this Annual General Meeting are annexed to the Notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 16th day of September, 2015 to Wednesday, 23rd day of September, 2015, both days inclusive. The cut-off date for the purpose of remote e-voting and for physical voting is Wednesday, September 16, 2015. The E-voting facility will be available from 9:00 am on September 20, 2015 to 5:00 pm on September 22, 2015 after which the e-voting facility will not be available.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members / Proxies are requested to bring the Attendance Slip/proxy form duly filled in, sent herewith alongwith the notice of the AGM at the meeting. The members who hold shares in dematerialized form are requested to bring their Client Master List / Depository Participant Statement/ Delivery Instruction Slip reflecting their Client Id. and DP Id. No. for easier identification of attendance at the meeting.
7. Members are requested to notify any change of address:
 - a. to their depository participants in respect of shares held in dematerialized form, and
 - b. to Company/Registrar and Transfer Agent ("Karvy") in respect of shares in physical form, under their signatures and quoting folio number (including for change of residential status/e-mail id, bank details, etc.).
8. In case of joint holders attending the meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.
9. Corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
10. For security reasons, no article/baggage will be allowed at the venue of the meeting. The members/attendees are strictly requested not to bring any article/baggage, etc. at the venue of the meeting.
11. Those members who have not yet got their Equity Shares dematerialized, are requested to contact any of the Depository Participants in their vicinity for getting their shares dematerialized.
12. Members may avail the nomination facility as provided under Section 72 of the Companies Act, 2013.
13. Non-Resident Indian Members are requested to inform Karvy, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement, and
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. Members desiring any information as regards the Accounts are requested to write to the Company Secretary, giving at least 7 days notice prior to the date of Annual General Meeting to enable the Management to reply at the Meeting.
15. The notice of Annual General Meeting will be sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on Friday, August 14, 2015. A person who is not a members as on the cut-off date i.e. September 16, 2015, should treat this Notice for information purposes only.
16. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by Companies. Also, the Listing Agreement with the Stock Exchange(s) permits Companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail address for receiving electronic communications. The notice for Annual General Meeting alongwith the annual report of the Company will be made available on the Company's website- www.fortishealthcare.com
17. Pursuant to Sections 205A and 205C of the Companies Act, 1956 and/ or Section 123 of the Companies Act, 2013 and other applicable provisions, if any, all unclaimed/ unpaid application money remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /Karvy.
19. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
20. Electronic copy of the Notice of the 19th Annual General Meeting of the Company is being sent to all members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice is being sent in the permitted mode.
21. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all documents referred to in the Notice and Explanatory Statement will be available for inspection at the Company's registered office during normal business hours on the working days upto the date of Annual General Meeting.
22. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (substituted by Companies (Management and Administration) Amendment Rules, 2015) and other applicable provisions, if any, of Companies Act, 2013 and Clause 35B of the Listing Agreement, the assent or dissent of the shareholders in respect of the resolutions contained in the Annual General Meeting Notice is also being taken through e-voting facility provided through Karvy Computershare Private Limited.
23. The e-voting event number, User Id and Password along with the detailed instructions for remote e-voting are provided in the notice of remote e-voting, being sent along with the Notice of Annual General Meeting.
24. The result on resolutions shall be declared on or before closing business hours on Thursday, September 24, 2015 at the registered office of the Company and the same along with the scrutinizer's report shall also be available on the website of the Company and on the website of Karvy Computershare Private Limited.
25. The Route Map for the 19th Annual General Meeting of the Company alongwith the Landmark forms part of this Report.
26. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 3

This explanatory statement is provided though strictly not required as per section 102 of the Companies Act, 2013.

The Companies Act, 2013 has introduced the concept of rotation of auditors. It states that no listed Company shall appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years (total 10 years). Further, an audit firm which has completed its term as aforesaid shall not be eligible for re-appointment as auditor in the same company for 5 years from completion of such term. The Companies Act, 2013 also allows a transition period of three years for complying with above.

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants are the statutory auditors of the Company for the Financial Year 2000-01 and onwards. Since they have been the statutory auditors for a period of more than 10 years, it is mandatory for rotation of the auditors as per the Companies Act, 2013.

The provisions of the Companies Act, 2013 on transition of Auditors allow continuing with the current auditors for a period of 3 more years i.e. till March, 2017. However, the Shareholders based on the recommendation of Audit & Risk Management Committee and Board of Directors have in the last Annual General Meeting decided, that the tenure of current auditors be restricted to 1 year only and thus it is proposed to change the statutory auditors of the Company for Financial Year 2015-16 onwards.

The Board of Directors recommends to appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company for a period of 5 (Five) years commencing from Financial Year 2015-16, subject to ratification by members at each Annual General Meeting.

None of the Directors/ Key Managerial Personnel or their relatives are in any ways concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 4

Mr. Malvinder Mohan Singh, one of the promoter Directors of the Company, was appointed as a Whole-Time Director of the Company, designated as the Executive Chairman for a period of 5 years w.e.f. January 11, 2012, not drawing any remuneration, subject to the approval of the Central Government. Further, the Board of Directors had, at its meeting held on March 26, 2013, approved the variation to the terms of his appointment including payment of remuneration for a period of three years w.e.f. April 1, 2013 subject to the approval of the Central Government under Sections 196 and 197 read with Schedule V to Companies Act, 2013 (hereinafter referred to "the Act").

However, the said approval was in line with the provisions of Companies Act, 1956 and in view of the enactment of Companies Act, 2013, effective April 1, 2014, the terms of appointment of Mr. Malvinder Mohan Singh for payment of remuneration for the remaining period (i.e. April 1, 2014 to March 31, 2016) was approved by the shareholders through Postal Ballot on December 29, 2014, in accordance with the provisions laid down under the Act.

In view of the above, the tenure of appointment of Mr. Malvinder Mohan Singh will expire on March 31, 2016. On recommendation of the Nomination and Remuneration Committee, in recognition of the valuable services rendered by Mr. Singh, the Board of Directors had, in its meeting held on August 6, 2015, re-appointed him as Whole-time Director, designated as the "Executive Chairman" for further period of 3 years w.e.f. April 1, 2016, subject to the approval of shareholders of the Company and the Central Government under Sections 196 and 197 read with Schedule V of the Act.

It may please be noted that:

- No Stock Options have been granted to Mr. Singh under "Employee Stock Options Plan-2007" and "Employee Stock Options Plan - 2011" of the Company.
- No severance fees is payable to Mr. Singh in case of termination of his appointment by the Company.

It is proposed to re-appoint Mr. Singh for a period of three years effective April 1, 2016 at a remuneration as detailed out in Item No. 4.

The above may be treated as written memorandum setting out the terms of re-appointment of Mr. Malvinder Mohan Singh under section 190 of the Companies Act, 2013.

The Board of Directors commends the resolution as set out at Item No. 4 for the approval of the Members as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mr. Shivinder Mohan Singh and Mr. Harpal Singh (being related to Mr. Malvinder Mohan Singh) and Mr. Malvinder Mohan Singh himself, is/are in any way, concerned or interested, financial or otherwise, in the proposed resolution except to the extent of their respective shareholding in the Company, if any.

The additional information as required by Schedule V to the Act is given below:

I. General Information

- (i) **Nature of Industry:** Business of providing healthcare services and running multi-specialty hospitals.
- (ii) **Date or expected date of commencement of commercial production:** The Company was incorporated on February 28, 1996.
- (iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** NOT APPLICABLE
- (iv) **Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2015:**

(Amount in ₹ lacs)

Particulars	For the year ended 31.03.2015 (Audited)
*Turnover and other income	82855.23
*Net profit after tax	(3655.97)

*Excluding Exceptional Items

- (v) **Foreign investments or collaborations, if any:** NOT APPLICABLE.

II. Information about the appointee

(i) Experience and Background details:

Mr. Malvinder Mohan Singh, aged 42 years, earned his MBA from the Fuqua School of Business, Duke University, USA, and is an honors graduate in Economics. He is an accomplished industry leader and is widely recognized nationally and internationally as a flag-bearer of Indian business.

Malvinder incubated and established Fortis Healthcare Limited, in the early 2000's. Since then, he has assiduously transformed it into a leading healthcare delivery organization. Malvinder was instrumental in Fortis acquiring significant interests in Parkway, Asia Pacific's largest integrated healthcare company, and was its Chairman during the time. He also spearheaded Fortis' rapid growth through acquisitions in and outside India and the subsequent profitable divestment of its major international assets, to focus on its India hospitals and diagnostics business.

Recognizing the early need and the growing demand for high quality diagnostic services, Malvinder, a decade ago, had the foresight to nurture and build SRL, a company that is today highly regarded amongst the largest providers of comprehensive pathology, radiology and wellness services in the country. Over the years, SRL has introduced a number of high end diagnostic tests that were hitherto unavailable in India and continues to aggressively add to its ever-expanding repertoire and portfolio.

In the Financial Services and Insurance sectors, Malvinder has business interests through Religare Enterprises. He continues to be the majority shareholder in the company, but stepped down from the Board, in 2010, letting the professional management team and a professional Board run the organization.

Previously, Malvinder was Chairman, MD and CEO of Ranbaxy Laboratories. He led the expansion of Ranbaxy through a series of strategic partnerships and acquisitions resulting in Ranbaxy becoming a top 10 generic pharmaceutical company, globally. Later, he was instrumental in the coming together of Ranbaxy and Daiichi Sankyo, to create the world's fifteenth largest pharmaceutical company – a move seen as a game-changer by industry experts.

Malvinder supports a number of voluntary organizations, foundations and trusts who are doing path breaking work in rendering community service with a focus on curative and preventive health. He is a Trustee on the Fortis Foundation and a Patron of 'Nanhi Chhaan and 'Save the Children India'. He has also championed the cause of human dignity in India and is the Country Chair for 'Global Dignity', an autonomous non-profit organization.

Malvinder is a member of the Board of Visitors at the

Fuqua School of Business (Duke University, USA) and is on the Board of the Indian Council for Research on International Economic Relations (ICRIER). He is the Chairman for the National Council For Services, at CII (2013 Onwards), the Premier Industry Association, in India.

He is widely regarded for his business acumen and his acute understanding of the global and Indian economy as much as he is for his demonstrated ability to steer companies always keeping in mind the best interests of its stakeholders.

(ii) Past remuneration drawn:

During the Financial Year 2014-15, the remuneration drawn by Mr. Malvinder Mohan Singh subject to approval of Central Government, was as follows:

(Amount in ₹ Crore)

Salary	Perquisites and allowances	Commission, bonus and performance Linked incentive	Retiral Benefits	Others	Total cost to the Company
5.22	0	0	0	0.10	5.32

(iii) Recognition and Awards/Achievements:

- Businessman of the year – World Sikh Awards, London (2014)
- Outstanding Entrepreneurship Award (2014)- Enterprise Asia
- Emerging Business Leaders of the Year Award (2012)- AIMA
- Indian Business Leader of the Year (2010)- NDTV
- Dynamic Entrepreneur of the year (2009) – Pharma Leadership Summit and Awards
- Ten People to watch in 2009 – Business World
- Business Man of the Year 2008 – Financial Chronicle
- Pharma 40 (2008) – World Pharmaceutical Frontiers Survey
- Golden Peacock Award for Business Leadership (2008)
- Amity Leadership Award (2008) - Amity Foundation
- Most Consistent Wealth Creator (2006) – Leading Brokerage Motilal Oswal
- India Business Leadership Award (2006) – CNBC TV18
- Pharma Excellence Award for leveraging Global Opportunity (2006) - Express Pharma
- Most Promising Young Corporate Leader (2006)
- Rajiv Gandhi Award (2005)
- Delhi Ratna Award (2005) - PHDCCI
- Udyog Ratna (2005) - PHDCCI

Board and the Management

- Providing strategic direction and guidance to the Board and the Senior Management of the company
- Overseeing Risk Management and Governance Frameworks across the organization
- Driving compliance to highest standards of Corporate Governance
- Driving the Vision, Mission, Values and Culture of the organization
- Assessing and ensuring that the Right Top Management Team is in place
- Strategic guidance in matters of longer-term growth strategy
- Reviewing Annual Operating Plans / Budgets & Operational & Financial business performance
- Overseeing significant Capital Structure decisions of the company
- Anchoring relationships with External Stakeholders
- Championing Innovation and Technology-led disruptions in the business model
- Representing the company on Policy matters with Government / Regulators
- Overseeing the Corporate Social Responsibility Framework and Programs

Malvinder is widely acknowledged as an international business leader and is known for his business acumen and strong leadership capabilities in shaping, guiding and leading large organisations in complex global environments. He has in-depth knowledge and experience in the healthcare sector.

(iv) Job profile and suitability:

As the Executive Chairman of the Company, he is responsible for the following activities:

- Ensuring effective and efficient Board Management
- Ensuring alignment between the Shareholders,

The company has made consistent progress under his Chairmanship and he has been instrumental in successfully establishing the Fortis Brand as synonymous with quality Healthcare and service excellence. Under his guidance, the organization has successfully become a leading national healthcare player, created an asset light business model, delevered

its balance sheet, exited International businesses, enhanced focus on India, increased operational performance of India business, brought greater focus on Clinical Excellence and Patient Centricity and has successfully grown SRL into the leading national diagnostics player.

(v) Remuneration proposed:

5% of Net Profits or ₹ 15,00,00,000 (₹ Fifteen Crores only) per annum, whichever is higher, with the authority granted to the Board of Directors to determine the total remuneration as recommended by the Nomination and Remuneration Committee and revise it from time to time within the limits stipulated in this Resolution. Further, the Board of Directors on the recommendation of Nomination and Remuneration Committee, may pay remuneration to Mr. Malvinder Mohan Singh, exceeding the aforesaid limits, provided that total remuneration paid to all Executive Directors taken together shall not exceed 10% of Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013.

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The proposed remuneration of Mr. Malvinder Mohan Singh, who is a professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Mr. Malvinder Mohan Singh directly holds 11,508 Equity Shares of the Company and being one of the promoters of the Company, indirectly (alongwith his relatives) holds 71.34% of the paid up capital. He is also related to Mr. Shivinder Mohan Singh, Executive Vice Chairman and Mr. Harpal Singh. Except proposed remuneration as stated above, Mr. Malvinder Mohan Singh does not have any other pecuniary relationship with the Company and its managerial personnel.

(viii) Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Mr. Malvinder Mohan Singh holds Directorships:

S. No.	Name of the Company
1	Oscar Investments Limited
2	SRL Limited
3	Fortis Clinical Research Limited
4	Ligare Voyages Limited
5	Luxury Farms Private Limited
6	Malav Holdings Private Limited

S. No.	Name of the Company
7	Fortis Healthcare Holdings Private Limited
8	Vistas Realtors Private Limited
9	Vistas Complexes Private Limited
10	RHC Holding Private Limited
11	RHC Finance Private Limited
12	Shimal Healthcare Private Limited

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No.	Name of Company	Name of Committee	Designation (Chairman/Member)
1	Oscar Investments Limited	Audit Committee	Member
2		Stakeholder Relationship Committee	Member

*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: 11508 equity shares of ₹ 10 each (direct).

Original date of appointment: August 12, 1999

During the Financial Year 2014-15, Mr. Singh has attended 5 Board Meetings of the Company (Out of Six held during the year).

III. Other information:

(i) Reasons for loss or inadequate profits:

During the Financial Year 2014-15, the Company posted a Net loss of Rs. 33.91 Crores as against a Net Profit of Rs. 23.99 Crores during Financial Year 2013-14.

The profitability of the Company (FHL) is dependent upon the following factors:

Healthcare facilities have a longer gestation period due to the capital intensive nature of the business. In the start-up phase a facility shows muted profitability as initial volumes are low and operating leverage is yet to be captured. As the facility matures with higher occupancies and volumes, operations begin to stabilize and as a result profitability improves. The Companies new facilities are progressively showing better performance as they ramp up.

The Company has historically followed an aggressive growth strategy in order to reach a certain size and scale and gain a pan-India footprint. This fast paced growth resulted in profit margin being under pressure. Going forward the Company expects to expand in a calibrated manner using its asset light strategy and expects to better utilize its existing infrastructure and assets and further strengthen its processes and systems to increase efficiency and improve profitability.

(ii) **Steps taken or proposed to be taken for improvement:**

The Company focusses on providing tertiary and quaternary care healthcare services and has implemented its strategy to strengthen its key pillars under the “Lakhya” program. This pan – Fortis initiative strives to achieve excellence on the 5 core pillars of (1) Patient Centricity (2) Clinical Excellence (3) Community Connect (4) Talent Engagement (5) Investor Confidence that will drive the organization forward in the coming years.

The Company has further strengthened its focus on the India market and completed the last of its international divestments. The Company expects that as its existing facilities further ramp up led by improving occupancies, an increasing ARPOB a result of a better product mix and lower ALOS, the performance of the Company will progressively show a healthier picture. New facilities have shown an encouraging start and are expected to stabilize at the earliest and start contributing to profitability.

The Companies expansion strategy will be primarily organic in nature for the next few years will involve minimal capital expenditure as it plans to expand primarily through brownfield expansion i.e. expansion in existing facilities. A larger part of this expansion will entail investments by the Religare Health Trust in line with the Company’s asset light growth strategy. This will result in faster profitability as gestation periods will be significantly shorter and involve lesser initial costs. The Company does not foresee starting any new greenfield projects nor undertaking any acquisitions.

The Company continues to undertake a series of initiatives in order to further expand and strengthen its medical programs. In the year gone by it launched a number of medical specialties and treatment options in the field of oncology, gastroenterology and hepatobiliary sciences, dermatology, cosmetology and wellness. It commissioned an orthopedic and spine super specialty center, a center for Heart failure management and heart transplant and a center for sports orthopaedics and arthroscopy. All these new medical programs and centers with state of the art treatment options will further bolster the product mix, attract higher patient volumes at the Companies facilities and improve performance.

The Company strives to maximise efficiencies through the greater integration of its healthcare facilities through various programs and systems developed for this purpose which include Fortis Operating System (FOS) (a patient management system that seeks to enhance patient care services through the establishment of standardised non-clinical processes) and Central Purchase and Supply Management Program (to improve the procurement methodology and minimise costs associated with the supply chain by implementing standardisation of consumables, medical equipments and other items across facilities).

It has in the year gone by, also implemented and enterprise wide Oracle platform to align selected key functions and streamline processes and systems across the Fortis network.

(iii) **Expected increase in productivity and profits in measurable terms**

(Amount ₹ In Crore)

Years	Turnover	Profit before tax as per Statement of Profit and Loss
2015-16	779.77	(31.62)
2016-17	857.74	(13.16)
2017-18	943.52	(0.30)

IV Disclosures- General disclosures are given under Corporate Governance Report forming part of Board Report.

Item No. 5

Mr. Shivinder Mohan Singh, one of the promoter Directors of the Company, was appointed as the Managing Director of the Company for a period of 3 years w.e.f. November 13, 2012, subject to the approval of the Central Government pursuant to the provisions of Section 269 of the Companies Act, 1956. Subsequently, Central Government has also conferred its approval for the appointment of Mr. Singh as the Managing Director of the Company vide its Letter No. SRN B60101565/4/2012- CL. VII dated October 17, 2013 as per the details summarized below:

Period	Remuneration approved (Amounts in ₹ Crore)
13/11/2012 to 12/11/2013	6.20
13/11/2013 to 12/11/2014	7.13
13/11/2014 to 12/11/2015	8.20
TOTAL	21.53

On the recommendation of the Nomination and Remuneration Committee, in recognition of the valuable services rendered by Mr. Singh, the Board of Directors had, at its meeting held on August 6, 2015, re-appointed him as Managing Director, designated as the “Executive Vice Chairman” for further period of 3 years w.e.f. November 13, 2015, subject to the approval of shareholders of the Company and the Central Government under Sections 196 and 197 read with Schedule V to the Companies Act, 2013 (hereinafter referred to “the Act”).

It may please be noted that:

- No Stock Options have been granted to Mr. Singh under “Employee Stock Options Plan-2007” and “Employee Stock Options Plan - 2011” of the Company.
- No severance fees is payable to Mr. Singh in case of termination of his appointment by the Company.

It is proposed to re-appoint Mr. Singh for a period of three years effective November 13, 2015 at a remuneration as detailed out in Item No. 5

The above may be treated as written memorandum setting out the terms of re-appointment of Mr. Shivinder Mohan Singh under section 190 of the Companies Act, 2013.

The Board of Directors commends the resolution as set out at Item No. 5 for the approval of the Members as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Malvinder Mohan Singh (being related to Mr. Shivinder Mohan Singh) and Mr. Shivinder Mohan Singh himself, is/are in any way concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their respective shareholding in the Company, if any.

The additional information as required by Schedule V to the Act is given below:

I. General Information

- (i) **Nature of Industry:** Business of providing healthcare services and running multi-specialty hospitals.
- (ii) **Date or expected date of commencement of commercial production:** The Company was incorporated on February 28, 1996.
- (iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** NOT APPLICABLE
- (iv) **Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2015:**

(Amount ₹ In lac)

Particulars	For the year ended 31.03.2015 (Audited)
*Turnover and other income	82855.23
*Net profit after tax	(3655.97)

*Excluding Exceptional Items

- (v) **Foreign investments or collaborations, if any:** NOT APPLICABLE.

II. Information about the appointee

- (i) **Background details, Experience and Rewards and Recognitions:**

Mr. Shivinder Mohan Singh, aged 40 years, is an entrepreneur who aspires to change the way Healthcare is delivered in India and the world. He is currently the Executive Vice Chairman of Fortis Healthcare Limited, a leading integrated healthcare delivery provider in India and is driven by a vision to save and enrich lives through clinical excellence.

In his previous roles, Shivinder, created the foundation of the culture of Fortis by leading the first hospital

at Mohali as its COO. He also led the development of Fortis through its initial years by conceptualizing its strategy and growth through various Greenfield projects and acquisitions. He was instrumental in the group's effort for the acquisition of Escorts Heart Institute and Research Centre Ltd (EHIRCL) in 2005; Malar Hospital in Chennai in 2008 and the Wockhardt acquisition in 2009. He has conceptualized, designed and built the most modern hospital in India and Asia, the Fortis Memorial Research Institute, a destination hospital in Asia.

Shivinder is also one of the principal promoters of Religare Enterprises Limited and SRL Limited, India's largest diagnostic network.

He is actively involved in many industry bodies and various new initiatives. Shivinder is on the Steering Committee of Federation of Indian Chambers of Commerce and Industry (FICCI). He is a board member of Aspen India and a Governing Council Member of All India Management Association (AIMA). He also chairs FICCI's Committee on Culture and is one of the Founders of NATHEALTH (the Healthcare Federation of India).

Shivinder is on the Advisory Board of AIESEC India, the world's largest student-run organisation and a platform for young people to explore and develop their leadership potential for a positive impact on society.

He was recently nominated as a Young Global Leader 2013 by the World Economic Forum.

Shivinder has done his MBA with specialisation in health sector management from the Duke University Business School, USA. He is an alumnus of Doon School and an Honours Graduate in Mathematics from St. Stephens College, Delhi.

Shivinder is also on the board of visitors of Duke University Business School, Durham, NC, USA.

While healthcare is a passion for Shivinder, his dream is to contribute in building a vibrant India. He is actively involved in initiatives focusing on social change, including the 'Little Hearts' programme, that supports life saving cardiac surgeries to the less privileged children. He is also involved in a number of initiatives that focus on a better future for the girl child and institutionalizing delivery and education.

- (ii) **Past remuneration drawn:**

During the Financial Year 2014-15, the remuneration drawn by Mr. Shivinder Mohan Singh, in terms of Central Government approval Letter No. SRN B60101565/4/2012- CL. VII dated October 17, 2013 was as follows:

(Amount in ₹ Crore)

Salary	Perquisites and allowances	Commission, bonus and performance Linked incentive	Retiral Benefits	Others	Total cost to the Company
5.22	0	0	0	0.14	5.36

(iii) Job profile and suitability:

- Works along with the Executive Chairman in ensuring effective operation of the Board and its committees in conformity with the highest standards of corporate governance
- Ensures effective communication with all stakeholders and other relevant constituencies and ensure that the views of these groups are understood by the top management
- Healthcare Specialist and lead on Medical Strategy and Clinical Governance for the group
- Advises the Executive Chairman in the development of strategy, business development and provide support where required
- Leads the infrastructure development of the Company by heading the projects and design division.

Mr. Shivinder Mohan Singh has been shouldering onerous responsibilities and multitude of challenges in overseeing and managing growth (both organic and inorganic) and in synergizing complex operations in an increasingly competitive environment in diverse geographies within the country. Mr. Singh is also providing leadership at the helm of a service organization with people from divergent cultures.

The Company has made consistent progress under the leadership of Mr. Shivinder Mohan Singh, who has successfully established Fortis brand as a synonymous with quality healthcare and service excellence.

His contribution to the Indian Healthcare Scenario is widely acknowledged. His strategy for Fortis and its execution has been recognized by Harvard Business School in the form of a case study. He has been playing an important and active role in shaping the private healthcare space in India. He has also been tirelessly working on getting the private healthcare sector to work closely with the government. He has also worked with leading functionaries within the healthcare sector to set up a national healthcare federation. Shivinder is also keenly involved in various CSR initiatives focused on the girl child, HIV education, providing quality healthcare to rural India, to name a few.

(iv) Remuneration proposed:

5% of Net Profits or ₹ 15,00,00,000 (₹ Fifteen Crores only) per annum, whichever is higher, with the authority granted to the Board of Directors to determine the total remuneration as recommended by the Nomination and Remuneration Committee and revise it from time to time within the limits stipulated in the proposed Resolution. Further, Board of Directors on the recommendation of Nomination and Remuneration Committee, may pay remuneration to Mr. Shivinder Mohan Singh, exceeding the aforesaid limits, provided that total remuneration paid to all Executive Directors taken together shall not exceed

10% of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of the Act.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The proposed remuneration of Mr. Shivinder Mohan Singh, who is a professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

(vi) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Mr. Shivinder Mohan Singh is related to Mr. Malvinder Mohan Singh, Executive Chairman and holds 11,508 Equity Shares in the Company and being one of the promoters of the Company, indirectly holds (alongwith his relatives) 71.34% of the paid up capital. Except proposed remuneration as stated above, Mr. Shivinder Mohan Singh does not have any pecuniary relationship with the Company and its managerial personnel.

(vii) Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Mr. Shivinder Mohan Singh holds Directorships:

S. No.	Name of the Company
1	Oscar Investments Limited
2	SRL Limited
3	Fortis Clinical Research Limited
4	Ligare Voyages Limited
5	R.C. Nursery Private Limited
6	Fortis Healthcare Holdings Private Limited
7	Greenview Buildtech Private Limited
8	Shivi Holdings Private Limited
9	RHC Holding Private Limited
10	RHC Finance Private Limited
11	Shimal Healthcare Private Limited
12	Uvak Artworks Private Limited

Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies)

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
NIL			

Shareholding in the Company: 11508 equity shares of ₹ 10 each (direct).

Original date of appointment: June 29, 2000

During the Financial Year 2014-15, Mr. Singh has attended all Board Meetings of the Company (Six in number).

III. Other information:

(i) Reasons for loss or inadequate profits:

During the Financial Year 2014-15, the Company posted a Net loss of Rs. 33.91 Crores as against a Net Profit of Rs. 23.99 Crores during Financial Year 2013-14.

The profitability of the Company (FHL) is dependent upon the following factors:

Healthcare facilities have a longer gestation period due to the capital intensive nature of the business. In the start-up phase a facility shows muted profitability as initial volumes are low and operating leverage is yet to be captured. As the facility matures with higher occupancies and volumes, operations begin to stabilize and as a result profitability improves. The Companies new facilities are progressively showing better performance as they ramp up.

The Company has historically followed an aggressive growth strategy in order to reach a certain size and scale and gain a pan-India footprint. This fast paced growth resulted in profit margin being under pressure. Going forward the Company expects to expand in a calibrated manner using its asset light strategy and expects to better utilize its existing infrastructure and assets and further strengthen its processes and systems to increase efficiency and improve profitability.

(ii) Steps taken or proposed to be taken for improvement:

The Company focusses on providing tertiary and quaternary care healthcare services and has implemented its strategy to strengthen its key pillars under the "Lakhya" program. This pan – Fortis initiative strives to achieve excellence on the 5 core pillars of (1) Patient Centricity (2) Clinical Excellence (3) Community Connect (4) Talent Engagement (5) Investor Confidence that will drive the organization forward in the coming years.

The Company has further strengthened its focus on the India market and completed the last of its international divestments. The Company expects that as its existing facilities further ramp up led by improving occupancies, an increasing ARPOB a result of a better product mix and lower ALOS, the performance of the Company will progressively show a healthier picture. New facilities have shown an encouraging start and are expected to stabilize at the earliest and start contributing to profitability.

The Companies expansion strategy will be primarily organic in nature for the next few years will involve minimal capital expenditure as it plans to expand primarily through brownfield expansion i.e. expansion in existing facilities. A larger part of this

expansion will entail investments by the Religare Health Trust in line with the Company's asset light growth strategy. This will result in faster profitability as gestation periods will be significantly shorter and involve lesser initial costs. The Company does not foresee starting any new greenfield projects nor undertaking any acquisitions.

The Company continues to undertake a series of initiatives in order to further expand and strengthen its medical programs. In the year gone by it launched a number of medical specialties and treatment options in the field of oncology, gastroenterology and hepatobiliary sciences, dermatology, cosmetology and wellness. It commissioned an orthopedic and spine super specialty center, a center for Heart failure management and heart transplant and a center for sports orthopaedics and arthroscopy. All these new medical programs and centers with state of the art treatment options will further bolster the product mix, attract higher patient volumes at the Companies facilities and improve performance.

The Company strives to maximise efficiencies through the greater integration of its healthcare facilities through various programs and systems developed for this purpose which include Fortis Operating System (FOS) (a patient management system that seeks to enhance patient care services through the establishment of standardised non-clinical processes) and Central Purchase and Supply Management Program (to improve the procurement methodology and minimise costs associated with the supply chain by implementing standardisation of consumables, medical equipments and other items across facilities). It has in the year gone by, also implemented and enterprise wide Oracle platform to align selected key functions and streamline processes and systems across the Fortis network.

(iii) Expected increase in productivity and profits in measurable terms

(Amount ₹ in Crore)

Years	Turnover	Profit before tax as per Statement of Profit and Loss
2015-16	779.77	(31.62)
2016-17	857.74	(13.16)
2017-18	943.52	(0.30)

IV Disclosures-General disclosures are given under Corporate Governance Report forming part of Board Report.

Item No. 6

The Non-Executive Directors play a very critical and significant role in supporting independent decision making on the Board. The shareholders of the Company had at their meetings held on September 19, 2011, September 29, 2012 and September 24, 2014, *inter-alia*, approved payment of honorarium of ₹ 7.5 lacs per annum to each of the Non-Executive Director of the Company and an additional honorarium of ₹ 2.5 lacs for such director who is a chairman/chairperson of any committee, for a period of five years from April 1, 2011.

In view of the enactment of Companies Act, 2013, it is proposed that total amount to be paid to the Non-Executive Directors (excluding the Nominee Directors) as honorarium in a financial year shall not exceed 1% of the Net Profits calculated under Section 198 of Companies Act, 2013. As per Section 197 of the Companies Act, 2013, the Non-Executive Director may be paid remuneration by way of a monthly, quarterly or annual payment with the prior approval of the Shareholders.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on August 6, 2015, has recommended the aforesaid provision for approval of the members.

The details of the Non-Executive Directors forms part of this Notice.

All the Non-Executive Directors, except Mr. Uday Dhawan, are interested, financially or otherwise in the proposed resolution to the extent of their respective remuneration. Further, Mr. Malvinder Mohan Singh being related to Mr. Harpal Singh, is interested in the proposed resolution to the extent of Mr. Harpal Singh's remuneration. Further, no Key Managerial Personnel and / or relatives of KMP and Directors, except as mentioned before are interested, financially or otherwise, in the proposed resolution.

The Board of Directors commends the resolution as set out at Item No. 6 for the approval of the Members as a Special Resolution.

Item No. 7

The Board of Directors, on the recommendation of the Audit and Risk Management Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company, for the Financial Year ended March 31, 2015 as per the following details:

Name of the Cost Audit Firm	Amount (In Rupees)
M/s. Jitender, Navneet & Co.	2.30 lac (plus out of pocket expenses and taxes)

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit and Risk Management Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year ended March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board of Directors commends the resolution as set out at Item No. 7 for the approval of the Members as an Ordinary Resolution.

Item No. 8

Under Section 181 of the Act, the Board of Directors of the Company may make contributions to charitable and other bonafide funds, provided that prior permission of the Members is

required if such contributions during a financial year exceeds five percent of its average net profits during the three immediately preceding financial years.

The approval of the Members is being sought, pursuant to Section 181 of the Act, for authorizing the Board of Directors of the Company to make contributions to charitable and other funds, in a financial year, exceeding five percent of the Company's average net profits during the three immediately preceding financial years, subject to a limit of ₹ 5 crore.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT/CHANGE IN REMUNERATION AT THE ANNUAL GENERAL MEETING

- 1. Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh-** Covered at Item No. 4 and 5, respectively.
- 2. Dr. Brian William Tempest**

Dr. Brian Tempest, aged 68 years, advises Companies, Banks, Investment Funds, Private Equity & High Net Worth Individuals on their Strategy in Asia based on his wide experience in China, Japan, South East Asia and India where he has lived for the last decade.

Brian is currently Editor of the Journal of Generic Medicines and a Non Executive Director of the United Nations Medicines Patent Pool in Geneva, Switzerland representing the global generic industry.

Brian started working for Ranbaxy Laboratories in 1995 and he held the positions of Regional Director, President, Managing Director and Chief Executive Officer until 2005 when Ranbaxy became the 9th largest Global Generic Pharmaceutical Company. He then became Chief Mentor, Vice Chairman and Non Executive Director until 2008 when he retired. He is one of the few Westerners to have led a Sensex Nifty 50 Indian blue chip MNC and as a result has a valuable insight into India. Brian has also worked for Glaxo as Regional Director-Far East and Regional Director-Middle East & Africa from 1985 to 1992.

He has worked in the Pharmaceutical Industry for the last 43 years and has managed Healthcare Businesses in North America, South America, Europe, Africa, Middle East, Australasia, China, Japan and India and has led many sessions at Investor Meetings held around the world from Tokyo to Las Vegas.

Brian is a Non Executive Director of Religare Capital Markets, SRL Diagnostics Limited, Fortis Healthcare and Glenmark Pharmaceuticals Ltd. Brian speaks at global conferences on the structural changes in the Global Pharmaceutical Marketplace and most of his presentations in the last decade are available on www.briantempest.com.

Brian received a PhD in Chemistry from Lancaster University, UK in 1971 and in 2009 he became Chairman of the Advisory Board for the Lancaster University

Management School. He is a Fellow of the Royal Society of Chemistry and a Fellow of the Royal Society of Medicine.

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Dr. Brian holds Directorships:

S. No.	Names of the Companies
1	Glenmark Pharmaceuticals Limited
2	Religare Capital Markets Limited
3	SRL Limited
4	Petainer Innopac Packaging Private Limited

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
1	SRL Limited	Audit Committee	Chairman

*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: NIL.

Original date of appointment: August 2, 2011

Dr. Brian is not related to any Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Dr. Brian attended all the Board Meetings of the Company (Six in number).

Dr. Brian Tempest is a Non Executive Independent Director, not liable to retire by rotation. Details of remuneration are given under Report of Corporate Governance forming part of Annual Report.

3. Mr. Harpal Singh

Mr. Harpal Singh, aged 65 years, is recognized worldwide as a thinker and speaker on the integration of global healthcare. He has a diverse and wide-ranging experience (of over 35 years) in the corporate sector.

Currently he is the Mentor & Chairman Emeritus and a member of the Board of Directors of Fortis Healthcare Limited, Fortis Clinical Research Limited, Religare Enterprises Ltd., and SRL Diagnostics Ltd. He is also Director of Impact Projects Private Ltd and Impact Senior Living Estates Private Limited. He was Non Executive Chairman of India's largest Pharmaceutical Company, Ranbaxy.

He is and has been associated at the Board level with some of India's most renowned schools which include The Doon School, The Scindia School, The Shriram School, The Yadavindra Public Schools and Salwan Public Schools. He was a member of the National Round Table on School Education, a member of the Executive Committee and of the Governing Council of Public Health Foundation of India (PHFI), a member of the Board of the Delhi Red

Cross Society, a member of the Board of Governors of NIIT University, a member of India-UK Round Table and India-US Strategic dialogue. He is a Trustee of Indian National Association for the Club of Rome. He is a Member of the Board of Wadhvani Initiative for Sustainable Health (WISH). He is Founder and Chairman of Nanhi Chhaan Foundation. He was also a member of the Board of Governors of IIT, Indore. Currently he is the Chairman, Save the Children India and Vice Chair, Save the Children International, UK.

An alumnus of The Doon School and an (Hons.) Graduate in Economics from St. Stephens College, New Delhi. A B.S. in Economics and a Masters' in Public Affairs from the California State University at Hayward (C.S.C.H.), California, U.S.A.

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Mr. Harpal Singh holds Directorships:

S. No.	Names of the Companies
1	SRL Limited
2	Religare Enterprises Limited
3	Fortis Clinical Research Limited
4	Impact Projects Private Limited
5	Impact Agencies Private Limited
6	Impact Senior Living Estates Private Limited

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
1	SRL Limited	Audit Committee	Member

*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: 58003 equity shares of ₹ 10 each.

Original date of appointment: August 12, 1999

Mr. Harpal Singh and Mr. Malvinder Mohan Singh are relatives. Mr. Harpal Singh is not related to any other Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Mr. Singh attended all the Board Meetings of the Company (Six in number).

Mr. Harpal Singh is a Non Executive Director, liable to retire by rotation. Details of remuneration are given under Corporate Governance Report, forming part of Annual Report.

4. Ms. Joji Sekhon Gill

Ms. Joji Sekhon Gill, aged about 50 years, is the Regional Director of Human Resources, Asia Pacific, DuPont. In

this role, she is responsible for talent Strategy for the APAC region. She joined DuPont on August 1, 2012 as the Strategic HR Director for DuPont South Asia.

Prior to this, Joji was the Senior Director for Human Resources for Microsoft India since April 2006. At Microsoft she was responsible for driving the overall people strategy and building synergies for all the six Microsoft businesses in India. Microsoft has more than 6000 full time employees in India.

Joji has more than 25 years of Global HR expertise and has lived and worked in 3 different continents US, Europe and Asia, worked primarily in the US where she spent 15 years.

Joji holds a Bachelor's Degree in Economics and a Masters in Personnel Management and Industrial Relations from Punjab University.

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Ms. Gill holds Directorships:

S. No.	Names of the Companies
NIL	

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
NIL			

*Includes only Audit Committee and Shareholder's/ Investor Grievance Committee

Shareholding in the Company: NIL.

Original date of appointment: May 28, 2012

Ms. Joji Sekhon Gill is not related to any Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Ms. Gill attended Four Board Meetings of the Company.

Ms. Joji Gill is a Non Executive Independent Director, not liable to retire by rotation. Details of remuneration are given under Corporate Governance Report, forming part of Annual Report.

5. Ms. Lynette Joy Hepburn Brown

Ms. Lyn Hepburn-Brown, aged 57 years, is an executive leader with over 30 years experience in healthcare, mergers and acquisition, private equity, education, regulatory and nursing services management across Asia Pacific.

She is a former executive manager, chief executive and board member of regulatory authorities, aged care facilities, mental health facilities, public and private hospitals, clinical services, nursing and healthcare agencies in Australia and is presently an Executive and Non-Executive Director for

several organisations across the technology, healthcare, consulting, private equity and memorial sectors.

She holds a Bachelor of Nursing from the University of South Australia and is a past chair of the Australian Nursing and Midwifery Council as well as a past board member of the Nurses Board of South Australia. She is an Adjunct Associate Professor to the Division of Health Sciences of the University of South Australia.

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Ms. Lynette holds Directorships:

S. No.	Names of the Companies
NIL	

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
NIL			

*Includes only Audit Committee and Shareholder's/ Investor Grievance Committee

Shareholding in the Company: NIL.

Original date of appointment: May 29, 2014

Ms. Lynette is not related to any Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Ms. Lynette attended five Board Meetings of the Company.

Ms. Lynette is a Non Executive Independent Director, not liable to retire by rotation. Details of remuneration are given under Corporate Governance Report, forming part of Annual Report.

6. Mr. Pradeep Ratilal Raniga

Pradeep Ratilal Raniga, aged 58 years, has rich experience of over 30 years in the fields of accounting, taxation, legal structures, asset protection, financial planning and financing. Currently, he also serves as a Financial Consultant to various companies in Australia, a country to which he migrated in 1985, from South Africa.

Prior to branching out independently, Pradeep was with HLB Mann Judd, Melbourne, rising to Partner and Member of the firm's Executive Committee. Before that he was a Partner at Farrar Jeena & Company, South Africa.

Pradeep has a Bachelors degree in Commerce from the University of Durban Westville, South Africa, and a Post-Graduate Diploma in Accounting from the University of Natal, South Africa. He has qualified as a Chartered Accountant in South Africa and is also a member of the Australian Institute of Chartered Accountants.

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Mr. Raniga holds Directorships:

S. No.	Names of the Companies
	NIL

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
			NIL

*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: NIL.

Original date of appointment: May 28, 2012

Mr. Raniga is not related to any Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Mr. Raniga attended Five Board Meetings of the Company.

Mr. Pradeep Raniga is a Non Executive Independent Director, not liable to retire by rotation. Details of remuneration are given under Corporate Governance Report, forming part of Annual Report.

7. Dr. Preetinder Singh Joshi

Dr. Preetinder Singh Joshi, aged 67 years, an eminent Cardiologist, holds an MBBS degree in Medicine from Medical College, Amritsar (Punjab University, Chandigarh 1970) and MD degree in Cardiology & General Medicine from Maulana Azad Medical College (Delhi University 1974). (He stood first in the University and was declared best graduate of Medical College, Amritsar). He became a member of Royal College of Physicians, UK (MRCP) in 1978.

He is a Fellow of American College of Cardiology (FACC), Fellow Royal College of Physicians Edinburgh (FRCP) and Fellow Cardiological Society of India. He has over 40 years of experience in medical profession in India and abroad. He has held many positions of responsibility including Directorship and Head, Department of Medicine & Cardiology Divisions in Escorts Medical Centre (1981-84), Birla Centre for Medical Research, New Delhi (1984-85) & Maharaj Sawan Singh Charitable Hospital, Beas (1985-till date).

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Dr. Joshi holds Directorships:

S. No.	Names of the Companies
1	SRL Limited
2	Escorts Heart Centre Limited
3	Oscar Investments Limited
4	Fortis Hospital Management Limited
5	Fortis Hospitals Limited
6	SRL Diagnostics Private Limited
7	ANR Securities Private Limited
8	AI Book Company Private Limited

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
1	SRL Limited	Audit Committee	Member
		Share Allotment and Shareholders'/Investors' Grievance Committee	Member
2	Fortis Hospitals Limited	Audit and Risk Management Committee	Member
3	Oscar Investments Limited	Audit Committee	Member
		Shareholders'/Investors' Grievance and Share Transfer Committee	Chairman
4	SRL Diagnostics Private Limited	Audit Committee	Chairman

*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: 33000 equity shares of ₹ 10 each.

Original date of appointment: July 28, 1998

Dr. Joshi is not related to any Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Dr. Joshi attended all the Board Meetings of the Company (Six in number).

Dr. Joshi is a Non Executive Independent Director, not liable to retire by rotation. Details of remuneration are given under Corporate Governance Report, forming part of Annual Report.

8. Mr. Ravi Umesh Mehrotra

Mr. Ravi Mehrotra, aged 54 years, has over 30 years of experience in the Financial services domain both in India and internationally. He is currently associated with Religare Group. Prior to this, Mr. Mehrotra was associated with PineBridge Investments (erstwhile AIG) where he was the Global Head of Retail & Intermediary Channels. His career span also includes assignments in India as the President of Franklin Templeton Asset Management, CIO of Kothari Pioneer, Executive Vice President & Co-founder of Prime Securities and Vice President of Bank of America in their Investment Banking & Treasury Group.

Mr. Mehrotra graduated from the University of Mumbai with a Bachelor of Commerce. He also received a Post Graduate Diploma in Business Management from the Xavier Labour Relations Institute of Jamshedpur in India.

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Mr. Mehrotra holds Directorships:

S. No.	Names of the Companies
1	Aegon Religare Life Insurance Company Limited
2	Religare Enterprises Limited
3	Religare Health Insurance Company Limited
4	Religare Capital Markets Limited

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
1	Religare Health Insurance Company Limited	Audit Committee	Member

*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: NIL.

Original date of appointment: March 26, 2015

Mr. Mehrotra is not related to any Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Mr. Mehrotra attended One Board Meeting of the Company.

Mr. Ravi Mehrotra is a Non Executive Director, liable to retire by rotation. Details of remuneration are given under Corporate Governance Report, forming part of Annual Report.

9. Ms. Shradha Suri Marwah

Ms. Shradha Suri Marwah, aged 37 years, is a Post Graduate from The London School of Economics.

She is part of The Suri Group, which has interests in a diverse range of businesses ranging from Automotive Air-conditioner, Hospitality, Precision Component Manufacturing and Telecom to Education.

She is having over 14 years of experience and she is Managing Director of Subros Limited, where she has been a critical part of Change Management and taken the company to new heights. Her key focus areas being creation of a strong R&D, HR, Quality and IT systems enabling decision support.

As a Young Entrepreneur & Visionary Leader, she also drives the Telecom Business of the group where the company (a telecom solutions provider) is engaged in design and manufacturing of access and optical networking equipments.

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Ms. Suri holds Directorships:

S. No.	Names of the Companies
1	Rohan Motors Limited
2	Subros Limited
3	Prima Telecom Limited
4	Prima Cellular Limited
5	Fibcom India Limited
6	Uniparts India Limited
7	Denso Subros Thermal Engineering Centre India Limited
8	Asahi India Glass Limited
9	Mercantile Capitals and Financial Services Private Limited
10	Pia Infrastructure Private Limited
11	Prima Infratech Private Limited
12	Automotive Component Manufacturers Association of India

***Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
NIL			

*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: NIL.

Original date of appointment: March 26, 2015

Ms. Suri is not related to any Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Ms. Suri attended One Board Meeting of the Company.

Ms. Shradha Suri Marwah is a Non-Executive Independent Director, not liable to retire by rotation. Details of remuneration are given under Report of Corporate Governance, forming part of Annual Report.

10. Mr. Sunil Godhwani

Mr. Sunil Godhwani, aged 54 years, is the Chairman and Managing Director of Religare Enterprises Limited (REL) with over three decades of experience. A man with a vision to create a global business of excellence, he is the inspiration to all as he spearheads REL's management and global operations; strategizing and directing it through its next phase of growth.

Mr. Godhwani brings with him strong leadership skills, vigor and a passion for excellence. He believes in nurturing a culture that is entrepreneurial, result oriented, customer focused and based on teamwork. He has given strategic direction to Religare's growth since his joining in 2001. He has been instrumental in establishing Religare's vast network and shaping the Company's strategies in India and abroad. He is on a constant lookout for taking it to new heights by managing various acquisitions, finding new partners for joint ventures and scouting new avenues for the business. Under his able leadership, Religare Enterprises Limited is India's fastest growing, integrated financial services company with a significant presence in 15 countries across Asia, Africa, Middle East, Europe and the Americas.

He also held the various key positions such as Member of the Economic Policy Council and the Task Force on Indian Financial Markets of the Confederation of Indian Industry (CII), Member of the Executive Committee of the Federation of Indian Chambers of Commerce & Industry (FICCI). He is also a director on the Boards of various Religare group companies.

He has a diverse and wide-ranging experience of over two decades in managing large scale businesses. A powerful orator and a great motivator, he has been awarded with many awards and accolades. In the year 2008, he was awarded with Outlook Money - NDTV Profit Awards 2008' for "Best New IPO Listing" presented by Mr. C.B Bhawe, former Chairman-Securities & Exchange Board of India, in 2009, he was conferred the "CEO of the year" Award at the CEO CLUBS INTERNATIONAL AWARDS, Dubai and 'Udyog Rattan Award' and Religare Enterprises Limited with 'Excellence Award' by Institute of Economic Studies at Indian Habitat Centre, In 2010, he got, 'India Business Leader of the Year' at the Global Indian Business Meeting hosted by Horasis, in Madrid, Spain and also Best M&A Deal in the Health/Life Sciences Category" at the 8th Annual M&A Awards held in New York for the 'Acquisition of strategic stake in Parkway Holdings by Fortis Healthcare Ltd'. He is a prolific writer and speaker at important industry platforms and publications. He continues to play a key role as part of the Indian contingent at the World Economic Forum at Davos. He was speaker at 2010 Buttonwood Gathering held at New York alongside eminent personalities like Vikram Pandit, Stephen Roach and Wilbur L. Ross Jr. also featured in The Economic Times, India's largest business daily, as one of the key people to watch out for in the BFSI space.

Born in New Delhi, he completed his schooling from prestigious St. Columba's School post which he went abroad for studying. He holds a B. Sc. Degree in Chemical Engineering and a M.Sc. in Industrial Engineering & Finance from Polytechnic Institute of New York.

Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Mr. Godhwani holds Directorships:

S. No.	Names of the Companies
1	Religare Commodities Limited
2	Religare Enterprises Limited
3	Religare Health Insurance Company Limited
4	Ligare Voyages Limited
5	SRL Limited
6	Religare Capital Markets Limited
7	Religare Invesco Trustee Company Private Limited
8	IBOF Investment Management Private Limited

*Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
1	SRL Limited	Share Allotment and Shareholders' Investors' Grievance Committee	Chairman
2	Religare Health Insurance Company Limited	Audit Committee	Member
		Allotment Committee	Chairman
3	Religare Enterprises Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Member

*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: NIL.

Original date of appointment: February 26, 2009

Mr. Sunil Godhwani is not related to any Director/Key Managerial Personnel of the Company.

During the Financial Year 2014-15, Mr. Godhwani attended Four Board Meetings of the Company.

Mr. Sunil Godhwani is a Non-Executive Director, liable to retire by rotation. Details of remuneration are given under Report of Corporate Governance, forming part of Annual Report.

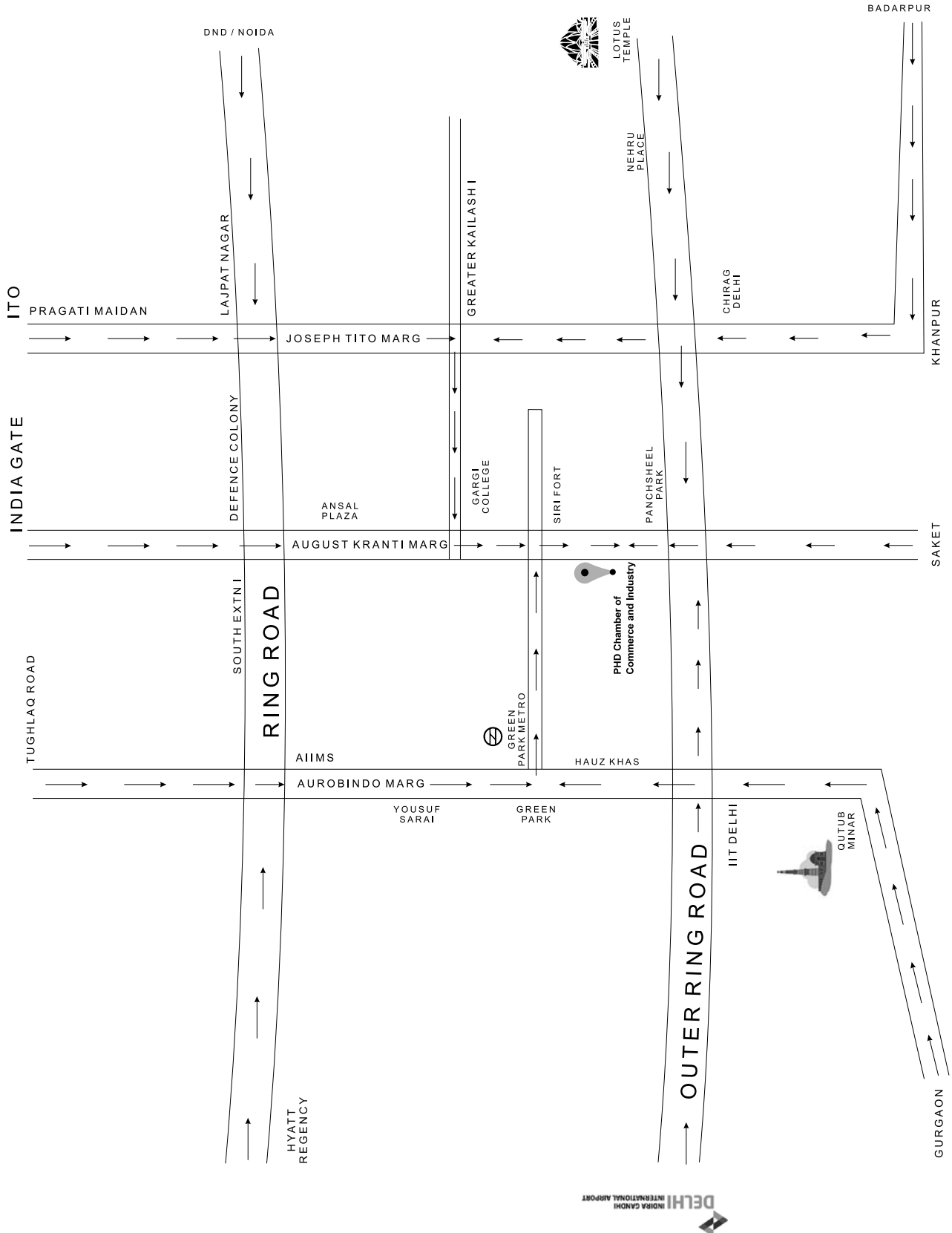
**By Order of the Board
For Fortis Healthcare Limited**

**Date : August 6, 2015
Place : Gurgaon**

**Sd/-
Rahul Ranjan
Company Secretary**

Location Map of venue for Nineteenth Annual General Meeting

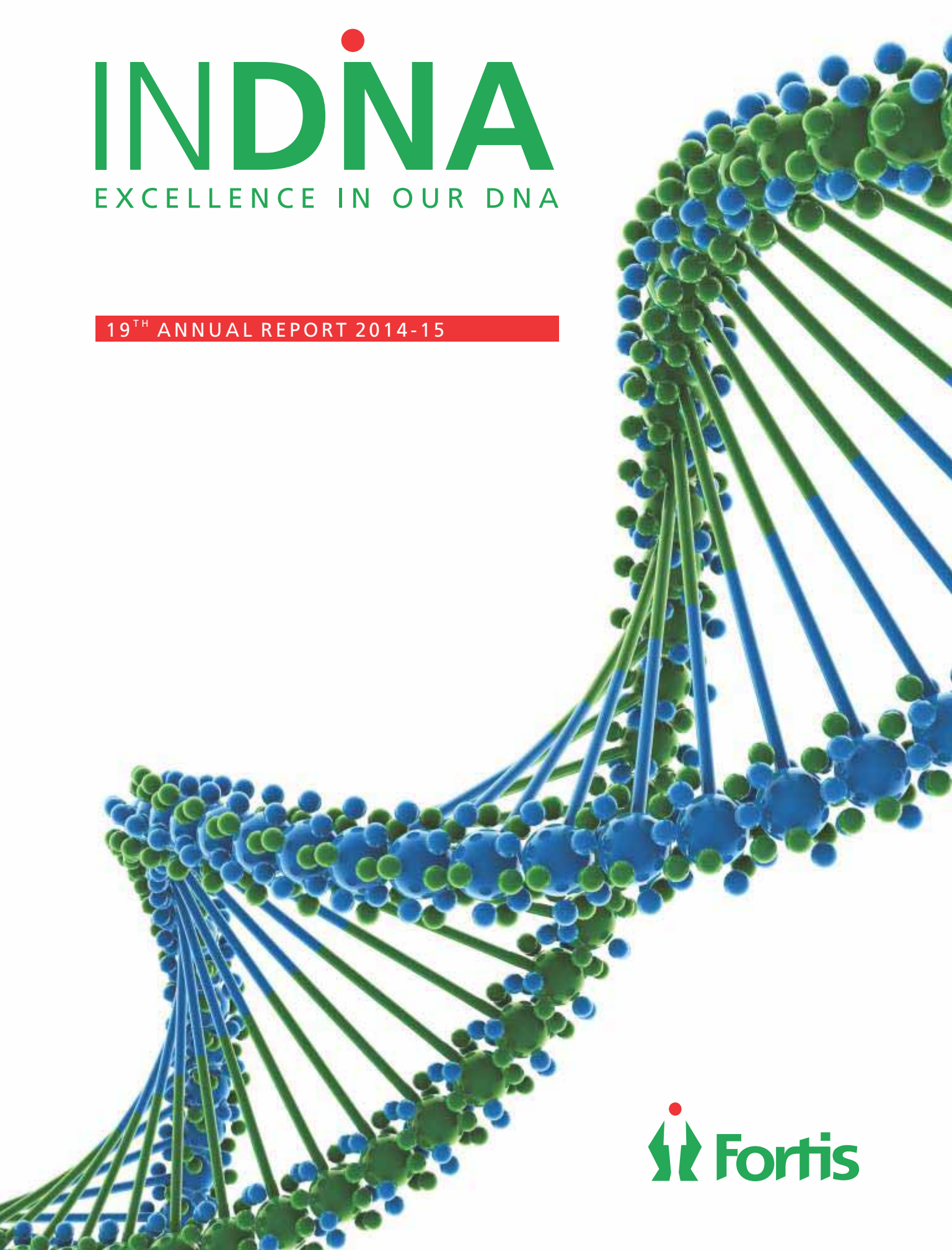
Day : Wednesday
 Date : September 23, 2015
 Time : 12:00 Hours
 Venue : PHD Chamber of Commerce and Industry,
 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016



INDiNA

EXCELLENCE IN OUR DNA

19TH ANNUAL REPORT 2014-15



Company Information

Board of Directors

EXECUTIVE DIRECTORS

Mr Malvinder Mohan Singh

Executive Chairman

Mr Shivinder Mohan Singh

Executive Vice Chairman

NON-EXECUTIVE DIRECTORS

Dr Brian William Tempest

Mr Harpal Singh

Ms Joji Sekhon Gill

Ms Lynette Joy Hepburn Brown

Mr Pradeep Ratilal Raniga

Dr Preetinder Singh Joshi

Mr Ravi Umesh Mehrotra

Ms Shradha Suri Marwah

Mr Sunil Godhwani

Mr Udai Dhawan

Chief Executive Officer

Mr Bhavdeep Singh

Chief Financial Officer

Mr Gagandeep Singh Bedi

Company Secretary and Compliance Officer

Mr Rahul Ranjan

Auditors

M/s S. R. Batliboi & Co. LLP

Chartered Accountants

New Delhi *(till the ensuing AGM)*

M/s Deloitte Haskins & Sells LLP

Chartered Accountants, New Delhi

*(subject to approval of the
shareholders at the ensuing AGM)*

Registered Office

Fortis Healthcare Limited

CIN: L85110DL1996PLC076704

Escorts Heart Institute and Research Centre

Okhla Road, New Delhi – 110 025

Tel: +91-11-4713 5000/2682 5000

Fax: +91-11-26825013

Website: www.fortishealthcare.com

Registrar and Transfer Agent

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32

Gachibowli, Financial District, Nanakramguda

Hyderabad – 500 008

Tel.: 040 – 23420818 - 825

Website: www.karvy.com





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Malvinder Mohan Singh
Executive Chairman

Shivinder Mohan Singh
Executive Vice Chairman

Message from the Executive Chairman & the Executive Vice Chairman

DEAR SHAREHOLDERS,

It gives us great pleasure to once again communicate with you through our Annual Report of the Company for the year 2014-15.

We would like to place on record the immense contribution made by Mr. Aditya Vj, our outgoing CEO, in bringing Fortis to its present strong position and welcome Mr. Bhavdeep Singh as he takes on the mantle of CEO. Bhavdeep has had a successful previous innings at Fortis between 2009 and 2011 and is well versed with our culture and strategy. We wish him the very best as he assumes charge.

We have always been driven by the vision of our Founding Chairman, Dr. Parvinder Singh, "To create a world class integrated healthcare delivery system, entailing the finest medical skills combined with compassionate patient care." He had thought about this deeply at a time when the concept of healthcare delivery in India was still in its infancy and treatment for many of the diseases was not available in the country. Today, we have traversed a significant distance and believe that Fortis has been amongst the pioneers to bring world class healthcare to India and to significantly deepen this footprint across the country.



We are now giving significant weightage in our communication to public service messaging. In the year gone by, Fortis sponsored a highly successful pan India campaign on national television to highlight the importance of life style changes, screening and early detection in the battle against Diabetes and Cancer.

Our own efforts and the efforts of others in this direction, notwithstanding, the problem of accessibility with a considerable demand - supply gap for quality healthcare services in the country remains. With a public spend at about 1.3% of GDP annually, there is a shortfall of over 2 million beds.* Indian healthcare stands at a crossroads with its opportunities and challenges as it continues to be underserved and under consumed. There are also regional imbalances in the distribution of healthcare infrastructure and its quality, accentuated by the shortage of medical talent.

Efforts in the past have mostly been directed towards palliative care of the sick. Given the enormity of the problem and the lack of commensurate overall

resource to tackle it, equal effort must be channelled at reversing the paradigm with an increasing focus on wellness and prevention of disease. Healthcare organisations like ours are therefore thinking about how to keep their customers healthy as opposed to treating them when they have been overcome by sickness. Fortis is well placed to be the thought and voice of this change in society.

We are now giving significant weightage in our communication to public service messaging. In the year gone by, Fortis sponsored a highly successful pan-India campaign on national television to highlight the importance of lifestyle changes, screening and early detection in the battle against Diabetes and Cancer. We also instituted an ongoing series of

public lectures at our hospitals under the banner of 'Sunday Conversations for a Healthier You'. This initiative is aimed at educating people on wellness and was initially pioneered at our flagship, the FMRI, which is now being extended to our other hospitals. The learning clearly is to make healthier choices in our daily lives in order to reduce the burden of disease.

Meanwhile, given our scale of operations in India, the improving economic environment and significant opportunity for the delivery of healthcare in the country, we were among the first to take a well deliberated call two years ago to focus our energies squarely on India. With the benefit of critical infrastructure, medical talent, depth and width of our

* Aarogya Bharat Report - Bain & Company / NATHEALTH

We are committed to the practice of value based medicine and at Fortis this is a reality. Initial benchmarking against global best practice (ICHOM) norms has been initiated in the areas of cardiac care and is being followed up by the establishment of data sets/norms in the area of Kidney Transplants.



clinical programmes, we can leverage our valuable resources to lead the corporatised medical space in the country and add value to it.

Today, we are well on the way to executing this plan. Our divestments abroad are near complete. The value added by Fortis to each of these assets has resulted in a gain upon sale to our purchase price. We have used the proceeds to substantially de-lever our balance sheet and are today close to being debt free as a Company.

There has also been noticeable traction in our five key Lakshya pillars of excellence that support our India strategy. These are the transformational touchstones of Clinical Excellence, Patient Care, Employee Engagement, Community Connect and Investor Confidence. Lakshya incorporates a series of sustainable strategic actions designed to enhance organisational capabilities and improve business

efficiencies by consolidating each of these critical pillars.

In our journey of continuous improvement and our aim to be the best in this field, our prime task has been to strengthen our clinical framework, with a move towards greater predictability in our medical outcomes. This is being done by continuous focus on talent, training, processes and following clinical pathways. We are committed to the practice of value based medicine, and at Fortis this is a reality. Initial benchmarking against global best practice norms spelt out by the International Consortium for Health Outcomes Measurement (ICHOM) has been initiated in the areas of cardiac care and is being followed up by the establishment of data sets/norms for Kidney Transplants. These are both high volume medical programmes and the impact of data capture and analytics here will be far reaching and felt on the entire medical

landscape in the country. At Fortis, we are seeking to further extend these measures to other important clinical areas and drive home the benefit of benchmarking for medical effectiveness. This is a roadmap for excellence through which best practices will be replicated across our network with greater predictability in our medical outcomes.

We are indeed proud to say that today, Fortis occupies a preferred place in many of the clinical areas that it has concentrated on building capability in. The Centre for Heart Failure and Transplant at Fortis Malar, Chennai, is truly exemplary in having carved a niche for itself as the premier centre for heart transplant not only in the country but also among its peers in the world. 49 successful heart transplant surgeries have been performed so far at Fortis Malar. We commend the entire medical team for this fantastic effort which is worthy of great praise.



Much of what we do is focused on putting our patients first and at the very centre of our actions. We understand that a patient feels most vulnerable when he arrives at a hospital. That feeling is also accentuated amongst his relatives and close attendants. It has therefore been our constant endeavour to make our patients feel most comfortable and cared for in our hands.

Much of what we do is focused on putting our patients first and at the very centre of our actions. We understand that a patient feels most vulnerable when he arrives at a hospital. That feeling is also accentuated amongst his relatives and close attendants. It has therefore been our constant endeavour to make our patients feel most comfortable and cared for in our hands.

Core to this belief is quick, correct diagnosis and treatment that puts a patient speedily on the path to recovery. At Fortis, we are therefore laying substantial emphasis on minimally invasive procedures and technologies that directly address the medical problem while limiting damage to collateral tissue. Healing and recovery, in such cases, is faster, with much less discomfort to the patient. Therefore, an important benchmark our doctors continue to monitor closely is the average length of stay (ALOS) of a patient at

the hospital. Besides the accelerated healing process, a reduction in this metric also benefits the patient by way of substantial savings in the cost of treatment. At the same time, it also frees up a precious hospital bed so more patients can be accommodated. We are pleased to state that in the year gone by, the ALOS at our hospitals was down to 3.64 days from the 3.80 days a year ago, reflecting the efficiencies achieved in this regard.

A good measure of hospital performance, linked to financial efficiencies is the Average Revenue per Occupied Bed (ARPOB). We are happy that the ARPOB across our network rose from ₹ 1.12 Crores in 2013-14 to ₹ 1.26 Crores in 2014-15, supporting the fact that patient satisfaction also makes for good business. It is also reflective of the maturity of the Fortis institutions in as much as our patients recognise and place their trust in our growing medical capability to consummately

handle the most complex of clinical problems.

In our view, Healthcare is a long term business that maps profitability with public good. For this to be sustainable, there is a need to constantly re-balance the imperatives of growth and financial strength/profitability. Therefore, our focus over the coming years is on consolidating our position and making our capabilities and services even more robust with definitive outcomes that are positive.

Over the last several years, we have invested significantly in growing the business and now our thrust is to optimise the performance of our assets and scale it up. The business too must generate returns for our shareholders and earn the right to grow. Hence, we will consider incremental capacity additions only through Brownfield expansions by adding new blocks, floors, medical programmes and beds to our existing

We are keenly evaluating and encouraging the use of the many sophisticated and new technologies that are now becoming available to make the delivery of healthcare more connected, efficient, intuitive, and convenient for the patient. All this is being done with the intent of expanding reach exponentially in a cost effective manner.



hospitals. A significant part of the capital expenditure for this will happen through the Religare Health Trust, thereby keeping the model asset light. We are also putting on hold Greenfield expansions. Our priority is to work on the path that will make Fortis PAT positive in the coming fiscal and dividend-able in the next year.

The ongoing advancements in healthcare technology and patient care are astounding, and create many exciting new opportunities; but for healthcare professionals, they also create new challenges in service delivery, cost management, regulatory compliance, and risk mitigation. This evolution has created the need for highly skilled healthcare executives with the ability to effectively navigate the ever-changing healthcare landscape. With a large demand-supply gap in the country on account of shortage of medical talent and infrastructure, we have taken cognizance of the

important role that technology can play in bridging this divide. As early adopters, we are keenly evaluating and encouraging the use of the many sophisticated and new technologies that are now becoming available to make the delivery of healthcare more connected, efficient, intuitive, and convenient for the patient. All this is being done with the intent of expanding reach exponentially in a cost effective manner.

Our intent is to simultaneously leverage the expanse and scale of our operations and the power of 'One Fortis'. For this, we are well into the implementation of Project F1, an Oracle based ERP platform that will provide a single view of the organisation to management and embed best practices across the organisation. Modules for basic HR and Finance have been rolled out and the project will soon encompass the SupplyChain. The implementation will unlock benefits from the unification of the organisation.

Extending the value chain in healthcare delivery through SRL, we are today leaders in diagnostics in the organised sector in India, where reliability, accuracy, speed, comprehensiveness of test portfolio and geographical reach are vital elements for success. Doctors are increasingly relying on accurate diagnostics in the assessment of disease. SRL has built a robust business model and is well positioned as a leader in this segment that is also among the fastest growing, in healthcare. Technical supremacy and agility in inducting state-of-the-art technologies and bringing in new tests hitherto unavailable in India, keep SRL ahead of the curve and abreast of international developments in advanced diagnostics.

This rapid change to an improved and more inclusive healthcare system is being driven by the convergence of information gained from biomedical research, technologies and the rise in the demand for quality medical care



Fortis takes its obligation towards the community and society seriously. There can be no larger calling or purer intent than to serve mankind and alleviate human suffering. We are indeed fortunate that this philosophy is so entwined and fundamental to the very nature of our business of healthcare.

further strengthens our efforts in this direction.

Fortis being a significant healthcare provider in the country also takes its obligation towards the community and society seriously. There can be no larger calling or purer intent than to serve mankind and alleviate human suffering. We are indeed fortunate that this philosophy is so entwined and fundamental to the very nature of our business of healthcare.

Community service is therefore not new to us. Ever since Fortis was set up in 2001, we have continually endeavoured to provide access to quality healthcare for all. While the story of India's economic growth is remarkable, equally obvious are its socio-economic problems such as poverty, illiteracy and the lack of healthcare. At Fortis, we believe we can play a role in bridging the gap between the economically privileged and the economically challenged. In order to do this in a sustainable

manner, we have created a robust model of corporatised healthcare that is self-sufficient, viable and for-profit, such that with the surplus generated, we can continue to also serve the marginalised sections of society. Several pro bono and supported programmes directed at the Mother and Child, particularly Girl Children and Children with Congenital Heart Defects are now well established. Under our Umeed programme, we have already conducted over 1500 free surgeries for children with serious heart defects, helping them to overcome their disabilities and lead fuller lives as healthy citizens. This programme is ongoing and we will continue to put our efforts behind it. Under the Fortis SEWA initiative, the organisation stands in readiness to provide aid and medical assistance in times of natural disasters as was evident during the J&K floods and the recent Nepal earthquake. We see ourselves as an integral part of society and will continue to play our

meaningful role with the spirit to heal and enrich the health of the Nation.

Having captured the essence for the year, we would like to personally thank you and all our shareholders for having strongly supported us through our journey. We must mention that we have enjoyed our interactions immensely and look forward to remain united with you in our vision and mission to bring the benefits of healthcare to all those in need of it.

With warm regards,

Malvinder Mohan Singh
Executive Chairman

Shivinder Mohan Singh
Executive Vice Chairman



OUR GUIDING SPIRIT

Late Dr Parvinder Singh
Founder Chairman, Fortis Healthcare Limited

TO CREATE A WORLD-CLASS
INTEGRATED HEALTHCARE DELIVERY
SYSTEM, ENTAILING THE FINEST
MEDICAL SKILLS COMBINED WITH
COMPASSIONATE PATIENT CARE

Board of Directors



Dr Brian William Tempest



Harpal Singh



Joji Sekhon Gill



Lynette Joy Hepburn Brown



Malvinder Mohan Singh



Pradeep Ratilal Raniga



Dr Preetinder Singh Joshi



Ravi Umesh Mehrotra



Shivinder Mohan Singh



Shradha Suri Marwah



Sunil Godhwani



Udai Dhawan



Bhavdeep Singh
Chief Executive Officer

Message from the Chief Executive Officer

DEAR SHAREHOLDERS,

It gives me great pleasure to be writing to the shareholders of Fortis Healthcare Limited. Having spent most of my life in the US, my return to India is founded in the strong belief that the India success story shall continue and get better with each passing year. Concurrently, I am excited about the Healthcare industry and am deeply committed to the role that Fortis has charted for itself on this platform. As we all know, there is a very close connect between the path that leads towards economic well-being and prosperity and the health of our population. The journey of India and the contribution that Fortis is making to the cause of improving healthcare are thus strongly linked.

The Healthcare industry continues to evolve and change and is moving towards an inflexion point that attempts to meet the need for healthcare that exists in our country today. The reality is that Healthcare globally, requires a paradigm shift in order to become more efficient and effective. In many developed countries around the world, including the US, healthcare is going through significant changes and a great deal of "re-think" is required on how healthcare is delivered to people. To put it a bit more succinctly, many countries today find healthcare to be "broken."

However, in India, although the availability of healthcare needs to be expanded, we are fortunate that it is still relatively affordable and more and more people are able to access better quality healthcare. As the healthcare industry continues to evolve, industry leaders like Fortis must lead the effort to shift the needle in the right direction. How fast and how far the industry develops and where it moves over the next several years is impossible to project. However, it is clear



The Healthcare industry continues to evolve and change and is moving towards an inflexion point. How fast and how far the industry develops and where it moves over the next several years is impossible to project. However, it is clear and apparent that Fortis will have a guiding hand in giving it the right shape. We take this role seriously and will hold ourselves accountable to do just that.

and apparent that Fortis will have a guiding hand in giving it the right shape. We take this role seriously and will hold ourselves accountable to do just that.

In looking at the Fortis organisation today, there is much to be excited about as we build on our India focused vision. A lot of good work is underway in our Lakshya pillars of Clinical Excellence, Patient Care, Talent Engagement, Community Connect and Investor Confidence. These initiatives all reinforce and contribute directly to the delivery of a superior patient experience, while providing differentiation and continuity to the Fortis brand proposition.

We are and must continue to be a patient-centric organisation and our initiatives must always provide tangible value to the patient in a manner that is palpable and in their best interest. These principles are

deeply embedded in the DNA of our Company and will enable us to make a substantial difference to the health and well-being of our patients.

As I reflect on my own journey, I am very excited to be here at Fortis. Our organisation has many talented and wonderful people who take great pride in the work they do and strive to excel in it. I have had the good fortune to work with some of them in the past and will have the opportunity to work with many more, now and in the future. Top class clinicians, some of the finest surgeons in the country, who are absolutely the best in their specialities, dedicated nurses, paramedics, superb leaders and support staff who run our hospitals and are committed to serve our patients with empathy, humility and dignity.

The entire healthcare system at Fortis will continue to work every single day

with only one purpose and one focus - to deliver the best medical care to our patients, to make them healthy and well as soon as possible. Ultimately, we are a patient centric organisation and our patients are the "centre of our universe."

Our vision and mission of providing high quality healthcare is a journey that started with our first hospital in Mohali in 2001 and it continues today. I am thrilled and honoured to be fortunate enough to lead this organisation and I am confident that working together, we will all achieve great things for Fortis, our patients and India.

With warm regards,

Bhavdeep Singh
Chief Executive Officer



Board of Directors - SRL



Achal Ghai



Archana Shiroor



Dr Brian William Tempest



Harpal Singh



Malvinder Mohan Singh



Dr Preetinder Singh Joshi



Dr Sanjeev K Chaudhry



Shivinder Mohan Singh



Srinivas Chidambaram



Sunil Godhwani



Lt Gen Tejinder Singh Shergill



Sanjeev Vashishta
Chief Executive Officer - SRL

Message from the Chief Executive Officer - SRL

DEAR SHAREHOLDERS,

The Diagnostic arena is dynamic and ever changing, necessitating the need for any diagnostic player of repute to have the capacity to keep up with this changing dynamic environment. Having carefully analysed the statistics available, SRL has been able to break the myth that the organised sector accounts for only 12% of the diagnostics industry. By additionally factoring in the Diagnostic tests done within hospitals, an area which is counted as hospital business in most studies, the percentage contribution from the organised segment to the industry swells to 20-25%. Given this analysis, the increasing dependence of clinicians on accurate diagnostics, the availability of equipment on reagent rentals, low capex and the recent trend of financing being available even for start ups and small players has made the diagnostic industry one of the most sought after and hence the most competitive.

At the same time, from a patient's perspective, choosing a reliable and experienced medical diagnostic laboratory is becoming increasingly critical. Your Company, SRL, India's leading provider of diagnostic testing, information and services offers valuable insights and comprehensive services to physicians, patients and hospitals throughout India and in other countries, helping physicians make better healthcare decisions for their patients. Every year, we add new tests



The industry is evolving and recent trends show molecular diagnostics as having the brightest future. Point of Care testing is also fast becoming a reality and SRL, as always thinking ahead of its times, has taken a stand to partner with providers.

to our test menu of approximately 3,500 routine, specialised and super-specialised diagnostic tests and simultaneously improve methods to perform the tests.

Our sustained efforts in maintaining quality, developing assays in-house, assimilating cutting edge technologies for advanced diagnostic tests at an affordable price and increasing outreach have held SRL in good stead, and we have been appreciated by our customers and associates. Information available to the healthcare ecosystem as a whole, starting from an individual to physicians, through internet on smart-phones, tablets and PCs is enabling unique disease diagnoses and management opportunities. Nowadays, customers are more informed and have local

as well as distant advisors, guiding them through the health system and helping them find the best healthcare solutions available. Our well-awarded knowledge initiative - SRL Global Knowledge Forum, MySRL mobile app for Android, Windows and iOS platforms, and presence on social media are but testimonies to our commitment to maximise customer outreach.

As a new financial year sets in, we are well aware of the fact that globally we are on the verge of a paradigm shift to a new health economy. One that focuses on a holistic approach in which, primordial prevention becomes as important as tertiary care of diseases. It also takes into account how diseases are managed along the entire spectrum of

disease pathology. This rapid change to an improved and more inclusive healthcare system is being driven by the convergence of information gained from biomedical research, technologies and the rise in the demand for quality medical care.

The industry is evolving and recent trends show molecular diagnostics as having the brightest future. Point of Care testing is also fast becoming a reality and SRL, as always thinking ahead of its times, has taken a stand to partner with providers. Disruptive technologies performed on not so established platforms such as microfluidics have grasped the attention of the world with its capability to run a battery of tests using a drop of blood, at very low cost and with a fast Turn Around Time



(TAT). These are yet to be validated and accepted by industry experts and we continue to be watchful of the 'new world order' in the diagnostics arena, as it unfolds.

Being a leader in the diagnostic services industry over the years, we are well aware of the fact that the new health economy will focus on innovation, which will be measured in terms of results for patients at commensurate prices, and increased customer satisfaction. At the same time, we are absolutely convinced that the new age customers will not compromise on the quality of services that they pay for.

SRL with its core strengths of people, technology, prowess to understand the market and initiate immediate changes, relationship with its vendors, providers and academic bodies, is very well equipped to ride this wave successfully. At SRL, we

are committed to the cause of offering the best quality of services that our customers pay for. Our credentials have been reinforced by the awards that we have been winning over the years, making us one of the most feted medical diagnostic services companies in South East Asia.

Quality test results begin with the way specimens are collected, stored and transported for analysis. SRL's robust logistics system ensures samples travel at appropriate temperature conditions and timelines are met whilst keeping a close track of all sample shipments.

Effective communication is extremely important in forging new relationships and strengthening existing ones. Therefore, we make all efforts to ensure that our testing services are regularly communicated to our concerned staff and customers by means of e-mails and our Communiques, 'Medimail',

'Pulse' and 'Innersense' along with test brochures and 'leave behind' leaflets. Our customer care service also offers seamless support to SRL's internal and external customers in resolving their queries in a time bound manner.

Ensuring that due focus is provided to technical as well as support functions are some of the key features that make SRL stand ahead today. We have the largest network of labs in India and are the 2nd largest in Asia in terms of volumes handled. At present, as I sign off on this, we have 266 labs and more than 6,500 collection points (as on 3rd June 2015) spread across every nook and corner of India and even outside the boundaries of India. We also have the largest network of accredited labs in India with 38 NABL Labs and 4 CAP Certified Labs. Our vast menu of



tests is ably supported by strong human capital consisting of a committed technical team of more than 700 doctors including eminent Histopathologists, Microbiologists, Pathologists, Biochemists and Scientists, who give us an edge in the diagnostics arena.

SRL has made its mark in the PPP space with its association in Himachal Pradesh where the Company has been successful in working along with the Government. The ability to serve Government institutions at Government prices whilst continuing to maintain the best of technology and efficient and trained staff. These aspects have played a critical role in SRL gaining acceptance in this sector. This has further led to SRL securing large deals in Jharkhand as well as allowed it to participate in large projects in the development sector. SRL has thus been able to contribute

positively towards society as well as establish itself as a preferred Private Diagnostic Lab in the Government space. Our earnest endeavour is to bring happiness to the faces of patients by facilitating early treatment through accurate diagnosis.

I would like to thank all the stakeholders, our investors, private equity partners, our vendors and technical partners, business associates, owners of collection centres and direct clients, our partners for whom we run labs and our customers for reposing their faith in the Company. I must place on record the hard work put in by every SRL employee and would like to thank each one of them. I also take this opportunity to thank all the board members for their continuing guidance and support at every step.

I am certain that we will succeed in our endeavours to take the operations of the Company to the next level and make SRL a truly global Company known for its high quality work, superior and compassionate services.

Sanjeev Vashishta
Chief Executive Officer- SRL

SRL

Key Highlights 2014-15

Diagnostics has assumed a very important role in facilitating timely and accurate treatment of patients. Over 70% of clinical decisions are now based on diagnostic investigations. Given the relevance of diagnostics, it has been SRL's endeavour to reach out to the masses across the length and breadth of the country and beyond to provide them with superior quality diagnostic services, enabling early diagnosis and treatment. SRL has been able to create an unparalleled reach through an impressive network comprising 266 laboratories (including 12 Reference Labs and 90 Labs in the Hospitals) and over 6500 collection points. SRL is present in more than 450 cities and towns covering substantial districts of India.

Today, SRL is the only one in the country to offer complete diagnostic services - Pathology, Radiology, Wellness, Occupational Health and Clinical Trials. Lab Medicine makes up 80% of SRL's business, Radiology 14% with Wellness (preventive health check) and Clinical Trials constituting the remaining 6%. SRL today offers more than 3,500 tests and conducts approximately 107,000 tests in a day, ranging from simple to high-end esoteric tests in both Pathology and Radiology segments. A test is rolled out in a fraction of a second at SRL. This makes SRL the largest corporate chain in clinical diagnostics in India with ~40% market share amongst national players in the organised arena.

In FY2014-15, SRL expanded its reach by opening 29 new labs. In addition, 460 collection points were added to the Network. SRL's operations are not

limited to India alone. SRL is present in the Middle East, SAARC Countries, Africa and South East Asia and is contemplating further expansion in the fast growing markets of Africa, CIS countries and South East Asia. SRL continues to stand strong on its credo of "Total Quality Management". This year, SRL has increased the number of NABL accredited labs to 38 which is the highest among all players in India. It has 4 CAP and 2 NABH accredited labs and also adheres to global benchmarks in diagnostics set by:

- Clinical Pathology Accreditation standards for medical laboratories (CPA), UK
- Clinical Laboratory Standards Institute (CLSI), USA
- International Laboratory Accreditation Cooperation (ILAC)
- Asia Pacific Laboratory Accreditation Cooperation (APLAC)
- World Health Organisation (WHO)
- National Glycosylated Haemoglobin Standardisation Programme (NGSP) – Level 1 certified
- US FDA 21 CFR Part 11 norms
- Centre for Disease Control (CDC), Atlanta, USA.

YEAR OF CONSOLIDATION

The Year 2014-15 was a 'Year of Consolidation' for us at SRL. With an objective to create more enabling systems, we embarked on appropriately

restructuring the organisation to bring in greater efficiencies, particularly in the Lab Operations and Sales & Marketing functions, also making them more effective. This has augured well for the Organisation and also provides tremendous growth opportunities to the deserving team members.

The 'Operations Function' has been made pyramidal, thereby reducing the 'span of control' to an optimal level as opposed to the earlier 'Flat Structure'. This will enable better control over the operations and also provide growth opportunities to the team members. Under the Sales & Marketing Division, the three sub-segments of Co-Marketing, Wellness and Clinical Trials which were functioning independently, have been brought under the umbrella of 'Corporate Sales'. This will result in cross-functional efficiencies and provide tremendous learning opportunities to the team members who will now be exposed to multiple functions.

With an objective to provide better services to our esteemed customers, the 'Call Centre Group' has also been reinforced to take calls and respond to mails on a 24x7 basis. Looking into the opportunities that are available in getting samples from those countries where high quality Diagnostic Services are not available, the International Business Division has been strengthened. On the one hand, SRL will be able to bridge the gap by providing superior quality tests and services to the patients from these countries, on the other, it will help us to fill the capacity that has been created in India.

During the last year, SRL critically evaluated some of the centres. A conscious call was taken to close down some of those centres which were

non-accretive and continuously losing money. This augurs well for the Company as it will be able to deploy its resources in more promising geographies.

KEY PROJECTS

The Financial Year 2014-15 has proved to be a year of inflection for SRL as it redefined its capabilities by executing pan-India campaigns at leading corporations such as Marico and HP Marsh. At Marico, SRL conducted more than 1.3 Lakh lipid profile tests across India in a month's time, At HP Marsh, SRL conducted blood tests for Hewlett Packard employees across all locations in India. Flawless execution at these camps has boosted the Market Equity and confidence of Corporates, Multilateral Agencies and the Government in SRL.

INTERNATIONAL BUSINESS

SRL seized the opportunity to set up, operate and manage the Labs (both Pathology and Radiology) in some countries outside India. SRL expanded its wings in the International markets by signing long term Operation and Management contracts with partners in Congo and Nigeria where the entire investment is being made by the local partners. The plan is to open 3 labs in Congo and 9 labs (in the first phase) in Nigeria. SRL is looking at many more 'Asset Light' projects like these.

GOVERNMENT SUPPORT & PPP

SRL is successfully running the labs in 24 of the largest Government Hospitals across Himachal Pradesh. To continue the responsibility of reaching out to the masses with the Government at its price points, SRL is joining hands with the Government of Jharkhand and opening 12 labs in the Government

Hospitals across the State. SRL is in talks with other State Governments and is committed towards providing quality diagnostics to each and every citizen of the country.

Apart from running PPP's, SRL was at the forefront in supporting the Government at the time of the Swine Flu crisis which again struck our nation in January 2015. During this calamity, the sole objective of the SRL Team was to test as many patients as possible, following laid down protocols by the Government. Within 48 hours, SRL doubled its testing capacity and performed the tests at Government determined prices, thereby working shoulder to shoulder with the Government and earning its trust.

TRAINING

Training has always been one of SRL's key focus areas. SRL opened a full-fledged training academy in Beas, Punjab. Known as the 'SRL Training Academy', it is spread across 6 acres with a large auditorium, multiple lecture halls and residential facility to accommodate over 250 trainees and faculty members. SRL launched a prestigious 15 days Orientation Programme "Neev" for all the new joiners in the organisation. Also, multiple training sessions are planned through the year for people across all functions and levels to upgrade their skills.

RESEARCH AND DEVELOPMENT

R&D efforts during this financial year were focused towards expansion of advanced genomic tests through absorption of cutting-edge molecular technologies. There was a parallel focus on augmenting the test menu with novel/ niche markers for the first time in India. Alternate cost-effective technologies were also evaluated for implementation at Network Lab locations to maximise profitability.

Highlights of R&D activities

- (i) **Development and Release of New Assays:** A total of 35 esoteric and innovative new tests with demonstrated clinical value were developed and released successfully during the financial year. Among these 35 tests, 5 were released for the first time in India, whereas 7 were indigenously developed thereby providing a competitive commercial edge to the Company. Considering the disease trend in the country, the major focus of development was in Oncology, Infectious Diseases and Metabolic Disorders. Fibrometer Virus – a novel non-invasive test for liver fibrosis was released for the first time in India, in collaboration with Echosens, France. This test augments our current viral hepatitis monitoring range. Also, an advanced sequencing based test for Sepsis screening was released for hospitals, ICU and critical care set-ups.
- (ii) **Cutting-edge Technologies:** In order to maintain the competitive edge in advanced genomics, cutting-edge Next Generation Sequencing (NGS) technologies: Ion Personal Genome Machine (PGM) and Ion Proton were successfully installed and implemented in R&D. The first NGS based in-house developed assay namely BRCA 1&2 gene mutation for hereditary breast cancer screening was released successfully. In view of the competitor activities and global developments, a two year road-map to develop a range of advanced high value predictive and preventive genetic tests (oncology, metabolic and prenatal testing) has been prepared and is under progress for the current year and the future. Besides NGS, developments pertaining

to other cutting-edge technologies such as LC-MS/MS are also ongoing. A selective range of endocrine and metabolic disorder parameters relevant for Indian population is planned for development on LC-MS/MS. Expansion of high value tests based on these two cutting-edge technologies will enable SRL to sustain its leadership position in the super specialised testing segment.

(iii) **Cost-effective Technologies:** To further strengthen our existing technological base in the routine testing segment and to continue the harmonisation at our different Network and Reference Lab locations in a cost-effective manner, alternate technologies in Hematology and Coagulation were evaluated. The following new technologies : Horiba CBC analysers (Pentra ES60, Pentra ES80 and DF-Nexus), Coagulation Analyser Stago Satellite and ACL Elite Pro were successfully evaluated and can be considered at our Network/Reference Lab locations.

FINANCIALS

SRL's financial picture, on a standalone basis, shows Revenues & EBITDA growing at a CAGR of 16% and 43% respectively over the last 3 years. The gross revenue at the end of FY 15 was ₹ 846 Crores with a growth of 13.3% and the EBITDA was ₹ 158 Crores with a growth of 29.6% over the previous year. The EBITDA margins have shown tremendous growth and have moved from 9.8% to 19.0% in the last 3 years.

Awards and Recognitions

SRL made an entry (along with NDTV & Fortis) in the Guinness Book of World Records this year by

performing the largest number of sugar tests in a day.

Apart from the Guinness Book of World Records, SRL once again reaffirmed its leadership position by bagging 10 prestigious awards in 2014-15. SRL was named the:

- Best Private Public Partnership Initiative of the Year for its Himachal Pradesh project.
- Maharashtra Healthcare Leadership Awards-2014.
- Best Agency (Servicing Healthcare Industry) in the Asia Healthcare Excellence Awards 2014, Singapore.
- Frost & Sullivan Awards 2014 for being the Best Diagnostics Company.
- VC Circle Healthcare Awards 2014 for being the Best Diagnostic Service Company.
- 10th eINDIA Healthcare Award 2014.
- Inc. India Innovative 100 Awards 2014.
- 4th Healthcare Leaders' Forum Award 2015.
- Dataquest Business Technology Awards in the Enterprise Applications (CCdirect) and Cloud (Oracle CRM) categories.
- CIOL C-Change Enterprise Awards 2015, in the category "Business Innovator" for Oracle CRM implementation.
- The "CIO power list 2015" by CORE Media Group honouring the Most Influential ICT leaders of India.

These awards are testimony to the good work carried out by the Company in the Diagnostics Arena. Such external recognition keeps all of us at SRL motivated and prompts us to walk the extra mile in our pursuit to attain excellence.

AWARDS & ACCOLADES

FORTIS HEALTHCARE WINS THE PRESTIGIOUS PORTER PRIZE 2014 FOR VALUE BASED HEALTHCARE

Fortis was awarded the prestigious 2014 'Porter Prize, for Value Based Healthcare'. The prize was given in recognition of the company's outstanding performance in the industry and for redefining the idea of patient care and fundamentally challenging the economic models within the industry.

FMRI, GURGAON, RECEIVES FOUR STAR RATING AT TERI GRIHA AWARDS; FORTIS SHALIMAR BAGH BAGS THREE STARS

The Fortis Memorial Research Institute (FMRI) was recognised as a Green Building and awarded a Four Star rating by TERI GRIHA (Green Rating for Integrated Habitat Assessment). Fortis Hospital, Shalimar Bagh, too, received a Three Star rating. The rating system, among the most stringent in the world, evaluates buildings on several parameters of environmental sustainability. It emphasises the use of recycled and low energy consuming materials, energy efficiency of designs and the use of solar energy.

FORTIS HOSPITAL, BANNERGHATTA ROAD, BENGALURU, RECEIVES INTERNATIONAL MEDICAL TOURISM RECOGNITION FOR THE 5TH YEAR IN A ROW

Fortis Hospital, Bannerghatta Road, was ranked third amongst the Top 20 hospitals across the globe for medical tourists in the annual ranking published by the Medical Travel Quality Alliance (MTQUA). Fortis BG Road received this recognition for the fifth year in a row, reiterating its continued commitment to "Patient Care."

FORTIS BG ROAD, FORTIS VASHI AND FORTIS RAIPUR EARN LAURELS AT THE NATIONAL ENERGY CONSERVATION AWARD, 2014

Underscoring Fortis Healthcare's continued commitment towards energy conservation, three Fortis hospitals — Fortis, Bannerghatta Road, Bengaluru; Fortis Hiranandani, Vashi; and Fortis Escorts Heart Centre, Raipur — won honours at the National Conservation Award, 2014. While Fortis Hospital, Bannerghatta Road, Bengaluru, and Fortis Hiranandani Hospital, Vashi, won the first and second prizes respectively in the Hospitals category (more than 10 lakh kWh/year consumption), Fortis, Raipur, was honoured with a Certificate of Merit.

FEHI NAMED THE "COMPREHENSIVE CARDIAC SERVICE PROVIDER COMPANY OF THE YEAR"

Fortis Escorts Heart Institute, New Delhi, was named the "Comprehensive Cardiac Service Provider Company of the Year" at the Frost & Sullivan India Healthcare Excellence Awards 2014. The recognition acknowledges the Institute's relentless efforts and outstanding performance in 2013-14. The Institute has been earlier feted with several recognitions, including the Best Single Speciality Hospital – Cardiology title at the ICICI Lombard & CNBC TV18 India Healthcare Awards, the Best Heart Care Centre in North India title at the Global Healthcare Excellence Awards and the Best Institution Award of the Delhi Medical Association.

AWARDS & ACCOLADES

MANY FORTIS HOSPITALS MAKE IT TO THE WEEK MAGAZINE'S BEST HOSPITALS LIST

Fortis made a mark with several of its hospitals notching up impressive rankings. Fortis Escorts Heart Institute, New Delhi, was ranked No. 2 in the Best Multispeciality Hospitals—By Speciality category. Fortis Escorts Hospital, Jaipur, Fortis Hospital, Mohali, and Fortis Hospital, Bannerghatta Road, Bengaluru, were ranked No. 2 in their respective cities. Fortis Malar Hospital, Chennai, and Fortis Hospital, Anandapur, Kolkata, were ranked No. 3 in their respective cities.

FORTIS HOSPITAL, MULUND, SCORES A HAT TRICK AT THE ASIAN HOSPITAL MANAGEMENT AWARDS (AHMA) 2014

Fortis Hospital, Mulund, bagged three awards at the Asian Hospital Management Awards 2014. While two of the hospital's projects, Simply Be More (Critical Care Nursing Programme) and Fortis Celebrating "YOU" (an innovative initiative aimed at building employee engagement) won the awards in the Human Resources Development category, the Medication Reconciliation project was feted under the Patient Safety category.

DR ASHOK SETH, CHAIRMAN, FORTIS ESCORTS HEART INSTITUTE, NEW DELHI, TO BE HONOURED WITH THE PADMA BHUSHAN

The Government of India honoured Dr Ashok Seth, eminent Cardiologist and Chairman, Fortis Escorts Heart Institute (FEHI), New Delhi, with the Padma Bhushan, one of the highest civilian awards in India, for his invaluable contribution and stellar achievements in the field of Medicine. Dr Seth was previously awarded the prestigious Padma Shri in 2003.

FORTIS C-DOC NAMED BEST HOSPITAL IN INDIA IN DIABETES CARE

Fortis C-DOC was adjudged as the Best Hospital, in India, in Diabetes Care at the CIMS Healthcare Excellence Awards 2014. The awards were given away by the medical journal, Current Index of Medical Specialities (CIMS) to promote excellence in the healthcare industry.

CRITINEXT WINS "INDIA TECHNOLOGY INNOVATION LEADERSHIP FOR E-INTENSIVE CARE SERVICE DELIVERY" AWARD

Frost & Sullivan's Global community of Growth, Innovation and Leadership (GIL) selected CritiNext, Fortis Healthcare's eICU project, as the recipient of the '2014 Frost & Sullivan India Technology Innovation Leadership for E-Intensive Care Service Delivery' award.

FORTIS HOSPITAL, BG ROAD, RECEIVES ASIAN PATIENT SAFETY AWARD FOR THE THIRD TIME

Fortis Hospital, Bannerghatta Road, Bengaluru, was awarded the Asian Patient Safety Awards 2014 under Category - Anaesthesia & Surgical Safety in recognition of its outstanding dedication and contribution towards promoting a healthy society. The Asian Patient Safety Awards recognises and honours hospitals in Asia that follow the safest hospital management best practices.



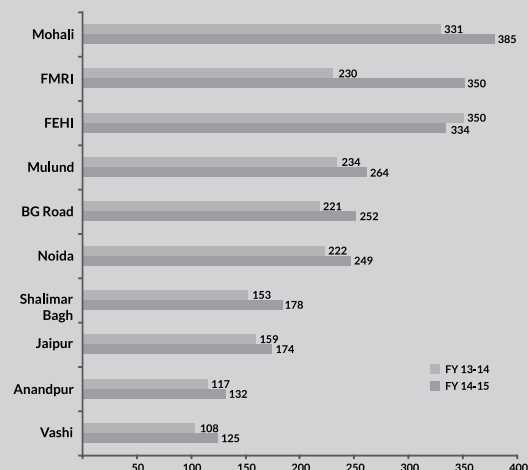
Operations Review

FINANCIAL PERFORMANCE

For the financial year 2014-15, the Company recorded an audited consolidated revenue from continuing operations of ` 3,966 Crores, a growth of 14% over the previous year's revenue of ` 3,492 Crores. The consolidated FY2015 revenue from continuing operations includes a revenue of ` 3,928 Crores from the India Hospitals and Diagnostics business and ` 38 Crores from the International business. The Company's operating EBITDAC i.e. excluding other income and before absorbing the costs related to the Business Trust (RHT) from continued operations, stood at ` 579 Crores, representing a margin of 14.0% as compared to 10.8% in the previous year. Revenue from India business grew by 14% to ` 3,928 Crores, contributing 99% to the overall consolidated revenue from continuing operations. Operating EBITDAC for the India business stood at ` 607 Crores, a margin of 15.4% compared to ` 428 Crores (a margin of 12.4%) in FY2014. Net profit for the year from continuing operations stood at ` (119) Crores as compared to ` (219) Crores in the previous year. Including the revenue from the discontinued operations i.e. RadLink Asia, Singapore and Fortis Surgical Hospital, Singapore, the overall revenue for the Company stood at ` 4,140 Crores compared to ` 4,759 Crores in FY2014. Consolidated profit after tax for the year was at ` (144) Crores as compared to ` 123 Crores in FY2014.



Key Hospital-wise revenue performance (in ` Crores)



India Hospital Business

The India Hospital business continued to show a healthy performance with a 15% revenue growth to touch ` 3,207 Crores as compared to ` 2,795 Crores in the previous year. The Operating EBITDAC before the impact of the costs related to the Business Trust stood at ` 459 Crores, representing a margin of 14.3% as compared to 11.1% in FY2014.

The growth in the India Hospital business was primarily due to improvement in the operating metrics across various hospitals in the network. For the year 2015, the Average Revenue Per Occupied Bed (ARPOB) grew 13% to ` 1.26 Crores as compared to ` 1.12 Crores in FY2014. Average Occupancy across

the Fortis hospitals stood at 70% as compared to 73% during the previous year. Average Length of Stay (ALOS) reduced to 3.64 days in FY2015 from 3.80 days in FY2014.

In the Indian hospital business, key specialities such as Cardiac Sciences, Orthopedics, Renal Sciences, Neuro Sciences, Oncology, Pulmonology and Gynaecology continue to perform well in terms of revenue as well as volumes. The hospitals across the network performed approximately 85,000 Cardiac procedures, 36,000 Oncology procedures, approx. 27,000 Renal procedures and over 21,000 Orthopaedic procedures.

The Company's key facilities performed well both in terms of revenue and operating profit. These

facilities include Fortis Mohali, Fortis Amritsar, Fortis Mulund, Fortis Shalimar Bagh, Fortis Memorial Research Institute (FMRI), Fortis Noida, Fortis Jaipur and Fortis Vashi. Amongst the newer facilities, FMRI Gurgaon, the Company's flagship facility launched in May 2013, became the second largest revenue contributor across the Fortis network recording a growth of 52% in revenues to reach ` 350 Crores for the year. FMRI in a short span of time has become the highest ARPOB generating facility in the network of Fortis Multi-speciality hospitals. Fortis Ludhiana, launched in January 2014, witnessed a breakeven in its operating profit within one year of its launch. The year also witnessed the launch of a number of new medical



programmes and dedicated super speciality centres across various facilities.

The Fortis network currently has 4 JCI accredited hospitals, 16 NABH accredited hospitals and 7 NABH accredited blood banks.

HOSPITALS

Delhi-NCR Cluster

THE PROMINENT FORTIS FACILITIES IN THE DELHI-NCR REGION INCLUDE THE FLAGSHIP FORTIS MEMORIAL RESEARCH INSTITUTE, GURGAON, FORTIS ESCORTS HEART INSTITUTE, NEW DELHI, FORTIS HOSPITAL, SHALIMAR BAGH, NEW DELHI, FORTIS FLT LT RAJAN DHALL HOSPITAL, VASANT KUNJ, NEW DELHI, FORTIS LA FEMME, NEW DELHI, FORTIS HOSPITAL, NOIDA AND FORTIS ESCORTS HOSPITAL, FARIDABAD.

Fortis Memorial Research Institute, Gurgaon

Fortis Memorial Research Institute (FMRI), Gurgaon, Fortis Healthcare's flagship facility, completed two years of operation in May 2015. The premier hospital continued to retain its No. 2 ranking among the world's 30 most technologically advanced hospitals by topmastersinhealthcare.com. The hospital has initiated 100% tracking and measurement of clinical outcomes and continued to tread the path of unmatched clinical excellence, putting the facility at par with globally renowned hospitals.

Given its position of pre-eminence, FMRI has taken upon itself to be a catalyst in the cause of organ donation and transplant medicine. As part of the Organ Donation Day on August 6, 2014, Fortis Organ Retrieval and Transplant (FORT) along with Gurgaon Traffic Police conducted a

mock drill of how a transplantable organ would be transported in an ambulance along a 'green corridor' from the IGI Airport, New Delhi, to the Fortis Memorial Research Institute, Gurgaon. The distance was covered in less than 15 minutes.

Setting a landmark in cardiac surgery, for the first time in North India, doctors at FMRI, Gurgaon, successfully implanted an FDA approved Mechanical Heart, a type of Left Ventricular Assist Device (LVAD), in a 29-year-old Iraqi patient. This was the third mechanical heart to be implanted in India; the first two being at Fortis Malar, Chennai.

A 19-year-old victim of poisoning was saved using Extra Corporal Membrane Oxygenation (ECMO), a breakthrough technology available with very few hospitals in the country. ECMO uses a machine to take over the work of the lungs and sometimes, the heart.

During the year, the hospital launched



many new clinical initiatives, including a centre for advanced procedures in Dermatology, Cosmetology, Aesthetics and Wellness (Fortis Radiance) and a comprehensive Centre for Cleft Lip Palate & Facial Deformities. The hospital also won the Association of Healthcare Providers of India (AHPI) recognition as a Green Hospital.

Fortis Escorts Heart Institute, New Delhi

Fortis Escorts Heart Institute (FEHI), New Delhi, a globally recognised premier institution, has been a leader in cardiac care for over 25 years. The state-of-the-art centre houses advanced catheterisation laboratories, operation theatres, Heart Command Centres and Heart Stations. Critinext, Asia's first electronic intensive care unit (e-ICU), blends critical care skills, technology and innovation to deliver 24x7 intensive care to patients in remote locations.

The facility continued to uphold its glorious tradition of breaking new frontiers with several landmark surgeries. The first heart transplant at the institute was successfully conducted. India's first pacemaker implant via Bundle pacing was done and India's first subcutaneous ICD was implanted, during the year.

Extending its medical services in pursuit of excellence, FEHI recently added a substantial programme in Orthopaedics, with the launch of the Fortis Escorts Bone & Spine Institute.

Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj

Based in South Delhi, close to the International Airport, this Fortis facility caters to a large resident population in the adjoining areas, including a sizeable number of senior citizens. The hospital has strong capabilities in Cardiac Sciences, Pulmonology, Nephrology, Bariatric Surgery, Thoracic Surgery and

Interventional Radiology. Fortis, Vasant Kunj, was the first private hospital in North India to introduce the minimally invasive Green Light Laser Technology for prostrate removal.

The hospital has consistently grown its revenue since Fortis began operations in 2010. In 2013, the hospital added an advanced intensive care unit, capable of handling complex cases. The hospital launched a comprehensive Woman and Child programme in December 2014.

Fortis Hospital, Noida

This Fortis facility is located in the heart of Noida, a populous satellite city close to the National Capital. Several new residential townships are coming up within a few kilometres of the hospital, thus promising strong long-term growth possibilities. The hospital completed 10 years in November 2014.



This tertiary care hospital runs a successful Gastrointestinal and Liver Transplant programme and has done 97 Liver Transplants in FY2015. It is the only facility in Uttar Pradesh to carry out liver and bone marrow transplants.

Fortis, Noida, also has robust capabilities in Orthopaedics, with an especially successful joints replacement programme. In FY2015, 577 joint replacements, 1,365 urological surgeries, 1,172 general surgeries and 1,652 plastic surgeries were conducted at the hospital.

Cardiac Sciences, Neurosciences, Gynaecology and Oncology are among the other successful specialities at Fortis, Noida. Equipped with state-of-the-art operation theatres, intensive care units, and cardiac and neurological catheterisation laboratories, this facility is all set to write another glorious chapter in the history of Fortis.

Fortis Escorts Hospital, Faridabad

From a modest beginning as a small dispensary over three decades ago, the Fortis Escorts Hospital, Faridabad, has metamorphosed into a premium multi-speciality tertiary care hospital catering to over 2,00,000 patients every year from not only Faridabad but also adjoining areas of Mathura, Palwal, Kosi, Agra and the Mewat region of Haryana. Cardiac Sciences, Neurosciences, Orthopaedics, Internal Medicine, Gastroenterology, General Surgery and Gynaecology are the key specialities available at the hospital. The hospital has 210 beds, 59 ICU beds and five operation theatres apart from catheterisation labs and other state-of-the-art facilities.

North Cluster

FORTIS HEALTHCARE BEGAN ITS

JOURNEY FROM MOHALI, PUNJAB, AND CONTINUES TO RETAIN A STRONG BOND WITH THE STATE. THE KEY FACILITIES IN THE REGION INCLUDE FORTIS HOSPITAL, MOHALI, FORTIS ESCORTS HOSPITAL, AMRITSAR, FORTIS HOSPITAL, LUDHIANA, FORTIS ESCORTS HOSPITAL, JAIPUR AND FORTIS ESCORTS HOSPITAL, DEHRADUN.

Fortis Hospital, Mohali

Established as the first hospital of Fortis Healthcare in 2001, Fortis Hospital, Mohali (FHM), continues to tread the path of medical excellence through highly successful programmes in Cardiac Sciences, Orthopaedics, Vascular Surgery, Transplants, Critical Care and Neurosciences.

In July 2014, the hospital added the Fortis Cancer Institute, offering the latest and most technologically advanced comprehensive cancer



treatment in the region. The facility houses the largest radiotherapy ensemble, capable of delivering Image Guided Radiation Therapy (IGRT), Intensity Modulated Radiation Therapy (IMRT) and Stereotactic Radiation Therapy, targeting the tumour more precisely than conventional radiology. These therapies have fewer side effects and help improve the patient's quality of life, post-treatment.

Over the past year, the hospital became the preferred destination for liver transplant patients from Pakistan. Along with the geographical advantage, the facility is also popular due to the clinical expertise, world-class critical care and convenient post-op stay arrangements. FHM introduced the very promising and medically advanced non-blood group matched kidney transplants, or the ABO Incompatible Kidney Transplant Programme, in the region.

During the year, FHM also commissioned a state-of-the-art Vascular Hybrid Operation Theatre dedicated to the treatment of peripheral vascular diseases. The facility is among the select few available in the country and is designed to perform the most advanced surgical and minimally invasive vascular procedures in the same room.

In 2014-15, FHM won several recognitions and awards, including the No. 1 Private Multi-speciality Hospital in Chandigarh ranking by The Week – A. C. Nielsen Best Hospitals Survey; the AHPI Award for Quality Beyond Accreditation – 2015; the Best Sustainable Hospital Project Award by HBII-MEDGATE – 2014; the Intel Embedded Challenge Award for Innovation in Industry (Catheter Reprocessing) 2014; the CII 14th National Award for Excellence in Energy Management; the Doc n Doc Gammex Saviour - Best Multi-

speciality Hospital – 2014; and the Amity CSR 'We Care' Award – 2014.

Fortis Escorts Hospital, Amritsar

Fortis Escorts Hospital, Amritsar, is located in a populous city that attracts a large number of tourists, both domestic and international. This multi-speciality hospital has strong capabilities in Cardiac Sciences, Urology, Neurosciences, Paediatrics, Internal Medicine and Gynaecology, among others. The hospital has received significant appreciation for its capabilities from the Indian Society of Critical Care Medicine (ISCCM), which has also introduced a post-graduate diploma course in critical care.

The hospital has four major operation theatres, two cardiac operation theatres and two cardiac catheterisation labs. This year, Fortis, Amritsar also introduced Video Assisted Thoracoscopic



Surgery (VATS), a high-end minimally invasive technique. The facility is well equipped to enhance its reach, treating patients in remote areas, from an E-ICU hub. The InteleEYE technology allows a remotely located intensivist to monitor and interact with patients in several distant ICUs and hold discussions with their care teams.

Through the year, several programmes have been conducted at the facility to bring about greater awareness on health-related issues in society. Sessions on fire safety and basic life support training were also conducted. The hospital organised several interactive Continuing Medical Education (CME) sessions for its clinical and paramedical staff to improve their skills and capabilities.

Fortis Hospital, Ludhiana

Fortis Hospital, Ludhiana, a state-of-the-art 260-bed greenfield hospital, was launched in January

2014 to address the growing need for specialised and quality medical care in the city. The hospital has set up Centres of Excellence in various specialities including Cardiac Sciences, Orthopaedics, Oncology, Mother & Child Health, Renal Sciences, Neurosciences, Critical Care, Emergency Care & Trauma, and Gastroenterology, to name a few.

The Centre of Excellence in Oncology was set up to offer medical, surgical and radiation therapy, in view of the increased incidence of the disease in the region. A dedicated day-care ward for medical chemotherapy patients and 24x7 critical care services for cancer patients are available at the hospital, ably supported by a team of specialists. The facility has the latest Intensity Modulated Radiation Therapy (IMRT) and 3DRT to target tumours more precisely while sparing the normal tissues.

Fortis Hospital, Ludhiana, was

recognised by the Sports Authority of India for Arthroscopy & Sports Medicine during the year. The hospital has introduced stitch-less Joint Replacement Surgery, a new and improved technique.

In 2014-15, Fortis Hospital, Ludhiana, and the team associated with the facility won several recognitions. The facility received the Best Hospital in Ludhiana award at the Prime Time Global Healthcare Excellence Awards, 2014. The Times Healthcare Pioneer Award 2015 and the Punjab Rattan Award were among the prominent recognitions received by the Fortis Ludhiana team members.

Mumbai Cluster

FORTIS HAS A VERY STRONG PRESENCE IN THE MUMBAI REGION. THE FORTIS FACILITIES IN AND AROUND MUMBAI, INDIA'S FINANCIAL CAPITAL, INCLUDE



FORTIS HOSPITAL, MULUND, FORTIS HIRANANDANI HOSPITAL, VASHI, FORTIS HOSPITAL, KALYAN AND S. L. RAHEJA FORTIS HOSPITAL, MAHIM.

Fortis Hospital, Mulund

Fortis Hospital, Mulund, was the first hospital in South Asia to receive the Joint Commission International (JCI) accreditation, the global hallmark of quality and medical excellence. The hospital has gone on to receive the JCI accreditation four times in succession, a testimony to its continued commitment to quality. Fortis Mulund is known for its clinical excellence in multiple specialities, including Cardiac Sciences, Orthopaedics, Oncology and Neurosciences among others.

During the year, Fortis Hospital, Mulund, launched the Super ICU programme, wherein the best internationally trained critical care experts and specially trained critical

care nurses, supported by state-of-the-art technology, ensure that the critically ill patients get the constant intensive care they need.

To further enhance the skills and capabilities of the clinicians, the facility organises various conferences and meets. More than 150 consultants attended a workshop on Infectious Diseases, encompassing all aspects of the emergence, spread and control of infectious diseases.

The hospital also made significant efforts to spread health awareness through multiple programmes such as Mumbai ki Dhadkan, a cardiac diseases prevention drive coinciding with the World Heart Day, a Health Fair (Healthy Affair) in January and a road show to mark the World Kidney Day, and much more.

Fortis Hiranandani Hospital, Vashi

Established in 2007, Fortis

Hiranandani Hospital, Vashi, Navi Mumbai, is a tertiary care, multi-speciality hospital catering to the growing population of the Navi Mumbai and Raigad regions, adjoining Mumbai. The major specialities available include Cardiac Sciences, Orthopaedics, Urology, Pulmonology, Neonatology, Endocrinology, Oncology and Critical Care.

During the year, the hospital added a super ICU and expanded its Neonatal ICU (NICU). Several new programmes were launched, including the Golden Cradle, a premium birthing suite; Fortis Glow, the Liver Clinic, Stone Clinic and Epilepsy Clinic. These apart, new programmes in Paediatric Cardiology and Nephrology were introduced.

The hospital's continued efforts to conserve energy and be environment friendly were rewarded with the



second prize at the National Energy Conservation Award – 2014.

Fortis Hospital, Kalyan

Fortis Hospital, Kalyan began its journey as a referral centre. Today, it has transformed into a multi-speciality tertiary care hospital with capabilities to treat complex diseases and undertake demanding procedures.

Fortis Hospital, Kalyan, has state-of-the-art Orthopaedic and Cardiac Science centres to cater to a large, underserved population. Oncology, Neurosurgery and Cardiothoracic & Vascular Surgery (CTVS) are among the other key focus areas for the hospital. The hospital runs a successful joints replacement programme apart from Interventional Cardiology and Neurosurgery. The hospital also has strong capabilities in Obstetrics & Gynaecology, Neuro & Spine surgeries and Onco surgeries.

Fortis S. L. Raheja Hospital, Mahim

Fortis S. L. Raheja Hospital featured amongst the 15 best multi-speciality hospitals in The Week – A. C. Neilsen survey, 2014. The hospital is a Centre of Excellence in Oncology. During the year, the hospital launched a Hyperbaric Oxygen Therapy (HBOT) programme.

The hospital completed several major renovation projects, including those of patient rooms, the OPD and the Administrative Block. The aim of the renovation has been to enhance patient satisfaction. Several new patient care initiatives were also launched.

Bengaluru Cluster

FORTIS HOSPITAL, BANNERGHATTA ROAD, FORTIS HOSPITAL, CUNNINGHAM ROAD AND FORTIS HOSPITAL, SHESHADRIPURAM

ARE THE KEY HOSPITALS IN THE REGION.

Fortis Hospital, Bannerghatta Road

Fortis Hospital, Bannerghatta Road, Bengaluru, was ranked No. 3 amongst the best hospitals in the world (and the No. 1 in India) for Medical Tourism by the Medical Travel and Tourism Quality Alliance (MTQUA), an independent organisation set up to promote safety and quality in treatment for medical tourists. Fortis, BG Road, received the recognition for the fifth time in a row. In addition, the hospital was ranked No. 2 'Best Multi-Speciality Hospital in Bangalore' by The Week – A. C. Neilsen survey.

During the year, the hospital launched speciality clinics for Endometriosis, Sports Medicine and Arthroscopy, and the PACE Institute. Cardiac Surgery continues to be a major offering. In view of the alarming rise in heart diseases, the hospital has



launched a sustained awareness building campaign, named “Attack the Attack.”

The specialised mother-and-child clinic, “The Nest,” launched ‘A Mother’s Guide to Breastfeeding’ - a complete step-by-step guide to starting a newborn on mother’s milk. The book launch coincided with the World Breastfeeding Week observed from August 1-7, 2014.

Fortis Hospital, BG Road, won many recognitions, including the National Energy Conservation Award 2014, International Medical Tourism Accreditation for Excellence in Care, Healthcare and Social Care Support Award, Excellence in Facility Management Award, Global Marketing Excellence Award, Asian Patient Safety Award, Breastfeeding Promotion Network India Award, AHPI Award (Quality Beyond Accreditation Award) and an award for managing “health at work.”

Fortis Hospital, Cunningham Road

Fortis Hospital, Cunningham Road, Bengaluru, is a multi-speciality centre with a predominant focus on cardiac care. The hospital does commendable work in the fields of Cardiac Sciences, Electrophysiology and Cardiac Devices, and Cardiac Surgery.

The hospital now has a fully equipped Electrophysiology Lab with 3D mapping capability to provide further impetus to its Electrophysiology and Cardiac Devices programme. The hospital is focussed on promoting Electrophysiology, Bone & Joint Care, Urology, Minimal Access Surgery and Critical Care.

In 2014-15, Fortis Hospital, Cunningham Road, launched the Fortis PACE (Pacing & Cardiac Electrophysiology) Institute for Total Arrhythmia Care. It is one of

the few centres in the country to have a department dedicated to Electrophysiology.

Kolkata Cluster

FORTIS HAS SEVERAL KEY FACILITIES IN THE REGION, INCLUDING FORTIS HOSPITAL, ANANDAPUR, FORTIS HOSPITAL & KIDNEY INSTITUTE AND FORTIS HOSPITAL, RASHBEHARI AVENUE.

Fortis Hospital, Anandapur

Fortis Hospital, Anandapur, Kolkata, has established a strong foothold in the Eastern part of the country, with its high-end specialities in Cardiac Sciences, Pulmonology, Nephrology, Gastroenterology, Orthopaedics and Neurosciences. The hospital continues to attract a large number of patients from not only from West Bengal, but also the neighbouring states of Jharkhand, Bihar, Orissa and the North-Eastern States.



In addition, patients seeking cardiovascular surgeries and kidney transplants flock continuously from Bangladesh, Myanmar and Bhutan to this Fortis unit.

To strengthen its hub-and-spokes model and reach out to the vast geography, Fortis Anandapur has launched an information centre cum outreach clinic at two new locations – Imphal and Dhanbad. The existing centre at Jamshedpur was ramped up with additional diagnostic facilities.

Concomitant with its objective of delivering and sustaining quality through academics, the unit got accreditation from the National Board of Examinations for DNB (Diplomate of National Board) in the specialities of Respiratory Diseases and Genito-urinary Surgery. A certificate programme for dialysis technicians was also launched in affiliation with the Jadavpur

University. In addition to the specialised nursing courses launched last year for Critical Care and Oncology Care, the unit started a course on Operation Theatre (OT) nursing this year.

The hospital has been recognised for the second time in a row by The Week – A. C. Nielsen Survey 2014, as a Star Hospital of the East. The unit was feted with the Energy Efficient Unit Award 2014 by CII at the National Awards for Excellence in Energy Management.

Fortis Hospital & Kidney Institute, Kolkata

Fortis Hospital & Kidney Institute (FHKI) has established itself as a Centre of Excellence in Urology and Nephrology in Eastern India. The institute is regarded as a pioneer in the treatment of complex conditions and is especially known for stone management, kidney transplants and laser surgeries.

The hospital has successfully treated 22,329 renal stone cases since its inception and conducted over 386 kidney transplants. In the Financial Year 2014-15, FHKI recorded a 71% growth in kidney transplants, as compared to FY 2013-14.

In an endeavour to consistently enhance its medical programmes, FHKI launched sub-speciality clinics in the areas of Uro-Gynaecology and Uro-Oncology. To further enhance patient satisfaction and improve service quality, the hospital has been actively implementing and monitoring the Fortis Operating System, the Fortis-wide standard in operations.

Chennai Cluster

FORTIS MALAR HOSPITAL, CHENNAI, HAS CARVED A NICHE FOR ITSELF AS A PREMIER HEALTHCARE INSTITUTION IN THE CHENNAI REGION. FORTIS HEALTHCARE'S



PRESENCE IN THE METRO WILL BE FURTHER AUGMENTED AFTER THE LAUNCH OF FORTIS HOSPITAL, ARCOT ROAD.

Fortis Malar Hospital, Chennai

Fortis Malar Hospital has established itself as a leading multi super-speciality hospital in Chennai providing comprehensive medical care in the areas of Cardiology, Cardiothoracic Surgery, Neurology, Neurosurgery, Orthopaedics, Nephrology, Gynaecology, Gastroenterology, Urology, Paediatrics and Diabetology. Fortis Malar performed its first interstate heart transplant during the year under review. The hospital was ranked the third Best Multi-speciality Hospital in Chennai by The Week – A. C. Neilsen Survey, 2014.

The hospital launched the Fortis Centre for Heart Failure and Transplant in May 2014, reinforcing the facility's standing as a pioneer and leader in tertiary and cardiac

care. The team, under the leadership of Dr K. R. Balakrishnan, is credited with having performed India's first paediatric heart transplant on an overseas patient. The year saw over 20 successful heart transplants on patients from various countries and States enabled by a green corridor. The centre also performed India's first inter-state heart and lung transplant, underscoring its world-class capabilities.

During the year, the hospital renovated and launched a modern and technology-driven Fortis SMART OPD in an effort to provide cutting-edge services to the patients. Fortis Malar Hospital also launched a dedicated Centre for "Metabolic Disease and Metabolic Surgery". The hospital expanded its horizon of services to the people of Dibrugarh, Assam, with the launch of a telemedicine centre, enabling long-distance consultation with super specialists from the hospital.

PROJECT LAKSHYA

Patient Care

Delivering top quality patient-centric care in order to drive higher levels of patient satisfaction forms the very foundation and basis of our existence. The spirit of 'kaizen' or continuous improvement (in patient satisfaction) forms the hallmark of the Lakshya Patient Care pillar.

As part of our emphasis on intricately understanding what our patients seek and feel, we conducted a comprehensive patient survey with Nielsen Corporation. The survey enabled us to identify key patient insights, and consequently contributed to the development of specific programmes to address and build on these areas. In line with the findings of the survey, we embarked on an ambitious plan to reinforce "Athithi Devo Bhava: My guest...my responsibility" in the minds of our employees.



A key theme of the Lakshya Patient Care pillar is effectively communicating with patients and their attendants. We have institutionalised a process of keeping attendants informed of the patient's condition in structured intervals during surgery at OTs.

Additionally, a process has been implemented to keep attendants informed of the patient's condition and line of treatment on a daily basis while admitted at the ICU. A core feature of both these initiatives is a structured approach towards capturing patient feedback and monitoring patient satisfaction indices.

The Company acknowledges the need for multi-disciplinary intervention for complex cases in order to enhance clinical care and improve patient confidence. As a result, we have established a programme to engage appropriate multi-disciplinary teams of clinicians to review the line of

treatment in collaboration with patients.

Consistently abiding by timelines for discharge and ensuring billing transparency are some of the other key features which impact patient satisfaction. This year, we have executed initiatives which aim to ensure that time taken to discharge a patient from the time of the doctor's written discharge order is within prescribed limits. Similarly, an initiative has been implemented to ensure that the gap between the first estimate provided and the final bill in the case of surgical patients is within prescribed limits. As part of these initiatives, we have designed special patient feedback forms and have set up dedicated teams to monitor and drive continuous improvement.

In order to improve service quality at our Outpatient Departments (OPD) at our hospitals, we are implementing a process dedicated to reduce patient

waiting times. This is being done through innovative mechanisms including the tracking of patient feedback at OPD billing points, monitoring and reviewing the data generated and driving continuous improvement.

For each of these initiatives, the desired success measure will be an improvement in patient satisfaction year on year.

Clinical Excellence

Fortis is particularly focused on enriching its medical core and delivering higher clinical quality. The Lakshya Clinical Excellence pillar goes beyond the traditional hospital focus on creation of comprehensive clinical programmes and specialities, and achievement of adequate volumes of surgeries/procedures. We understand that monitoring and benchmarking of clinical outcomes, creation of quality and audit systems, and an emphasis on academics and



research are the key building blocks towards achieving the next level of clinical care and excellence.

This year, we embarked on a slew of 'firsts' in the Indian healthcare delivery space. To focus on achieving consistently superior clinical outcomes, we developed and implemented a comprehensive programme which measures, monitors, reviews and drives continuous improvement of clinical outcomes in key procedures. Following the success of the programme across three key procedures, we have expanded the scope to cover nine procedures.

We have also started standardisation and the implementation of network wide clinical pathways in order to drive better clinical outcomes. These pathways aim to institutionalise best practices in clinical care.

Our unyielding focus on patient safety

has led to the development of a Clinical Excellence Scorecard which has clearly defined standards for 18 clinical quality and patient safety measures.

Each of these initiatives has a well-defined and structured accountability matrix. National Leads, Regional Medical Directors, and Unit Medical Superintendents have been appointed for each of these initiatives. Additionally, each initiative has clearly laid out processes to ensure comprehensive capture of data, followed by validation and auditing of data to ensure authenticity. Periodic review mechanisms are in place in order to drive continuous improvement.

Talent Engagement

Engaging talent effectively will be a critical catalyst in the success of our organisation. We believe that the creation of lasting value and the

delivery of superior experience for our patients cannot be realised without optimising employee potential.

The Lakshya Talent Engagement pillar is a testament to this belief and seeks to create a high performance meritocratic culture at Fortis. As part of this pillar, multiple initiatives were launched this year, centred on deployment of fair and transparent HR systems and processes. These have been directed at bringing about a sharp focus on continuous improvement in productivity, creation and communication of a strong employee value proposition and employer brand.

This year, we set up the Fortis Leadership School of Excellence (LSE) and conducted a comprehensive 10 day programme which was attended by senior management, regional team members and facility directors. The programme focused on enhancing leadership capability, aligning



organisation direction and enhancing business acumen.

Career management was a key focus area and a number of initiatives have been developed to create opportunities for medical talent and nurses, identify and nurture high potential talent, develop a functional competency framework, and establish a robust plan for succession.

Another theme is centred on employee rewards and recognition. The organisation is working towards standardising policies on monetary and non-monetary benefits in order to reinforce equity, fair play and improve employee satisfaction.

As part of improving productivity and ensuring a control on costs, enforcement of manpower norms was identified as a key focus area. Accordingly, we have developed manning norms as per employee type, and have institutionalised a regular

tracking mechanism to monitor compliance with these norms.

Yet another key theme has been the designing of a framework to communicate and reinforce a Performance Management System (PMS). As part of this, structured training for appraisers has been instituted, and regional committees have been set up for conducting reviews.

Put together, these initiatives form the core of our ambitious plan to be a preferred employer brand and rank amongst the Top 20 Best Employers in India.

Investor Confidence

The Investor Confidence Lakshya pillar seeks to build and sustain a fair financial valuation for Fortis Healthcare. We believe that enhancing investor confidence in our organisation will be a critical corner stone of our success.

This year, we invested extra efforts in aligning strategic focus with the investor community in communicating our clear and consistent India centric performance focus.

Additionally, the Company identified key business levers and undertook specific initiatives that increased operational efficiency and drove financial performance. Enabling investors and the capital markets to better understand these value creation metrics of the Company is one of the key elements of this Lakshya pillar.

Accordingly, the Company ramped up its communication and engagement touch points with the investor community, and proactively shared its strategy and value additive levers, plans and performance. The increase in the number and quality of these touch points have contributed to the building and enhancement of trust with the investor community.



Community Connect

A key barometer of the success of our organisation is the development of engaged and responsive communities where our hospitals operate. The Lakshya Community Connect pillar aims to develop deeper connections with the community. Our hospitals will catalyse this engagement and play a positive and responsible role by conducting programmes that are of relevance to the local community and also contribute to the resolution of issues that come in the way of enriching community life.

This year, we decided to create a nationwide blood donation registry with the aim of ensuring availability of blood for any patient, anytime, anywhere across India. The registry has started enrolling blood donation volunteers and has already achieved critical numbers. Once implemented, the registry will be used to contact members in the event of a blood requirement. Response to call outs,

turnaround times and percentage of conversion will be the outcome measures to indicate the success of this initiative.

We have also set upon ourselves an ambitious goal to develop a nationwide organ donation registry. We will seek to not only raise awareness on organ donation, but also become an exchange for information for individuals who need an organ transplant. This initiative will involve the establishment of a central repository of people who pledge to donate their organs. There will be regular health talks on organ donation across identified communities, and a creation of a Wall of Fame within every facility for people who have donated their organs.

Our successful partnership with the Global Dignity Organisation has convinced us that the positive impact of Global Dignity workshops should be replicated throughout the Country. These innovative workshops

project the universal right of every human being to lead a dignified life by chronicling and amplifying stories of student dignity in schools. As part of Lakshya, all our units will conduct workshops on Global Dignity across schools and will encourage volunteers to serve as 'Dignity Facilitators'.

At Fortis, we firmly believe that a focus on health should start early in one's life. As part of this belief, we have started a programme wherein our hospitals regularly engage with neighbourhood schools. Through this initiative, each hospital will build relationships with schools in its neighbourhood and will develop a calendar of activities for engagement. The engagement will be led by a team of doctors who will help to develop health scorecards, design activities with a focus on student health – particularly on spine, mental health, and nutrition (obesity). They will also develop informative Health Bulletin Boards on the subject to educate



school children on these emerging health problems.

Another key theme of this Lakshya pillar is to empower community members with life-saving skills. As part of this initiative, Fortis units will impart Cardiopulmonary Resuscitation (CPR) training and certification to volunteer groups. The initiative will start off with individuals who are the first port of call (traffic police, security guards etc.), followed by community volunteers.

The Lakshya programme provides the necessary focus and impetus for us as an organisation to build upon our strengths and core areas, ensuring that we consolidate our position of leadership in the healthcare space.

CORPORATE FUNCTIONS

Human Resources

As a service organisation with strong emphasis on quality of patient care,

the Human Resources team plays a vital role in ensuring that all our employees are fully engaged, motivated and capable of delivering superior performance at all times. At Fortis, a lot of emphasis is placed on partnering and supporting the business, and creating human resources systems, procedures and a positive environment to enable our people to deliver their best.

The year gone by was a significant one for the Human Resources function. Concrete steps were taken in critical areas like Learning & Development, Leadership Development and Career Management.

The Leadership School of Excellence (LSE), a comprehensive 10-day programme, spread over five months, was conducted for 37 Facility and Zonal Directors. The programme focused on enhancing Leadership Capability, Healthcare Management, Business Acumen and Management

and Business Planning for FY2015. The programme was an outstanding success, with an average participant feedback score of 4.3 out of 5.

Leadership Insights, a 360 degree feedback survey, was initiated in September for the Senior Management Team. This programme was designed to provide leaders with a deeper insight and understanding of their demonstrated leadership behaviours through structured feedback. Each participant had a one-on-one session with an executive coach to determine areas of development and focus. This was followed by a leadership presentation and a group session to analyse the trends emerging from the survey and to identify actionables for the Leadership Team as a whole.

Operational Leadership Programme, a talent pipeline building exercise was initiated for employees across the country in Q3. After the detailed assessment of all shortlisted



candidates through a psychometric test (OPQ), a behavioural event interview (conducted by an external partner) and a panel interview, detailed talent profiles were created and communicated.

Several policies were revised during the year to ensure relevance to current business requirements and incorporate best practices. The leave policy was standardised across Fortis facilities in the country. The recruitment and selection policy was revised and recruiters were familiarised with the changes. The policy and processes related to Performance Management System were comprehensively revised and updated.

A best employer study was launched in association with Aon Hewitt in March. The three part study comprises Business Understanding through Leadership Interviews, People Practices Audit to evaluate business

alignment and Employee Opinion Survey to measure engagement levels. The study will be conducted annually to measure progress on the Lakshya goal of being amongst the top 20 employers in the country by 2017.

The new Oracle-based ERP system is being rolled out in a phased manner across Fortis. The transition to the ERP has been smooth and employees have begun using the employee self-service for basic HR and Finance transactions. Training and on-ground support has been provided to ease the transition to the new system.

Information Technology

The Information Technology function continued to make strategic investments while progressing substantially on its plan to transform itself into a source of competitive advantage for the organisation.

Project F1, the Company's initiative

to enable a robust decision support system and deliver a common, scalable and replicable platform for Finance, HR and Supply Chain, progressed as planned. Project F1 went live in seven key hospitals on February 2, 2015, and is now being rolled out at other units in a phased manner.

A digital prescription solution was implemented in the out-patient departments of 10 hospitals during the year. Effective usage of digital prescriptions will help drive better patient experience and clinical outcomes by maintaining an electronic history of prior consultations and reports. In turn, this will enable the Company to provide our customers with anytime, anywhere access to their prescriptions.

The Company implemented a central Vendor Neutral Archive (VNA) at all hospitals where Picture Archival and Communication Systems (PACS)



are in use. With the VNA in place, all diagnostic images captured in the PACS and the linked reports of our patients are now available in the central VNA. This will serve as a basis to enhance patient experience with anytime, anywhere, any device access to diagnostic images and reports. It will also positively impact clinical quality and outcomes by enabling the reports to be reviewed remotely by specialists during emergencies. More importantly, it will lay the foundation for enhancing efficiency and productivity of our radiologists.

During the year, the Company was recognised for implementing transformational and path-breaking approaches to the use of technology. It was felicitated with the coveted ICONIC IDC Insight Award in Healthcare by IDC Asia, a leading global research and analyst firm. The Company also received the eGovCloud Award from ELETS, presented by the

Secretary, Department of Electronics and Information Technology.

Projects

During the year, the Projects function completed work at several Fortis facilities, including Fortis Hospital, Arcot Road, Chennai and Fortis La Femme, Bengaluru.

Fortis Hospital, Arcot Road, is a multi-speciality hospital with a built-up area of approximately 1.7 lakh square feet. The facility houses state-of-the-art medical equipment such as Magnetic Resonance Imaging (MRI) scanner and Catheterisation Lab among others, required for complex Cardiac, Orthopaedic and Neurological investigations. The facility is ready for launch.

Fortis La Femme, Bengaluru, is a standalone Mother and Child centre with a built-up area of approximately 0.75 lakh square feet. The facility offers programmes like Obstetrics

and Gynaecology, IVF, Mamma Mia and preventive health check-up. This facility, too, is ready for launch.

The Projects function also completed bed additions in Fortis Escorts, Jaipur. The team is currently engaged in the design and construction of an additional tower at Fortis Hospital, Bannerghatta Road, Bengaluru. The construction is spread across approximately 2.4 lakh square feet. This includes a 10,000 square foot space for Linac and Brachy bunkers. Another high-end standalone Mother and Child hospital is under construction in Ludhiana with a built-up area of approximately 1.25 lakh square feet.

Medical Strategy & Operations Group

Encouraged by the successful implementation of Clinical Outcomes Reporting in the areas of Coronary Artery Bypass Grafting (CABG),



Percutaneous Transluminal Coronary Angioplasty (PTCA) and Total Knee Replacement (TKR), the Medical Strategy & Operations Group (MSOG) additionally included Radiation Oncology in the list of procedures being monitored across Fortis. A successful pilot was conducted at the Fortis Memorial Research Institute prior to the inclusion.

The Anti-Microbial Stewardship (AMS) Programme was further consolidated through the launch of an AMS Mobile App at 12 hospitals. The Annual Infection Control Conclave, a forum where leading subject matter experts brainstorm and decide Fortis Healthcare's policy on infection prevention and control, was held at Gurgaon. During the year, the Regional Medical Councils were constituted for all the regions.

Fortis was represented at the WHO South East Asian Regional Conference, on Patient Safety in April

2014. Fortis was also represented at the Annual National Forum of the Institute for Healthcare Improvement (IHI), held at Orlando, USA.

On the quality enhancement front, the Quality Improvement Training conducted on Lean methodology saw 41 participants receive the Green Certificate and 21 participants receive the Bronze Certificate. The Quality Improvement Project on Lean Methodology was successfully completed by 21 hospitals. More than 150 participants attended the Medication Safety training workshops, conducted in partnership with pharmaceutical major Sanofi, across five locations.

To enable a stronger engagement with the clinical fraternity, six Clinical Induction Sessions were carried out. This apart, an initiative for the Standardisation of the Medical Procedure Master was launched as part of Project F1.

A dedicated Clinical Pathway was designed and successfully implemented for Acute Neurological Stroke as well as for Acute Myocardial Infarction. Clinical pathways for various other specialities are on the anvil.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting here the Nineteenth Annual Report of your Company alongwith the Audited Standalone and Consolidated Financial Accounts and the Auditors' Report thereon for the Year ended March 31, 2015.

FINANCIAL RESULTS

The highlights of Consolidated Financial Results of your Company and its Subsidiaries are as follows:

[` in Million]

Particulars	Consolidated	
	Year ended March 31, 2015	Year ended March 31, 2014
<i>Continuing Operations</i>		
Operating Income	39,658.62	34,918.81
Other Income	958.32	1,673.76
Total Income	40,616.94	36,592.57
Total Expenditure	38,352.23	34,397.71
Operating Profit	2,264.71	2,194.86
Less: Finance Charges, Depreciation & Amortization	3,863.41	4,329.98
Loss before exceptional items and tax	(1,598.70)	(2,135.12)
Exceptional items	3.32	(51.26)
Loss before tax	(1,595.38)	(2,186.38)
Less: Tax Expenses	45.31	106.63
Net Profit for the year	(1,640.69)	(2,293.01)
Profits/ (Losses) attributable to minority interest	(138.72)	(6.55)
Share in profits of associate companies	593.33	111.41
Profit/ (Loss) for the year from continuing operations (A)	(1,186.08)	(2,188.15)

[` in Million]

Particulars	Consolidated	
	Year ended March 31, 2015	Year ended March 31, 2014
<i>Discontinuing Operations</i>		
Profit/ (Loss) before tax from discontinuing operations	(237.45)	3,617.89
Tax expense of discontinuing operations	17.25	158.41
Profit/ (Loss) after tax and before minority interest from discontinuing operations	(254.70)	3,459.48
Share in profits/ (losses) of associate companies	2.50	(2.85)
Profits/ (losses) attributable to minority interest	1.29	(43.06)
Profit for the year from discontinuing operations (B)	(250.91)	3,413.57
Profit for the year (A+B)	(1,436.99)	1,225.42

The highlights of financial results of your Company as a Standalone entity are as follows:

[` in Million]

Particulars	Standalone	
	Year ended March 31, 2015	Year ended March 31, 2014
Operating Income	6,106.41	3,689.08
Other Income	2,179.12	2,296.38
Total Income	8,285.53	5,985.46
Total Expenditure	7,593.14	4,493.35
Operating Profit	692.39	1,492.11
Less: Finance Charges and Depreciation	1,077.67	1,077.80
Profit/ (loss) before exceptional items and tax	(385.28)	414.31
Exceptional items	26.54	-
Profit/ (loss) before tax	(358.74)	414.31
Less: Tax Expenses	(19.69)	174.36
Net Profit for the year	(339.05)	239.95

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

For the Financial Year 2014-15, the Company recorded audited consolidated operating income from continuing operations of ` 39,659 Million, a growth of 14% over the previous year operating income of ` 34,919 Million. However, including the revenue from the discontinued operations i.e. Fortis Surgical Hospital and RadLink Asia, Singapore of

` 1,742 Million, overall revenues for the Company stood at ` 41,401 Million compared to ` 47,593 Million in Financial Year 2013-14.

Consolidated total income (including other income) from the continuing operations for the Financial Year 2014-15 was at ` 40,617 Million compared to ` 36,593 Million in the previous year. Operating profit for the year stood at ` 2,265 Million compared to ` 2,195 Million in the previous year. The Net Profit after Tax but before Profits attributable to Minority Interest and Share in the profits of Associates for the continuing operations stood at ` (1,641) Million as against ` (2,293) Million for the corresponding previous year. The Net Profit after Tax but before Profits attributable to Minority Interest and Share in the profits of Associates from discontinued operations stood at ` (255) Million as against ` 3,459 Million for the corresponding previous year. The Net profit for the year (including both continuing and discontinuing operations) was ` (1,437) Million against ` 1,225 Million in the previous year.

Your Company continues to endeavor to offer high quality affordable healthcare services to its patients & the general public. It has, during the year, commissioned a number of new medical programs and specialties in various facilities & has made considerable progress in strengthening its medical offerings in Oncology, Gastroenterology & Hepatobiliary science, Sports Orthopedics & Arthroscopy, integrated orthopedics & Spine and dermatology & cosmetology. With steadfast focus on patient centricity & clinical excellence your Company strives to bridge the huge demand-supply gap prevalent in healthcare delivery services in the country & continues to undertake a number of growth & development ambitions across the organisation.

As of March 31, 2015, the healthcare verticals of the Company primarily comprise day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2015, the Company had a network of 54 healthcare facilities (including projects under development), with approximately 4,700 operational beds and the potential to reach over 9,000 beds. In India, the Company is one of the largest private healthcare chains comprising a network of 52 healthcare facilities, including 32 operating facilities,

14 satellite and heart command centres located in public and private hospitals and 6 healthcare facility projects which are under development or are greenfield land sites. In addition, its Indian diagnostics business has a presence in over 450 cities and towns, with an established strength of 264 laboratories including 131 self-operated laboratories, 27 laboratories located in Fortis healthcare facilities, 21 wellness centres and 3 international laboratories. It also has over 6,400 collection points, which includes 68 collection centers that are owned and 59 collection centres at locations outside India. Your Company is driven by the vision of becoming a global leader in the integrated healthcare delivery space and the larger purpose of saving and enriching lives through clinical excellence.

Further, there are no significant material order passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations and there is no change in the nature of the business of the Company.

DIVIDEND AND TRANSFER TO RESERVES

Keeping in view the losses for the year under review, the Board of Directors of your Company has not recommended any dividend for the Financial Year 2014-15. Accordingly, there has been no transfer to general reserves.

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR 2014-15 AND THE DATE OF THE REPORT

- SRL Reach Limited became a wholly owned subsidiary of SRL Limited w.e.f. May 1, 2015.
- The Company (through its step down subsidiary Fortis Healthcare International Pte. Ltd) has sold its entire equity stake in Fortis Healthcare Singapore Pte Ltd for a total consideration of SGD 55 Million in April 2015.
- The Company (through its step down subsidiary Fortis Healthcare International Pte. Ltd) has sold its entire equity stake in Radlink Asia Pte Ltd and its subsidiaries for a total consideration of SGD 111 Million in May 2015.

- As per the agreed issue terms, the Company has redeemed on due date the outstanding USD 100 million 5% Foreign Currency Convertible Bonds (FCCBs) listed on Luxembourg Stock Exchange.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DETAILS OF SUBSIDIARY/ JOINT VENTURES/ASSOCIATE COMPANIES

During the year under review:

- Fortis Healthcare Australia Pty Ltd, one of the step-down subsidiary of the Company has been deregistered w.e.f. October 22, 2014;
- Fortis Hospitals Limited, one of the subsidiary of the Company has acquired the entire shareholding of M/s. Birdie & Birdie Realtors Private Limited (w.e.f. May 6, 2014) together with the possession and full control of the entire assets and properties of the said company having a total enterprise value of the of ₹ 250 crore, making it a step down subsidiary of your Company; and
- The Company has incorporated one subsidiary viz. Fortis CSR Foundation on September 22, 2014 to undertake CSR activities as specified in Schedule VII to Companies Act, 2013.

During the year under review the following subsidiaries of the Company have changed their names:

S. No.	Old name	New Name
1.	Fortis Health Management (West) Limited	Fortis La Femme Limited
2.	Fortis Health Management (South) Limited	Fortis Cancer Care Limited

Further note that your Board of Directors have adopted a policy for determining "material subsidiary" pursuant to Clause 49 V D of Listing Agreement entered with Stock Exchanges. The said policy is available at http://cdn.fortishealthcare.com/pdf/Policy_on_material_nonlisted_company.pdf.

In terms of the said policy, Fortis Hospitals Limited (FHL) is considered as a Material Subsidiary and accordingly all necessary compliances have been carried out including but not limited to appointment of Independent Director from the Board of Fortis Healthcare Limited on the Board of FHL.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable accounting standards, issued by the Institute of Chartered Accountants of India, forms part of the Annual Report. In terms of the Section 136 of the Companies Act, 2013, financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and said annual accounts will also be kept open for inspection at the registered office of the Company and that of subsidiary. Performance and financial position of each of Subsidiaries, Associates and Joint Ventures included in the Consolidated Financial Statements of the Company is annexed herewith as Annexure-I in the prescribed format (Form AOC-1).

LOANS/ADVANCES/INVESTMENTS

Particulars of Loans/Advances/Investments given and outstanding during the Financial Year 2014-15 are mentioned in Notes to Financial Statements.

PUBLIC DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public, pursuant to the provisions of Section 73 of the Companies Act, 2013 read with Companies

Acceptance of Deposit) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

AUDITORS

Statutory Auditors

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of your Company, will retire at the conclusion of the ensuing Annual General Meeting. It is proposed to appoint M/s. Deloitte Haskins & Sells LLP as Statutory Auditors of the Company for a period of 5 years.

The Company has received a letter dated July 28, 2015 from them to the effect that their appointment, if made, would be within the limit prescribed under Section 139 of Companies Act, 2013, and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Act.

Based on the recommendations of the Audit and Risk Management Committee, the Board of Directors of the Company proposes the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company at the ensuing Annual General Meeting of the Company.

The existing Statutory Auditors have, in their report to the Board of Directors on the Financial Statements of the Company made the following comments which are self explanatory and are categorised as “Matter of emphasis”, hence no comments in this regard has been offered by your Board of Directors:

- (a) Attention is drawn to Note 12(i) and (ii) and 11(A) & (B) to the consolidated financial statements regarding matters relating to tax demands and termination of certain land leases allotted by Delhi Development Authority (DDA) respectively against one of the subsidiaries (“Escorts Heart Institute and Research Centre Limited”) more fully described therein. Based on the advice given by the external legal counsel, no provision /adjustment has been considered necessary by the Group in this regard in the consolidated financial statements. Our opinion is not qualified in respect of these matters.

- (b) Attention is drawn to Note 11(C) to the consolidated financial statements regarding non-compliance with the order of Hon’ble High Court of Delhi in relation to provision of free treatment/ beds to poor by one of the subsidiaries (“Escorts Heart Institute and Research Centre Limited”) more fully described therein. Based on legal opinion, no provision/ adjustment has been considered necessary by the Group in this regard in the consolidated financial statements. Our opinion is not qualified in respect of this matter.

- (c) Attention is drawn to Note 11(D) to the consolidated financial statements, relating to the order of Navi Mumbai Municipal Corporation (NMMC), received by one of the subsidiaries (“Hiranandani Healthcare Private Limited”), concerning alleged contravention of the provisions of Bombay Nursing Home Registration (Amended) Act, 2005 and more fully described therein. Based on the advice given by the external legal counsel, no provision/ adjustment has been considered necessary by the Group in this regard in the consolidated financial statements. Our opinion is not qualified in respect of this matter.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its hospital activity is required to be audited. Your Directors had, on the recommendation of the Audit and Risk Management Committee, appointed M/s. Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of the Company for the Financial Year 2014-15 at a remuneration of ₹ 2.30 lac (plus out of pocket expenses and taxes). As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member’s ratification for the remuneration payable to M/s Jitender, Navneet & Co., Cost Auditors is included at Item No. 7 of the Notice convening the Annual General Meeting.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Dr. K. R. Chandratre, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure II".

The Secretarial Auditor in his report to the Board of Directors of the Company made the following comments:

"The company has paid remuneration of ₹ 5,32,43,061 to Mr. Malvinder Mohan Singh, Chairman & Whole time Director, without the prior approval of Central Government and an application for approval made to the Central Government is pending."

Management Comments:-

The Company has applied to the Central Government for variation in remuneration of Mr. Malvinder Mohan Singh, Executive Chairman for the Financial Year 2014-15 and 2015-16. The Nomination and Remuneration Committee of the Company has approved payment of remuneration subject to/ pending Central Government's approval. In line with provisions of Companies Act, 2013, Mr. Malvinder Mohan Singh has given an undertaking that in case Company doesn't receive Central Government approval or if approval is accorded for a lesser amount he would be refunding back the excess to the Company.

Internal Auditors

Upon the recommendation of the Audit and Risk Management Committee, the Board of Directors has appointed Mr. Rajiv Puri, Head Risk and Internal Audit as the Chief Internal Auditor of the Company and authorized him to engage independent firms for conducting the internal audit for the Financial Year 2014-15. Accordingly, M/s. Axis Risk Consulting Services Private Limited, KPMG and Pricewaterhousecoopers Private Limited were engaged to perform Internal Audit for the Company.

CAPITAL STRUCTURE/STOCK OPTION

The Company currently manages its stock options through "Employee Stock Option Plan 2007" and "Employee Stock Option Plan 2011" ("Schemes") as approved by the shareholders. The Nomination and Remuneration Committee of the Board of Directors of the Company, *inter alia*, administers and monitors the Schemes of the Company. Each option when exercised would be converted into one fully paid up equity share of ₹ 10 each of the Company. During the year under review, 2,40,000 options were granted by the Company under ESOP 2011. Further, another grant of 1,00,000 stock options have been made under ESOP 2011 in the Financial Year 2015-16, till date. Disclosure pursuant to the securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the year ended March 31, 2015 is available at http://www.cdn.fortishealthcare.com/0.90949600_1439359342_ESOP-Disclosure_2014-15.pdf and forms part of this Directors Report.

During the year under review, under the terms of the "Employee Stock Option Plan 2007", 21,500 stock options were exercised and the Company has allotted 19,100 equity shares of ₹ 10 each till March 31, 2015. The balance 2400 stock options were allotted during the Financial Year 2015-16.

The certificate from the Statutory Auditors of the Company stating that the Schemes have been implemented in accordance with the SEBI Guidelines would be placed at the Annual General Meeting for inspection by members.

The Company has not made any provision of money for purchase of, or subscription for, its own shares or of its holding Company.

Details pertaining to shares in suspense account are specified in the report of Corporate Governance forming part of the Board Report.

Extract of Annual Return is annexed herewith as Annexure III.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Particulars required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of

“The Companies (Accounts) Rules, 2014”, regarding Conservation of Energy and Technology Absorption, is given in Annexure IV, forming part of the Board Report. Further, details pertaining to Foreign Exchange Earnings and Outgo forms part of the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY

I Ethos – As a Social Enterprise

The concept of public service is deeply embedded in the very fabric of Fortis since its inception and is enshrined in the words of our founding Chairman Dr. Parvinder Singh whose vision was, ‘to create a world class integrated healthcare delivery system, entailing the finest medical skills combined with compassionate patient care’. There can be no larger calling or purer intent than to serve mankind and alleviate human suffering. We are indeed fortunate that this philosophy is so entwined and fundamental to the very nature of our business of healthcare.

Community service is therefore not new to us. Ever since Fortis was set up in 2001, we have continually endeavored to provide access to quality healthcare for all. While the story of India’s economic growth is remarkable, equally obvious are its socio-economic problems such as poverty, illiteracy and the lack of healthcare. As a company focused on healthcare we believe we can play a role in bridging the gap between the privileged and the less privileged to make a profound impact on the well-being of the community. In order to do this in a sustainable manner, we have created a robust model of corporatized healthcare that is self-sufficient, viable and for-profit, such that while we serve the interests of our stakeholders, we do it in a manner that also furthers a social need.

II An Enabling Social Enterprise Model

Corporate Social Responsibility efforts at Fortis are varied and leverage our core competencies and experience (organizational and that of the people who we employ) linked to healthcare and seek to provide access to those who need it the most and at a significantly reduced / subsidized cost. We also support awareness

campaigns, provide facilities for the aged, organize health camps, and have instituted a number of healthcare training programs’ and patient support groups. Our social responsibility programs’ are implemented through the Fortis Charitable Foundation (FCF). At a macro level if one looks back at the last decade of our work we are proud to have contributed towards:

a. Building Competencies and Capacity

Our contributions have been directed at creating and building competencies and capacity in the healthcare space in the country. This is particularly noteworthy in an era of tremendous shortages. Establishing a network of large hospitals across the country, we have been instrumental in providing an environment conducive for medical work and have successfully created an ecosystem where many healthcare professionals have found it possible to pursue their career aspirations and even more importantly for those who had gone overseas for lack of adequate opportunities to return to the country. This brain gain and reverse flow of talent has also led to global learning’s and best practices being applied locally. Equally, our experts have enjoyed the satisfaction of working on cutting edge technologies and performing the latest procedures back home in their own country.

Having created such platforms for knowledge exchange, Fortis has become the training ground for many of the country’s finest doctors, nurses, medics, paramedics and hospital support staff. They continue to carry on the good work, today in virtually every nook and corner of the country, providing medical care to an ever-growing population. Changing society in a very profound way and making it healthier.

b. Partnerships for Social change

Fortis has been conceived with the mission of bringing the fruits of modern healthcare to an ever widening population base in the

country. A healthier population has direct linkages to productivity gains, the state of the economy and to a society that is better off as a result. Scalability and accelerating this positive change in an environment which offers tremendous headroom for further improvement therefore is crucial to our game-plan. With this in mind we have been busy creating a network of like-minded partners who are possessed with a similar mission of bettering the health status of our fellow countrymen. These linkages are vital. Our ecosystem today is much enlarged and we hope this will create a multiplier effect as industry bodies like NATHEALTH through which we have been able to enlist the support of numerous pharmaceutical companies, diagnostic firms and medical equipment manufacturers join our common efforts to improve overall health and provide succor to the needy.

c. **Industry Standards and Protocols**

On the clinical side with a view to setting benchmarks and improving healthcare delivery we have pushed for JCI accreditations at many of the Fortis hospitals so that medical facilities, protocols and outcome expectations can be standardized and benchmarked with the best available globally. Our work process, protocols and standards of care and patient experience set the benchmark and spur many other aspiring medical establishments in the country to upgrade, emulate and adopt, the standards, lifting the state of the industry as a whole.

THE JOURNEY SO FAR - A SOCIALLY RESPONSIBLE ENTERPRISE

At a more granular level Fortis is a forerunner in supporting and promoting social charitable healthcare. Over the past decade, we have established ourselves as an institution dedicated not only to high quality treatment but to capacity building and dissemination of medical information, supporting a range of stakeholders. Our work has enabled us to mobilize resources,

provide guidance, set protocols and standards and above all lead the way as a healthcare provider.

As we pioneer the development of corporatized healthcare delivery models we are also acutely aware of our position as a member of society and in this regard have continuously driven programs and initiatives leading social awareness and change. While all of these initiatives are difficult to mention some core areas include:

MOTHER AND CHILD

Fortis aims to contribute towards a “healthy Nation through healthy youngsters” who will be the future of tomorrow. Our programs have focused on the health of the **Mother & Child**.

Amongst our numerous mother and child programs, a few deserve special attention.

Under our Congenital Heart Disease program, Fortis has collaborated with multiple partners, conducting over 4500 surgeries for children born with congenital heart defects. This transformative intervention provided children the chance to lead a normal life. The Fortis Foundation has also committed to support **Operation Smile**, another initiative in transformative intervention for children who are born with a cleft lip/palate. The support helps provides a normal life post corrective surgery to many such children born with this deformity. Our Program focusing on children also provides new hope to children with **Epilepsy**, which otherwise is a huge deterrent in their day-to-day lives. These surgeries give them a chance to lead normal lives, allowing them to be a part of society without fear of epileptic attacks.

WOMEN

Fortis believes that gender is one of the critical determinants for societal health and well-being. With that outlook, we prioritize women's empowerment and capacity building at all our centers.

Our focus is provision of medical support for survivors of violence and addressing their mental health. To this end our effort is to help acid attack victims. The treatment is a long

drawn process that runs into years given the protracted multiple surgeries & laser sittings required for a survivor. Apart from the surgical intervention, the most important part of the treatment is psychological support to the victims and carving a pathway for rehabilitation, through partners, that allows them financial independence & a place in society for the future.

In keeping with the same Fortis was a sponsor for an year- long radio campaign “Fever Voice of Change” on different concerns related to women, including acid attack, in partnership with an FM Channel “fever 104” with John Abraham as the campaign ambassador.

DISASTER RELIEF

A core area of commitment at Fortis, is providing emergency medical relief services to people in disaster hit areas. Every Fortis facility has a 5 member Disaster Response team (DRT) and over 500 employees have registered as volunteers.

In the past we have been present to support relief efforts during the Fire in Masoodpur Slums in Vasant Kunj, the Floods in Uttarakhand, the Leh Flash Floods in 2010 and the Bihar Floods in 2008.

In the recent past, 50 volunteers comprising of Doctors, Nurses, Paramedics and Administration staff went to Srinagar and its surrounding areas in 2014 for a month, to provide assistance to people affected by the floods. Fortis Foundation extended not only the medical support, but also essentials like warm clothes, blankets, food, etc. to protect those affected.

Similarly after the Nepal earthquake in 2015, our team of 24 medical professionals spent 10 days providing medical aid to over 5000 people.

HEALTHCARE INFRASTRUCTURE

Fortis believes in sharing its experience and learning's in promoting the sustainability of public charitable medical infrastructure. Our support to such facilities is a responsibility we own as a healthcare leader. This support helps sustain the charitable infrastructures. In the

absence of such guidance and assistance, it could collapse at the cost of their target audience who needs it the most i.e. individuals at the bottom of the pyramid.

In this effort Fortis has been actively collaborating with a reputed Charitable Institution by helping it streamline and run its laboratory facilities. This support has helped in improving its efficiency and releasing critical resources to support patient facing efforts. This support helps the above 3 Lac patients who visit this facility annually and receive free treatment.

In addition, we collaborate and support in the running of charitable OPD clinics in Jaipur and Amritsar allowing for existing infrastructure to be better leveraged and sustained.

As part of the current National Focus, Fortis Foundation sponsored the construction of a 100 toilets, supporting an initiative by the “World Toilet Organization” (WTO), a Singapore based not for profit company. It is also the knowledge partner of “Care Today Fund”, the CSR initiative by the India Today Group. The aim being to help socially relegated people, especially women, in India who had no access to toilets. Construction of 200 toilets is also being executed through “Nanhi Chaa” foundation in Himachal Pradesh and other select areas.

SPECIAL LIVES

Fortis Foundation has, over the years, sponsored many critical surgeries for under privileged and in doing so has transformed their lives. While difficult to mention all a few highlighted cases are:

Keshav Prashar, a 5½ years old child, needed three different Chemotherapy protocols and a surgery. To save his life he needed an allogeneic Bone Marrow Transplant from his father followed by radiation. Fortis Foundation sponsored his entire treatment.

Yohan, a 7 year old boy, had a condition of undescended testicles from the time of his birth. He needed surgeries and was brought in by an NGO, “Human dreams (India) family home” for abandoned children. The first corrective surgery took place in July, 2014 at FMRI, Gurgaon.

Hiralal, from Maharashtra, belongs to an economically weaker section of society. He could not afford the cost of a heart transplant. Fortis Malar, Chennai sponsored his transplant.

Baby Prateeksha was abandoned at the door steps of an NGO by her biological mother the day she was born. Prateeksha had multiple complications, apart from congenital heart defect (CHD). The doctors at FMRI stabilised the baby over a period of 2 weeks at the hospital. Her heart surgery will be supported under the Little Hearts Program.

The Fortis foundation is a key partner in the **Cancerthon**, a joint initiative by Fortis Healthcare, NDTV & ICS. We are committed to supporting the government in their cause to fight cancer among young Indians.

AWARENESS AND COMMUNICATION

Fortis believes that generating awareness and disseminating health information at every level of society is key to preventing illnesses and increasing knowledge amongst the general population, especially for those who have limited access to information.

Our hospitals and partners focus on health awareness camps all over India. Our pamphlets focusing on different diseases are distributed freely and our 'Sunday Conversations' are aimed at discussing the different aspects of healthcare.

Under 'The Global Dignity – India' Program we aim to promote the message of dignity amongst the younger generation. Launched in 2013, Fortis together with its like-minded partners, have reached out to 193 schools, 3241 children & 277 teachers within a short span through sessions held at over 100 schools around India dealing with issues from a healthcare perspective.

Fortis has conducted awareness Programmes for under privileged girls, people from economically weaker sections of society, students, NGO's, Police, Government agencies, cancer patients and a range of others to generate awareness about illnesses and prevention in an attempt at creating a healthier society.

Particulars pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, is given in Annexure V, forming part of the Board Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors had on the recommendation of the Nomination and Remuneration Committee appointed Ms. Lynette Joy Hepburn Brown as Non Executive Independent Director on May 29, 2015 and Mr. Ravi Umesh Mehrotra as Non Executive Non Independent Director & Ms. Shradha Suri Marwah in capacity of Independent Director on March 26, 2015. The Shareholders had at the last Annual General Meeting of the Company held on September 24, 2014 confirmed the appointment of Ms. Lynette Joy Hepburn Brown for a period of five years. Also, the Shareholders vide Postal Ballot dated May 4, 2015 approved the appointment of Mr. Mehrotra and Ms. Shradha as Independent Directors of the Company for a period of five years.

Pursuant to Section 152 of the Companies Act, 2013 read with the Clause 86 of the Articles of Association of your Company, Mr. Harpal Singh, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment. The Board re-commends his re-appointment.

Brief resume of directors seeking appointment and reappointment along with other details as stipulated under Clause 49 of the Listing Agreement, are provided in the Notice for convening the Annual General Meeting.

Mr. Gurcharan Das was liable to retire by rotation in the last Annual General Meeting of the Company held on September 24, 2014. However he offered not to be re-appointed as Director.

All Independent Directors have submitted declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the Financial Year 2014-15, six meetings were held by the Board of Directors. The details of board/committee meetings and the attendance of

Directors are provided in the Corporate Governance Report.

Details of KMP are as under:

Name	Designation
¹ Mr. Shivinder Mohan Singh	Managing Director
² Mr. Aditya Vij	Chief Executive Officer
³ Mr. Gagandeep Singh Bedi	Chief Financial Officer
Mr. Rahul Ranjan	Company Secretary
⁴ Mr. Sandeep Puri	Chief Financial Officer
⁵ Mr. Bhavdeep Singh	Chief Executive Officer

¹ Designated as KMP w.e.f. May 28, 2015 and resigned as KMP w.e.f. August 6, 2015

² Resigned w.e.f. December 31, 2014

³ Designated as KMP w.e.f. September 24, 2014

⁴ Resigned as KMP w.e.f. September 24, 2014

⁵ Appointed as KMP w.e.f. August 6, 2015

Disclosures regarding the following are mentioned in report on Corporate Governance forming part of this report:

1. Number of Board Meetings;
2. Composition of Committee(s) of the Board of Director and other details;
3. Details of establishment of Vigil Mechanism;
4. Details of remuneration paid to all the Directors including Stock options; and
5. Commission received by Managing Director and/or Whole Time Director.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out performance evaluation of its own performance, the directors individually, chairman as well as the evaluation of the working of its Audit and Risk Management Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

The Company had engaged an independent consultant for looking at the best practices prevalent in the industry and advising with respect to evaluation of Board members. On the basis of recommendations of the consultant following process of evaluation was followed:

Stage	Procedure	Remarks
I	Data Collection/ Gathering	<u>Individual Assessment:</u> Self evaluation forms (SEF) were circulated to all the Directors by the scrutinizer. All Directors submitted the SEF to the scrutinizer.
II	Data Analysis and Discussion	<u>Assessment by NRC and Independent Directors (IDs)</u> NRC discussed and evaluated the performance of all Directors. IDs evaluated the performance of all Non Independent Directors, Chairman and Board & its committees <u>Assessment by Board of Directors</u> Board of Directors evaluated the performance of all Directors and overall performance of the Board and its committees.
III	Outcome Recording and Reporting	Outcome of the discussions and analysis made by NRC and IDs were placed before the Board for its consideration. The Board gave its comments and assessment on the evaluation process.

Managerial Remuneration:

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

(a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2014-15

Name of the Director*	Remuneration of Director (` in Crore)	Median Remuneration of employees (` in Crore)	Ratio
Mr. Malvinder Mohan Singh	5.32	0.02	231.90 : 1
Mr. Shivinder Mohan Singh	5.36	0.02	231.90 : 1

*None of the other Directors are paid any remuneration except sitting fees.

(b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year under review

Name of Director/ KMP	Designation	% increase in Remuneration
Mr. Malvinder Mohan Singh	Executive Chairman	–
Mr. Shivinder Mohan Singh	Executive Vice Chairman	–
¹ Mr. Aditya Vij	Chief Executive Officer	–
² Mr. Gagandeep Singh Bedi	Chief Financial Officer	21.45
Mr. Rahul Ranjan	Company Secretary	12.53
³ Mr. Sandeep Puri	Chief Financial Officer	7.48
⁴ Mr. Bhavdeep Singh	Chief Executive Officer	7.48

¹ Resigned w.e.f. December 31, 2014

² Appointed as CFO w.e.f. September 24, 2014

³ Resigned w.e.f. September 24, 2014

⁴ Appointed as CEO w.e.f. August 6, 2015

(c) The percentage increase in the median remuneration of employees in the financial year is 7%;**(d) The number of permanent employees on the rolls of Company is 3333 as on March 31, 2015.****(e) The explanation on the relationship between average increase in remuneration and Company performance**

Looking at the organizational performance and the overall industry performance, your Company has fared well. We have seen a steady year on year growth in the Company performance and the average increase in remuneration is closely linked to this growth.

(f) Comparison of the remuneration of the Key Managerial Personnel (Individually and Collectively) against the performance of the Company

Key Managerial Personnel	CTC (Amount in `)	Revenue
Mr. Gagandeep Singh Bedi	53,65,909	` 61,064.07 lacs
Mr. Aditya Vij	2,75,67,944 (CTC is prorated as he has worked only for 9 months in FY 14-15)	
Mr. Rahul Ranjan	38,43,558	
Mr. Sandeep Puri	1,28,75,910 (CTC is prorated as he has worked only for part of the FY 14-15)	
Total	4,96,53,321	

Mr. Shivinder Mohan Singh was appointed as KMP w.e.f. May 28, 2015 and resigned as KMP w.e.f. August 6, 2015. Also Mr. Bhavdeep Singh was appointed as KMP w.e.f. August 6, 2015.

- (g) **Variations in the market capitalisation of the Company, price earnings ratio as on March 31, 2015 and March 31, 2014 and percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer**

Particulars	As on March 31, 2014	As on March 31, 2015
Market capitalization (₹ in crore)	4,535	7,636
*Price earnings ratio	–	–
Rate at which the Company came out with the last public offer i.e. in 2007 (₹)	108	108
Share price as at (₹)	98	165
% Increase or decrease in share price	-9.5	52.8

*In view of the losses, the Price earnings ratio cannot be calculated

- (h) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration**

Particulars	For the Financial Year 2014-15
(A) Average percentile increase already made in the salaries of employees other than the managerial personnel	13%
(B) Percentile increase in the managerial remuneration	0%
Comparison of (A) and (B)	
Justification	N.A.
Any exceptional circumstances for increase in the managerial remuneration	N.A.

- (j) **There is no variable component in the remuneration being paid to directors**
- (k) **There is no employee who received remuneration in excess of the highest paid director during the year under review;**
- (l) **Remuneration has been paid to Directors and KMPs is as per the Remuneration Policy of the Company.**

Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director etc. Details of Remuneration Policy are stated in the Corporate Governance Report.

The Company has from time to time familiarised the Board of Directors with the Company's operations, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The same is governed by a template viz Board of Directors Governance Standard and it is available at http://www.fortishealthcare.com/pdf/Board_of_Directors.pdf

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be

provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the period under review were on an arm's length basis and in the ordinary course of business. There are few materially significant Related Party Transactions made by the Company with other related parties as described under Corporate Governance Report of the Company forming part of the Annual Report. Disclosures as required under Section 134(3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in Annexure VI in Form AOC 2 as specified under Companies Act, 2013.

All Related Party Transactions are placed before the Audit and Risk Management Committee for approval as required under Clause 49 of the Listing Agreement. Prior omnibus approval of the Audit and Risk Management Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit and Risk Management Committee for their approval on a quarterly basis.

The Company has developed a Related Party Transactions Framework and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the same is available at the following link: http://www.fortishealthcare.com/pdf/Related_Party_Transactions_Framework_Document.pdf

None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company, except to the

extent of sitting fees and remuneration approved by the Board of Directors.

RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy. The said policy is being implemented and monitored by the Audit and Risk Management Committee. The details thereof are covered under Management and Discussion Analysis Report which forms part of the Annual Report.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

Your Company has adopted a Policy for Prevention, Prohibition and Redressal of sexual harassment. As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, twelve complaints with allegations of sexual harassment were filed with the Company and the same were investigated and resolved as per the provisions of the Act.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, forms part of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

Your Company continues to place greatest emphasis on managing its affairs with diligence, transparency, responsibility and accountability.

Your Company is committed to adopting and adhering to the best Corporate Governance practices recognized globally. Your Company understands and respects its fiduciary role and responsibility towards stakeholders and the society at large, and strives hard to serve their interests, resulting in creation of value and wealth for all stakeholders at all times.

The report of Board of Directors of the Company on Corporate Governance is given in the section titled "Report on Corporate Governance" forming part of this Annual Report.

Certificate of M/s. Sanjay Grover & Associates, Company Secretary in Whole-Time Practice, regarding compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is annexed with the Corporate Governance Report.

CODE OF CONDUCT

Declaration by Mr. Malvinder Mohan Singh, Executive Chairman confirming compliance with the 'Fortis Code of Conduct' is enclosed with Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for financial year ended March 31, 2015 and of the loss of the company for the said period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, State Governments and all other Government agencies for the assistance, co-operation and encouragement they have extended to the Company.

Your Directors also take this opportunity to extend a special thanks to the medical fraternity and patients for their continued cooperation, patronage and trust reposed in the Company.

Your Directors also greatly appreciate the commitment and dedication of all the employees at all levels, that has contributed to the growth and success of the Company. Your Directors also thank all the strategic partners, business associates, Banks, financial institutions and our shareholders for their assistance, co-operation and encouragement to the Company during the year.

On behalf of the Board of Directors

Sd/-
Date: August 6, 2015 Malvinder Mohan Singh
Place : Gurgaon Executive Chairman

Annexure I to Directors' Report

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

S. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
		31-Mar-15	TNR	1.00	73711.05	118106.60	44155.34	16174.62	35784.01	4204.51	1679.67	2524.85	-	100.00%
1	Esorts Heart Institute and Research Centre Limited	31-Mar-15	INR	240.21	73711.05	118106.60	44155.34	16174.62	35784.01	4204.51	1679.67	2524.85	-	100.00%
2	Fortis Healthstaff Limited	31-Mar-15	INR	490.00	(1486.25)	275.52	1271.77	102.81	314.09	(99.91)	7.14	(107.06)	-	29.00%
3	Fortis Asia Healthcare Pte. Ltd	31-Mar-15	USD	62.34	39575.60	215415.22	159610.96	184200.51	609.43	(7460.33)	-	(7460.33)	-	100.00%
4	Fortis Healthcare International Pte. Limited	31-Mar-15	SGD	45.43	(39,702.91)	1,26,695.09	7,742.79	26,819.39	5,589.15	2,929.01	-	2,929.01	-	100.00%
5	Fortis Healthcare Singapore Pte Limited	31-Mar-15	SGD	0.05	(26,522.64)	59,806.71	86,329.35	34,582.52	3,905.80	(8,843.46)	-	(8,843.46)	-	100.00%
6	Radlink Asia Pte Limited	31-Mar-15	SGD	45.43	(1,318.46)	7,056.16	57.01	2,104.00	605.52	151.07	(8.86)	142.21	-	100.00%
7	Radlink Medicare Pte Limited	31-Mar-15	SGD	45.43	85.24	100.27	14.98	775.44	74.61	127.48	(7.46)	120.02	-	100.00%
8	Dr's Thompson & Thompson (Radlink Medicare) Pte Limited	31-Mar-15	SGD	0.05	243.05	412.38	169.29	-	850.41	57.11	(3.50)	53.61	90.86	85.00%
9	Radlink Medicare (Bishan) Pte Limited	31-Mar-15	SGD	45.43	(132.58)	52.02	25.59	-	264.57	2.05	-	2.05	-	70.00%
10	Radlink Medicare (Woodlands) Pte Limited	31-Mar-15	SGD	45.43	(187.61)	18.04	1.20	-	-	(1.53)	-	(1.53)	-	70.00%
11	Radlink Medicare (Tampines) Pte Limited	31-Mar-15	SGD	45.43	218.36	302.89	39.10	-	435.91	62.96	(3.61)	59.35	-	100.00%
12	Radlink Medicare (Jurong East) Pte Limited	31-Mar-15	SGD	45.43	(380.61)	(379.81)	0.80	-	-	(1.51)	-	(1.51)	-	100.00%
13	Clinic 1868 Pte Limited	31-Mar-15	SGD	45.43	(18.84)	27.69	1.09	-	-	(1.25)	-	(1.25)	-	100.00%
14	Healthcare Clinic & Surgery Pte. Limited	31-Mar-15	SGD	45.43	(90.96)	(87.18)	3.78	-	-	-	-	-	-	100.00%
15	Radlink Diagnostic Imaging (S) Pte Limited	31-Mar-15	SGD	45.43	8,307.80	11,689.73	2,044.36	131.26	6,713.26	1,763.00	(117.98)	1,645.02	-	100.00%
16	Dr's Lim Hoe & Wong Radiology Pte Limited	31-Mar-15	SGD	45.43	249.02	532.24	133.29	-	650.71	81.68	(1.52)	80.16	-	100.00%
17	Healthcare Diagnostic Services Pte Limited	31-Mar-15	SGD	45.43	18.21	19.06	0.80	-	-	(1.43)	-	(1.43)	-	100.00%
18	Radlink Women & Fetal Imaging Centre Pte. Limited	31-Mar-15	SGD	45.43	336.74	106.35	(230.39)	-	167.43	42.85	(2.47)	40.38	-	100.00%
19	Radlink Pet & Cardiac Imaging Centre Pte Limited	31-Mar-15	SGD	45.43	(830.10)	1,853.89	2,683.99	45.43	3,211.68	422.58	(61.67)	360.91	-	100.00%
20	Singapore Radio Pharmaceuticals Pte Limited	31-Mar-15	SGD	45.43	(4,946.79)	3,666.99	8,568.35	-	1,367.44	(605.85)	42.74	(563.10)	-	100.00%
21	Singapore Molecular Therapy Centre Pte Limited	31-Mar-15	SGD	45.43	(37.29)	4.13	41.43	-	-	(1.09)	-	(1.09)	-	100.00%
22	Mena Healthcare Investment Company Limited	31-Mar-15	AED	16.97	(813.76)	31.15	825.94	31.15	-	(0.85)	-	(0.85)	-	82.54%
23	Medical Management Company Limited	31-Mar-15	AED	16.97	681.89	818.27	105.23	-	-	(2.01)	-	(2.01)	-	82.54%
24	SRL Diagnostics FZ LLC (Formerly Super Religare Laboratories International FZ LLC)	31-Mar-15	AED	16.97	(11,839.10)	2,321.80	14,109.98	-	2,894.92	(1,935.58)	-	(1,935.58)	-	100.00%

(C. in lacs)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

S. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
25	Fortis Healthcare Middle East LLC	31-Mar-15	AED 16.97	-	-	-	-	-	-	-	-	-	-	49.00%
26	Hiranandani Healthcare Private Ltd	31-Mar-15	INR 1.00	400.00	(291.80)	9057.19	8948.99	-	12591.80	1752.73	-	1752.73	-	85.00%
27	Fortis La Femme Limited	31-Mar-15	INR 1.00	5.00	(41.09)	4.77	40.86	-	-	(6.53)	-	(6.53)	-	100.00%
28	Fortis CSR Foundation	31-Mar-15	INR 1.00	5.00	(0.29)	4.71	0.00	-	-	(0.29)	-	(0.29)	-	100.00%
29	SRL Limited	31-Mar-15	INR 1.00	8449.38	71114.69	101083.32	21519.25	39124.41	54683.30	7139.67	2383.05	4756.62	-	71.45%
30	SRL Diagnostics Private Limited	31-Mar-15	INR 1.00	395.82	(5309.61)	21715.85	26629.64	1175.88	29102.38	(1764.65)	-	(1764.65)	-	71.45%
31	Fortis Healthcare International Limited	31-Mar-15	USD 62.34	19590.49	2066.70	107438.18	85780.99	8545.46	810.87	4889.57	-	4889.57	-	100.00%
32	Fortis Global Healthcare (Mauritius) Limited	31-Mar-15	USD 62.34	520.64	3741.57	100195.41	95933.21	275.25	-	32.69	-	32.69	-	100.00%
33	Fortis Hospitals Limited	31-Mar-15	INR 1.00	4030.06	44701.03	212733.59	164002.50	8359.71	195388.99	(12483.79)	(3917.13)	(8566.66)	-	100.00%
34	Fortis Cancer Care Limited	31-Mar-15	INR 1.00	5.00	(404.69)	1849.04	2248.74	617.75	0.82	(285.07)	-	(285.07)	-	100.00%
35	Lalitha Healthcare Private Limited	31-Mar-15	INR 1.00	81.16	(709.38)	1814.18	2442.41	0.25	2150.29	8.06	-	8.06	-	67.23%
36	Fortis Malar Hospitals Limited	31-Mar-15	INR 1.00	1860.95	7184.75	10994.04	1948.34	5.00	11792.57	1167.09	401.14	765.95	111.58	63.20%
37	Malar Star Medicare Limited	31-Mar-15	INR 1.00	5.00	78.35	6420.24	6336.89	-	36.57	29.50	9.27	20.24	-	63.20%
38	Fortis C-Doc Healthcare Limited	31-Mar-15	INR 1.00	676.77	(1236.64)	1471.51	2031.38	-	1709.89	(497.84)	-	(497.84)	-	60.00%
39	Fortis Health Management (East) Limited	31-Mar-15	INR 1.00	5.00	(390.25)	661.74	1046.99	-	1119.16	(165.61)	-	(165.61)	-	88.00%
40	Birdie and Birdie Realtors Private Limited	31-Mar-15	INR 1.00	1.00	(4307.74)	9805.96	14112.70	-	276.00	(287.79)	773.05	(1040.84)	-	100.00%
41	Fortis Hospotal Limited	31-Mar-15	INR 1.00	29377.02	33927.08	164865.51	101561.41	71515.00	22541.02	6464.45	(104.41)	0.07	-	64.72%

For and on behalf of the Board of Directors of Fortis Healthcare Limited

Sd/-
Shivinder Mohan Singh
 Executive Vice Chairman
 DIN 00042910

Sd/-
Malvinder Mohan Singh
 Executive Chairman
 DIN 00042981

Sd/-
Gagandeep Singh Bedi
 Chief Financial Officer
 CA Membership No.: 087813

Sd/-
Rahul Ranjan
 Company Secretary
 Membership No.: A17035

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

(C in lacs)

Sl. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No. in lacs	Amount of Investment in Associates/Joint Venture	Extend of Holding %				i. Considered in Consolidation	i. Not Considered in Consolidation
1	Religare Health Trust	31-Mar-15	2,206.77	57,904.71	28.00%	Associate	Not Applicable	53,307.93	5,002.91	—
2	Medical and Surgical Centre Limited	31-Mar-15	1,646.71	1,312.69	28.89%	Associate	Not Applicable	2,856.33	80.84	—
3	Lanka Hospitals Corporation PLC	31-Dec-14	641.21	22,185.98	28.60%	Associate	Not Applicable	6,317.00	698.46	—
4	Town Hall Clinic Pre Limited	31-Dec-14	0.00	157.47	30.00%	Associate	Not Applicable	(175.30)	42.02	—
5	DDRC SRL Diagnostic Services Private Limited	31-Mar-15	25.00	1,175.88	50.00%	Joint Venture	Not Applicable	1,484.30	165.04	—
6	Super Religare Reference Laboratories (Nepal) Private Limited	31-Mar-15	2.40	150.00	50.00%	Joint Venture	Not Applicable	136.74	(1.99)	—
7	Fortis Cauvery	31-Mar-15	NA, a partnership firm		51.00%	Joint Venture		30.81	176.77	—
8	Fortis Emergency Services Limited	31-Mar-15	0.25	2.45	49.00%	Associate	Not Applicable	(1,599.47)	—	(459.10)
9	Fortis Medicare International Limited	31-Mar-15	0.98	47.68	49.00%	Associate	Not Applicable	(1,486.74)	(81.32)	—
10	Sunrise Medicare Private Limited	31-Mar-15	0.03	0.31	31.26%	Associate	Not Applicable	0.68	0.06	—

For and on behalf of the Board of Directors of Fortis Healthcare Limited

Sd/-
Malvinder Mohan Singh
 Executive Chairman
 DIN 00042981

Sd/-
Shivinder Mohan Singh
 Executive Vice Chairman
 DIN 00042910

Sd/-
Rahul Ranjan
 Company Secretary
 Membership No.: A17035

Sd/-
Gagandeep Singh Bedi
 Chief Financial Officer
 CA Membership No.: 087813

Annexure II to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Fortis Healthcare Limited
Escorts Heart Institute and Research Centre, Okhla Road
New Delhi-110025

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fortis Healthcare Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable to the Company during the Audit Period**)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).
- (vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - (a) Clinical Establishment (Registration and Regulation) Act, 2010 and Rules made thereunder;

- (b) Drugs Control Act, 1950 and Rules made thereunder;
- (c) Transplantation of Human Organs Act, 1994 and bye laws made thereunder.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not notified hence not applicable to the Company during the audit period)**.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that during the period under review:-

- a) The company has paid remuneration of `5,32,43,061 to Mr. Malvinder Mohan Singh, Chairman & Whole time Director, without the prior approval of Central Government and an application for approval made to the Central Government is pending.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Advance seven days notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- (a) A special resolution pursuant to section 180(1)(a) and (c) of the Companies Act 2013 was passed at the Annual General Meeting dated 24 September 2014 to approve:-
 - i. The increase in the borrowing limits (apart from temporary loans obtained/ to be obtained from the Company's Bankers in the ordinary course of business) upto ` 6,000 Crore; and
 - ii. Creation of charge, mortgage, hypothecation in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company, subject to the limits approved under section 180(1)(c) of the Act.
- (b) A special resolution pursuant to section 62(1) of the Act was passed at the Annual General Meeting dated September 24, 2014 for offer, issue and allotment of equity share, GDRs, ADRs, FCCBs, FCEBs, FCDs, NCDs with warrants or any other financial instruments convertible into or linked to equity shares through public issue(s) and/ or private placements in accordance with applicable laws upto a limit of USD 500 Million or its equivalent in Indian Rupees.
- (c) A special resolution pursuant to section 180(1)(a) of the Act was passed by way of postal ballot dated 13 November 2014 (result declared on 29 December 2014) to sell the whole or substantially whole of the undertaking to any person on such terms and conditions as may be mutually decided between the Board and such other person and no undertaking of the company has been sold out during the period under review.
- (d) The Company allotted 1800, 800 and 16,500 equity shares of ` 10 each on 8 May 2014, 22 September 2014 and 13 March 2015, respectively, under the Employee Stock Option Plan 2007; and
- (e) In terms of "Employee Stock Option Scheme - 2011", approval was granted by the Nomination and Remuneration Committee for 2,40,000 Stock Options on 12 November 2014.

Dr. K R Chandratre
FCS No. 1370, C P No: 5144

Place: Pune
Date: 6 August 2015

Annexure III to Directors' Report**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on Financial Year ended on 31.03.2015****Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1)
of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

S. No.	Particulars	Details
1	CIN	L85110DL1996PLC076704
2	Registration Date	February 28, 1996
3	Name of the Company	Fortis Healthcare Limited
4	Category/Sub-category of the Company	Public Company/Limited by Shares
5	Address of the Registered office & contact details	Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025 Tel.: +91-11-4713 5000/2682 5000, Fax: +91-11-26825013 Email Id: secretarial@fortishealthcare.com Website : www.fortishealthcare.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 008 Tel.: 040 – 23420818 - 825 Fax: 040 - 23420814 Email: einward.ris@karvy.com Website:www.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	To establish, maintain, operate, run, manage or administer hospitals, medicare, healthcare, diagnostic, health aids and research centers	861	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	RHC Holding Private Limited	U67190DL2007PTC162322	Ultimate Holding Company	0.02	2(46)
2	Fortis Healthcare Holdings Private Limited	U65993DL2001PTC152641	Holding Company	71.20	2(46)
3	Hiranandani Healthcare Private Limited	U85100MH2005PTC154823	Subsidiary Company	85.00	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	Fortis Hospotel Limited (Board Controlled Subsidiary)	U74899HR1990PLC054770	Subsidiary Company	64.72	2(87)
5	Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	U85100DL2011PLC217500	Subsidiary Company	100.00	2(87)
6	Fortis Health Management (East) Limited	U85190DL2011PLC217462	Subsidiary Company	88.00	2(87)
7	Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)	U85110DL2011PLC217420	Subsidiary Company	100.00	2(87)
8	Fortis Healthcare Singapore Pte Ltd	N.A.	Subsidiary Company	100.00	2(87)
9	Fortis Healthcare International Limited	N.A.	Subsidiary Company	100.00	2(87)
10	Escorts Heart Institute and Research Centre Limited	U85110CH2000PLC023744	Subsidiary Company	100.00	2(87)
11	Lalitha Healthcare Private Limited	U85110KA2005PTC035863	Subsidiary Company	67.23	2(87)
12	Fortis Malar Hospitals Limited	L85110DL1989PLC276986	Subsidiary Company	63.20	2(87)
13	Fortis Hospitals Limited	U93000DL2009PLC222166	Subsidiary Company	100.00	2(87)
14	Fortis Global Healthcare (Mauritius) Limited	N.A.	Subsidiary Company	100.00	2(87)
15	Malar Stars Medicare Limited	U93000TN2009PLC072209	Subsidiary Company	63.20	2(87)
16	Fortis Asia Healthcare Pte. Limited	N.A.	Subsidiary Company	100.00	2(87)
17	Fortis C-Doc Healthcare Limited	U85110DL2010PLC208379	Subsidiary Company	60.00	2(87)
18	Fortis HealthStaff Limited (Board Controlled Subsidiary)	U85194DL1984PLC205390	Subsidiary Company	29.00	2(87)
19	SRL Limited	U74899DL1995PLC070603	Subsidiary Company	71.45	2(87)
20	SRL Diagnostics Private Limited	U85195DL1999PTC217659	Subsidiary Company	71.45	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
21	Fortis Healthcare International Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
22	Radlink-Asia Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
23	Drs Thompson & Thompson (Radlink Medicare) Pte Limited	N.A.	Subsidiary Company	85.00	2(87)
24	Radlink Medicare Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
25	Radlink Medicare (Bishan) Pte Limited	N.A.	Subsidiary Company	70.00	2(87)
26	Radlink Medicare (Woodlands) Pte Limited	N.A.	Subsidiary Company	70.00	2(87)
27	Radlink Medicare (Tampines) Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
28	Radlink Medicare (Jurong East) Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
29	Clinic 1866 Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
30	Radlink Diagnostic Imaging (s) Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
31	Drs Lim Hoe & Wong Radiology Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
32	Healthcare Diagnostic Services Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
33	Radlink Women & Fetal Imaging Centre Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
34	Radlink Pet & Cardiac Imaging Centre Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
35	Singapore Radiopharmaceuticals Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
36	Singapore Molecular Therapy Centre Pte Limited	N.A.	Subsidiary Company	100.00	2(87)
37	Healthcare Clinic and Surgery Pte. Limited	N.A.	Subsidiary Company	100.00	2(87)
38	Mena Healthcare Investment Company Limited	N.A.	Subsidiary Company	82.54	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
39	SRL Diagnostics FZ-LLC (formerly known as Super Religare Laboratories International FZ LLC)	N.A.	Subsidiary Company	100.00	2(87)
40	Medical Management Company Limited	N.A.	Subsidiary Company	82.54	2(87)
41	Fortis Healthcare Middle East LLC	N.A.	Subsidiary Company	49.00	2(87)
42	Fortis CSR Foundation	U85100DL2014NPL271782.	Subsidiary Company	100.00	2(87)
43	Birdie and Birdie Realtors Private Limited	U45400DL2008PTC173959	Subsidiary Company	100.00	2(87)
44	Sunrise Medicare Private Limited	U74899DL1983PTC014923	Associate Company	–	2(6)
45	Fortis Medicare International Limited	N.A.	Associate Company	–	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held as on 01-April-2014				No. of Shares held as on 31-March-2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/ HUF	103419	–	103419	0.02	103419	–	103419	0.02	0
b)	Central Govt	–	–	–	–	–	–	–	–	–
c)	State Govt(s)	–	–	–	–	–	–	–	–	–
d)	Bodies Corp.	330050529	–	330050529	71.32	330050529	–	330050529	71.32	0
e)	Banks / FI	–	–	–	–	–	–	–	–	–
f)	Any other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (1):-	330153948	–	330153948	71.34	330153948	–	330153948	71.34	0
(2)	Foreign									
a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
b)	Other – Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0

Category of Shareholders		No. of Shares held as on 01-April-2014				No. of Shares held as on 31-March-2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	330153948	-	330153948	71.34	330153948	-	330153948	71.34	0
B.	Public Shareholding	-	-	-	-	-	-	-	-	-
1.	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	2238150	-	2238150	0.48	1996	-	1996	0	(0.48)
b)	Banks / FI	1395735	-	1395735	0.31	1287342	-	1287342	0.28	(0.03)
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIIs	42076820	-	42076820	9.09	39959126	-	39959126	8.63	(0.46)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B) (1):-	45710705	-	45710705	9.88	41248464	-	41248464	8.91	(0.97)
2.	Non-Institutions									
a)	Bodies Corp.									
	i) Indian	22785978	-	22785978	4.93	21424514	-	21424514	4.63	(0.30)
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ` 1 lakh	21896948	147939	22044887	4.77	20719529	125251	20844780	4.50	(0.27)
	ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	10489727	64000	10553727	2.28	14108445	14000	14122445	3.06	0.78

Category of Shareholders		No. of Shares held as on 01-April-2014				No. of Shares held as on 31-March-2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Others									
	Foreign Collaborators	–	670194	670194	0.14	–	670194	670194	0.14	0
	Non Resident Indians	1021954	57500	1079454	0.23	3650638	57500	3708138	0.80	0.57
	Foreign Bodies	29531398	–	29531398	6.38	29531398	–	29531398	6.38	0
	Foreign Nationals	–	–	–	–	–	–	–	–	–
	Clearing Members	113773	–	113773	0.02	1018283		1018283	0.22	0.20
	Trusts	18750	–	18750	0	11750		11750	0	0
	Directors	123500		123500	0.03	71500	–	71500	0.02	(0.01)
	Sub-total (B) (2):-	85982028	939633	86921661	18.78	90536057	866945	91403002	19.75	0.97
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	131692733	939633	132632366	28.66	131784521	866945	132651466	28.66	–
C.	Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
	Grand Total (A+B+C)	461846681	939633	462786314	100	461938469	866945	462805414	28.66	–

(ii) Shareholding of Promoters-

Sl. No.	Shareholder's Name	Shareholding as on 01-April-2014			Shareholding as on 31-March-2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Fortis Healthcare Holdings Private Limited	329591529	71.22	69.72	329591529	71.22	74.90	0
2	Malav Holdings Private Limited	240750	0.05	0.00	240750	0.05	0.00	0
3	RHC Holding Private Limited	218250	0.05	0.00	218250	0.05	0.00	0
4	Harpal Singh	58003	0.01	0.00	58003	0.01	0.00	0
5	Arundhati Singh	12100	0.00	0.00	12100	0.00	0.00	0
6	Shivinder Mohan Singh	11508	0.00	0.00	11508	0.00	0.00	0
7	Malvinder Mohan Singh	11508	0.00	0.00	11508	0.00	0.00	0
8	Abhishek Singh	10300	0.00	0.00	10300	0.00	0.00	0

- (iii) **Change in Promoters' Shareholding – There is no change in Promoter's Shareholding**
- (iv) **Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): Refer Appendix I**
- (v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Malvinder Mohan Singh				
	At the beginning of the year	11,508	0.00	11,508	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):				NIL
	At the end of the year	11,508	0.00	11,508	0.00
2	Mr. Shivinder Mohan Singh				
	At the beginning of the year	11,508	0.00	11,508	
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):				NIL
	At the end of the year	11,508	0.00	11,508	
3.	Dr. Brian William Tempest				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
4.	Mr. Gurcharan Das (ceased to be director w.e.f. September 24, 2014)				
	At the beginning of the year	10,000	0.00	10,000	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				N.A.
5.	Mr. Harpal Singh				
	At the beginning of the year	58,003	0.01	58,003	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):				NIL
	At the end of the year	58,003	0.01	58,003	0.01

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
6.	Ms. Joji Sekhon Gill					
	At the beginning of the year		NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):		NIL			
	At the end of the year		NIL			
7.	Ms. Lynette Joy Hepburn Brown (appointed w.e.f. May 29, 2014)					
	At the beginning of the year		NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):		NIL			
	At the end of the year		NIL			
8.	Mr. Pradeep Ratilal Raniga					
	At the beginning of the year		NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):		NIL			
	At the end of the year		NIL			
9.	Dr. Preetinder Singh Joshi					
	At the beginning of the year		33,000	0.01	33,000	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):		NIL			
	At the end of the year		33,000	0.01	33,000	0.01
10.	Mr. Ravi Umesh Mehrotra (appointed w.e.f. March 26, 2015)					
	At the beginning of the year		NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):		NIL			
	At the end of the year		NIL			

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	Mr. Sunil Godhwani				
	At the beginning of the year	38,500	0.01	38,500	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):	NIL			
	At the end of the year	38,500	0.01	38,500	0.01
12.	Ms. Shradha Suri Marwah (appointed w.e.f. March 26, 2015)				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
13.	Mr. Udai Dhawan				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
14.	Mr. Aditya Vij (resigned w.e.f. December 31, 2014)				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):	NIL			
	At the end of the year	N.A.			
15.	Mr. Rahul Ranjan				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
16.	Mr. Sandeep Puri (resigned w.e.f. September 24, 2014)				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):				NIL
	At the end of the year				N.A.
17.	Mr. Gagandeep Singh Bedi(appointed w.e.f. September 24, 2014)				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ` lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15,458.33	112,455.06	–	127,913.40
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	2,230.01	–	2,230.01
Total (i+ii+iii)	15,458.33	114,685.08	–	130,143.41
Change in Indebtedness during the financial year				
* Addition	–	6,480.59	–	6,480.59
* Reduction	7,381.41	3,575.28	–	10,956.69
Net Change	(7,381.41)	2,905.31	–	(4,476.10)
Indebtedness at the end of the financial year				
i) Principal Amount	8,076.92	115,320.73	–	123,397.66
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	213,112.65	–	213,112.65
Total (i+ii+iii)	8,076.92	117,590.38	–	125,667.31

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in `)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (A)
		Malvinder Mohan Singh	Shivinder Mohan Singh	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,22,00,000	5,22,00,000	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	
2	Stock Option	NIL	NIL	
3	Sweat Equity	NIL	NIL	
4	Commission - as % of profit - others, specify...	NIL	NIL	
5	Others- (Leave encashment and other benefits as per the Company's Policy)	10,43,061	13,66,871	
	Total	53,243,061	53,566,871	10,68,09,932
	Ceiling as per the Act	The aggregate remuneration shall not exceed 10% of the Net Profits of the Company calculated under Section 197 of the Act		

B. Remuneration to other Directors -

Sl. No.	Name of Directors	*Particulars of Remuneration - Gross Sitting Fees (Amount in `)
1	Independent Directors	
	Dr. Brian William Tempest	7,30,000
	Ms. Joji Sekhon Gill	5,20,000
	Ms. Lynette Joy Hepburn Brown	4,40,000
	Mr. Pradeep Ratilal Raniga	5,30,000
	Dr. Preetinder Singh Joshi	8,10,000
	Ms. Shradha Suri Marwah	1,00,000
	Total (1)	31,30,000
2	Other Non-Executive Directors	
	Mr. Gurcharan Das	1,40,000
	Mr. Harpal Singh	6,80,000
	Mr. Ravi Umesh Mehrotra	1,00,000
	Mr. Sunil Godhwani	4,20,000
	Mr. Udai Dhawan	3,40,000
	Total (2)	16,80,000
	Total (B)=(1+2)	48,10,000
	Total Managerial Remuneration (A+B)	11,16,19,932
	Overall Ceiling as per the Act	Sitting fees is payable upto the Maximum amount as specified under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

*No commission was paid to any of the Directors for the Financial Year 2014-15

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD -

SI No.	Particulars of Remuneration	Key Managerial Personnel (KMP) (Amount in `)			
		¹ Mr. Aditya Vij (CEO)	² Mr. Sandeep Puri (CFO)	³ Mr. Gagandeep Singh Bedi (CFO)	Mr. Rahul Ranjan (CS)
1	Gross salary	2,33,51,914	1,28,75,910	53,65,909	38,43,558
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	42,16,030	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	NIL	NIL	NIL	NIL
2	*Stock Option Granted (in Nos.)	8,00,000	4,00,000	3,00,000	25,000
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	2,75,67,944	1,28,75,910	53,65,909	38,43,558

¹ Resigned w.e.f. December 31, 2014

² Resigned w.e.f. September 24, 2014

³ Appointed w.e.f. September 24, 2014

*No Stock option has been exercised by any of the KMPs

VII. Neither any penalty / punishment was levied against the Company nor there was any case of Compounding of Offences made against the Company during the Financial Year 2014-15.

On behalf of the Board of Directors

Sd/-
Malvinder Mohan Singh
Executive Chairman

Appendix I

CHANGE IN SHAREHOLDING OF TOP 10 SHAREHOLDERS OF THE COMPANY DURING THE FINANCIAL YEAR 2014-15

Sl. no.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date of Change	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Opening Balance	FORTIS HEALTHCARE HOLDINGS PRIVATE LIMITED	329591529	71.22	31/03/2014			329591529	71.22
	Sale								
	Closing Balance				20/03/2015	-11818500	Transfer	317773029	68.66
					31/03/2015			317773029	68.66
2	Opening Balance	INTERNATIONAL FINANCE CORPORATION	25793949	5.57	31/03/2014			25793949	5.57
	Closing Balance				31/03/2015			25793949	5.57
3	Opening Balance	FORTIS HEALTHCARE HOLDINGS PVT LTD	0	0.00	31/03/2014			0	0.00
	Purchase				20/03/2015	11818500	Transfer	11818500	2.55
	Closing Balance				31/03/2015			11818500	2.55
4	Opening Balance	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS) LIMIT	9010065	1.95	31/03/2014			9010065	1.95
	Closing Balance				31/03/2015			9010065	1.95
5	Opening Balance	JHUNJHUNWALA RAKESH RADHESHYAM	0	0.00	31/03/2014			0	0.00
	Purchase				13/02/2015	4993307	Transfer	4993307	1.08
	Purchase				20/02/2015	6693	Transfer	5000000	1.08
	Closing Balance				31/03/2015			5000000	1.08

Sl. no.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date of Change	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
6	Opening Balance	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND,L.	4646344	1.00	31/03/2014			4646344	1.00
	Purchase				18/07/2014	156106	Transfer	4802450	1.04
	Purchase				25/07/2014	571414	Transfer	5373864	1.16
	Purchase				01/08/2014	150000	Transfer	5523864	1.19
	Sale				13/03/2015	-797780	Transfer	4726084	1.02
	Closing Balance				31/03/2015			4726084	1.02
7	Opening Balance	M/S REGAL INVESTMENT AND TRADING CO PVT LTD	4280681	0.92	31/03/2014			4280681	0.92
	Sale				06/03/2015	-819273	Transfer	3461408	0.75
	Sale				13/03/2015	-567000	Transfer	2894408	0.63
	Sale				20/03/2015	-428128	Transfer	2466280	0.53
	Sale				31/03/2015	-385000	Transfer	2081280	0.45
	Closing Balance				31/03/2015			2081280	0.45
8	Opening Balance	ARIHANT ADVERTISING PRIVATE LIMITED	4260000	0.92	31/03/2014			4260000	0.92
	Sale				18/04/2014	-20000	Transfer	4240000	0.92
	Sale				25/04/2014	-11000	Transfer	4229000	0.91
	Sale				23/05/2014	-25000	Transfer	4204000	0.91
	Sale				06/06/2014	-56390	Transfer	4147610	0.90
	Sale				13/06/2014	-285522	Transfer	3862088	0.83
	Purchase				30/06/2014	125990	Transfer	3988078	0.86
	Sale				04/07/2014	-322509	Transfer	3665569	0.79
	Sale				11/07/2014	-90569	Transfer	3575000	0.77
	Sale				22/08/2014	-52000	Transfer	3523000	0.76
	Sale				05/09/2014	-60061	Transfer	3462939	0.75
	Sale				12/09/2014	-145506	Transfer	3317433	0.72

Sl. no.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date of Change	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Sale				19/09/2014	-191000	Transfer	3126433	0.68
	Sale				30/09/2014	-7755	Transfer	3118678	0.67
	Sale				07/11/2014	-6861	Transfer	3111817	0.67
	Sale				14/11/2014	-40093	Transfer	3071724	0.66
	Sale				28/11/2014	-80000	Transfer	2991724	0.65
	Sale				31/12/2014	-1724	Transfer	2990000	0.65
	Sale				02/01/2015	-11555	Transfer	2978445	0.64
	Sale				09/01/2015	-9000	Transfer	2969445	0.64
	Sale				30/01/2015	-4180	Transfer	2965265	0.64
	Sale				13/02/2015	-2965265	Transfer	0	0.00
	Closing Balance				31/03/2015			0	0.00
9	Opening Balance	BNY MELLON INVESTMENT FUNDS NEWTON ORIENTAL FUND	4000000	0.86	31/03/2014			4000000	0.86
	Closing Balance				31/03/2015			4000000	0.86
10	Opening Balance	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS) III L	3737449	0.81	31/03/2014			3737449	0.81
	Closing Balance				31/03/2015			3737449	0.81
11	Opening Balance	JATIN FAKIRCHAND JHAVERI	3467819	0.75	31/03/2014			3467819	0.75
	Sale				18/04/2014	-110000	Transfer	3357819	0.73
	Purchase				25/04/2014	100000	Transfer	3457819	0.75
	Sale				18/07/2014	-800000	Transfer	2657819	0.57
	Sale				24/10/2014	-5000	Transfer	2652819	0.57
	Sale				19/12/2014	-200000	Transfer	2452819	0.53

Sl. no.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date of Change	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Purchase				30/01/2015	800000	Transfer	3252819	0.70
	Sale				13/02/2015	-3252819	Transfer	0	0.00
	Closing Balance				31/03/2015			0	0.00
12	Opening Balance	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JU	3268592	0.71	31/03/2014			3268592	0.71
	Closing Balance				31/03/2015			3268592	0.71
13	Opening Balance	PI OPPORTUNITIES FUND I	2974466	0.64	31/03/2014			2974466	0.64
	Closing Balance				31/03/2015			2974466	0.64

Annexure IV to Directors' Report

A. Conservation of Energy

a) Energy conservation measures taken:

- For a number of units such as FMRI, Shalimar Bagh, Mohali, etc. the building orientation has been designed in a manner that helps to maximize use of day light and to reduce heat gain in order to reduce Energy Consumption.
- Across all major hospitals, efforts have been made to reduce consumption of water by utilizing treated waste water for irrigation, for flushing, and for making up for Cooling Tower water requirements.
- The Glass used for façade in a number of facilities (such as BG Road, FMRI, Mohali, Noida) is double glazed and is energy efficient low emissivity type which helps in reducing solar heat gain coefficient while improving the visibility.
- Steam condensate is being used for heating water purposes in a number of units.
- The company has entered into a 10 year Power Purchase Agreement (PPA) for utilizing wind power at Malar and Mulund.
- Units such as Jaipur, Faridabad and FMRI have reported consistent cost savings under the Open Access (Power Exchange) initiative; more units such as FEHI, Vasant Kunj and Shalimar Bagh are in process of operationalizing this initiative.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

- Introduction of roof glazing system (such as in the atrium in BG Road, FMRI, Noida) to minimize the day time light usage.
- Building envelope has been constructed by using Auto Aerated Concrete Block (in all new projects) for better insulation thereby reducing Air Conditioned Load.
- Photo-volt Solar panels have been installed to generate electricity to reduce lighting load on main grid and also for heating the water thereby reducing consumption of electricity.
- Building Management System (BMS) has been installed for efficient HVAC operations.
- Energy efficient Chillers, DG Sets and Pumps have been installed to reduce energy consumption. Variable Frequency Drives have been installed (at FEHI, Vasant Kunj, Anandpur, FMRI) to conserve energy.
- Timers and Occupancy Sensors have been installed in some offices to optimize the use of electricity.
- Installed Fuel Efficient DG sets with electronic fuel injection system.
- The company is in advanced state of installing solar panels for generating electricity across three large units. This will considerably reduce power and fuel expenses.
- The company has completed installation of LED lamps and lighting across its Noida, Mohali and Vasant Kunj facilities and has initiated the same at FEHI; this is expected to bring about annual energy savings to the tune of ~5-7%.

c) Impact of measures at (a) & (b):

- The energy conservation measures taken from time to time have resulted in considerable reduction of energy and thereby reducing the cost.
- Our Shalimar Bagh facility is a testament to innovative design in terms of building orientation and use of materials; the building has been awarded 3 star rating by Bureau of Energy Efficiency (BEE) India.
- Stress given on the use of Building Management Systems resulting in reduction in Chiller running time.
- For a number of units, reduction in energy consumption efforts have resulted in achievement of Energy Efficiency Ratios (EER) of 0.71 as compared to 0.80 earlier.

B. Technology Absorption**1. Research & Development (R & D):**

- Services of Tata Energy Research Institute (TERI) have been utilized to achieve sustainable design of building. After achievement of provisional GRIHA rating, Fortis Memorial Research Institute (FMRI) has now been awarded the prestigious 4 Star GRIHA Rating. Building simulation techniques have been used to achieve energy efficient design for the Hospital by integration of day light and by carefully selecting light fixtures, engineering equipment.

2. Technology Absorption, Adaptation & Innovation:

- a) Efforts made towards technology absorption, adaptation & innovation at FMRI:
 - Variable Frequency Drives (VFDs) have been used in Chillers and critical AHUs.
 - Variable Air Volume (VAVs) devices have been used in some AHUs.
 - Variable Refrigerant Volumes have been used in some areas.
 - 12 Rain Water Harvesting Pits have been provided to conserve rain water and improve the water table.
 - Linoleum floor has been used in patient areas which is made of natural materials and is bacteriostatic thereby helps in reducing infection.
 - Pneumatic Tube System (PTS) has been installed to transfer samples and medicines from patient areas to lab, pharmacy, nursing stations etc.
 - Recirculation of treated water to reduce water consumption.
 - R 134 a refrigerant has been used which helps to minimize depletion of Ozone Layer.
 - Elekta LINAC & Brain Lab have joined hands at our hospital for the first time in the world. This has resulted in treating tumors with extreme & unprecedented accuracy and precision.
 - Brain Suite is integrated with mobile CT gantry, Navigation system, OR Table & Microscope first time in India. This helps to provide intra operative CT guidance while performing Brain, Spine & Trauma surgery. CT gantry movement on rail & navigation system helps in localizing tumor & fracture area so that surgeon can decide the procedural approach on table.

- Two Integrated OR (Operation room) - integrated with set of equipment having voice command control helps reduce the manual interface. During transplantation surgeries, surgeon can see activity of Donor & Recipient surgery ongoing in the other.

b) Efforts made towards technology absorption, adaptation & innovation at other units:

- For our new expansion project at BG Road in Bangalore, pre-engineered Steel sections are being used to erect the building; this will result in saving of construction time and will reduce impact of construction related activities on the environment.
- The company has decided to register all new projects with IGBC or TERI for Green Building accreditations.
- All new projects design will happen on REVIT platform; this will help in accurate estimation of quantities and identification of clashes amongst various Engineering Services.

c) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- As a result of installing PTS, usages of man movement and lifts have been reduced.
- The above steps are helping us all across to conserve energy, thus reducing the energy costs at few of our hospitals by a considerable margin over the previous financial year.

On behalf of the Board of Directors

Sd/-
Malvinder Mohan Singh
Executive Chairman

Annexure V to the Directors' Report

Corporate Social Responsibilities

1. A brief outline of the Company CSR Policy

Under the guiding principles detailed in the Code of Conduct including amongst others:

- Conducting our operation in a honest and fair manner with integrity and openness.
- Respecting the human rights, dignity and legitimate interest of all individuals directly or indirectly associated with us.
- Providing a safe, healthy work and business environment directly or indirectly associated with us.
- Insuring conduct which sustains and enhances the global reputation and image of the organization.

The Board of Director has approved the CSR policy for the Company. The said policy approaches this area under the philosophy that the company efforts should strive towards building and sustaining a healthier humanity. The policy elucidates the concept of growing our business in a socially and environmentally responsible manner through an active role in empowering communities and driving social development and positive change.

With the above in mind the policy seeks as an objective to bring focus, leveraging its inherent skills, experience, knowledge and recourses in the area surrounding "Mother & Child".

The policy holds itself out as a forward looking aspirational charter which recommends liberal interpretation, promotes activity under the spirit of partnership and recommends that initiatives be targeted to the needs of the disadvantaged, vulnerable and marginalized sections of society. While the underlying guidance is to bring alignment of varied activities under the focus umbrella, it recognizes the need to record presence and contribution in such weak links in society where its mere presence and support could drive significant social benefit. In keeping with such themes, program/s such as supporting charitable healthcare infrastructure, disaster relief and developing a repository of healthcare information which could then be communicated with the help of technology and innovation remain well within the range of the policy objectives.

In fulfillment of these objectives the Company executes both direct activities and also has designated a specialist organization i.e. The Fortis Charitable Foundation, which has about a decade of requisite experience to help drive its objectives.

The policy seeks to define the specific roles and responsibilities associated with administration, program design and execution. It further clarifies the governance, monitoring, reporting and disclosure requirements.

As a social enterprise in the critical domain of healthcare, the Company has participated and implemented various socially responsive programs since its inception. While some or many of these programs may not meet the strict interpretation of the new CSR rules, thereby impacting the assessment and eligibility of the 2% spent, these programs remain significant Fortis contributions to society and the Board, the Policy and Senior Management remain committed to continuing with them in the wider interests. The cumulative spend over such initiatives and programs would far exceed the strict CSR rules. Even so the Company remains committed to ensuring compliance to applicable regulation requirement.

The policy as approved by the Board is available on the Company's web site at http://cdn.fortishealthcare.com/pdf/CSR_Policy_fortis.pdf.

2. Composition of the CSR Committee

The Board has approved the constitution of a standalone CSR Committee with a delegated mandate. The current composition and mandate of the committee are available and updated on the Company's website

at http://cdn.fortishealthcare.com/pdf/CORPORATE_SOCIAL_RESPONSIBILITY_COMMITTEE_MANDATE.pdf.

The composition of the CSR committee as on March 31, 2015 was as follows:

- i. Dr. Preetinder Singh Joshi (Chairman)
- ii. Mr. Harpal Singh (Member)
- iii. Mr. Malvinder Mohan Singh (Member)

3. Average Net profits of the Company/ s for last three financial years: Rs. 2689.58 Lacs

4. Prescribed CSR spend : Rs 58.74 lacs

5. Overview of project/ programs undertaken / proposed to be undertaken

PROGRAM	NEED BASED FOCUS AREA	OBJECTIVE
UMEED	Healthcare for Children	Provide access to affordable quality Healthcare Early & timely intervention Healthy & fulfilled life Bring focus to under resourced areas in the context of child Health
AANCHAL	Women & Maternal Health	To educate & empower To accelerate the domino impact Drive prevention over remediation
SEWA	Medical Relief to Disaster Affected Areas	To address immediate & critical medical relief To deal with physical & Psychological trauma To mitigate risk of epidemic & diseases post disaster To support national disaster management program
CHHAYA	Medical Infrastructure support to public/ charitable hospitals	To ensure continuity of charitable healthcare Infrastructure To align with PPP (Public Private Partnership) structures/ become the execution arm for National Healthcare program to drive positive impact To develop economically viable model for mass healthcare
SAVERA	Awareness, communication & Publication	To effectively communicate who we are and what we do To lead thinking based on knowledge and date To structure the message in context of target audience
SPECIAL LIVES	Rare or Special medical needs	To address specific critical medical needs of an individual Lead and support humanitarian efforts
“FRIENDS OF FORTIS”	Volunteer Program	Working in a spirit of partnership Legitimizing healthcare programs under CSR Involving our internal partners (employees) and external stakeholders in a positive manner Maximize reach with limited resources Strengthen team efforts Maximize knowledge sharing and awareness

6. Details of CSR spend during the Financial Year (Total Amount Spent, Details of amount committed, manner in which the amounts were spent during the Financial Year including details of implementing agency/ vehicle):

Chart I: CSR spend measured under Section 135 of the Act

Manner in which the amount spent during the Financial Year is detailed below.

(Amount is ` lacs)

S. No	CSR Project or activity identified	Sector in which the project is covered (Schedule VII to the Companies Act, 2013)	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1.Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Anchal	i, ii and iii	SRL Limited (Subsidiary)	Pan India	21.64	-	-	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation
2	Seva	I	Fortis Healthcare Limited	Pan India	7.12	-	-	Contribution in kind through FHL and / or Subsidiary through FCF
3	Chhaya	i, iii, x	Fortis Healthcare Limited	Pan India	51.62	-	-	
			Escorts Heart Institute and Research Centre Limited (Subsidiary)	Pan India	95.58	-	-	
			Fortis Malar Hospitals Limited (Subsidiary)	Pan India	25.16	1.18	1.18	Direct
TOTAL					201.12	1.18	1.18	

The delta between amounts reflected in column 5 & 6 reflects amounts committed against actual spend. Activities during the FY 2014-15 focused on Policy Development, Needs Assessment, Program Designed and Development, Program Organizational Design and on-boarding of the requisite talent. The amounts committed and unspent would be carried forward into the succeeding budget and outlays for FY 2015-16. The above figures do not include overheads and administrative figures, the recording and quantification of which would get streamlined in the coming year for reporting purposes.

Chart II: CSR spend beyond the purview of Section 135**(Amount is ` lacs)**

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1.Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Umeed	i, ii	Fortis Healthcare Limited	Pan India	8.93	8.93	8.93	Direct / FCF
			Fortis Hospitals Limited (Subsidiary)	Pan India	392.95	392.95	392.95	Direct / FCF
2	Anchal	i, ii and iii	Fortis Healthcare Limited	Pan India	0.4	0.4	0.4	Direct / FCF
			Fortis Hospitals Limited (Subsidiary)	Pan India	13.17	13.17	13.17	Direct / FCF
3	Chhaya	i, iii, x	Fortis Malar Hospitals Limited (Subsidiary)	Pan India	3	3	3	Direct
			SRL Limited (Subsidiary)	Pan India	123	123	123	Direct
4	Employees Voluntary Program	ii	Fortis Healthcare Limited		24.42	24.42	24.42	Contribution in kind through FCF
	TOTAL				565.87	565.87		

7. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Working in the realm of healthcare the group provides support to a critical social need. Individual members of the Company and also the group, in developing sustaining and executing healthcare delivery models by their very nature validate the concept of the social enterprise. In keeping with the same while in the past there has not been a strict segregation of the social welfare activities from our normal day-

to-day business, as recommended under the terms of Section 135, its enactment has certainly provided the impetus to validate the past activities in this domain as also helped to bring focus, accountability and quantification of outcome to justify the efforts. As a responsible corporate citizen the company stands by its programs on CSR and Community Connect irrespective of whether the same fall under the ambit of Section 135 or not, while at the same time striving to ensure compliance to applicable regulations. The Company is committed to honoring its expectation in this regard and has in the past year restructured its CSR initiatives, allocated the requisite commitments which if remaining unspent have been carried forward to the coming year. In the nature of industry i.e. Healthcare, program design and cumulative multiyear spend plans seek to optimize the efforts and outcomes and also to ensure sustainability and scalability of the program design targeting a cost benefit value to the outcome. As the above figures will reflect Fortis Healthcare Limited and subsidiaries, cumulative spend far exceeds the 2% statutory requirement.

On behalf of the Board of Directors

Sd/-
Malvinder Mohan Singh
Executive Chairman

Annexure VI to Directors' Report

AOC-2

PARTICULARS OF CONTRACT / ARRANGEMENT MADE WITH RELATED PARTIES

(pursuant to Clause (h) of Sub Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the disclosure of particulars of contracts/ arrangement entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transaction not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2015, which are not on arm's length basis.

Details of material contracts or arrangements or transaction at arm's length basis

The details of material contracts or arrangements or transactions (as per the Company's Policy on 'Materiality on Related Party Transactions') entered into during the year ended March 31, 2015, which are on arm's length basis

Name of Related Party	Nature of Relationship	Nature of Contract/ arrangement/ transaction	Duration of the Contract/ arrangement/ transaction	Salient terms of the Contract/ arrangement/ transaction including the value, if any	Date of approval by the Board, if any	Amount paid in advance
Fortis Hospitals Limited	Wholly Owned Subsidiary Company	Loan advanced	Till March 2016	An agreement of ` 600 crore @ 13.00 % p.a.	Approved by Audit Committee on February 12, 2015	NA
Fortis Hospitals Limited	Wholly Owned Subsidiary Company	Loan advanced	Till March 2016	An agreement of ` 600 crore @ 13.75 % p.a.	Approved by Audit Committee on February 12, 2015	NA
Fortis Healthcare International Limited	Subsidiary Company	Loan advanced	Till March 2016	An agreement of USD 85 million @ 5.00 % p.a.	Approved by Audit Committee on February 12, 2015	NA

On behalf of the Board of Directors

Sd/-
Malvinder Mohan Singh
Executive Chairman

Report on Corporate Governance

1. INTRODUCTION

Corporate governance essentially is the system of structures, rights, duties and obligations by which companies are directed and controlled. This governance structure specifies the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs. This is reflected in the Company's philosophy on Corporate Governance. The Report has been prepared in accordance with the requirements laid down under Companies Act, 2013, Clause 49 of the Listing Agreement and with a view to meticulously attain the highest standards of governance.

2. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance ensures fairness, transparency and integrity of the management. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, it is committed to high levels of ethics and integrity in all its business dealings that avoids conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

3. BOARD OF DIRECTORS - Composition of the Board

The Board of Directors ("the Board") is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the long term interests of its stakeholders. It brings in strategic guidance, leadership and an independent view to the Company's Management while discharging its fiduciary

responsibilities, thereby, ensuring that Management adheres to highest standards of ethics, transparency and disclosure.

Our policy towards the Composition of Board is to have an appropriate mix of Executive, Non-Executive, Women and Independent Directors, representing a judicious mix of professionalism, diversity and wide spectrum subject to specific competence in areas critical to the organization, knowledge and experience. This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its functions of Governance and Management.

Currently, the Board consists of 12 Members, of whom 2 (Two) are Executive Directors viz., an Executive Chairman and an Executive Vice Chairman and 10 (Ten) are Non-Executive Directors. Amongst the 10 (Ten) Non-Executive Directors, 6 (Six) are Independent Directors. The Non-Executive Directors bring an external and wider perspective in Board's deliberations and decisions.

The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement with Stock Exchanges and Companies Act, 2013. Other details relating to the Directors as on March 31, 2015 are as follows:

Name of the Director	Position held in the Company	Directorship in other Companies@	Committee Membership in Companies#	Committee Chairmanship in Companies#
Mr. Malvinder Mohan Singh	Executive Chairman (Promoter)	13 (including 1 listed company)	2	0
Mr. Shivinder Mohan Singh	Executive Vice Chairman (Promoter)	13 (including 1 listed company)	0	0
Dr. Brian William Tempest	Non-Executive Independent	4 (including 1 listed company)	0	1
Mr. Harpal Singh*	Non-Executive Non- Independent	6 (including 1 listed company)	1	0
Ms. Joji Sekhon Gill	Non-Executive Independent	0	0	0
¹ Ms. Lynette Joy Hepburn Brown	Non-Executive Independent	0	0	0
Mr. Pradeep Ratilal Raniga	Non-Executive Independent	1 (which is listed)	0	0
Dr. Preetinder Singh Joshi	Non-Executive Independent	8 (including 1 listed company)	4	2
² Mr. Ravi Umesh Mehrotra	Non-Executive Non- Independent	4 (including 1 listed company)	1	0
² Ms. Shradha Suri Marwah	Non-Executive Independent	11 (including 2 listed companies)	0	0
Mr. Sunil Naraindas Godhwani	Non-Executive Non- Independent	8 (including 1 listed company)	3	2
Mr. Udai Dhawan**	Non-Executive Non- Independent (Nominee)	6	1	0

@ Excluding Foreign Companies, companies formed under Section 8 of Companies Act, 2013 and Fortis Healthcare Limited.

#Represents membership/chairmanship of Audit Committee & Stakeholders/Shareholders' Relationship Committee of Indian Public Limited Companies (other than companies formed under Section 8 of Companies Act, 2013).

* Related to Promoters

** Nominated by Standard Chartered Private Equity (Mauritius) III Limited (SCPE), in pursuance of Shareholders Agreement executed with the Company.

¹ Appointed as Director w.e.f. May 29, 2014.

²Appointed as Directors w.e.f. March 26, 2015.

None of the Directors on Board of the Company, is a member in more than ten committees and/or act as a chairman/chairperson of more than five committees across all the companies in which he/she is a Director. Further, no independent director serves in more than seven listed companies and none of the person who is serving as a whole time director in listed company is serving as an independent director in more than three listed companies.

Except Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, who are brothers and Mr. Harpal Singh, who is related to Mr. Malvinder Mohan Singh, none of the other Directors are related to one another.

Disclosure regarding appointment or re- appointment of Directors

Every appointment made to the Board is recommended by the Nomination and Remuneration Committee after considering various factors such as qualification, positive attributes, area of expertise and other criterias as laid down in the "Board of Directors-Governance Standards". The same is further taken for shareholders approval, as and when required, under the provisions of applicable laws.

During the Financial Year ended March 31, 2015, the Board membership was expanded by the addition of Ms. Lynette Joy Hepburn Brown, Mr. Ravi Umesh Mehrotra and Ms. Shardha Suri Marwah, as Directors.

Also, Mr. Gurcharan Das retired from the Board (w.e.f. September 24, 2014) during the period under review.

As per the provisions of Companies Act, 2013, Mr. Harpal Singh is liable to retire by rotation at the ensuing Annual General Meeting. The Company has received confirmation recommending the re-appointment of Mr. Harpal Singh at the ensuing Annual General Meeting. The Board has recommended the re-appointment of Mr. Harpal Singh as a director liable to retire by rotation.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, all the Independent Directors hold office for a tenure of five consecutive years and are not liable to retire by rotation.

The profile of Mr. Harpal Singh in terms of Clause 49 of the Listing Agreement is provided in the Notice convening the ensuing Annual General Meeting.

Board Functioning & Procedure

The Board of Directors is an apex body constituted by the members for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic directions of the Company, Management's policies and their effectiveness and ensures that the long term interests of the shareholders are being served.

The probable dates of the Board Meetings for the forthcoming year are decided in advance and published as part of the Annual Report. The Board meets at least once in a quarter to review the performance of the Company and approves, *inter alia*, the financial results. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

Independent Directors are regularly updated on performance of the Company, business strategy and new initiatives being taken/ proposed to be taken by the Company. The agenda for each Board Meeting alongwith background papers are circulated in advance to the Board Members to facilitate meaningful discussion at the meeting.

The Directors are provided free access to offices and employees of the Company. With the permission of Chair, Company's executives are invited to meetings of the Board/Committees at which their presence and expertise helps the Members to develop a full understanding of matters being deliberated.

The agenda and notes on agenda are circulated to Directors in advance and in the agreed format. All material information is incorporated in the agenda so as to give enough time to the Directors to go through the presentations/documents and take a well-informed decision. In case of exigencies/sensitive matters, the details are directly placed at the meeting, with the permission of the Chair.

The provisions and procedures relating to Performance Evaluation of the Directors and Familiarization Program forms part of Board Report. Further, in compliance with Clause 49 of the Listing Agreement, the Company has made familiarization programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarization programme is available at http://cdn.fortishealthcare.com/pdf/Board_of_Directors.pdf.

The Company effectively uses audio-visual means to enable the participation of Directors who cannot attend the Board or Committee meeting(s) in person.

Six Board meetings were held during the year ended March 31, 2015. These were held on (i) May 29, 2014; (ii) August 7, 2014; (iii) September 24, 2014; (iv) November 13, 2014; (v) February 13, 2015; and (vi) March 26, 2015.

The following table gives the attendance record of the directors at the above said Board Meetings and at the last Annual General Meeting, which was held on September 24, 2014:

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Malvinder Mohan Singh	5	No
¹ Mr. Shivinder Mohan Singh	6	Yes
Dr. Brian William Tempest	6	Yes
[^] Mr. Gurcharan Das	2	Yes
² Mr. Harpal Singh	6	Yes
Ms. Joji Sekhon Gill	4	Yes
*Ms. Lynette Joy Hepburn Brown	5	No
Mr. Pradeep Ratilal Raniga	5	No
³ Dr. Preetinder Singh Joshi	6	Yes
**Mr. Ravi Umesh Mehrotra	1	-
**Ms. Shradha Suri Marwah	1	-
Mr. Sunil Naraindas Godhwani	4	No
⁴ Mr. Udai Dhawan	6	Yes

¹Attended one meeting through audio-visual means (which is included above)

² Attended one meeting through audio-visual means and one through audio means (which is included above) (However, his presence was not counted for the purpose of quorum for the meeting which has been attended through audio means)

³Attended two meetings through audio-visual means (which is included above)

⁴Attended one meeting through Audio means (which is included above) (However, his presence was not counted for the purpose of quorum for such meeting)

* Appointed as Director w.e.f. May 29, 2014.

** Appointed as Directors w.e.f. March 26, 2015.

[^]Ceased to be Director w.e.f. September 24, 2014

Availability of information to the members of Board:

As required under Clause 49 of the Listing Agreement, to the extent applicable, following information, as and when applicable, is placed before the Board:

- Annual operating plans and budgets and any updates thereto.
- Capital expenditure plans and any updates.
- Quarterly results for the Company and its operating divisions or business segments.

- Minutes of meetings of all committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions including any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Statutory Compliances

The Board periodically reviews the mechanism put in place by the Management to ensure the compliances with Laws and Regulations as may be applicable to the Company as well as the steps taken by the Company to rectify the instances of non-compliances, if any.

Code of Conduct

The Board has prescribed a Code of Conduct ("the Code") for all employees of the Company including Senior Management and Board Members, which covers the transparency, behavioral conduct, a gender friendly work place, legal compliance and protection of the Company's property and information. Further, in terms of Schedule IV of Companies Act, 2013, the Company has adopted an additional code of conduct for the Independent Directors. Both the codes are posted on the website of the Company. In terms of Clause 49 of the Listing Agreement, the Senior Management and Board Members have confirmed the compliance with the Codes for the Financial Year 2014-15. A declaration to this effect signed by the Executive Chairman of the Company, forms part of this Report.

4. COMMITTEES OF THE BOARD

In terms of Clause 49 of the Listing Agreement and Companies Act, 2013, the Board has formed Four Committees viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

Keeping in view the requirements of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement, the Board decides the terms of reference of these Committees and the assignment of members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

(A) Audit and Risk Management Committee:

Composition

As on March 31, 2015, Audit and Risk Management Committee comprised of the following members, namely:

- (i) Dr. Brian William Tempest, Chairman,
- (ii) Mr. Harpal Singh,
- (iii) Mr. Pradeep Ratilal Raniga, and
- (iv) Dr. Preetinder Singh Joshi.

All members of the Committee are financially literate and have requisite accounting and financial management expertise. Mr. Rahul Ranjan, Company Secretary, acts as the Secretary of the Audit and Risk Management Committee.

The salient roles and responsibilities associated with the Audit and Risk Management Committee include, but are not limited to the following:

- To review, with the management, the financial statements and auditor's report thereon before submission to the board for approval,
- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible,
- To review management discussion and analysis of financial condition and results of operations,
- To review the financial statements, in particular, the investments made by the unlisted subsidiary company(ies),
- To review and approve all related party transactions as reported by the Management or any subsequent modification thereof,
- To review disclosure of any "related party transactions" made in the Annual Financial Statements and Auditor's Report,
- To review, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter,
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors,
- To scrutinize the inter corporate loans and investments,
- Valuation of undertakings or assets of the company, wherever it is necessary and appointment of valuer(s),
- To review and monitor the auditor's independence, performance and effectiveness of audit process,
- To recommend appointment, remuneration and terms of appointment of auditors of the company after taking into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor,
- To discuss with statutory auditors the nature and scope of audit as well ascertain area of concern,
- To monitor the end use of funds raised through public offers and related matters,
- To review, select and recommend the appointment/removal and remuneration of the cost auditors,
- To review appointment, removal and terms of remuneration of the Chief Internal Auditor and other matters pertaining to internal audit function,

- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board,
- To review with the management adequacy of the Internal Control System,
- To evaluate risk management system,
- To review and oversee the Whistle Blower mechanism, and
- To approve appointment of CFO.

The above-mentioned roles and responsibilities reflect the salient terms of reference and responsibilities for the Committee. The detailed and exhaustive Mandate of the Audit and Risk Management Committee is available on the website of the Company for reference.

The Company has laid down sufficient safeguards to ensure risk assessment and risk management and forms part of Management Discussion and Analysis Report.

Meetings of Audit and Risk Management Committee and attendance during the year

Four meetings of Audit and Risk Management Committee were held during the year ended March 31, 2015. These were held on (i) May 28, 2014; (ii) August 6, 2014; (iii) November 12, 2014, and (iv) February 12, 2015.

The attendance of members of Audit and Risk Management Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1.	Dr. Brian William Tempest	4
2.	*Mr. Harpal Singh	3
3.	Mr. Pradeep Ratilal Raniga	4
4.	*Dr. Preetinder Singh Joshi	4

*Attended one meeting each through audio-visual means (included above)

Executive Directors, Chief Executive Officer, Chief Financial Officer, Head- Risk and Internal Audit and representatives of Statutory Auditors and Internal Auditors are generally invited to the meetings of the Audit and Risk Management Committee.

(B) Stakeholders Relationship Committee:

Composition

In order to expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to the Committee. As on March 31, 2015, the Stakeholders Relationship Committee comprised of the following members, namely:

- Mr. Sunil Godhwani, Chairman,
- Dr. Brian William Tempest, and
- Mr. Shivinder Mohan Singh.

Mr. Rahul Ranjan, Company Secretary, acts as the Secretary of the Stakeholders Relationship Committee and the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with the Stock Exchanges.

The salient roles and responsibilities associated with the Stakeholders Relationship Committee include, but are not limited to the following:

- To approve/refuse/reject registration of transfer/transmission of Shares in a timely manner;
- To authorise printing of Share Certificates;

- To issue the Share Certificates under the seal of the Company, which shall be affixed in the presence of, and signed by:
 - any two Directors (including Managing or Whole-time Director, if any), and
 - Company Secretary / Authorised Signatory;
- To authorise affixation of the Common Seal of the Company on Share Certificates of the Company;
- To authorise to sign and endorse the Share Transfers on behalf of the Company;
- To authorise Managers/Officers/Signatories for signing Share Certificates;
- To authorise issue of Duplicate Share Certificates and Share Certificates after Split / Consolidation/ Rematerialization and in Replacement of those which are defaced, mutilated, torn or old, decrepit, worn out or where the pages on reverse for recording transfers have been utilized;
- To monitor redressal of stakeholders complaints/grievances including relating to non-receipt of allotment / refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc; and
- To authorize to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates.

The above-mentioned roles and responsibilities reflect the salient terms of reference and responsibilities for the Committee. The detailed and exhaustive Mandate of the Stakeholders Relationship Committee is available on the website of the Company for reference.

Details of Investors' Grievances received during the year 2014-15:

Nature of Complaints	Pending as on April 1, 2014	Received	Resolved/ Attended	Pending as on March 31, 2015
Non Receipt of Securities / Refund Order/ Transfers/ Electronic Credits/ Annual Report / Query/ other Miscellaneous	1	139	139	*1
Total	1	139	139	1

* The pending complaint has been resolved as on date.

The Company gives utmost priority to the redressal of Investors' Grievances which is evident from the fact that all complaints received from the investors were resolved expeditiously, to the satisfaction of the investors.

No share transfer was pending as on March 31, 2015.

Four meetings of Stakeholders Relationship Committee were held during the year ended March 31, 2015. These were held on (i) May 29, 2014, (ii) August 6, 2014, (iii) November 13, 2014, and (iv) February 13, 2015.

The attendance of members of the Stakeholders Relationship Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1.	Mr. Sunil Godhwani (appointed as Chairman w.e.f. August 7, 2014)	2
2.	Dr. Brian William Tempest (appointed as member w.e.f. August 7, 2014)	2
3.	* Mr. Harpal Singh (resigned as member w.e.f. August 7, 2014)	2
4.	*Dr. Preetinder Singh Joshi, (resigned as Chairman w.e.f. August 7, 2014)	2
5.	Mr. Shivinder Mohan Singh	4

*Dr. Preetinder Singh Joshi attended one meeting through audio-visual means and Mr. Harpal Singh attended one meeting through audio visual means & one meeting through Audio means (all included

above) (However, Mr. Singh's presence was not counted for the purpose of quorum for the meeting which has been attended through audio means).

(C) Corporate Social Responsibility Committee

Composition

As on March 31, 2015, Corporate Social Responsibility Committee comprised of the following members, namely:

- (i) Dr. Preetinder Singh Joshi, Chairman,
- (ii) Mr. Harpal Singh, and
- (iii) Mr. Malvinder Mohan Singh.

Mr. Rahul Ranjan, Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

The salient roles and responsibilities associated with the Corporate Social Responsibility Committee include, but are not limited to the following:

- Reviewing and making recommendations, as appropriate, with regard to the Company's Corporate Social Responsibility (CSR) policy(ies) indicating the activities to be undertaken by the Company;
- Reviewing the various proposals of CSR programmes / projects as submitted by CSR department of the Company and if thought fit, approval thereof, provided that the same is within the framework of CSR Policy;
- Identification and appointment of various eligible agencies / entities for execution of CSR programmes or projects of the Company;
- To recommend the amount of expenditure to be incurred on the CSR activities as per the framework of CSR Policy;
- Fixation of the schedule of implementation of CSR projects and programmes and supervise and review the same;
- Liaising with management on the Company's CSR program, including significant sustainable development, community relations and procedures;
- Satisfying itself that management of the Company monitors trends and emerging issues in the corporate social responsibility field and evaluates the impact on the Company;
- Scheduling regular reports from CSR Department(s) and / or various eligible agencies or entities on the Company's CSR performance to assess the effectiveness of the CSR program;
- Identifying the principal areas of risks and impacts relating to corporate social responsibility and ensuring that sufficient resources are allocated to address these liabilities;
- Reviewing the annual budget for the Company's CSR activities to confirm that sufficient funding is provided for compliance with this mandate;
- Reviewing the Company's CSR performance and to assess the effectiveness of the CSR program and to determine whether the Company is taking all appropriate actions in respect of those matters and has been duly diligent in carrying out its responsibilities and to make recommendations for improvement, wherever appropriate; and
- Opening of various bank account(s) and authorizing the bank signatories, as may be required, for execution of various CSR programmes or projects of the Company and change, if any, of said signatories and closure of said bank account(s).

The above-mentioned roles and responsibilities reflect the salient terms of reference and responsibilities for the Corporate Social Responsibility Committee. The detailed and exhaustive mandate of the Corporate Social Responsibility Committee is available on the website of the Company for reference.

Meetings of Corporate Social Responsibility Committee and attendance during the year

Three meetings of Corporate Social Responsibility Committee were held during the year ended March 31, 2015. These were held on (i) May 8, 2014, (ii) November 13, 2014, and (iii) February 12, 2015.

The attendance of members of the Corporate Social Responsibility Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1.	Dr. Preetinder Singh Joshi, Chairman	3
2.	Mr. Harpal Singh	3
3.	* Mr. Malvinder Mohan Singh	3

*Attended one meeting through audio-visual means (included above)

(D) Nomination and Remuneration Committee

Composition

As on March 31, 2015, the Nomination and Remuneration Committee comprised of the following members:

- (i) Ms. Joji Sekhon Gill, Chairperson;
- (ii) Dr. Brian William Tempest;
- (iii) Ms. Lynette Joy Hepburn Brown; and
- (iv) Mr. Malvinder Mohan Singh

The salient roles and responsibilities associated with the Nomination and Remuneration Committee include, but are not limited to, the following:

- Assist in identifying and finalizing suitable candidates as members of the Board and recommendation of compensations norms;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising of remuneration policy and Board diversity policy for the Board Members;
- Monitor and Evaluation of Board Evaluation Framework;
- Identification of the persons who may be appointed in senior management, evaluation of performances of Key Managerial Personnel, monitoring their compensation packages, employment arrangements and remuneration policy;
- Review of terminations / severance of employments of Key Managerial Personnel where such has been occasioned for cause of breach of policy;
- Review and approve succession and emergency preparedness plan for the Key Managerial Personnel and all senior Management personnel;
- Review grant of stock options or pension rights to the employees under different ESOP Plans of the Company;
- Monitor the remuneration of other employees of the Company for recommendation to the Board;
- Review of organization structure;
- Maintain a framework for talent/competency development strategy; and
- Formulation of framework for High-Potential Management to effectually manage the talent.

The above-mentioned roles and responsibilities constitute the salient terms of reference and responsibilities for the Nomination and Remuneration Committee. The detailed and exhaustive Mandate of the Committee is available on the website of the Company for reference. The Nomination and Remuneration Committee works with the Board on the succession planning and ensures contingency plans are in place to meet any exigencies.

Meetings of Nomination and Remuneration Committee and attendance during the year

Two meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2015. These were held on (i) May 8, 2014; and (ii) November 12, 2014.

The attendance of members of Nomination and Remuneration Committee at these meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	Ms. Joji Sekhon Gill, Chairperson	2
2	Dr. Brian William Tempest (appointed as member w.e.f. March 26, 2015)	0
3	Mr. Gurcharan Das (ceased to be member w.e.f. September 24, 2014)	1
4	Ms. Lynette Joy Hepburn Brown (appointed as member w.e.f. August 7, 2014)	1
5	*Mr. Malvinder Mohan Singh	2
6.	Dr. Preetinder Singh Joshi (ceased to be member w.e.f. August 7, 2014)	1

*Attended one meeting through audio-visual means (included above)

Mr. Rahul Ranjan, Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

Remuneration Policy & criteria of making payments to Executive and Non-Executive Directors

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice.

The Directors' remuneration policy of your Company is in line with the provisions of Companies Act, 2013. The remuneration paid/payable to the Executive Director(s) is, as recommended by the Nomination and Remuneration Committee, decided by the Board and approved by the Shareholders and Central Government, wherever required.

Presently, the Non-Executive Director(s) are paid sitting fees for attending the Meetings of Board of Directors and various Committee(s) of Board viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

Non-Executive Directors will be paid honorarium upto 1% the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013, if approved by shareholders at the ensuing Annual General Meeting.

The key components of the Company's Remuneration Policy for the Board Members are:

- Compensation will be based on credentials and the major driver of performance.
- Compensation will be competitive and benchmarked with industry practice.
- Compensation will be fully transparent and tax compliant.

The Governance Document for Board which *inter alia* includes the Remuneration Policy of the Company is made available on the website of the Company at http://www.fortishealthcare.com/pdf/Board_of_Directors.pdf.

Remuneration to Director(s)

a) Executive Director(s)

Mr. Malvinder Mohan Singh was appointed as a Whole-time Director of the Company designated as the Executive Chairman for a period of 5 years w.e.f. January 11, 2012. The Board of directors and the shareholders have approved payment of remuneration to Mr. Malvinder Mohan Singh, for a period of three years w.e.f. April 1, 2013 for an amount of 2% of net profits or ` 15 crores, whichever is higher. Further, during the year under review, the Board of Directors and the shareholders have approved variation in the remuneration, for a period of two years w.e.f. April 1, 2014 for an amount upto ` 15 crores. The application for the same has been filed with the Central Government during the year under review.

Mr. Shivinder Mohan Singh, was appointed as a Managing Director of the Company designated as Executive Vice Chairman, for a period of three years w.e.f. November 13, 2012.

The proposal for their re-appointment is made at the ensuing Annual General Meeting. For complete details please refer the Notice of the Annual General Meeting.

The details of remuneration paid to Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh during the Financial Year ended March 31, 2015 is as under:

For Mr. Malvinder Mohan Singh

(Amount in `)

Salary, Allowances & Perquisites	Retiral Benefits	Service Contract		Total
		Tenure	Notice Period	
53,243,061	Refer Note 1 below	3 years w.e.f. April 1, 2013	3 Months	53,243,061

For Mr. Shivinder Mohan Singh

(Amount in `)

Salary, Allowances & Perquisites	Retiral Benefits	Service Contract		Total
		Tenure	Notice Period	
53,566,871	Refer Note 1 below	3 years w.e.f. November 13, 2012	3 Months	53,566,871

Notes:

1. Retiral Benefits of ` 1,728,000 are towards 'Employer's PF Contribution'.
2. As the liability for Gratuity & Leave Encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh is not ascertainable and, therefore, not included in the above.
3. No commission/honorarium is being paid to the Executive Directors from the Company or its Holding/subsidiary Companies.
4. No severance fees is payable on termination of contract.

b) Non-Executive Directors' Compensation and Disclosures - Details of Sitting fees and Shareholding

During the year under review, the sitting fees for attending each Board Meeting was enhanced from ` 20,000/- to ` 1,00,000/- and for each Committee Meeting from ` 20,000/- to ` 50,000/-, in line with the limits laid down under Companies Act, 2013. Also the Board approved payment of sitting fees of ` 50,000/- for attending separate meeting of Independent Directors. The details of Sitting Fees paid to Directors and their Shareholding as on March 31, 2015 is as follows:

Sl. No.	Name of Director	Gross Sitting Fees* (₹)	Shareholding in the Company as on March 31, 2015 (No. of Shares)
1.	Mr. Malvinder Mohan Singh	NA	11,508
2.	Mr. Shivinder Mohan Singh	NA	11,508
3.	Dr. Brian William Tempest	7,30,000	NIL
4.	^Mr. Gurcharan Das	1,40,000	-
5.	Mr. Harpal Singh	6,80,000	58,003
6.	Ms. Joji Sekhon Gill	5,20,000	NIL
7.	^^Ms. Lynette Joy Hepburn Brown	4,40,000	NIL
8.	Mr. Pradeep Ratilal Raniga	5,30,000	NIL
9.	Dr. Preetinder Singh Joshi	8,10,000	33,000
10.	^^^Mr. Ravi Umesh Mehrotra	1,00,000	NIL
11.	Mr. Sunil Godhwani	4,20,000	38,500
12.	^^^Ms. Shradha Suri Marwah	1,00,000	NIL
13.	Mr. Udai Dhawan	3,40,000	NIL

* For attending the Board Meetings, Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Separate Meeting of Independent Directors.

^ Retired from directorship w.e.f. September 24, 2014.

^^ Appointed as Director w.e.f. May 29, 2014.

^^^ Appointed as Director w.e.f. March 26, 2015.

The Company has not granted any stock options to any of its Directors. There was no other pecuniary relationship or transaction of the Non-Executive Director(s) vis-à-vis the Company, during the year under review.

INDEPENDENT DIRECTORS MEETING

Besides the above, one meeting of the Independent Directors of the Company was held on March 26, 2015. All the Independent Directors attended the Meeting.

5. SUBSIDIARY COMPANIES

Fortis Hospitals Limited, one of the subsidiaries of the Company is a “material non-listed Indian subsidiary” and accordingly in terms of Clause 49 of the Listing Agreement, Dr. Preetinder Singh Joshi, Independent Director has been appointed as an Independent Director on the Board of Fortis Hospitals Limited.

The Audit and Risk Management Committee of the Company reviews the financial statements and investments made by the subsidiary company(ies). The minutes of the Board Meeting(s) as well as the statements of significant transactions and arrangements entered into by the subsidiaries, if any, are placed before the Board of Directors of the Company from time to time.

Details on Policy for determining ‘material’ subsidiaries forms part of the Annual Report and is also available at http://cdn.fortishealthcare.com/pdf/Policy_on_material_nonlisted_company.pdf.

6. EXECUTIVE CHAIRMAN (ECM) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The ECM & CFO certification as stipulated in the Clause 49 (V) of the Listing Agreement was placed before the Board along with financial statement(s) for the year ended March 31, 2015. The Board reviewed and took the same on record. The said certificate forms part of the Annual Report.

7. GENERAL BODY MEETING(S)

The location and time of the General Meetings held during the preceding three years are as follows:

Financial Year	Date	Time	Venue	Special resolution passed
Annual General Meetings				
2011-12	29-09-2012	11:30 A.M.	NCUI Convention Centre, 3, Khel Gaon Marg, New Delhi-110016	i. Re-appointment of Mr. Shivinder Mohan Singh Executive Vice Chairman; ii. Payment of Remuneration to Ms. Joji Sekhon Gill and Mr. Pradeep Ratilal Raniga, Non-Executive Directors; iii. Approval for alteration in "Employee Stock Option Plan – 2011" for the benefit of employees and directors of the Company and also "Fortis Healthcare Limited Employee Welfare Trust" for facilitating the issue, offer and allotment of Stock Options, etc.
2012 – 13	27- 09 - 2013	11:30 A.M.	PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016	No Special Resolution was passed.
2013-14	24-09-2014	11:30 A.M.	PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016	i. Payment of Remuneration to Ms. Lynette Joy Hepburn Brown, Non-Executive Director; ii. Approval for borrowing upto ` 6000 crore under Section 180(1) (c) of Companies Act, 2013; iii. Approval for creation of charge, etc upto ` 6000 crore under Section 180(1)(a) of Companies Act, 2013; and iv. Enabling resolution for raising funds upto USD 500 Million.

Details of resolution passed by way of Postal Ballot

During the year ended March 31, 2015, pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the members of the Company have approved following resolutions by way of postal ballot notice dated November 13, 2014 (result declared on December 29, 2014):

- (i) Amendment in the Objects Clause of the Memorandum of Association of the Company;
- (ii) Adoption of new set of Articles of Association of the Company;
- (iii) Approval for making loans or investments under Section 186 of the Companies Act, 2013;
- (iv) Approval for selling whole or substantially the whole of the undertaking of the Company, if any;
- (v) Approval for entering into the Related Party Transactions under Section 188 of the Companies Act, 2013; and

- (vi) Approval for variation in terms of appointment including remuneration of Mr. Malvinder Mohan Singh, Executive Chairman.

Further, another Postal ballot notice was initiated on March 30, 2015 (result declared on May 4, 2015) for the following business:

- (i) Appointment of Mr. Ravi Umesh Mehrotra as Director;
(ii) Appointment of Ms. Shradha Suri Marwah as an Independent Director; and
(iii) Approval for entering into Related Party Transaction(s) with Subsidiaries

For the conduct of Postal Ballots/e-voting exercise, Mr. Mukesh Manglik, Company Secretary in Whole Time Practice, was appointed as the Scrutinizer.

Summary of the result of the aforementioned Postal Ballot/electronic voting process, announced by Mr. Malvinder Mohan Singh, Executive Chairman of the Company, on December 29, 2014 and May 4, 2015, respectively are as follows:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Special Resolution for amendment in the Objects Clause of the Memorandum of Association of the Company	399851776	399848882 (99.9993)	2890 (0.0007)
Special Resolution for consideration and adoption of new set of Articles of Association of the Company	399851743	380401039 (95.1335)	19450698 (4.8645)
Special Resolution for making loans or investments under Section 186 of the Companies Act, 2013	399851743	379373054 (94.8784)	20478684 (5.1216)
Special Resolution for selling of whole or substantially the whole of the undertaking of the Company	398362057	384250058 (96.4575)	14111996 (3.5425)
Special Resolution for entering into Related Party Transaction(s)	70259914	69506417 (98.9276)	753495 (1.0724)
Special Resolution for variation in terms of appointment including remuneration of Mr. Malvinder Mohan Singh, Executive Chairman	399851393	386278296 (96.6055)	13573096 (3.3945)
Ordinary Resolution for appointment of Mr. Ravi Umesh Mehrotra as a Director	368705440	368704556 (99.9998)	884 (0.0002)
Ordinary Resolution for appointment of Ms. Shradha Suri Marwah as an Independent Director	368705440	368703326 (99.9994)	2114 (0.0006)
Special Resolution for entering into Related Party Transaction(s) with Subsidiaries	38631895	38614218 (99.9542)	17677 (0.0458)

Procedure for Voting by Postal Ballot and E-voting

In compliance with Clause 35B of the Listing agreement and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the Company provides E-voting facility to the members. The Notice of Postal Ballot along with the Explanatory Statement pertaining to the draft Resolution(s) explaining in detail, the material facts along with the Postal Ballot Form and the self-addressed postage prepaid business reply envelope, are sent to all the members, whose name appear on the register of members as on the cut-off date, under secured mode of Posting/through e-mail. The members were given option to vote either through the Postal Ballot Forms or through e-voting facility. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

The members are required to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and sign the same as per the specimen signature available with the Company or Depository Participant, as the case may be, and return the form duly completed in the attached self-addressed postage prepaid envelope so as to reach the scrutinizer before the close of working hours of the last date fixed for the purpose or post their assent or dissent through e-voting module. Postal Ballot Form received after this date, is strictly treated as if the Form has not been received from the member.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the shareholders on the specified date. A resolution is deemed to have been passed as special resolution if the votes cast in favour are at least three times than the votes cast against and in case of ordinary resolution, the resolution is deemed to have been passed, if the votes cast in favour are more than the votes cast against.

For the members who opted for e-voting facility, they casted their votes via electronic platform (<https://evoting.karvy.com>) of Karvy Computershare Private Limited (Karvy). Requisite notice was given to such members to e-vote / send their reply.

The scrutinizer appointed for the purpose scrutinizes the postal ballots and e-votes received and submits his consolidated report to the Company. The results are also displayed on the website of the Company-www.fortishealthcare.com. and the date of declaration of results by the Company is deemed to be the date of passing the resolutions.

Further, there is no immediate proposal for passing any resolution through Postal Ballot. None of the resolution/business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through postal ballot.

8. DISCLOSURES

Related Parties Transactions

The details of transactions with related parties or others, if any, as prescribed in the Listing Agreement, are placed before the Audit and Risk Management Committee periodically. Further, the details of all material transactions with related parties are also disclosed quarterly along with the compliance report on corporate governance. Details on Policy on dealing with Related Party Transactions forms part of the Annual Report.

In the cases of material transaction the same are pursued under direct guidance of the Audit and Risk Management Committee with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, independent Advisory Committees are constituted and external expert opinion sought for Board consideration. Further, in accordance with the Clause 49 of the Listing Agreement, the Company has adopted a Policy on 'Materiality on Related Party Transactions' the same is at http://cdn.fortishealthcare.com/pdf/Related_Party_Transactions_Framework_Document.pdf.

The details of the Material Related Party Transactions approved by the Shareholders during the period under review through Postal Ballot are as follows:

Sl No.	Nature of transaction as per Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Relationship	Particulars/ Material Terms and Conditions of the transaction
1	Rendering and availing of Services	None	Escorts Heart and Super Specialty Hospital Limited	Associate Company	Existing Hospital Service Agreement is a continuous agreement having Variable fee @ 7.5% of operating revenue as per the agreement + Fixed quarterly fee of ` 3.70 Crore + increased by 3% p.a. with non-recurring fixed fee of ` 3.63 Crore for FY 2014-15 and ` 2.45 crore for FY 2015-16.
2	Rendering and availing of Services	None	Fortis Hospotel Limited	Subsidiary Company	Existing Hospital Service Agreement is a continuous agreement having Base Service Fees:- ` 16.54 Crore +Increased by 3% at the beginning of each Financial Year. Variable Service Fees:- 7.5% of Operating Revenue as per the agreement.

Besides the above, another material related party transaction entered during the Financial Year 2014-15 (initiated for approval of shareholders on March 30, 2015) and approved on May 4, 2015 is as given under:

Sl No.	Nature of transaction as per Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Relationship	Particulars/ Material Terms and conditions of the transaction
1	Rendering of Services	None	1.Escorts Heart Institute & Research Centre Limited (EHIRCL), 2.Fortis Asia Healthcare Pte Ltd (FAHPL) 3.Fortis Healthcare International Pte Ltd. (FHIPL)	Subsidiary Companies	Corporate Guarantee upto ` 1000 Crs each (In Indian currency or otherwise) on behalf of EHIRCL, FAHPL and FHIPL as a security for the credit facility (both fund based and non- fund based) availed/ to be availed by EHIRCL, FAHPL and FHIPL from Banks, Institutions, Body(ies) Corporate or any other person from time to time.

Accounting Treatment

While in the preparation of financial statements, the treatment that has been prescribed in the Accounting Standards has been followed to represent the facts in the financial statements in a true and fair manner.

Utilization of Proceeds from Issues

The proceeds from the Initial Public Offering (IPO), Rights Issue of Equity Shares with detachable warrants, allotment made through Institutional Placement Programme, Preferential Allotments and issue of Foreign Currency Convertible Bonds have been utilized as per the objects of the respective issue and details of the same are placed before the Audit and Risk Management Committee periodically for its review.

Compliances by the Company

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities relating to the above.

9. MANAGEMENT

During the year under review, no material financial and commercial transaction has been entered by Senior Management Personnel, where they have any personal interest that may have potential conflict with the Company at large. The Company has obtained requisite declarations from all Senior Management Personnel in this regard and the same were duly placed before the Board of Directors on periodic basis.

10. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company strongly supports and strives to provide a structured platform via Whistle Blower Policy/Vigil Mechanism for reporting of instances of alleged wrongful conduct or gross waste or misappropriation of funds including instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Through this Policy, the Company seeks to provide a procedure for all the employees and Directors of the Company to report concerns about unethical and improper practice taking place in the Company and provide for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee, in exceptional cases. It protects employees, officers and Directors who in, good faith, raise a concern about irregularities within the Company. It is hereby confirmed that no personnel has been denied access to the Audit and Risk Management Committee. The Company has adopted a Whistle Blower Policy in line with the requirements laid down under Companies Act, 2013 and Clause 49 of the Listing Agreement. The same is available at http://cdn.fortishealthcare.com/pdf/Whistle_Blower_Policy_fortis.pdf.

Code of Conduct and Prohibition on Insider Trading

Code of Conduct for Prevention of Insider Trading of the Company, as approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available at http://cdn.fortishealthcare.com/0.11357900_1434008317_FHL-Policy-Code-of-conduct-for-prevention-of-Insider-Trading2.pdf.

11. MEANS OF COMMUNICATION

- a) **Quarterly Results:** The quarterly financial results are generally published in Financial Express (English Edition) and Jan Satta (Hindi Edition).
- b) **Website:** The financial results are posted on the Company's website viz. www.fortishealthcare.com
- c) **News Release, Presentations:** The Company also makes a presentation to the investors and analysts after taking on record the financial results of the Company. The press releases/official news, detailed presentation made to media, analysts, institutional investors etc. are displayed on the Company's

website. Official Media Releases are also sent to the stock exchanges before dissemination to the media.

- d) Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.
- e) SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- f) Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing:
secretarial@fortsihealthcare.com
 Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@karvy.com

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

(i) Date of AGM

The Annual General Meeting is proposed to be held on **Wednesday, September 23, 2015 at 12:00 Noon at PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016.**

Last date of receipt of Proxy Form: 48 hours before the Annual General Meeting.

- (ii) The Financial Year of the Company** is starting from April 1 and ending on March 31 of next year.

(iii) Financial Calendar 2015-16 (tentative & subject to change)

S. No.	Tentative Schedule	Tentative Date (On or Before)
1.	Financial Reporting for the quarter ending June 30, 2015	August 14, 2015
2.	Financial Reporting for the quarter ending September 30, 2015	November 14, 2015
3.	Financial Reporting for the quarter ending December 31, 2015	February 14, 2016
4.	Financial Reporting for the quarter ending March 31, 2016*	May 15, 2016
5.	Annual General Meeting for the year ending March 31, 2016	On or before September 30, 2016

*As provided in Clause 41 of Listing Agreement, Board may also consider submission of Audited Financial Results for the year 2015-16 in lieu of Unaudited Financial Results for the fourth quarter, on or before May 30, 2016 (or such other period as may be stipulated from time to time).

(iv) Date of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from **Wednesday September 16, 2015 to Wednesday September 23, 2015** (both days inclusive).

(v) Listing on Stock Exchanges

As on date, the Company's Equity Shares are listed on the following Stock Exchanges:

- National Stock Exchange of India Limited (NSE), Bandra Kurla Complex, Bandra (E), Mumbai-400051
- The BSE Limited, PJ Tower, Dalal Street, Fort, Mumbai-400001

Foreign Currency Convertible Bonds (FCCBs) aggregating USD 30 Million are listed on Singapore Exchange Securities Trading Limited.

The Company has paid listing fees to all the above stock exchanges and there is no outstanding payment as on date.

(vi) Stock Code of Equity Shares / FCCB

Trade Symbol at National Stock Exchange of India Limited is FORTIS.

Scrip Code at BSE Limited is 532843

ISIN for Equity INE061F01013

For FCCB listed on Singapore Exchange- ISIN- XS0955815443 and Common code: 095581544

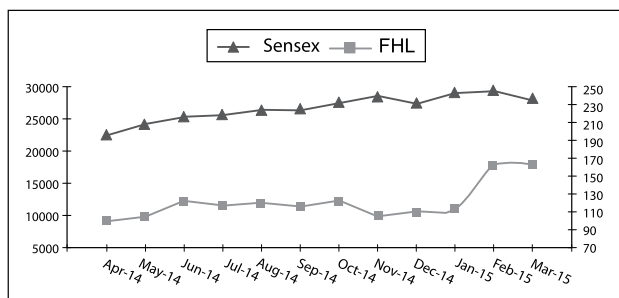
(vii) Stock Market Data:

The Company's shares are among the actively traded shares on NSE & BSE. The monthly high and low of share prices of the Company during the Financial Year and comparison with broad-based indices, viz. BSE Sensex and NSE Nifty is as follows.

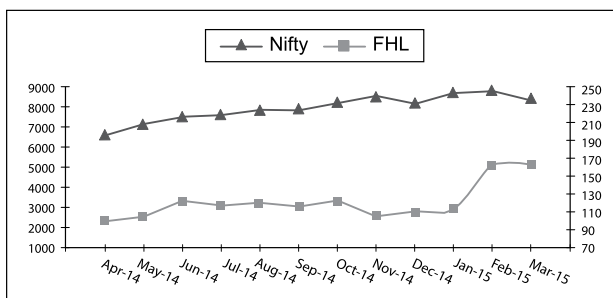
Month	Share Price (₹) at BSE		Share Price (₹) at NSE	
	High	Low	High	Low
April 2014	105.70	96.55	105.85	96.60
May 2014	119.00	97.10	119.45	97.25
June 2014	127.70	105.25	127.70	104.45
July 2014	126.70	109.00	129.30	108.80
August 2014	123.50	111.90	123.75	112.05
September 2014	136.00	114.00	136.00	114.55
October 2014	121.85	112.00	122.10	114.50
November 2014	125.00	105.00	125.00	105.15
December 2014	111.75	100.50	111.85	100.25
January 2015	119.90	104.45	119.85	104.50
February 2015	169.50	111.70	169.75	112.15
March 2015	172.00	141.15	173.00	141.05

Stock Price Performance - FHL Vs BSE Sensex

Based on closing data of BSE Sensex (Value) and FHL (₹ per Share)

**Stock Price Performance - FHL Vs NSE Nifty**

Based on closing data of NSE Nifty (Value) and FHL (₹ per Share)

**(viii) Registrar and Transfer Agent**

Karvy Computershare Private Limited is acting as Registrar and Transfer Agent (RTA) for handling the shares related matters both in physical as well as dematerialized mode. All work relating to equity shares are being handled by them. The Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 008
Tel.: 040 – 23420818 - 825
Fax: 040 - 23420814
Email: einward.ris@karvy.com
Website: www.karvy.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

(ix) Nomination Facility

The shareholders holding shares in physical form may, if they so want, send their nomination(s), as per Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, in form SH-13, which can be obtained from the Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

As on March 31, 2015, 46,19,38,469 Equity shares representing 99.81% of the paid up Equity Share Capital of the Company have been de-materialized.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company's Shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

(x) Elimination of Duplicate Mailing

The shareholders who are holding Shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

(xi) Share Transfer System

The Company's share transfer authority has been delegated to the officials of the Company. The delegated authority(ies) attend the share transfer formalities on weekly basis to expedite all matters relating to transfer, transmission, transposition, split and re-materialization of shares and taking on record status of redressal of Investors' Grievance, etc., if any. The share certificate received by the Company/ RTA for registration of transfers, are processed by RTA (on a weekly basis) and transferred expeditiously and the endorsed Share Certificate(s) are returned to the shareholder(s) by registered post.

As per the requirements of Clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

(xii) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out by a Practicing Company Secretary for each of the quarter in the Financial Year 2014-15, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the depositories. The Audit Report for each quarter of the Financial Year 2014-15, has been filed with Stock Exchanges within one month of end of the respective quarter.

(xiii) Transfer of unclaimed/unpaid amounts to Investor Education and Protection Fund (IEPF):

During the year under review, pursuant to Sections 205A and 205C of the Companies Act, 1956 and/ or Section 124 of the Companies Act, 2013 and other applicable provisions, if any, all unclaimed/unpaid application money (₹ 8,09,988/-) lying in "Fortis Healthcare Limited IPO Refund Account" for a period of seven years from the date they became due for payment, has been transferred to the IEPF established by the Central Government. Accordingly, no claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

Details of Demat Suspense Account as per Amended Clause 5A of the Listing Agreement:

Pursuant to the Clause 5A in the Listing Agreement, the Company had opened a Demat Suspense Account-“Fortis Healthcare Limited IPO Suspense Account” and other information as required under amended Clause 5A of the Listing Agreement is as follows:

- Aggregate Number of the Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2014: 51 shareholders and 5,002 shares.
- Number of shareholders who approached issuer for transfer of shares from suspense account during the year: 1 shareholder and 102 shares.
- Number of shareholders to whom shares were transferred from the suspense account during the year: 1 shareholder and 102 shares.
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2015: 50 shareholders and 4,900 shares.

(xiv) Share Dematerialization System and liquidity

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges-BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Relevant data for the average daily turnover for the Financial Year 2014-15 is given below:

Particulars		BSE	NSE	Total
Average Shares Traded	Share (Nos)	208,382	738,444	946,826
Average Annual Turnover	Value (₹ In Crore)	3	10	13

[Source: This information is compiled from the data available from the websites of BSE and NSE]

(xv) Details on Outstanding Securities as on March 31, 2015

As on March 31, 2015, the Company has not issued any GDRs, ADRs or Warrants. The details of convertible securities (Foreign Currency Convertible Bonds), Conversion date, likely impact on securities, etc. forms part of the Financial Statements.

(xvi) Distribution of Shareholding as on March 31, 2015

Number of equity shares held	No. of Share-Holders	% age of Share-Holders	Amount (in ₹)	(%) to Total
Upto 2,500	104462	98.51	178772940	3.86
2,501 to 5,000	813	0.77	30545060	0.66
5,001 to 10,000	334	0.31	25283470	0.55
10,001 to 20,000	172	0.16	24603540	0.53
20,001 to 30,000	74	0.07	18550540	0.40
30,001 to 40,000	34	0.03	11969060	0.26
40,001 to 50,000	21	0.02	9397930	0.20
50,001 to 1,00,000	51	0.05	37576550	0.81
1,00,001 and above	84	0.08	4291355050	92.73
Total	106045	100.00	4628054140	100.00

(xvii) Shareholding Pattern as on March 31, 2015

Sl. No.	Category	Number of Shareholders	No. of Shares held	% of Shareholding
A.	Promoters and Promoter Group	8	330,153,948	71.34
B.	Public Shareholding			
1.	Banks / Financial Institutions	4	12,87,342	0.28
2.	UTI, Mutual Funds	1	1,996	0.00
3.	Foreign Institutional Investors/Foreign Bodies/ Foreign Collaborations	81	7,01,60,718	15.62
4.	Bodies Corporate	1,241	2,14,24,514	4.92
5.	Non-Resident Indians	1260	37,08,138	0.23
6.	Indian Public	1,03,448	3,60,68,758	7.10
Total		1,06,043	462,805,414	100.00

(xviii) Lock-in of Equity shares

As on March 31, 2015, no Equity Share of the Company was under lock-in.

(xix) Employee Stock Options

Detailed information relating on Employee stock Option, has been mentioned in the Directors' Report.

(xx) Hospital Unit(s)/Location(s)

Fortis Healthcare Limited with their subsidiaries provides healthcare services in Delhi-NCR, Chennai, Bangalore, Punjab, Dehradun, Jaipur and other cities. The location of the hospital units managed by your Company are as follows:

Fortis Hospital, Mohali
Sector-62, Phase-VIII, SAS Nagar, Mohali, Punjab-160062.

Fortis Hospital, Kangra
Vill. Birta, Post office Ghurkari, Tehsil & Distt. Kangra, Himachal Pradesh -176001.

Fortis Hospital
Arcot Road, Vadapalani, Chennai, 600026

Fortis Hospital
A Block, Shalimar Bagh, Near Kela Godown, New Delhi-110088

Fortis-Escorts Hospital
2nd Floor, Coronation Hospital, Curzon Road, Dehradun - 248001

(xxi) Shareholders Communication - Address for Correspondence:

The Company understands the significance of two-way communication with the shareholders. The Company's website is constantly updated with the latest disclosures/information as the shareholders may require from time to time.

For Share transfer/ dematerialization of shares, payment of dividend and any other query relating to shares, the shareholders may contact at the below address:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 008
Tel.: 040 - 23420818 - 825
Fax: 040 - 23420814
Email: einward.ris@karvy.com
Website: www.karvy.com

For Investor Assistance

The Company Secretary,
Fortis Healthcare Limited
Escorts Heart Institute and Research Centre, Okhla Road, New Delhi 110025
Telephone No.: +91-11-4713 5000/2682 5000 Fax No.: +91-11-26825013
Email: secretarial@fortishealthcare.com
Website: www.fortishealthcare.com

13. NON-MANDATORY REQUIREMENTS UNDER CLAUSE 49

A. Separate posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and Managing Director/ CEO.

B. Reporting of Internal Auditor

The Internal Auditors report directly to the Audit Committee.

14. GO GREEN INITIATIVE

- (a) The shareholders having shares in physical form are requested to register their e-mail ids with us or our Registrar, at the address given in this report, to enable us to serve any document, notice, communication, annual report, etc. through e-mail.
- (b) The shareholders holding shares in Demat form are requested to register their e-mail id with their respective Depository Participant for the above purpose.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the Financial Year ended March 31, 2015.

**August 6, 2015
Gurgaon**

**Sd/-
Malvinder Mohan Singh
Executive Chairman**

Executive Chairman and CFO Certificate

To the Members of

Audit and Risk Management Committee and Board of Directors of Fortis Healthcare Limited

We, Malvinder Mohan Singh, Executive Chairman and Gagandeep Singh Bedi, Chief Financial Officer, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee that:
 - (i) there has not been any significant change in internal control over financial reporting during the year under reference;
 - (ii) there has not been any significant changes in accounting policies except to the extent already disclosed in the notes to the financial statement(s); and
 - (iii) there was no instance of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Gurgaon
Date : May 27, 2015

Malvinder Mohan Singh
Executive Chairman

Gagandeep Singh Bedi
Chief Financial Officer

Certificate on Corporate Governance

To,

The Members

Fortis Healthcare Limited

We have examined the compliance of conditions of Corporate Governance by Fortis Healthcare Limited (hereinafter referred to as “the Company”), for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except that *during the period under review the company has paid remuneration of Rs. 5,32,43,061/- to Mr. Malvinder Mohan Singh, Executive Chairman of the Company, subject to approval of Central Government and an application for approval of the same has been filed by the Company with the Central Government, which is still pending.*

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries

Date : August 6, 2015

Place : New Delhi

Sanjay Grover
C.P. No. 3850

Management Discussion and Analysis Report

Indian Healthcare Sector: An Overview

Today, the Indian Healthcare Sector is at a crossroad. As a nation, we have made noteworthy progress across various dimensions, and India is healthier today than ever. We have successfully eradicated multiple diseases including smallpox, polio and guinea worm diseases. HIV infections and AIDS related deaths have dropped significantly.

Despite this, India still struggles with substantial issues and gaps in its healthcare systems. Healthcare in India is under-served and under-consumed.

The current state of healthcare in India requires action across multiple dimensions.

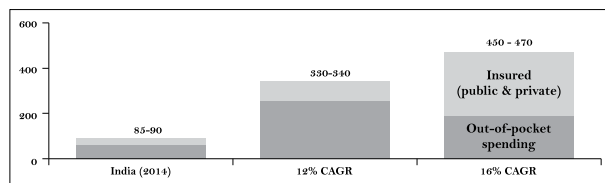
- India is expected to witness ~USD 6 Trillion economic loss impact from Non Communicable diseases by 2030
- Approximately 75% of India's population has no health insurance
- There is a gap of over 2 million hospital beds in the country
- Over 25% of the population is affected by tropical diseases
- Public spending on healthcare is ~1.3% of the Gross Domestic Product (GDP)
- Less than 1% of the healthcare delivery providers are accredited
- Approximately 3 million urban diabetes patients receives adequate treatment, out of over 38 million patients
- India is expected to require approximately USD 3 trillion of cumulative healthcare spend by 2025

Source: Aarogya Bharat – India Healthcare Roadmap for 2025 by Bain & Company and NATHEALTH

The Indian healthcare market is expected to grow at a CAGR of ~15% from USD 85-90 billion in 2014 to between USD 450 – 470 billion by 2025. This would reflect in India's spend on healthcare which is expected to increase from 4% of GDP currently to approximately 6% of GDP by 2025. The growth in population, increase in lifestyle related diseases,

rising purchasing power of the middle class and higher awareness of chronic illnesses will be the key growth drivers for the sector.

Chart: Indian Healthcare Market to grow to USD 450-470 billion by 2025



Source: Aarogya Bharat – India Healthcare Roadmap for 2025 by Bain & Company and NATHEALTH

The Indian healthcare delivery system can be segregated into two major segments; public and private. Government of India / public hospitals provides treatment at the taxpayers' expense. Most essential drugs are offered free of charge in these hospitals. The Indian private healthcare sector is highly fragmented with approximately 90% of the hospitals being established and operated by doctors and trusts and the remainder being corporate hospitals (chain of hospitals run by professional healthcare groups). Most of the private hospitals are usually smaller scale establishments (50-200 bed) that are managed as standalone entities.

The corporate hospital chains have been playing a key role in driving expansion and growth in the industry. So far, the corporate hospitals have mostly concentrated on expanding in Tier I cities (including metros) with large scale multi-specialty tertiary care facilities.

If we look at India's public healthcare system, it is underfunded and its hospitals are overcrowded with inadequate rural coverage. The government's low spending on health care places much of the burden on patients and their families, as evidenced by the country's out-of-pocket (OOP) spending rate, one of the world's highest. According to the World Health Organization (WHO), just 33% of Indian health care expenditures in 2012 came from government sources. Of the remaining private spending, around 86% was OOP.

Several public health insurance systems exist, such as state-level employee insurance for industrial workers and the central government's health care plan for

civil servants. Several large companies also operate employee health policies. While health insurance penetration in India is increasing, it has been proposed that better accessibility to quality health care could be made possible by extending coverage to all employees in the private sector and by offering inexpensive health plans for the poor. This way, people can have full coverage for themselves, their families and elders.

However, shortage of qualified medical professionals is one of the key challenges in the Indian health care industry. India's ratio of 0.7 doctors and 1.5 nurses per 1,000 people is dramatically lower than the WHO average of 2.5 doctors and nurses per 1,000 people. Furthermore, there is an acute shortage of paramedical and administrative professionals. The situation is aggravated by the concentration of medical professionals in urban areas, which have only 30 percent of India's population. Many patients, especially those living in rural and semi urban areas, are still receiving services from unqualified practitioners. The industry needs an additional 1.54 million doctors and 2.4 million nurses to match the global average.

India's health care professional and infrastructure shortage is one of the major reasons for the country's high mortality rate. Although there has been a consistent decline in the Infant Mortality Rate (IMR) and the Under-Five Mortality Rate (U5MR), based on robust projections, at the current rate of decline, India is unlikely to meet the targets for Millennium Development Goal (MDG)-4, which aims to reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

India's new Bharatiya Janata Party (BJP)-led government has announced a new health policy to focus on reducing malnutrition, improving the use of essential medicines, expanding immunization, modernizing public hospitals, and instituting a better tobacco control program. The government wants a holistic health care system that is universally accessible, affordable, and dramatically reduces OOP expenditures.

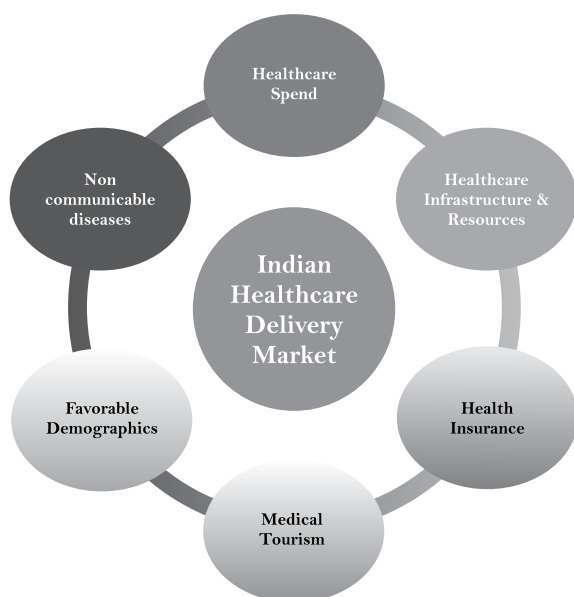
The Indian Government has accorded priority in its 2014-2015 budget to the health care sector. Key recommendations that will have a direct impact on enhancing health care access include a rise in foreign

direct investment (FDI) limit in the medical insurance business to 49 percent; four more medical institutions of the status of All India Institute of Medical Sciences (AIIMS); 12 more medical colleges in the public sector; and broadband connections in rural areas to expand the reach of telemedicine. In addition, a \$1.7 billion fresh fund allocation to encourage start-ups and another scheme for establishing biotech clusters will help to develop innovative health care technologies. Finally, the budget provisions also aim to address the infrastructure deficit by establishing institutions like AIIMS in all states and setting up 15 model rural health research centers to bridge the rural-urban divide.

However, challenges remain. The vision for the plan period of 2012-2017 is to achieve acceptable standards of health care for the Indian populace. However, India still doesn't have a central regulatory authority for its health care sector.

Also, India's health care sector is capital-intensive, with long gestation and payback periods for new projects. Land and infrastructure costs account for 60-70 percent of the capital expenditure for hospitals. Further, the industry also requires capital for upgrade/maintenance/replacement of medical equipment and expansion. Availability of capital at a reasonable cost remains a major hurdle.

KEY GROWTH DRIVERS



Improved access and affordability with higher public spending on healthcare

The current healthcare infrastructure in India is quite inadequate to meet the growing demand for healthcare services. India's expenditure on healthcare is close to 4 % of GDP, which is much below the global average. Today, Healthcare spending in the country is driven by out-of-pocket rather than government spending. However, according to a Healthcare Report by Bain & Company and NATHEALTH, the total spending on healthcare is anticipated to reach about 6% of GDP by 2025, with out of pocket spending at less than 30%. Public spending on healthcare should increase to 3% of GDP and account for over 50% of the overall health expenditure, driven by greater government prioritization of healthcare.

Inadequate Healthcare Infrastructure and Resources

Healthcare continues to be limited by infrastructure short-comings and lack of an organized delivery system. Low spending on healthcare coexists with disproportionately high out-of-pocket spending, given that less than 25% of the population is covered by health insurance. Regional distribution of infrastructure and human resources remains imbalanced. Although rural India accounts for about 70% of the population, it has less than one-third of the nation's hospitals, doctors and beds, resulting in large disparities in health outcomes across states. Furthermore, healthcare in India is biased towards curative care, with a significant drop-off in number of patients along the treatment cycle, due to under-diagnosis and inappropriate care.

As discussed above, India's ratio of 1.3 beds, 0.7 doctors and 1.5 nurses per 1,000 people is dramatically lower than the WHO average. And industry faces an acute shortage of paramedical and administrative professionals as well. Given the inadequate healthcare infrastructure and human resources in India, the sector requires huge investment to bridge the increasing gap arising due to the growing Indian population including significant development in Government's policies related to medical education, health insurance and preventive healthcare. It is estimated that capex spending to grow from less than 10% of overall healthcare spending to 15% by 2025. This would lead to 1.8 million additional functional

beds, improving the density of beds from 0.9 per 1000 population today to 2.0 by 2025.

Health Insurance

Though, there has been considerable progress in the healthcare ecosystem, including healthcare delivery and insurance, in the past decade. However, India still trails in health outcomes when compared to other developed and developing countries. For instance, the penetration levels of the health insurance is much lower in our country whereas the share of out of pocket expenditure, for a majority of population is significantly higher.

Nonetheless, the rising healthcare cost inflation, due to advancements in medical technology, changing disease pattern (which are more towards lifestyle diseases) and increase in awareness, the health insurance market has significant headroom for growth in the coming years. Besides, with the new government's special focus on preventive care, accessibility of healthcare facilities, including AYUSH treatments and insurance to all, the outlook for this segment looks positive.

Medical Tourism

The medical tourism industry has witnessed a steady growth in the recent years globally. As the world population becomes more aware of healthcare options and quality healthcare delivery becoming priority in the minds of the majority, patients are bound to pursue cross border healthcare. The primary reasons for medical tourism therefore are high quality healthcare, specialized treatment options, immediate service opportunity for travel coupled with affordability. Reasons for medical travel differ for countries. In regions where quality healthcare is unavailable, accessing healthcare may lead to medical travel, for others, cost effectiveness may be a reason.

India has emerged as one of the most sought after destinations for medical tourists across the globe owing to its high value proposition in terms of quality healthcare, pool of specialists and availability of alternate treatment options such as Ayurveda and Yoga. SAARC countries in particular (namely Afghanistan, Pakistan, Nepal, Bhutan, Bangladesh, Maldives and Sri Lanka) are a major source of medical tourists owing to the physical proximity and political co-operation agreements.

According to KPMG and FICCI, India's medical tourism market is expected to expand at a CAGR of 27% to reach USD 4.9 billion in 2015, from USD 1.9 billion in 2011. With the emergence of newer needs and with India establishing a firmer footprint as a healthcare delivery destination, medical tourism is likely to gain impetus.

India's favorable demographics

India's population is expected to cross 1.3 billion by 2017 and this growing population would translate into an incremental demand for healthcare services.

Analyzing the demographic profile of India, around 65% of the Indian population is below 35 years of age and over 50% of the population is below 25 years of age (the median age of India's population is 24 years). Further, the proportion of geriatric population (60 years and above) is increasing at a faster rate than the rest of the population. The increasing geriatric population is expected to boost demand for the healthcare and related services significantly.

In addition to rising population, the no of middle/ Upper income households are expected to increase 4x over 2010-2020, as per McKinsey Global Institute (MGI). This will shift consumption from necessities to needs such as healthcare.

Rise in Life Style related / Non Communicable diseases

In recent years, India has managed to control communicable diseases like malaria, cholera and polio. However, the country is dealing with a new breed of developed world obesity-fuelled diseases like diabetes and cardiovascular ailments. Coupled with a sedentary urban lifestyle, increased alcohol consumption and smoking, the urban youth are particularly prone to the aforementioned lifestyle diseases.

- A report on non-communicable diseases released by the World Health Organization paints a grim picture of India. The risk of dying from a non-communicable disease (NCD) for persons aged between 30 and 70 years in India is a high 26 per cent, according to the second set of NCD profiles for 194 countries, released by WHO in 2014. What's more, Indian males are more prone to dying of these diseases than women.
- WHO notes "the new WHO NCD Country

Profiles 2014 show progress has been insufficient and uneven” in controlling NCDs. In 2000, nearly 1.6 million males under age 70 died of the four NCDs in India. The figure increased to 2 million in 2012. This happened despite the Union health ministry launching a programme in 2008 targeting NCDs. Among women, the deaths increased from nearly 1.25 million to almost 1.45 million during the same period.

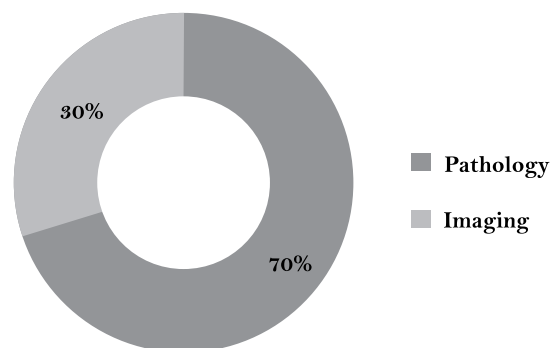
- Among the risk factors that lead to these NCDs, high blood pressure was the biggest reason. Twenty-one percent of all Indians were found to be suffering from high blood pressure, with equal share among men and women. The higher rate among men is explained by increased consumption of tobacco and alcohol. Almost 25 per cent of all males consume tobacco while only 4 per cent females do so. Similarly, 8 per cent of all males consume alcohol and only 0.5 per cent females do so.

INDIAN DIAGNOSTIC INDUSTRY

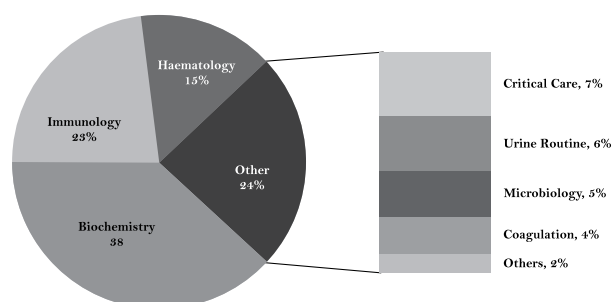
The Indian diagnostics industry is among the fastest growing segment of the healthcare sector. In 2014, the estimated size of the diagnostics industry was ~USD 2.9 billion, growing at a CAGR of 20% which is ~3.2% of the healthcare sector. The industry is highly fragmented, with over 100,000 labs in the country. The organized sector accounts for ~10-12% of the market and is growing faster than industry on account of consolidation and better value/quality proposition for customers. However, estimates also suggest that the size of the diagnostic industry is approx. USD 9 billion if we were to include the Organised and Unorganised Hospital labs.

In India, the diagnostics sector has been witnessing immense progress. Technological advancements and higher efficiency systems are taking the market to new heights. Advanced and cutting-edge technologies are being used in understanding disease prognosis. This has strengthened the sophistication level of participants in the sector.

Components of Diagnostic Sector



Breakup of Pathology



Source: Industry Estimates

The diagnostic lab business has traditionally been considered a high margin, asset-intensive business. Thus, in an effort to match increasing demand, large players have endeavoured to increase their pan-Indian presence, by building national networks, over the last few years. Simultaneously, the market has witnessed a continuous mushrooming of foreign players as well as standalone regional players. In addition, market leaders have expressed intent to penetrate foreign markets such as the Middle East and Sri Lanka, whose economies are growing on par with India.

Growth is being pursued via a combination of organic and inorganic routes. A major part of growth in the organized sector has occurred through acquisitions and Brownfield projects, rather than setting up Green field laboratories. Different approaches have included

expansion via hub and spoke models (one reference lab - many collection centres), PPP initiatives, IPOs, and funding from private equities.

In terms of growth opportunity, Tier II and III cities present an attractive opportunity for large corporate players. These cities represent an area of underserved need, with a growing desire for improved health infrastructure. From the standpoint of large players, seeking to establish presence, expansion into these unexplored regions is associated with certain drivers and challenges.

However, it is thus easier for large players, to partner with a renowned local lab in the region which has got a good brand, accreditations, good quality and service. Thus, a hub and spoke model is a popular strategy and is typically established in the following manner: 1. Reference labs, which act as regional hubs, are set up in large metropolitan areas. They offer comprehensive and specialized testing capabilities. 2. Satellite labs feed reference labs, and offer a limited test menu. These can be either owned or franchised. 3. Collection centres are located in hospitals, nursing homes, pathology labs, doctors' clinics, etc. Here samples are collected and forwarded to either a satellite/ reference lab.

Diagnostic plays a critical role in the overall healthcare delivery: Timely diagnosis can mean the difference between life and death for a patient. It also has far reaching consequences on driving down the overall treatment costs/ healthcare spend. This can occur either via early recognition of an acute, life threatening condition or preventive screening of a chronic disease. However, in an emerging country, like India, few primary healthcare centres are located within the reach of well-equipped and staffed laboratories. Thus, easy to use, rapid and low cost devices, can improve access of patients living in underserved areas, to healthcare testing and consequently disease specific treatment. Diagnosis of certain endemic/infectious/ viral diseases such as tuberculosis, malaria and dengue at a community level, can also facilitate reduction in disease burden and associated morbidity and mortality. Decentralization of diagnostic testing, from the lab to the immediate vicinity of the patient, is facilitated through point of care diagnostics. Point of care testing (POCT) makes it possible for physicians to receive test results for critically ill patients in real time, conveniently

monitor patients suffering from a disease and enables patients to receive quicker results of their tests. Such technologies and devices if used as a complement, to central laboratory services can bring about a complete turnaround in clinical diagnostic testing.

In terms of challenges, absence of a proper regulatory framework and weak accreditation system are the major industry roadblocks that may hinder the future growth of the diagnostic industry. Accreditation is not mandatory and less than 1% labs across the country are accredited by NABL, only accreditation agency in India. Very few labs are CAP accredited in the country. The only requirement to open a diagnostic lab is the need for registration under the Shops and Establishment Act. This leaves the market highly unorganized, prying it open for competition from players who offer poor quality services at low costs. This makes the market volatile and price sensitive. The importance of the diagnostics industry can be derived from the fact that 70% of the clinical decisions are based on diagnostic inputs.

Around 40 laboratories in India have received international recognition from the College of American Pathologists (CAP). National certification of diagnostic laboratories is the responsibility of the National Accreditation Board for Testing and Calibration Laboratories (NABL), an autonomous body under the aegis of Department of Science & Technology, Government of India. Around 250 diagnostic centres in India are NABL accredited. There is a clear increase in the number of accreditations for the Government hospitals from the National Accreditation Board for Hospitals and Healthcare Providers (NABH).

The Indian market is evolving into an outsourcing market for diagnostics testing. It is for example estimated that specialized tests like molecular diagnostics or hormone related tests cost 70-80% less in India than in the US. The Diagnostic majors with accredited labs are partnering with American and British hospitals, as well as insurance companies, for the same. Indian CROs (contract research organizations) are providing an opportunity for diagnostic majors to tap into the global market for clinical trials. India is becoming a preferred destination for clinical trials due to its large pool of proficient medical and paramedical professionals, cost advantages, and a huge pool of patients.

Key challenges for the diagnostic industry are a) no regulation regarding the accreditations, b) low level of automation, c) integrity of the sample while transport (usage of cold chain/dry ice), d) intense price competition which in turn raises the question on quality testing and e) shortage of manpower.

KEY CHALLENGES IN THE HEALTHCARE INDUSTRY

Long gestation period and capital intensive nature of the sector: The healthcare sector is capital intensive with long gestation and payback periods for new projects. Land and infrastructure costs account for 60-70% of the capital expenditure in case of hospitals. Further, the business also requires capital for upgradation/ maintenance / replacement of equipment and expansion. Therefore, availability of capital at a reasonable cost remains a key challenge for the industry.

Healthcare workforce remains inadequate: India has a ratio of 0.7 doctors, 1.5 nurses and 1.3 beds per 1,000 people compared to the WHO average of 2.5 doctors & nurses and 3 beds per 1,000 people. The shortage of qualified professionals is one of the key challenges for the Indian Healthcare Industry. The situation is aggravated by the concentration of medical professionals in urban areas. Many Indians, especially those living in rural and semi urban areas, are still receiving services from unqualified providers. The Industry needs an additional 1.54 million doctors and 2.4 million nurses to match the global averages. Furthermore, there is an acute shortage of paramedical and administrative professionals in the country.

Inadequate number of Public Private Partnerships (PPP): The Public Private Partnership (PPP) model is yet to gather momentum. If the PPP model is implemented widely it can enhance the quality of health care services in the country as the healthcare infrastructure can be provided by the government and management skills can be provided by the private sector. Such initiatives will enhance the quality of healthcare services at affordable price points.

Rising real estate costs: One of the key constraints in expansion for the private sector is the high cost of real estate. Over the last few years, land cost has risen and the land acquisition process has only become more complex with increasing regulations, making projects

in many large city locations, unviable. Hospitals are looking to mitigate this by shifting to a rent model or looking at other alternatives which could provide asset light growth & expansion opportunities.

Outlook

The current status of the Indian Healthcare delivery sector provides significant opportunity for private healthcare organisations. Continuing lack of adequate healthcare infrastructure and limited access to quality tertiary healthcare delivery services would result in private players playing a critical role in bridging the increasing demand supply gap in the sector. The private players continue to explore new business models to expand their presence in new geographies and specialties with rising demand.

However, given the capital intensive nature of the sector and the gap of over 2 million beds to reach 3 beds per thousand population, it seems like a non-achievable target for both private and public sector. The focus, instead, should be on better utilization of under-utilized government infrastructure, incentivizing fund flows into the sector and technological enhancement. PPP models across the country would have to gain momentum so that the skill set of both private and public sector and public infrastructure can be leveraged to provide quality healthcare services to the population of country.

Furthermore, our country should aspire to universal insurance coverage for essential care with low out-of-pocket spending. And the Government should focus on its role as a payer and regulator and drive the provision of healthcare in under-served areas, across the care continuum. In addition, the Government should take the lead in facilitating public health through focus on awareness, education, sanitation, immunization and implementation of public health initiatives. The private sector should lead in the provision of care and enable expansion of insurance coverage to urban India.

The Company

Fortis Healthcare is one of the leading healthcare delivery providers in Asia. Founded by the iconic Indian business leader, the Late Dr. Parvinder Singh, architect of growth at Ranbaxy Laboratories, Fortis is a manifestation of his vision “to create a world-class integrated healthcare delivery system in

India, entailing the finest medical skills combined with compassionate patient care". Fortis aspires to remain a leader in the healthcare delivery space and is driven by the larger purpose of "SAVING AND ENRICHING LIVES" through clinical excellence.

Fortis commissioned its first hospital in 2001 in North India and, in just over a decade, has grown to become a leading healthcare service provider with a presence in day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2015, the company had a network of 54 healthcare facilities (including projects under development), with approximately 4,700 operational beds¹ and the potential to reach over 9,000 beds. In India, the Company is one of the largest private healthcare chains comprising a network of 52 healthcare facilities, including 32 operating facilities, 14 satellite and heart command centres located in public and private hospitals and 6 healthcare facility projects which are under development or are greenfield land sites.

In addition, its Indian diagnostics business has a presence in over 450 cities and towns, with an established strength of 264 laboratories including 131 self-operated laboratories², 27 laboratories located in Fortis healthcare facilities, 21 wellness centres and 3 international laboratories. It also has over 6,400 collection points, which includes 68 collection centers that are owned and 59 collection centres at locations outside India.

The Company's healthcare facilities use advanced technology and its doctors, nurses and other healthcare professionals follow treatment protocols that parallel international standards. A majority of the healthcare facilities provide secondary, tertiary and quaternary healthcare services to patients in cardiac care, orthopaedics, neurosciences, oncology, renal care, metabolic diseases and mother and child care. The Company has also developed healthcare facilities around some of these specialties, which it internally classifies as "Centres of Excellence".

Awards & Recognitions

Fortis Healthcare Limited received the prestigious 2014 'Porter Prize, for Value Based Healthcare' in recognition for its outstanding performance and for redefining the idea of patient care

FMRI was ranked No. 2 in the "30 Most technologically advanced hospitals" in the world list by topmastersinhealthcare.com, ahead of hospitals such as the Mayo clinic, Cleveland clinic and Bumrungrad

Fortis Hospital BG road was ranked 3rd amongst the Top 20 hospitals across the globe for medical tourists in the annual ranking published by the Medical Travel Quality Alliance (MTQUA).

Fortis Hospital Mulund was conferred with the British Medical Journal (BMJ) Award for 'The Medical Team of the Year 2014' for its outstanding "Antibiotic Review Program – and Antibiotic Restriction Policy

Fortis Hospital Jaipur was conferred with the British Medical Journal (BMJ) Award for 'The Medical Team of the Year 2014' for its outstanding "Antibiotic Review Program – and Antibiotic Restriction Policy

In the Week Magazine awards Fortis Hospital Jaipur, BG Road, Bengaluru and Fortis Mohali were ranked #2 in the best multispecialty hospitals in their respective cities; FEHI was ranked #2 in the best multispecialty hospitals by specialty category for Cardiology

Divestments

- In line with its strategy to strengthen its focus on India, the company successfully completed the last of its international divestments. On May 1, 2015, announced its decision to divest 100% shareholding in RadLink-Asia Pte Ltd and its subsidiaries, "RadLink", Singapore, to Fullerton Healthcare Group Pte. Limited for SGD 111 million. The deal was concluded on May 12, 2015.

¹ Includes beds at owned, operated, leased and managed facilities and 350 beds of Lanka Hospitals, an associate of the Company

² Includes 14 wellness centres within these laboratories.

- In March 2015, the company announced the sale of its Singapore hospital to Concord Medical Services (International) Pte Ltd (CCM), for a consideration of SGD 55 Mn with the deal being consummated in April 2015.

Strategic Direction and Focus Area

With the international divestments successfully completed, the Company strategy is to firmly enhance its focus on the India market. To this effect, the Company's emphasis would largely be on strengthening existing operations while utilizing its asset light growth strategy to expand organically and primarily through brownfield expansions. With its substantial scale and leadership position in the country, the Company expects that India, a high growth market will continue to perform well and will be the mainstay of its operations for the foreseeable future. The Company has embarked on a transformational organization wide plan, "Lakshya" focusing on the strategic levers of Patient Care, Clinical Excellence, Community Connect, Talent Engagement and Investor Confidence to provide sustained leadership and a long term competitive advantage in the sector.

Growth & Expansion Plans

The Company's plans for future growth are primarily based on bolt on and existing bed expansions. It has formulated an "Earn the Right to Grow Strategy" which encapsulates defined metrics for future bolt on expansion with a focus on expanding margins, adding high end medical programs and ensuring additional operational beds are margin accretive at the earliest. Such calibrated expansion would entail investment primarily by the Religare Health Trust in line with the Company's stated asset light growth strategy. The Company does not envisage any M&A in the near future and would steadfastly focus on growth and expansion by adding beds in existing facilities across locations such as Mumbai, Amritsar, NCR, Kolkata, Jaipur, Bengaluru and Ludhiana. It expects to add approximately 400 beds each year over the next three years.

In FY16, two greenfield hospitals are slated to be commissioned i.e. Arcot Road, Chennai, a 200 bed multispecialty hospital and Sacred Heart, Bengaluru a 70 bed boutique Mother & Child facility. Both these facilities will consolidate and further

strengthen the Company's presence in these key markets.

Select Key upcoming projects

Set forth below are certain details relating to our Greenfield / Brownfield projects, which are currently at various stages of development:

- **Fortis Hospital Arcot Road, Chennai** Fortis Hospital Arcot Road, 200+ bed tertiary care multi-speciality hospital, would be the second hospital by the company in the city. The hospital shall enhance the scope of services and consolidate its presence in the Chennai market. All medical equipment like Cath Lab, MRI, CT, X-ray, OT lights etc have been installed and commissioned. The hospital is awaiting approval from Chennai Municipal Development Authority and Fire Authorities to begin operations.
- **Fortis La Femme Bengaluru:** Fortis La Femme, Bengaluru, a 70 bed hospital for Women and Children, is inspired by the core belief that a woman is a very special person with special needs. Medical care at the hospital would include Obstetrics (Painless Labour), Gynaecology, Neonatology, Anaesthesia, General & Laparoscopic Surgery, Cosmetic Surgeries and Genetic & Foetal Medicine. All the medical equipment including the X-ray, Ultrasound etc have been installed. Regulatory approvals from the Bangalore Development Authorities have been obtained and the facility is expected to be launched in Q2FY16.
- **BG Road, Bengaluru expansion:** The expansion plans at BG road facility have been initiated wherein a new 210 bed tower with a comprehensive cancer-care facility will be set up. Fortis' comprehensive Centre for Oncology will provide end to end cancer care from diagnostics to rehabilitation, integrating cutting-edge medical technology and internationally acclaimed clinical expertise to provide treatment across Medical, Radiation and Surgical Oncology. The latest advancements in Linear Accelerators, Brachy Therapy, and Nuclear medicine will be incorporated. In addition to Oncology, the new expansion will have additional operation theatres with a high end Brain Suite and state-of-the-art ICU's.

Financial & Operational Highlights

For the financial year 2014-2015, the Company reported a consolidated total income of ` 4,140 Crore which includes revenue of ` 3,928 Crore from the India Operations and ` 212 Crore from the International Operations. This compares to the overall consolidated revenue of ` 4,759 Crore in the previous year. The decline in revenue is primarily due to divestments of various international assets during the financial year 2013-14. Consolidated Operating EBITDAC (before the net business trust fees) stood at ` 579 Crore, representing a margin of 14.0%. EBITDA (including other income and before exceptional item) for the year was at ` 225 Crore. Net profit/ (loss) for the company was at ` (144) Crore compared to a profit of ` 123 Cr (including gain arising due to divestment of international assets) in FY14.

The India business comprising the Hospital and the Diagnostic business contributed ` 3,928 Crore, a growth of 14% over the corresponding year. For the year FY2014-15, the hospital business contributed 82% to the overall India business and grew by 15% to ` 3,207 Crore, compared to ` 2,795 Crore in FY14. The India Diagnostic business reported a net revenue of ` 722 Cr compared to ` 653 Crore in the corresponding previous period.

For the India business, the operating EBITDAC before net business trust costs stood at ` 607 Crore, representing a margin of 15.4%. The India Hospital business reported operating EBITDAC before net business trust costs at ` 459 Cr, a margin of 14.3% as compared to ` 311 Crore (11.1% margin) reported in FY2014, a growth of 48%. The Diagnostic business in India reported an EBITDA of ` 147 Cr, a growth of 26% and a margin of 20.4% as compared to a 17.9% margin reported in FY14.

In December 2014, Fortis received its first dividend of approx. ` 38 Cr for H1FY15 from Religare Health Trust (RHT) for ~ 28% equity stake in the trust, as a sponsor.

The company's key facilities performed well both in terms of revenue and operating profit. These facilities include Fortis Mohali, Fortis Amritsar, Fortis Mulund, Fortis Shalimar Bagh, FMRI, Fortis Noida, Fortis Jaipur and Fortis Vashi. Amongst the newer facilities, FMRI Gurgaon, the company's flagship

facility launched in May 2013, became the second largest revenue contributor across the Fortis network recording a growth of 52% in revenues to reach ` 350 Cr for the year. FMRI in a short span of time has become the highest ARPOB generating facility in the network of Fortis multispecialty hospitals. Fortis Ludhiana, launched in January 2014, witnessed a breakeven in its operating profit within one year of its launch. The year also witnessed the launch of a number of new medical programs and dedicated super specialty centers across the company's various facilities. International patient revenues contributed approximately 10% to the overall revenue from Hospitals & recorded a growth of 33%.

During the year, the company executed strategic exits from certain non-core facilities. These include facilities in Moradabad, Agra and Mysore.

Key operating metrics in the Company's hospital business continued to see a healthy improvement. The ARPOB (Average Revenue per Occupied Bed) stood at ` 1.26 Cr as compared to ` 1.12 Cr in FY14, a growth of 13%. ALOS (Average length of stay) was at 3.64 days versus 3.80 days while Occupancy stood at 70% versus 73% in FY 14 respectively.

The net debt of the Company as on 31 March 2015 was at ` 1,183 Cr, representing a net debt to equity ratio of 0.25x as compared to 0.17x as on 31 March 2014. This is consistent with the Company's plans to continue to maintain a healthy balance sheet. The Company has also recently (May 21, 2015) redeemed USD 100 Mn Foreign Currency Convertible Bonds (FCCBs) which it had issued in 2010. The redemption of the bonds was made from the Company's existing cash proceeds. As a result, the net debt to equity ratio of the Company stood at 0.13x as on June 30, 2015

In the Indian hospital business, key specialties such as Cardiac Sciences, Orthopedics, Renal Sciences, Neuro Sciences, Oncology, Pulmonology and Gynaecology continue to perform well in terms of revenue as well as volumes. The hospitals across the network performed approximately 85,000 Cardiac procedures, 36,000 Oncology procedures, approx. 27,000 Renal procedures and over 21,000 Orthopaedic procedures.

Being a renowned healthcare chain, medical operations continue to be the key focus area at all the Fortis hospitals. The Medical Operations of

the company include clinical excellence, clinical outcomes, quality control and process standardization across the Fortis network. The aim is to achieve greater Clinical Excellence across the network by implementing Organizational priorities through a) identification & recruitment of the best Clinical Talent, b) standardization of Medical processes, c) setting up of world class Medical Infrastructure and Medical Technology Management. Under the Clinical outcomes, Radiation Oncology outcomes were added to the list of Clinical Outcomes monitored at Fortis following a successful pilot conducted at FMRI. These clinical outcomes are tracked as per International Outcomes registries. Pursuant to Fortis Medical Council being constituted in FY14, Regional Medical Councils were constituted for all the regions in FY15. These medical bodies comprising of top clinicians and senior management guide the company on medical matters, discuss key clinical issues & help formulate the clinical strategy for the company at various levels.

Fortis has been leading initiatives and establishing medical programmes to strengthen disease control and improve effectiveness of healthcare delivery services. In partnership with MSD pharmaceuticals Fortis had initiated the Anti-Microbial Stewardship (AMS) programme across all its major facilities. Antimicrobial resistance is one of the major public health problems especially in developing countries due to easy availability and higher consumption of antibiotics/antimicrobials. Under this program, an AMS mobile app was launched in 10 of the Fortis hospitals and two new hospitals were added to the AMS initiative. During the year, Fortis BG Road and Fortis Mulund successfully received their reaccreditations by the Joint Commission International (JCI) while Fortis Mohali and Fortis Mulund received accreditations from the National Accreditation Board for Hospitals (NABH).

The Fortis network currently has 4 JCI accredited hospitals, 16 NABH accredited hospitals and 7 NABH accredited blood banks.

New medical programs and specialties commissioned

During FY15, a number of new medical programs and dedicated super specialty centers were commissioned across various Fortis facilities.

- The Company strengthened its specialty service offering in the state of Punjab with the launch of the Fortis Cancer Institute (in July 2014), a 55 bed facility in Mohali. The Institute is by far one of the most comprehensive cancer treatment centres in Punjab providing the latest available modalities in Medical, Surgical and Radiation Oncology. This is amongst the many other initiatives that the Company is currently undertaking in order to bolster its Oncology program and create significant presence in offering oncology healthcare services on a pan – India basis.
- FMRI commissioned an advanced GI physiology laboratory, becoming the only centre in North India to offer multiple new panel tests for advanced diagnosis and treatment in Gastroenterology and Hepatobiliary sciences.
- Fortis Malar launched India's first comprehensive centre for the management of end stage heart failure called the Fortis Centre for Heart Failure Management and Heart Transplant. It offers comprehensive heart disease management programmes that include preventive measures to avoid Heart Failure and is the largest in India.
- Fortis Hospital, BG Road, Bengaluru, launched a dedicated Centre for Sports Orthopaedics and Arthroscopy to help sportspersons and fitness enthusiast's deal with injuries and other related ailments. The centre will cater to the specific needs of professional and amateur sportspersons across all age groups, as well as the general public looking for treatment of chronic joint, ligament and cartilage problems. The centre is fully equipped with cutting edge technology and expertise in the realm of sports medicine.
- FEHI launched a high-end, fully integrated Orthopaedics and Spine super-speciality centre, Fortis Escorts Bone & Spine Institute (FEBSI). FEBSI offers the entire spectrum of orthopaedic services, from diagnosis to treatment and rehabilitation.

The Company's diagnostic business, SRL Limited, has been able to create an unparalleled reach through its impressive Network comprising 264 laboratories (including 12 Reference Labs and 90 Labs in the Hospitals) and over 6400 collection points. SRL

is present in more than 450 cities/towns covering substantial districts of India and offers a service portfolio of over 3,500 tests.

Today SRL is the only one in the country to offer Complete Diagnostic Services - Pathology, Radiology, Wellness, Occupational Health and Clinical Trials. Lab Medicine makes up 80% of SRL's business, Radiology 14% with Wellness (preventive health check) & Clinical Trials constituting the remaining 6%. SRL today offers more than 3500 tests and conducts approx. 107,000 tests in a day, ranging from simple to high-end esoteric tests in both Pathology and Radiology segments.

Following a process of rationalization wherein it exited its non-accretive laboratory practices, SRL opened 29 new laboratories while exiting 44 laboratories. It also expanded its reach by adding approximately 460 collection points and released a total of 35 new tests in FY15. SRL's operations are not limited to India alone. SRL is present in the Middle East, SAARC Countries, Africa and South East Asia and is further eyeing asset light expansion in the fast growing markets of Africa, CIS countries and South East Asia. SRL continues to stand strong on its credo of "Total Quality Management". This year SRL has increased the number of NABL accredited labs to 38 which is the highest among all players in India. It has 4 CAP and 2 NABH accredited labs and also adheres to numerous global benchmarks.

The business undertook a total of over 13.7 million accessions for Pathology and Radiology during the year, a 7% growth over FY14. SRL performed approximately 30.4 million tests in FY15 as compared to 28.7 million tests in FY14.

During the last year, SRL critically evaluated some of the centers that were not performing well despite best efforts. A conscious call was taken to close down some of those centers that were non-accretive and continuously losing money. This augurs well for the Company as it will be able to deploy its resources in more promising geographies.

International Business: SRL seized the opportunity to set up, Operate and Manage the Labs (both Pathology and Radiology) in some of the countries. SRL expanded its wings in the International Markets by signing long term Operation and Management contracts with partners in Congo and Nigeria where

the entire investment is being made by the local partners. The plan is to open 3 labs in Congo and 9 labs in Nigeria. SRL is looking at many more Asset Light projects.

Government Support & PPP: SRL is successfully running the labs in 24 of the largest Government Hospitals across Himachal Pradesh. To continue the responsibility of reaching out to the masses alongside the Government at its price points. SRL is joining hands with the Govt. of Jharkhand and opening 12 labs in the Government Hospitals across the state of Jharkhand. SRL is also in talks with other State Governments and is committed towards providing quality diagnostics to each and every citizen of the country.

Apart from running PPPs, SRL was at the forefront and supported the Government at the time of the Swine Flu crisis which again struck our nation in January 2015. During this calamity, the sole objective of the SRL Team was to test as many patients as possible, following the laid down protocols by the Govt. Within 48 hours, SRL doubled its testing capacity and performed the tests at the Government determined prices, thereby working shoulder to shoulder with the Authorities.

HUMAN RESOURCE

Being a service organization with a strong emphasis on quality of patient care, it is important that all of our employees, are fully engaged and motivated, so they can deliver a superior performance at all times. At Fortis, emphasis is placed on partnering and supporting the business and creating human resource systems, procedures and a positive environment which enables our people to deliver their best.

The year gone by was a significant one for the Human Resources function – concrete steps were taken in critical areas like Learning & Development, Leadership Development and Career Management.

Leadership School of Excellence (LSE), a comprehensive 10 day program spread over 5 months was conducted for 37 Facility/ Zonal Directors. The program focused on enhancing Leadership Capability, Health Care Management, Business Acumen / Management and Business planning.

Leadership Insights, a 360 degree feedback survey was initiated in September 2015 for the senior

management team. This program was designed to provide leaders with a deeper insight and understanding of their demonstrated leadership behaviours through a structured system to solicit feedback. Each participant had a one-on-one session with an executive coach with a detailed discussion on the identified developmental focus areas. This was followed by a leadership presentation and a group session to analyse the trends emerging from the survey and identify actionables for the leadership team as a whole.

Operational Leadership Program, a talent pipeline building exercise was initiated for employees across the country in Q3FY15. After the detailed assessment of all shortlisted candidates through a psychometric test (OPQ), a behavioural event interview (external partner) and a panel interview, detailed talent profiles were created and communicated.

Several policies were revised during the course of the year to ensure relevance to current business requirements and incorporate best practices. The recruitment and selection policy was created to familiarize the users with basic processes involved in recruitment and selection across Fortis. The PMS policy and process details were revised and updated to create a comprehensive policy on the same.

The company also launched a best employer study in association with Aon Hewitt in March 2015. This study consists of three parts – a) Business Understanding through Leadership Interviews, b) A People Practices audit to evaluate business alignment and c) An Employee Opinion survey to measure engagement levels. The company intends to conduct this study annually to assess and measure the progress towards its Lakshya goal of being amongst the top 20 employers in the country by 2017.

Project F1: Oracle, the new ERP system has gone live in identified units for the pilot study. The transition to the ERP has been smooth and employees have started using the employee self-service for basic HR and Finance transactions. Training and on-ground support has been provided to ease the transition to the new system.

As on March 31, 2015, the company had a total employee base in the hospitals & the diagnostics business of 22,507 employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

At Fortis, management has the overall responsibility to design, implement and monitor an effective process and control environment that is aligned to the inherent risk profile of the organization. Management is responsible for the identification, evaluation and management of significant risks. The Company has institutionalized a framework to focus on key risks that might impact achievement of business objectives. The framework entails a structured process to identify, assess and monitor the risks and initiate suitable mitigation strategies for effective risk management. The Board monitors exposure to these risks with the assistance of various committees and senior management.

The internal control framework is designed to manage and mitigate the risks faced by the Company. The company has designed and implemented an entity level control framework setting the control philosophy and principles which guide the organization policy and operating process framework.

The organizational role, responsibility and accountability structures with appropriate performance oversight processes are defined and aligned to provide an enabling environment to the business units and functions to operate as per the design control environment. Review and oversight procedures are designed to monitor effective adherence as per design.

The internal control system is commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

As part of the Corporate Governance Report, CEO/CFO certification is provided for assurance on the existence of effective internal control systems and procedures in the Company.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and supports a continuous improvement program. The internal audit

program is managed by an Internal Audit function with direct reporting to the Audit & Risk Committee of the Board.

The scope and authority of the Internal Audit Function is derived from the Audit Charter approved by the Audit & Risk Committee of the Board. The Internal Audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology.

The Internal Audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

Management provides action plans to address the observations noted from the internal audit reviews and action plans are monitored towards resolution under the supervision and guidance of the Audit and Risk Committee.

The Audit Risk and Controls Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of internal audit observations.

FORWARD LOOKING STATEMENT

Except for the historical information contained herein, statements in this discussion which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and

similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

References

1. Aarogya Bharat – India Healthcare Roadmap for 2025 by Bain & Company and NATHEALTH
2. Excellence in Diagnostic Care, KPMG & CII
3. 2015 Healthcare Outlook – Deloitte
4. Medical Value Travel in India, KPMG & FICCI, FICCI Heal Conference
5. Market Research, reports, web articles, press & media reports and others

Independent Auditor's Report

To the Members of Fortis Healthcare Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Fortis Healthcare Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information

required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its loss and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it 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 aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to

be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note XX to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sd/-

per Tridibes Basu

Partner

Membership Number: 017401

Place of Signature: Gurgaon

Date: May 28, 2015

Annexure 1 referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date

- (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.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted a loan that is re-payable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. Further, we are informed that there is no due date for receipt of interest stipulated in respect of the above loan and accordingly no interest has been received during the year on such loan.
- (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (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) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to health services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, value added taxes, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, value added taxes, 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, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of the dues	Amount involved ()	Amount paid under protest ()	Assessment year to which amount relates	Forum where dispute is pending
Income Tax Act	Tax Deducted at Source & Interest thereon	239.92	239.92	2010-11	Income Tax Appellate Tribunal, Chandigarh
Income Tax Act	Tax Deducted at Source & Interest thereon	261.49	22.30	2011-12	Income Tax Appellate Tribunal, Chandigarh
Income Tax Act	Income tax & Interest thereon	332.08	Nil	2012-13	Commissioner of Income Tax (Appeals), Delhi
Finance Act, 1994	Service tax and penalty	265.48	Nil	2007-08 to 2012-13	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax and penalty	294.35	Nil	2008-09 to 2011-12	Custom Excise & Service Tax Appellate Tribunal

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it had not incurred cash losses in the immediately preceding financial year. The Company has incurred cash losses in the current financial year.
- (ix) 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.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xi) 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.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sd/-

per Tridibes Basu

Partner

Membership Number: 017401

Place of Signature: Gurgaon

Date: May 28, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Notes	March 31, 2015 in Lacs	March 31, 2014 in Lacs
Equity and liabilities			
Shareholders' funds			
Share capital	4(i)	46,280.54	46,278.63
Reserves and surplus	4(ii)	321,670.15	324,679.52
		367,950.69	370,958.15
Non-current liabilities			
Long-term borrowings	4 (iii)	59,733.45	125,166.17
Other long-term liabilities	4 (v)	2,336.02	3,342.94
Long-term provisions	4 (vi)	1,140.81	808.80
		63,210.28	129,317.91
Current liabilities			
Trade payables	4 (vii)	9,693.93	5,102.82
Other current liabilities	4 (viii)	73,843.84	9,655.29
Short-term provisions	4 (ix)	1,221.63	918.69
		84,759.40	15,676.80
TOTAL		515,920.37	515,952.86
Assets			
Non-current assets			
Fixed assets			
Tangible assets	4 (x) (a)	14,433.56	13,931.98
Intangible assets	4 (x) (b)	4,577.93	682.93
Capital work-in-progress		16,900.42	12,135.22
		35,911.91	26,750.13
Non-current investments	4 (xi)	210,273.46	210,268.46
Deferred tax assets (net)	4 (iv)	–	19.65
Long-term loans and advances	4 (xii)	64,090.57	59,321.52
Other non-current assets	4 (xiii)	5,699.73	2,379.15
		315,975.67	298,738.91
Current assets			
Current investments	4 (xiv)	30,839.71	69,246.34
Inventories	4 (xv)	723.70	471.60
Trade receivables	4 (xvi)	10,505.54	8,729.16
Cash and bank balances	4 (xvii)	629.30	2,629.34
Short-term loans and advances	4 (xviii)	136,006.19	116,364.34
Other current assets	4 (xix)	21,240.26	19,773.17
		199,944.70	217,213.95
TOTAL		515,920.37	515,952.86
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

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

Sd/-
per Tridibes Basu
Partner
Membership No.: 017401

Place : Gurgaon
Date : May 28, 2015

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

Sd/-
Malvinder Mohan Singh
Executive Chairman
DIN 00042981

Sd/-
Rahul Ranjan
Company Secretary
Membership No.: A17035

Place : Gurgaon
Date : May 28, 2015

Sd/-
Shivinder Mohan Singh
Executive Vice Chairman
DIN 00042910

Sd/-
Gagandeep Singh Bedi
Chief Financial Officer
CA Membership No.: 087813

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Notes	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Income			
Revenue from operations	4 (xx)	61,064.07	36,890.78
Other income	4 (xxi)	21,791.16	22,963.77
Total revenue		82,855.23	59,854.55
Expenses			
Purchase of medical consumables and drugs		14,858.15	10,822.24
Decrease/ (increase) in inventories of medical consumables and drugs	4 (xxii)	(128.43)	11.13
Employee benefits expense	4 (xxiii)	18,245.02	13,603.94
Other expenses	4 (xxiv)	42,956.67	20,496.21
Total expenses		75,931.41	44,933.52
Earnings before interest, tax, depreciation and amortization (EBITDA)		6,923.82	14,921.03
Finance costs	4 (xxv)	8,063.46	9,078.36
Profit/ (loss) before tax, depreciation and amortisation		(1,139.64)	5,842.67
Depreciation and amortisation expense	4 (xxvi)	2,713.26	1,699.68
Profit/ (loss) before exceptional items and tax		(3,852.90)	4,142.99
Exceptional items (refer note 13 (a))		265.37	–
Profit/ (loss) before tax		(3,587.53)	4,142.99
Tax expenses:			
Current tax [including adjustment of tax relating to earlier years ` 216.59 lacs (Previous year ` 35.40 lacs)]		(216.59)	1,795.04
Deferred tax charge / (credit)		19.65	(51.49)
Total tax expenses		(196.94)	1,743.55
Profit/ (loss) for the year		(3,390.59)	2,399.44
Earnings per share [Nominal value of shares ` 10/- each (Previous year ` 10/- each)]	4 (xxvii)		
Basic		(0.73)	0.53
Diluted		(0.73)	0.53
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

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

Sd/-
per Tridibes Basu
Partner
Membership No.: 017401

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

Sd/-
Malvinder Mohan Singh
Executive Chairman
DIN 00042981

Sd/-
Rahul Ranjan
Company Secretary
Membership No.: A17035

Sd/-
Shivinder Mohan Singh
Executive Vice Chairman
DIN 00042910

Sd/-
Gagandeep Singh Bedi
Chief Financial Officer
CA Membership No.: 087813

Place : Gurgaon
Date : May 28, 2015

Place : Gurgaon
Date : May 28, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2014 in Lacs	March 31, 2013 in Lacs
A. Cash flow from operating activities		
Profit/ (loss) before exceptional items and tax	(3,852.90)	4,142.99
Adjustments for:		
Depreciation and amortization expense	2,713.27	1,699.68
Loss on sale of assets	106.51	57.84
Profit on redemption of mutual funds	(2,137.37)	(1,680.64)
Provision for doubtful debts and advances	1,146.35	544.37
Provision for contingencies	-	65.03
Baddebts and advances written off	260.23	529.69
Finance charges	22.96	519.09
Unrealised foreign exchange fluctuation loss (net)	2,290.48	2,759.14
Excess provisions written back	(231.87)	(163.08)
Wealth tax	10.98	7.91
Interest income	(19,379.40)	(19,967.15)
Interest expense	7,884.63	8,482.70
Operating loss before working capital changes	(11,166.14)	(3,002.43)
Movements in working capital :		
(Increase)/ decrease in trade receivables	(2,038.44)	104.95
(Increase)/ decrease in inventories	(88.17)	13.26
Increase in loans and advances	(1,450.54)	(2,093.69)
Increase in other assets	(62.68)	(159.72)
Increase in trade payables, other liabilities and provisions	3,495.06	3,582.52
Cash generated from/ (used in) operations	(11,310.91)	(1,555.11)
Direct taxes paid (net of refunds)	(3,079.82)	(2,911.42)
Net cash flows used in operating activities (A)	(14,390.73)	(4,466.53)
B. Cash flows from investing activities		
Purchase of fixed assets	(6,987.40)	(9,880.24)
Proceeds from sale of fixed assets	186.52	34.76
Investment in bank deposits	(12.57)	(11.12)
Redemption/ maturity of bank deposits	-	32.15
Loans to subsidiaries (given)/ repayments (net)	(16,843.92)	(21,133.24)
Purchase of investments in subsidiary	(5.00)	-
Redemption/ (Purchase) of Investments in mutual funds (net)	40,544.00	(37,245.99)
Interest received	14,924.27	15,961.25
Payment for purchase of Business unit under slump sale (total purchase consideration)	(4,000.00)	-
Sale of Clinical Establishment	1,578.82	-
Net cash flows from/ (used in) investing activities (B)	29,384.71	(52,242.43)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital [including securities premium of ₹ 12.29 lacs (Previous Year ₹ 48,812.18 lacs), net of expenses incurred for issue of equity shares of Nil (Previous Year ₹ 1,887.01)]	14.20	52,710.19
Redemption of non-cumulative redeemable preference shares [including premium of Nil (Previous Year ₹ 8,045.62)]	-	(8,478.26)
Redemption of non-convertible debentures	-	(30,000.00)
Proceeds from issuance of 4.66%+LIBOR Foreign currency convertible bonds	-	17,825.94
Proceeds from issuance of 4.86%+LIBOR Foreign currency convertible bonds	-	31,422.93
Repayments of other long-term borrowings	(8,726.68)	(229.73)
Proceeds/ (repayments) of short-term borrowings (net)	(457.32)	609.10
Loan arrangement fees (paid)/ refunded (net)	(13.06)	100.37
Interest paid	(7,844.99)	(15,574.15)
Net cash flows from/ (used in) financing activities (C)	(17,027.85)	48,386.39
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(2,033.86)	(8,322.57)
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	(120.98)
Total cash and cash equivalents at the beginning of the year	2,624.20	10,825.79
Add: Cash and cash equivalents acquired in respect of business unit purchased during the year	21.21	-
Cash and cash equivalents at the end of the year	611.55	2,624.20
Components of cash and cash equivalents:		
Cash in hand	66.36	25.18
Balances with banks on current accounts	545.19	2,599.02
Total	611.55	2,624.20
Summary of significant accounting policies 3		

As per our report of even date

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

Sd/-
per Tridibes Basu
Partner
Membership No.: 017401

Place : Gurgaon
Date : May 28, 2015

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

Sd/-
Malvinder Mohan Singh
Executive Chairman
DIN 00042981

Sd/-
Rahul Ranjan
Company Secretary
Membership No.: A17035

Place : Gurgaon
Date : May 28, 2015

Sd/-
Shivinder Mohan Singh
Executive Vice Chairman
DIN 00042910

Sd/-
Gagandeep Singh Bedi
Chief Financial Officer
CA Membership No.: 087813

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. Nature of Operations

Fortis Healthcare Limited (the 'Company' or 'FHL') was incorporated in the year 1996 and commenced its hospital operations in the year 2001. As part of its business activities, the Company holds interests in its subsidiaries, joint ventures and associate companies through which it manages and operates a network of multi-specialty hospitals and diagnostic centres. The Company's equity shares are listed on both BSE Limited and National Stock Exchange of India Ltd. The Company's 5% foreign currency convertible bonds were listed on the Euro MTF market of the Luxembourg Stock Exchange and 4.66%+ LIBOR foreign currency convertible bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policies explained subsequently.

3. Summary of Significant Accounting Policies

(a) Use of estimates

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

Change in Estimate

Till the year ended March 31, 2014, depreciation was being provided as per rates prescribed under Schedule XIV of the Companies Act, 1956. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Where the asset has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 01, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of surplus in the statement of profit and loss, as a result an amount of ₹ 300.60 lacs has been charged to the opening surplus in the statement of profit and loss. The carrying amount of other assets, i.e., assets whose remaining useful life is not nil on April 01, 2014, is depreciated over their remaining useful life.

Had the Company continued to depreciate the assets at the earlier rates, depreciation and loss for the year would have been lower by ₹ 607.52 lacs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(b) Tangible fixed assets

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

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

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

(c) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following lives to provide depreciation on its fixed assets.

S.No.	Assets	Useful Life
1	Plant & machinery	15 years
2	Medical equipments	13 years
3	Furniture and fittings	10 years
4	Computers	3 years
5	Office equipments	5 years
6	Vehicles	8 years

Depreciation on Leasehold improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

Change in Accounting Policies

- i. Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000/-. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014.

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on financial statements of the Company for the current year.

- ii. The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, the Company

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. This change in accounting policy did not have any material impact on financial statements of the Company for the current year.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs which meet capitalization criteria, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from derecognition of 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.

Technical Know-how Fees

Technical know-how fees are amortized over a period of 3 years.

Software

Cost of software is amortized over a period of 6 years, being the estimated useful life as per the management estimates.

Goodwill on acquisition

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(e) Impairment of tangible and intangible assets

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(f) Leases

Where the Company is the lessee

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

Where the Company is the lessor

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

(g) Investments

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

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

(h) Inventories

Inventory of Medical consumables and drugs, Stores and spares are valued at lower of cost and net realizable value. Cost is determined on Weighted Average basis.

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

The inventories of medical consumables in OPD business are expensed off on purchase.

(i) Revenue Recognition

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

Operating Income

Operating income is recognised as and when the services are rendered / pharmacy items are sold. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Management fee from hospitals and income from medical services is recognised as and when the contractual obligations arising out of the contractual arrangements with respective hospitals are fulfilled.

Income from Clinical Research

Income from clinical research is recognised as and when the services are rendered in accordance with the terms of the respective agreements.

Income from Rehabilitation Centre and Sponsorships

Revenue is recognised as and when the services are rendered at the rehabilitation centre. Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

Income from Academic Services

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

Equipment Lease Rentals and Income from Rent

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis.

Export benefits

Income from 'Served from India Scheme' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis.

Interest

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

(j) Unamortised finance charges

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

(k) Foreign currency transactions and balances

i) Initial recognition

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

ii) Conversion

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

iii) Exchange differences

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

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

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

(I) Retirement and other employee benefits:

i) Contributions to provident fund

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined contribution scheme for certain employees, the contributions for these employees are charged to the statement of profit and loss of the year when an employee renders the related service.

For other employees, the provident fund is defined benefit scheme contribution of which is being deposited with "Fortis Healthcare Limited Provident Fund Trust" managed by the Company; such contribution to the trust additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date. There are no other obligations other than the contribution payable to the fund.

ii) Gratuity

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**iii) Compensated absences**

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iv) Actuarial gains/ losses

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

(m) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

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

(n) Employee stock compensation cost

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Till October 27, 2014, the Company was earlier complying with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in accounting for employee stock options. From October 28, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014. The new regulations doesn't contain any specific accounting treatment; rather, they require ICAI Guidance Note to be followed. Consequent to the application of the new regulations, the Company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from the date of notification of new regulation, i.e., October 28, 2014. The change in accounting policy did not have any material impact on financial statements of the Company for the current year.

(o) Earnings per share

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(p) Provisions**

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

(q) 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.

(r) Cash and cash equivalents

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

(s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III to the Companies Act, 2013), the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company includes interest income included under other income, but does not include depreciation and amortization expense, finance costs and tax expense.

(t) Borrowing costs

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

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

(u) Segment Reporting

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
4(i) Share capital		
Authorised Shares		
600,000,000 (Previous year 600,000,000) Equity shares of ` 10 each	60,000.00	60,000.00
200 (Previous Year 200) Class 'A' Non- Cumulative Redeemable Preference Shares of ` 100,000 each	200.00	200.00
11,498,846 (Previous Year 11,498,846) Class 'B' Non-Cumulative Redeemable Preference Shares of ` 10 each	1,149.88	1,149.88
64,501,154 (Previous Year 64,501,154) Class 'C' Cumulative Redeemable Preference Shares of ` 10 each	6,450.12	6,450.12
Total authorised share capital	67,800.00	67,800.00
Issued, subscribed and fully paid up shares		
462,805,414 (Previous year 462,786,314) Equity shares of ` 10 each	46,280.54	46,278.63
Total issued, subscribed and fully paid up share capital	46,280.54	46,278.63

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

Equity Shares

Particulars	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
At the beginning of the year	462,786,314	46,278.63	405,207,335	40,520.73
Issued during the year: Institutional Placement Programme (Refer note 20)	–	–	34,993,030	3,499.30
Issued during the year: Preferential allotment (Refer note 21 and 22)	–	–	22,571,149	2,257.12
Issued during the year: Employee Stock Option Plan (ESOP) (Refer note 10)	19,100	1.91	14,800	1.48
Outstanding at the end of the year	462,805,414	46,280.54	462,786,314	46,278.63

Preference Shares- Class 'C' Zero Percent Cumulative Redeemable Preference Shares of ` 10 each

Particulars	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
At the beginning of the year	–	–	1,450,000	145.00
Redeemed during the year	–	–	(1,450,000)	(145.00)
Outstanding at the end of the year	–	–	–	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**Preference Shares- Class 'C' Zero Percent Cumulative Redeemable Preference Shares of ` 9 each**

Particulars	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
At the beginning of the year	–	–	3,196,000	287.64
Redeemed during the year	–	–	(3,196,000)	(287.64)
Outstanding at the end of the year	–	–	–	–

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of redemption of preference shares

During the year ended March 31, 2009, the Company issued 1,450,000 Class 'C' Zero Percent Cumulative Redeemable Preference Shares of ` 10 each at a premium of ` 90 per share. Preference shares were redeemable at a premium of ` 117.69 per preference share, on October 18, 2010, however, the date of redemption of October 18, 2010 has been deferred to October 18, 2014 at the redemption premium of ` 198.20 per share. Both the Company and the subscriber had an option for early redemption of the Preference Shares. In case the early redemption option would have been exercised, the premium on redemption shall be adjusted proportionately. Preference shares were redeemed on October 28, 2013 at a redemption price of ` 184.96 per share including redemption premium of ` 174.96 per share.

During the year ended March 31, 2008, the Company issued 11,500,000 Class 'C' zero percent cumulative redeemable preference shares of ` 10 each at a premium of ` 90 per share, out of which 3,196,000 zero percent cumulative redeemable preference shares were still pending for redemption at the beginning of the year. These shares were redeemable at ` 175 per share, including premium, on October 18 of 2008, 2009, 2010, 2011 and 2012, respectively in installment of ` 1,437.50 lacs each and installment of ` 12,937.50 lacs on October 18, 2013. The Company had the option to make voluntary premature redemption of the Shares in part or in full in which event the redemption premium would have been computed @ 12% compounded annually on the subscription amount from the subscription date till the redemption date. However, the due date of redemption in 2009, 2010, 2011, 2012 and 2013, respectively has been postponed to October 18, 2014 and due to this, the Company has agreed to pay additional redemption premium calculated at 12%, 12.5%, 13%, 13% and 13%, respectively on the redemption amounts due in respective years. In the event of liquidation of the Company before redemption of preference shares, the holder of preference shares will have priority over equity shares in the repayment of capital. Preference shares were redeemed on October 28, 2013 at a redemption price of ` 181.36 per share including redemption premium of ` 172.36 per share.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

Equity Shares

Name of Shareholder	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
Fortis Healthcare Holdings Private Limited, the holding Company	329,591,529	32,959.15	329,591,529	32,959.15
RHC Holding Private Limited, the ultimate holding Company	218,250	21.83	218,250	21.83

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

Equity Shares

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Holdings Private Limited, the holding Company	329,591,529	71.22%	329,591,529	71.22%
International Finance Corporation	25,793,949	5.57%	25,793,949	5.57%

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

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, please refer note 10.

(g) Shares reserved for issue on conversion

For details of shares reserved for issue on conversion of bonds, please refer note 17, 18 & 19 regarding terms of conversion/ redemption of bonds.

4(ii) Reserves and surplus

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
a Securities premium account		
Balance as per the last financial statements	298,548.56	255,055.00
Add: Premium on issue of equity shares	12.29	48,812.18
Less: Expenses incurred for issue of equity shares	–	(1,887.01)
Less: Expenses incurred for issue of foreign currency convertible bonds	–	(1,128.64)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Less: Amount utilized for accrual of premium payable on redemption of cumulative redeemable preference shares	–	(830.87)
Less: Amount utilized for accrual of premium payable on redemption of 5% foreign currency convertible bonds	(450.75)	(1,472.10)
Closing balance	298,110.10	298,548.56
b Amalgamation reserve		
Balance as per the last financial statements	156.00	156.00
Closing balance	156.00	156.00
c Foreign currency monetary item translation difference account		
Opening balance	(1,181.62)	(416.28)
Reduction/(Addition)	1,120.28	(765.34)
Closing balance	(61.34)	(1,181.62)
d Debenture redemption reserve		
Balance as per the last financial statements	11,622.54	3,883.56
Add: Amount transferred from surplus balance in the statement of profit and loss	3,552.09	11,622.54
Less: Amount transferred to general reserve	–	(3,883.56)
Closing balance	15,174.63	11,622.54
e General reserve		
Balance as per the last financial statements	5,513.99	1,630.43
Add: Transfer from debenture redemption reserve	–	3,883.56
Closing balance	5,513.99	5,513.99
f Surplus in the statement of profit and loss		
Balance as per the last financial statements	10,020.05	19,243.15
Add: Profit/(loss) for the year	(3,390.59)	2,399.44
Less: Depreciation (refer note 3 (a))	(300.60)	–
Less: Transfer to debenture redemption reserve	(3,552.09)	(11,622.54)
Net surplus in the statement of profit and loss	2,776.77	10,020.05
	321,670.15	324,679.52

4(iii) Long-term borrowings

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Secured		
Term loan from a body corporate [refer note 7 (i)]	6,748.25	13,475.00
	6,748.25	13,475.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 in Lacs	March 31, 2014 in Lacs
Unsecured		
Bonds		
5% Foreign currency convertible bonds [refer note 7 (ii)]	–	60,059.36
(4.66%+LIBOR) Foreign currency convertible bonds [refer note 7 (ii)]	18,700.66	18,017.80
(4.86%+LIBOR) Foreign currency convertible bonds [refer note 7 (ii)]	34,284.54	33,032.64
	52,985.20	111,109.80
Deferred payment liabilities [refer note 7 (iii)]	–	581.37
	–	581.37
	52,985.20	111,691.17
	59,733.45	125,166.17
4(iv) Deferred tax liabilities/ (assets) (net)		
Deferred tax liability arising on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	839.88	805.02
Gross deferred tax liability	839.88	805.02
Deferred tax asset arising on account of:		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	736.88	514.80
On carry forward business losses and unabsorbed depreciation	690.97	–
Provision for doubtful debts and advances	824.48	309.87
Gross deferred tax asset	2,252.33	824.67
Net deferred tax liability/ (asset)*	–	(19.65)
* In view of high losses in the current year, deferred tax asset has been recognised only to the extent of deferred tax liabilities since it is not virtually certain that the Company will be able to utilise any excess deferred tax asset.		
4(v) Other long-term liabilities		
Capital creditors	53.76	67.53
Lease equalisation reserve	2,267.86	1,769.27
Interest accrued but not due on borrowings	–	19.64
Premium payable on redemption of 5% foreign currency convertible bonds	–	1,472.10
Others	14.40	14.40
	2,336.02	3,342.94

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**4(vi) Long-term provisions**

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Provision for employees benefits		
Provision for gratuity (refer note 11)	1,140.81	808.80
	1,140.81	808.80

4(vii) Trade payables

Trade payables (refer note 23 for details of dues to micro and small enterprises)	9,693.93	5,102.82
	9,693.93	5,102.82

4(viii) Other current liabilities

Current maturities of long-term borrowings [refer note 7(i), (ii) and 7(iii)]	63,664.20	2,747.23
Interest accrued but not due on borrowings	2,269.65	2,210.37
Advances from patients	926.22	610.02
Capital creditors	1,153.41	567.47
Security deposits	12.05	17.24
Book overdrafts	336.02	793.34
Payable to subsidiaries	2,630.96	2,011.05
Statutory payables	744.58	566.12
Technology renewal fund	18.00	–
Payable to related parties	51.90	–
Other payables		
Premium payable on redemption of 5% foreign currency convertible bonds	1,922.85	–
Employee payable	88.12	49.89
Others	25.88	82.56
	73,843.84	9,655.29

4(ix) Short-term provisions

Provision for employees benefits		
Provision for gratuity (refer note 11)	83.22	72.44
Provision for leave encashment	918.20	633.31
Others		
Provision for wealth tax	10.98	7.91
Provision for contingencies	209.23	205.03
	1,221.63	918.69
Provision for contingencies (refer note 14)		
Opening balance	205.03	140.00
Add: Provision made during the year	–	65.03
Add: Acquired under slump sale	4.20	–
Closing balance	209.23	205.03

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 4(x)(a): Tangible assets ` in Lacs

	Freehold land	Leasehold improve- ments	Plant & machinery	Medical equipments	Furniture & fittings	Computers equipments	Office equipments	Vehicles	Total
Gross Block									
At April 1, 2013	10.09	2,730.73	2,844.88	12,093.65	1,013.25	945.89	359.84	928.82	20,927.15
Additions	-	152.67	213.99	3,086.67	247.98	76.02	45.60	287.26	4,110.19
Disposals	-	-	2.61	25.20	26.83	137.94	46.10	53.21	291.89
At March 31, 2014	10.09	2,883.40	3,056.26	15,155.12	1,234.40	883.97	359.34	1,162.87	24,745.45
Additions	-	14.30	318.08	3,790.72	108.79	143.23	60.09	501.89	4,937.10
Disposals	-	2,329.94	1,774.68	1,231.30	237.90	13.14	21.63	215.27	5,823.86
At March 31, 2015	10.09	567.76	1,599.66	17,714.54	1,105.29	1,014.06	397.80	1,449.49	23,858.69
Depreciation									
At April 1, 2013	-	1,436.35	1,647.53	4,822.44	523.80	661.34	129.94	251.23	9,472.63
Charge for the year	-	208.25	153.14	927.28	84.39	67.31	16.41	83.35	1,540.13
Disposals	-	-	2.36	18.96	14.92	135.86	24.42	2.77	199.29
At March 31, 2014	-	1,644.60	1,798.31	5,730.76	593.27	592.79	121.93	331.81	10,813.47
Charge for the year	-	86.29	172.04	1,720.57	171.10	263.09	172.12	193.78	2,778.99
Disposals	-	1,582.48	1,429.43	903.90	155.54	14.48	11.64	69.86	4,167.33
At March 31, 2015	-	148.41	540.92	6,547.43	608.84	841.41	282.41	455.73	9,425.13
Net Block									
At March 31, 2014	10.09	1,238.80	1,257.95	9,424.36	641.13	291.18	237.41	831.06	13,931.98
At March 31, 2015	10.09	419.35	1,058.74	11,167.11	496.46	172.66	115.39	993.76	14,433.56

Note: The above assets include certain fixed assets leased pursuant to operating lease agreement [refer note 6(b)] .

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**Note 4(x)(b): Intangible assets**

` in Lacs

	Technical know how fees	Software	Goodwill [refer note 13(b)]	Total
Gross Block				
At April 1, 2013	201.42	1,328.95	–	1,530.37
Additions	–	538.24	–	538.24
At March 31, 2014	201.42	1,867.19	–	2,068.61
Additions	–	837.30	3,292.57	4,129.87
At March 31, 2015	201.42	2,704.49	3,292.57	6,198.48
Amortisation				
At April 1, 2013	201.42	1,024.71	–	1,226.13
Charge for the year	–	159.55	–	159.55
At March 31, 2014	201.42	1,184.26	–	1,385.68
Charge for the year	–	234.87	–	234.87
At March 31, 2015	201.42	1,419.13	–	1,620.55
Net Block				
At March 31, 2014	–	682.93	–	682.93
At March 31, 2015	–	1,285.36	3,292.57	4,577.93

March 31, 2015
` in LacsMarch 31, 2014
` in Lacs**4(xi) Non-current investments****Trade investments (valued at cost unless stated otherwise)****Unquoted equity instruments****A. Investment in subsidiaries**

Escorts Heart Institute and Research Center Limited [2,000,310 (Previous year 2,000,310) Equity Shares of ` 10/- each] (Of the above, 50 shares (Previous year 50 shares) are held with nominee share holders)	71,894.80	71,894.80
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) [50,000 (Previous year 50,000) Equity Shares of ` 10/- each] (Of the above, 6 shares (Previous year 6 shares) are held with nominee share holders)	5.00	5.00
Fortis Healthcare International Limited [98,560,000 (Previous year 98,560,000) Ordinary Shares of US\$ 0.32/- each (Previous year MUR 10/- each)]	14,744.49	14,744.49
Fortis Hospitals Limited * [40,300,577 (Previous year 40,300,577) Equity Shares of ` 10/- each]	40,210.58	40,210.58

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
(Of the above, 6 shares (Previous year 6 shares) are held with nominee share holders)		
Hiranandani Healthcare Private Limited	3,040.00	3,040.00
[3,400,000 (Previous year 3,400,000) Equity Shares of ` 10/- each]		
(Of the above, 3 shares (Previous year 3 shares) are held with nominee share holders)		
SRL Limited ('SRL')	80,368.53	80,368.53
[42,749,217 (Previous year 42,749,217) Equity Shares of ` 10/- each]		
Shareholding in SRL is pledged to secure a term loan from a body corporate (refer note 7(i))		
Fortis CSR Foundation	5.00	—
[50,000 (Previous year Nil) Equity Shares of ` 10/- each]		
(of the above, 6 shares (Previous Year Nil) are held with nominee share holders)		
B. Investment in associate companies		
Fortis Medicare International Limited	4.75	4.75
[10,000 (Previous year 10,000) Ordinary Shares of US\$ 1/- each]		
Sunrise Medicare Private Limited	0.31	0.31
[3,126 (Previous year 3,126) Equity Shares of ` 10/- each]		
Aggregate amount of unquoted investments	210,273.46	210,268.46

* During the year ended March 31, 2014, Hon'ble Delhi High Court approved the scheme of amalgamation ('the Scheme') of Fortis Health Management (North) Limited ('FHMNL') with Fortis Hospitals Limited ('FHsL'), both wholly owned subsidiaries of the Company. The Scheme became effective from September 1, 2013 with appointed date as April 1, 2012. In consideration of this, FHsL has issued 50,000 Equity shares of ` 10 each to shareholder of FHMNL.

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
4(xii) Long-term loans and advances		
Unsecured, considered good		
Loan to subsidiaries (refer note 25)	49,868.42	48,047.48
Capital advances	141.34	342.40
Security deposits	2,894.45	2,955.96
Advance income tax (net of provision for taxation)	7,029.05	3,755.80
MAT credit entitlement	4,157.31	4,219.88
	64,090.57	59,321.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
4(xiii) Other non-current assets		
Unsecured, considered good		
Interest accrued but not due on loans and bank deposits	5,651.45	2,322.33
Unamortised finance charges	6.99	15.49
Bank deposits with original maturity of more than 12 months	41.29	41.33
	5,699.73	2,379.15
4(xiv) Current investments		
Unquoted mutual funds (valued at lower of cost and fair value, unless stated otherwise)		
Nil (Previous year 243,311.49) units of ₹ 100 each in Birla Sun Life Cash Plus - Growth Direct Plan	–	500.00
Nil (Previous year 3,864,158.95) units of ₹ 100 each in Birla Sun Life Saving Fund - Growth Direct Plan	–	9,500.00
Nil (Previous year 50,516,052.24) units of ₹ 10 each in HDFC Floating Rate Income Fund - Short term Plan - Direct Plan - Wholesale Option - Growth Option	–	11,006.63
Nil (Previous year 10,000,000.00) units of ₹ 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	–	1,000.00
9,078,941 (Previous year Nil) units of ₹ 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	1,000.00	–
Nil (Previous year 2,077,333.30) units of ₹ 10 each in ICICI Prudential Flexible Income - Direct Plan - Growth	–	5,000.00
821,247 (Previous year Nil) units of ₹ 10 each in ICICI Prudential Flexible Income - Direct Plan - Growth	1,700.00	–
41,189 (Previous year Nil) units of ₹ 10 each in IDFC Cash Fund Growth	700.00	–
4,300,619 (Previous year 12,393,260.88) units of ₹ 10 each in IDFC Money Manager Fund - Treasury Plan - Growth - Direct Plan	950.00	2,500.00
Nil (Previous year 16,772,144.82) units of ₹ 10 each in IDFC Ultra Short term Fund Growth - Direct Plan	–	3,000.00
Nil (Previous year 20,000,000) units of ₹ 10 each in Reliance Fixed Horizon Fund - XXV - Series 29-Direct Plan Growth Plan	–	2,000.00
Nil (Previous year 9,129,251.95) units of ₹ 10 each in Reliance Yearly Interval Fund - Series 3-Direct Plan - Growth Plan	–	1,000.00
Nil (Previous year 4,983,852.32) units of ₹ 10 each in Reliance Floating Rate Fund - Short Term Plan-direct Growth Plan	–	1,000.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Nil (Previous year 224,095.50) units of ` 10 each in Reliance Liquid Fund-Treasury plan Growth	–	7,000.00
20,531 (Previous year Nil) units of ` 10 each in Reliance Liquid Fund-Treasury plan Growth	700.00	–
Nil (Previous year 5,786,668.67) units of ` 10 each in Reliance Quarterly Interval Fund - Series ii-Direct Growth Plan Growth Option	–	1,000.00
Nil (Previous year 85,098.98) units of ` 10 each in Religare Liquid Fund - Direct Plan Growth	–	1,500.00
Nil (Previous year 143,708.13) units of ` 10 each in UTI-Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth	–	2,500.00
23,468 (Previous year Nil) units of ` 10 each in L & T Liquid Fund-Growth Direct Plan	450.00	–
51,939 (Previous year Nil) units of ` 10 each in Reliance Money Manager Fund	1,000.00	–
32,60,893 (Previous year Nil) units of ` 10 each in HDFC Liquid Fund	900.00	–
51,585 (Previous year Nil) units of ` 10 each in Religare Invesco Ultra Short Term Fund	1,000.00	–
9,13,111.04 (Previous year Nil) units of ` 100 each in Birla Sun Life Floating Rate Fund - Growth Direct Plan	1,700.00	–
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
Fortis Hospotel Limited (refer note 15)	20,739.71	20,739.71
[149,822,782 (Previous year 149,822,782) Equity Shares of ` 10/- each]		
(of the above, 6 shares (Previous year 6 shares) are held by nominee shareholders)		
Aggregate amount of unquoted investments	30,839.71	69,246.34
4(xv) Inventories (valued at lower of cost and net realisable value)		
Medical consumables and drugs	711.94	424.42
Stores and spares	11.76	47.18
	723.70	471.60

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
4(xvi) Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	4,792.01	3,946.13
Doubtful	1,563.08	834.93
	6,355.09	4,781.06
Other receivables		
Unsecured, considered good	5,713.53	4,783.03
Doubtful	325.90	5.18
	6,039.43	4,788.21
Less: Provision for doubtful receivables	1,888.98	840.11
	10,505.54	8,729.16
4(xvii) Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- on current accounts	545.19	2,599.02
Cash on hand	66.36	25.18
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	17.73	5.14
Bank deposits with original maturity of more than 12 months	0.02	–
	629.30	2,629.34
4(xviii) Short-term loans and advances		
Unsecured, considered good		
Loan to subsidiaries (refer note 25)	129,947.52	111,883.81
Advances recoverable in cash or in kind or for value to be received	5,206.04	4,137.46
Loan to employees	105.93	8.09
Deposit with income tax authorities	347.96	262.23
Security deposits	119.37	62.12
Balances with customs, excise and other authorities	184.67	10.63
Technology Renewal fund advance	94.70	–
	136,006.19	116,364.34

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Unsecured - doubtful		
Advances recoverable in cash or in kind or for value to be received	493.23	49.95
Less: Provision for doubtful advances	493.23	49.95
	136,006.19	116,364.34
4(xix) Other current assets		
Unsecured, considered good		
Interest accrued on loans and bank deposits	20,180.93	19,054.91
Unamortised finance charges	1.86	3.26
Accrued operating income	1,057.47	715.00
	21,240.26	19,773.17
4 (xx) Revenue from operations		
Sale of services		
In patient	50,023.91	29,426.24
Out patient	8,332.51	4,823.83
Laboratory/ clinical services	17.33	16.05
Income from medical services	176.85	228.98
Management fees from hospitals (includes prior periods income of ` 88.01 lacs (Previous year Nil))	385.70	145.43
Income from clinical research	5.80	7.61
	58,942.10	34,648.14
Less: Trade discounts	501.43	198.87
	58,440.67	34,449.27
Sale of Goods		
Pharmacy	1,199.58	1,008.86
Less: Trade discounts	62.53	50.66
	1,137.05	958.20
Other operating income		
Income from rehabilitation center	51.01	126.72
Income from academic services	38.40	55.14
Income from rent	26.32	116.76
Equipment lease rental	954.92	910.59

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015	March 31, 2014
	` in Lacs	` in Lacs
Export benefits	-	24.15
Sponsorship income	111.29	53.25
Scrap sale	10.51	10.03
Sale of plasma	29.94	12.04
Excess provisions written back	231.87	163.08
Miscellaneous income (net of prior period reversal of ` 36.56 lacs (Previous year Nil))	32.09	11.55
	1,486.35	1,483.31
	61,064.07	36,890.78
4 (xxi) Other income		
Profit on redemption of mutual funds (current investments)	2,137.37	1,680.64
Interest on bank deposits	4.78	155.16
Interest on loan to subsidiaries	19,374.62	19,811.99
Foreign exchange fluctuation gain (net)	-	1,296.84
Commitment fee no longer payable	250.00	-
Miscellaneous income	24.39	19.14
	21,791.16	22,963.77
4(xxii) Decrease/ (increase) in inventories of medical consumables and drugs		
Inventory at the beginning of the year	424.42	435.55
Acquired under slump sale	159.09	-
Inventory at the end of the year	711.94	424.42
	(128.43)	11.13
4(xxiii) Employee benefits expense		
Salaries, wages and bonus*	15,876.59	11,979.88
Gratuity expense (refer note 11)	432.76	334.75
Leave encashment	395.24	161.01
Contribution to provident and other funds	820.53	635.29
Staff welfare expenses	470.56	377.37
Recruitment and training	249.34	115.64
	18,245.02	13,603.94

[* Net of expenses capitalized (refer note 26)]

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
4 (xxiv) Other expenses		
Contractual manpower*	1,105.91	629.53
Power, fuel and water*	1,194.09	790.90
Housekeeping expenses including consumables*	423.00	514.18
Patient food and beverages	759.09	391.77
Pathology laboratory expenses	2,345.14	1,057.30
Radiology expenses	123.25	1,077.85
Consultation fees to doctors*	2,646.20	895.04
Professional charges to doctors	6,656.24	2,851.74
Hospital service fee expense	12,607.57	–
Medical service expenses	108.02	101.66
Repairs and maintenance*		–
- Building	165.78	84.90
- Plant and machinery	648.02	421.24
- Others	415.22	302.60
Rent*		
- Hospital building	522.30	2,311.49
- Equipments	75.59	4.50
- Others	452.07	354.63
Donations	26.00	–
Legal and professional fee*	2,549.48	1,913.99
Travel and conveyance*	2,010.97	2,458.14
Rates and taxes*	66.28	72.64
Commitment fees	–	800.00
Printing and stationary	295.97	212.84
Communication expenses*	385.93	329.40
Directors' sitting fees	46.30	16.40
Insurance	297.72	246.74
Marketing and business promotion	3,034.98	1,317.73
Wealth tax	10.98	7.91
Loss on sale of assets	106.51	57.84
Payment to auditor		
As auditor:		
- Audit fee	58.71	46.00
- Limited review	53.34	32.02
- Tax audit fee	2.81	2.50
- Certification and other services	1.33	20.70

[*Net of expenses capitalized (refer note no. 26)]

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015	March 31, 2014
	` in Lacs	` in Lacs
- Out of pocket expenses	8.15	10.66
Foreign exchange fluctuation loss (net)	2,312.57	–
Bad debts and advances written off	260.23	529.69
Provision for doubtful debts and advances	1,146.35	544.37
Provision for contingencies	–	65.03
Miscellaneous expenses*	38.21	22.28
	42,956.67	20,496.21
[* Net of expenses capitalized (refer note 26)]		
4 (xxv) Finance costs		
Interest expense		
- on term loans	7,875.84	8,434.84
- on cash credit	1.09	0.97
- others	7.70	46.89
	7,884.63	8,482.70
Bank charges	155.87	76.57
Other borrowing costs		
-Finance charges	22.96	519.09
	22.96	519.09
	8,063.46	9,078.36
4 (xxvi) Depreciation and amortisation expense		
Depreciation of tangible assets	2,778.99	1,540.13
Amortisation of intangible assets	234.87	159.55
	3,013.86	1,699.68
Less: Adjusted with opening balance of surplus in the statement of profit and loss (refer note 3 (a))	300.60	–
	2,713.26	1,699.68
4 (xxvii) Earnings per share (EPS)		
Profit/(loss) as per statement of profit and loss	(3,390.59)	2,399.44
Weighted average number of equity shares in calculating Basic EPS	462,789,218	453,356,916
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2007 and ESOP 2011	691,157	386,744
Weighted average number of equity shares in calculating Diluted EPS	463,480,374	453,743,660
Basic and diluted EPS	(0.73)	0.53
Bonds (refer note 4 (iii)) issued by the Company, are considered as antidilutive and accordingly, have not been considered for the computation of diluted EPS		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

5. Related party disclosures

Names of related parties and related party relationship

Ultimate Holding Company	RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited)	
Holding Company	Fortis Healthcare Holdings Private Limited ('FHHPL')	
Subsidiary Companies - direct or indirect through investment in subsidiaries	1	Fortis Hospotel Limited ('FHTL') (refer note 15)
	2	Hiranandani Healthcare Private Limited ('HHPL')
	3	Fortis La Femme Limited ('FLFL') (formerly known as Fortis Health Management (West) Limited)
	4	Fortis Health Management (North) Limited ('FHMNL')*****
	5	Fortis C-Doc Healthcare Limited ('C-Doc')
	6	Fortis Health Management (East) Limited ('FHMEL')
	7	SRL Limited ('SRL')
	8	SRL Diagnostics Private Limited ('SRDPL')
	9	Fortis Healthcare International Limited ('FHIL')
	10	Fortis Global Healthcare (Mauritius) Limited ('FGHML')
	11	Fortis Hospitals Limited ('FHsL')*****
	12	Fortis Cancer Care Limited ('FCCL') (formerly known as Fortis Health Management (South) Limited)
	13	Lalitha Healthcare Private Limited ('LHPL')
	14	Fortis Malar Hospitals Limited ('FMHL')
	15	Malar Stars Medicare Limited ('MSML')
	16	Escorts Heart Institute and Research Centre Limited ('EHIRCL')
	17	Fortis HealthStaff Limited ('FHSL')
	18	Fortis Asia Healthcare Pte Limited ('FAHPL')
	19	Fortis Healthcare International Pte Limited ('FHIPL')
	20	Fortis Healthcare Australia Pty Ltd ('FHAPL') (upto October 22, 2014)
	21	Dental Corporation Holdings Limited ('DCHL') (up to May 31, 2013)**
	22	Dental Corporation Pty Limited ('DCPL') (up to May 31, 2013)**
	23	Dental Corporation Petrie Pty Ltd (up to May 31, 2013)**
	24	Dental Corporation Levas Pty Ltd (up to May 31, 2013)**
	25	D C Holdings WA Pty Ltd (up to May 31, 2013)**
	26	Dental Care Network Pty Limited (up to May 31, 2013)**
	27	Dental Corporation (NZ) Limited (up to May 31, 2013)**
	28	Dental Corporation Cox Pty Ltd (up to May 31, 2013)**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

29	Hazel Ridge Pty Limited (up to May 31, 2013)**
30	John M Levas Pty Limited (up to May 31, 2013)**
31	Scott Petrie Dental Pty Ltd (up to May 31, 2013)**
32	Larry Benge Pty Ltd (up to May 31, 2013)**
33	Dr Chris Hardwicke Pty Ltd (up to May 31, 2013)**
34	Fortis Healthcare Singapore Pte Ltd ('FHSPL')
35	Radlink Asia Pte Limited ('RADLINK')
36	Radlink Medicare Pte Limited ('RMPL')
37	DRS Thompson & Thomson (Radlink Medicare) Pte Limited
38	Radlink Medicare (Bishan) Pte Limited
39	Radlink Medicare (Woodlands) Pte Limited
40	Radlink Medicare (Tampines) Pte Limited
41	Radlink Medicare (Jurong East) Pte Limited
42	Clinic 1866 Pte Limited
43	Radlink Diagnostic Imaging (S) Pte Limited ('RDISPL')
44	Drs Lim Hoe & Wong Radiology Pte limited
45	Healthcare Diagnostic Services Pte Limited
46	Radlink Women & Fetal Imaging Centre Pte Limited
47	Radlink Pet & Cardiac Imaging Centre Pte Limited ('RADLINK PET')
48	Singapore Radiopharmaceuticals Pte Limited
49	Singapore Molecular Therapy Centre Pte Limited
50	Altai Investments Limited ('ALTAI') (up to October 24, 2013)****
51	Quality HealthCare Limited ('QHL') (up to October 24, 2013)****
52	Quality HealthCare Hong Kong Limited (up to October 24, 2013)****
53	Green Apple Associates Limited (up to October 24, 2013)****
54	Quality HealthCare Medical Services Limited (up to October 24, 2013)****
55	Fortis HealthCare Hong Kong Limited ('Fortis Honkong') (up to October 24, 2013)****
56	Quality Healthcare Medical Services (Macau) Limited (up to October 24, 2013)****
57	Quality HealthCare Chinese Medicine Limited ('QHCML') (up to October 24, 2013)****
58	Marvellous Way Limited (up to October 24, 2013)****

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

59	Universal Lane Limited ('ULL') (up to October 24, 2013)****
60	DB Health Services Limited (up to October 24, 2013)****
61	Quality HealthCare Medical Centre Limited (up to October 24, 2013)****
62	Quality HealthCare Professional Services Limited (up to October 24, 2013)****
63	SmartLab Limited (up to October 24, 2013)****
64	GlobalRx Limited (up to October 24, 2013)****
65	Allied Medical Practices Guild Limited (up to October 24, 2013)****
66	Fortis Hospitals Hong Kong Limited (up to October 24, 2013)****
67	Normandy (Hong Kong) Limited ('NHKL') (up to October 24, 2013)****
68	Great Option Limited (Hong Kong) (up to October 24, 2013)****
69	Healthcare Opportunities Limited ('HOL') (up to October 24, 2013)****
70	TCM Products Limited ('TCM') (up to October 24, 2013)****
71	GHC Holdings Limited ('GHC') (up to October 24, 2013)****
72	Case Specialist Limited (up to October 24, 2013)****
73	Jadeast Limited (up to October 24, 2013)****
74	Jadefairs International Limited (up to October 24, 2013)****
75	Jadway International Limited (up to October 24, 2013)****
76	Megafaith International Limited (up to October 24, 2013)****
77	Jadison Investment Limited (up to October 24, 2013)****
78	Berkshire Group Limited (up to October 24, 2013)****
79	Central Medical Diagnostic Centre Limited ('CMDCL') (up to October 24, 2013)****
80	Central MRI Centre Limited (up to October 24, 2013)****
81	Central Medical Laboratory Limited (up to October 24, 2013)****
82	Central PET/CT Scan Limited (up to October 24, 2013)****

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	83	Portex Limited (up to October 24, 2013)****
	84	Quality HealthCare Services Limited ('QHCSL') (up to October 24, 2013)****
	85	Quality HealthCare Psychological Services Limited (('QHCPSL') (up to October 24, 2013)****
	86	Quality EAP (Macau) Limited (up to October 24, 2013)****
	87	Quality HealthCare Dental Services Ltd (up to October 24, 2013)****
	88	Quality HealthCare Physiotherapy Services Limited (up to October 24, 2013)****
	89	Quality HealthCare Nursing Agency Limited (up to October 24, 2013)****
	90	Dynamic People Group Limited (up to October 24, 2013)****
	91	Mena Healthcare Investment Company Limited ('MHICL')
	92	SRL Diagnostics FZ-LLC (formerly known as Super Religare Laboratories International FZ LLC)
	93	Swindon Limited (SL) (up to August 20, 2013)***
	94	VOF PE Holdings 2 Limited ('VOFPEHL') (up to August 20, 2013)***
	95	Fortis Hoan My Medical Corporation ('HOAN') (up to August 20, 2013)***
	96	Fortis Hoan My Saigon General Hospital Joint Stock Company ('MY SAIGON') (up to August 20, 2013)***
	97	Hoan My Clinic Co. Ltd (up to August 20, 2013)***
	98	Hoan My Da Nang General Hospital Joint Stock Company (up to August 20, 2013)***
	99	Hue Hoan My General Hospital Joint Stock Company (up to August 20, 2013)***
	100	Hoan My Cuu Long General Hospital Joint Stock Company (up to August 20, 2013)***
	101	Hoan My Da Lat General Hospital Joint Stock Company (up to August 20, 2013)***
	102	Fortis Healthcare Vietnam Company Limited (up to August 20, 2013)***
	103	Medical Management Company Limited
	104	Fortis Healthcare Middle East LLC (w.e.f. May 23, 2013)
	105	Healthcare Clinic and Surgery Pte. Limited
	106	Birdie & Birdie Realtors Private Limited (w.e.f. May 6, 2014)
	107	Fortis CSR Foundation (w.e.f. September 22, 2014)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	<p>Companies (5) and (6) of above are subsidiaries of FHsL; Company (8) of above is subsidiary of SRL; Company (10) of above is a subsidiary of FHIL; Companies (12) and (14) and 106 of above are subsidiaries of FHsL; Company (13) of above is subsidiary of FCCL; Company (15) of above is a subsidiary of FMHL; Companies (17) and (18) of above are subsidiaries of EHIRCL; Company (19) of above is subsidiary of FAHPL; Company (20), (34), (50), (91), (92), (93), (94), (102) and (104) of above are subsidiaries of FHIPL; Company (21) of above was subsidiary of FHAPL; Company (22) of above was subsidiary of DCHL; Companies (23) to (33) of above were subsidiaries of DCPL; Company (35) of above is subsidiary of FHSPL; Companies (36) and (43) of above are subsidiaries of RADLINK; Companies (37) to (42) and 105 of above are subsidiaries of RMPL; Companies (44) to (47) of above are subsidiaries of RDISPL; Companies (48) and (49) of above are subsidiaries of RADLINK PET; Companies (51), (54), (55), (83) and (84) of above were subsidiaries of ALTAI; Companies (52) and (53) of above were subsidiaries of QHL; Companies (56), (57), (59), (61) to (67), (69), (78) and (79) of above were subsidiaries of Fortis Honkong; Company (58) of above was subsidiary of QHCML; Company (60) of above was subsidiary of ULL; Company (68) of above was subsidiary of NHKL; Company (70) of above was subsidiary of HOL; Company (71) of above was subsidiary of TCM; Companies (72) to (77) of above were subsidiaries of GHC; Companies (80) to (82) of above were subsidiaries of CMDCL; Companies (85) and (87) to (90) of above were subsidiaries of QHCSL; Company (86) of above was subsidiary of QHCPSL; Company (97) of above was subsidiary of VOFPEHL; Companies (96), (98), (100) and (101) of above were subsidiaries of HOAN; Company (97) of above was subsidiary of MY SAIGON; Company (103) of above is subsidiary of MHICL; Company (99) of above was a subsidiary of Company (98) of above.</p>	
Fellow Subsidiaries (with whom transactions have been taken place)	(a)	RWL Healthworld Limited (formerly as Religare Wellness Limited)
	(b)	Medsource Healthcare Private Limited
Associates (with whom transactions have been taken place)	(a)	Sunrise Medicare Private Limited
	(b)	Medical and Surgical Centre Limited, Mauritius (Associate of Fortis Healthcare International Limited)
	(c)	International Hospital Limited ('IHL')*****
	(d)	Escorts Heart and Super Speciality Institute Limited ('EHSSIL')*****
	(e)	Escorts Heart and Super Speciality Hospital Limited ('EHSSHL')
	(f)	Fortis Emergency Services Limited ('FESL') (Associate of Fortis Hospitals Limited)
	(g)	Fortis Health Management Limited ('FHML')
	(h)	Fortis Medicare International Limited ('FMIL')

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Joint Ventures	(a)	Super Religare Reference Laboratories (Nepal) Private Limited (Joint venture of SRL)
	(b)	DDRC SRL Diagnostics Services Private Limited (Joint venture of SRLDPL)
	(c)	Fortis Cauvery, Partnership firm (Joint venture of FCCL)
Key Management Personnel ('KMP')	(a)	Mr. Malvinder Mohan Singh – Executive Chairman
	(b)	Mr. Shivinder Mohan Singh - Executive Vice Chairman
	(c)	Mr. Balinder Singh Dhillon- Executive Director (upto February 11, 2014)
	(d)	Mr. Gagandeep Singh Bedi - Chief Financial Officer (w.e.f September 23, 2014)
	(e)	Mr. Sandeep Puri - Chief Financial Officer (upto September 24, 2014)
	(f)	Mr. Aditya Vij- Chief Executive Officer (upto December 31, 2014)
	(g)	Mr. Rahul Ranjan - Company Secretary
	(h)	Mrs. Ritu Vij - Relative of KMP (upto December 31, 2014)
	(i)	Dr. Brian William Tempest - Non-Executive Director
	(j)	Mr. Gurcharan Das - Non-Executive Director (upto September 24, 2014)
	(k)	Mr. Harpal Singh - Non-Executive Director
	(l)	Ms. Joji Sekhon Gill - Non-Executive Director
	(m)	Ms. Lynette Joy Hepburn Brown - Non-Executive Director (w.e.f. May 29, 2014)
	(n)	Mr. Pradeep Ratilal Raniga - Non-Executive Director
	(o)	Dr. Preetinder Singh Joshi - Non-Executive Director
	(p)	Mr. Ravi Umesh Mehrotra - Non-Executive Director (w.e.f. March 26, 2015)
	(q)	Ms. Shradha Suri Marwah - Non-Executive Director (w.e.f. March 26, 2015)
	(r)	Mr. Sunil Godhwani - Non-Executive Director
Enterprises owned or significantly influenced by key management personnel ('KMP') or their relatives (with whom transactions have been taken place)	(a)	Fortis Nursing and Education Society
	(b)	Ligare Travel Limited (formerly known as Religare Travels (India) Limited)
	(c)	Ligare Aviation Limited (formerly known as Religare Aviation Limited)
	(d)	Dion Global Solutions Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The schedule of Related Party Transactions is as follows:

	(` in lacs)	
Transactions details	Year Ended March 31, 2015	Year Ended March 31, 2014
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals, Income from rehabilitation centre, Rental, Pharmacy income and other income)		
Fortis Hospitals Limited (Subsidiary) *****	74.60	177.00
Sunrise Medicare Private Limited (Associate)	6.00	6.00
Fortis Nursing and Education Society (Enterprises owned or significantly influenced by KMP or their relatives)	24.87	33.47
SRL Limited (Subsidiary)	52.01	63.00
Fortis C-Doc Healthcare Limited (Subsidiary)	25.22	–
RWL Healthworld Limited (formerly as Religare Wellness Limited)	19.27	–
Expense incurred by the Company on behalf of		
International Hospital Limited (Associate)*****	–	0.11
Escorts Heart Institute and Research Centre Limited (Subsidiary)	58.29	2.90
Fortis Hospotel Limited (Subsidiary)	–	0.37
Fortis Health Management Limited (Associate)	29.25	28.19
Fortis Malar Hospitals Limited (Subsidiary)	2.75	0.38
Fortis Hospitals Limited (Subsidiary) *****	404.74	186.38
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited) (Subsidiary)	4.26	–
Hiranandani Healthcare Private Limited (Subsidiary)	5.30	0.65
Lalitha Healthcare Private Limited (Subsidiary)	0.68	–
SRL Limited (Subsidiary)	5.54	–
RWL Healthworld Limited (formerly as Religare Wellness Limited)	4.04	–
Escorts Heart and Super Speciality Institute Limited (Associate)*****	–	0.33
Dion Global Solutions Limited (Enterprises owned or significantly influence by KMPs or their relatives)	1.57	1.77
Fortis Nursing & Education Society (Enterprises owned or significantly influence by KMPs or their relatives)	16.86	43.96

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in lacs)

Transactions details	Year Ended March 31, 2015	Year Ended March 31, 2014
Transactions during the year		
Shivinder Mohan Singh (KMP)	4.91	–
Malvinder Mohan Singh (KMP)	11.36	–
Expense incurred on behalf of the Company by		
SRL Limited (Subsidiary)	4.77	17.23
Escorts Heart Institute and Research Centre Limited (Subsidiary)	72.18	71.47
Hiranandani Healthcare Private Limited (Subsidiary)	6.30	35.88
Escorts Heart and Super Speciality Institute Limited (Associate)*****	–	1.50
Escorts Heart and Super Speciality Hospital Limited (Associate)	545.06	–
Fortis Hospotel Limited (Subsidiary)	80.49	–
Fortis Healthcare International Pte. Limited (Subsidiary)	7.29	–
Fortis Malar Hospitals Limited (Subsidiary)	1.19	2.88
Fortis Hospitals Limited (Subsidiary) *****	1,946.89	497.71
International Hospital Limited (Associate)*****	–	800.00
Interest income on loans and advances to		
Fortis Hospitals Limited (Subsidiary) *****	11,728.36	10,648.55
Escorts Heart Institute and Research Centre Limited (Subsidiary)	2,763.26	4,138.70
Fortis Healthcare International Limited (Subsidiary)	4,346.65	4,502.08
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	3.53	3.24
Hiranandani Healthcare Private Limited (Subsidiary)	512.07	494.26
Loans/ advances given		
Fortis Healthcare International Limited (Subsidiary)	–	47,425.83
Fortis Hospitals Limited (Subsidiary) *****	136,498.00	181,035.51
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	–	3.56
Escorts Heart Institute and Research Centre Limited (Subsidiary)	8,430.00	46,122.95
Hiranandani Healthcare Private Limited (Subsidiary)	100.00	5,250.04
Loans/ advances received back		
Hiranandani Healthcare Private Limited (Subsidiary)	1,160.00	5,260.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Transactions details	Year Ended March 31, 2015	Year Ended March 31, 2014
Transactions during the year		
Fortis Healthcare International Limited (Subsidiary)	–	27,142.50
Fortis Hospitals Limited (Subsidiary) *****	135,686.97	171,386.00
Escorts Heart Institute and Research Centre Limited (Subsidiary)	4,733.00	54,769.00
Consultation fees to doctors		
Fortis Hospitals Limited (Subsidiary) *****	38.16	15.69
Escorts Heart Institute & Research Centre Limited (Subsidiary)	1.34	–
Pathology laboratory expenses		
SRL Limited (Subsidiary)	2,271.88	1,024.08
Medical service expenses		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	108.02	101.66
Employee Benefit		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	–	1.50
Fortis Malar Hospitals Limited (Subsidiary)	20.34	–
Travel and conveyance expenses		
Ligare Travel Limited (Enterprises owned or significantly influenced by KMP or their relatives)	133.39	137.56
Ligare Aviation Limited (Enterprises owned or significantly influenced by KMP or their relatives)	405.93	367.14
Marketing expenses		
Fortis Emergency Services Limited (Associate)	3.72	5.80
Managerial remuneration		
Shivinder Mohan Singh (KMP)	535.67	537.83
Malvinder Mohan Singh (KMP)	532.43	522.00
Aditya Vij (KMP)	233.52	–
Gagandeep Singh Bedi (KMP)	53.66	–
Sandeep Puri (KMP)	128.76	–
Rahul Ranjan (KMP)	38.44	–
Transfer of CWIP		
Fortis Hospitals Limited (Subsidiary)*****	210.14	567.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in lacs)

Transactions details	Year Ended March 31, 2015	Year Ended March 31, 2014
Transactions during the year		
Fortis C-Doc Healthcare Limited (Subsidiary)	14.70	–
Escorts Heart Institute & Research Centre Limited (Subsidiary)	303.86	–
Corporate Guarantees given to banks for loans availed by*		
Fortis Hospitals Limited (Subsidiary) *****	15,000.00	5,000.00
Corporate guarantee withdrawn for loans taken by		
Fortis Hospitals Limited (Subsidiary) *****	12,500.00	10,500.00
SRL Limited (Subsidiary)	19,500.00	1,200.00
Hiranandani Healthcare Private Limited (Subsidiary)	–	6,000.00
Fortis Asia Healthcare Pte Limited (Subsidiary)	–	217,140.00
License user agreement fees		
RHC Holding Private Limited (Ultimate holding company)	1.00	1.12
Linen Purchased		
Fortis Hospitals Limited (Subsidiary) *****	78.29	16.86
Redemption of preference share capital (including premium)		
RHC Holding Private Limited (Ultimate Holding company)	–	8,478.27
Collection on behalf of Company by:		
Fortis Hospitals Limited (Subsidiary) *****	5,409.49	18.34
Escorts Heart Institute & Research Centre Limited (Subsidiary)	88.02	–
Fortis C-Doc Healthcare Limited (Subsidiary)	1.00	–
Collection by Company on behalf of :		
Fortis Health Management (East) Limited (Subsidiary)	–	0.51
Fortis Malar Hospitals Limited (Subsidiary)	8.17	2.81
Hiranandani Healthcare Private Limited (Subsidiary)	51.26	23.67
Escorts Heart Institute & Research Centre Limited (Subsidiary)	480.37	1,095.88
Fortis Hospitals Limited (Subsidiary) *****	1,359.90	708.50
Lalitha Healthcare Private Limited (Subsidiary)	0.18	–
Escorts Heart and Super Speciality Hospital Limited (Associate)	35.78	–
Hospital Service fee expenses		
Escorts Heart and Super Speciality Hospital Limited (Associate)	4,267.40	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Transactions details	Year Ended March 31, 2015	Year Ended March 31, 2014
Transactions during the year		
Fortis Hospotel Limited (Subsidiary)	8,340.18	–
Commitment fee no longer payable		
International Hospital Limited (Associate)*****	250.00	–
Investment made		
Fortis CSR Foundation (Subsidiary)	5.00	–
Purchase of medical consumables and pharmacy		
RWL Healthworld Limited (formerly as Religare Wellness Limited)	223.18	97.41
Medsorce Healthcare Private Limited (Fellow Subsidiary)	387.92	–
Sale of clinical establishment/fixed assets		
Escorts Heart and Super Speciality Hospital Limited (Associate)	1,578.82	–
Purchase of business under slump sale		
Fortis Hospitals Limited (Subsidiary) *****	4,000.00	–
Rent expense		
Aditya Vij	20.25	–
Ritu Vij	20.25	–
Director Sitting Fee		
Brian William Tempest (KMP)	6.92	–
Harpal Singh (KMP)	6.59	–
Gurcharan Das (KMP)	1.32	–
Joji Sekhon Gill (KMP)	5.05	–
Pradeep Ratilal Raniga (KMP)	5.17	–
Preetinder Singh Joshi (KMP)	7.84	–
Sunil Godhwani (KMP)	4.11	–
Udai Dhawan (KMP)	3.27	–
Lynette Joy Hepburn Brown (KMP)	4.13	–
Ravi Umesh Mehrotra (KMP)	0.89	–
Shardha Suri Marwah (KMP)	1.00	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(` in lacs)**

Balance outstanding at the year end	As at March 31, 2015	As at March 31, 2014
Loans and advances		
International Hospital Limited (Associate)*****	–	6.03
Fortis Hospitals Limited (Subsidiary) *****	85,222.39	73,601.06
Hiranandani Healthcare Private Limited (Subsidiary)	3,578.22	4,193.38
RWL Healthworld Limited (formerly known as Religare Wellness Limited)	0.85	7.19
Escorts Heart Institute and Research Centre Limited (Subsidiary)	21,954.24	14,295.66
Fortis C-Doc Healthcare Limited (Subsidiary)	13.39	–
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited) (Subsidiary)	4.26	–
SRL Limited (Subsidiary)	1.59	–
Fortis Health Management Limited (Associate)	9.47	25.48
Fortis Healthcare International Limited (Subsidiary)	73,404.02	70,723.67
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	35.33	32.41
Dion Global Solutions Limited (Enterprises owned or significantly influence by KMPs or their relatives)	0.93	1.77
Lalitha Healthcare Private Limited (Subsidiary)	–	0.96
Fortis Health Management (East) Limited (Subsidiary)	20.35	29.88
Fortis Asia Healthcare Pte. Limited (Subsidiary)	–	51.00
Fortis Nursing & Education Society (Enterprises owned or significantly influence by KMPs or their relatives)	1.80	–
Interest accrued (and due/but not due) on loans given		
Hiranandani Healthcare Private Limited (Subsidiary)	460.86	444.84
Escorts Heart Institute and Research Centre Limited (Subsidiary)	2,486.93	3,724.83
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	3.18	2.92
Fortis Healthcare International Limited (Subsidiary)	12,327.66	7,620.62
Fortis Hospitals Limited (Subsidiary) *****	10,552.72	9,583.70
Trade receivables		
Sunrise Medicare Private Limited (Associate)	11.23	18.09
Escorts Heart Institute & Research Centre Limited (Subsidiary)	9.53	–
Fortis C-Doc Healthcare Limited (Subsidiary)	39.42	–
Fortis Hospitals Limited (Subsidiary) *****	1,478.20	1,671.82
Fortis Nursing & Education Society (Enterprises owned or significantly influence by KMPs or their relatives)	–	22.77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Balance outstanding at the year end	As at March 31, 2015	As at March 31, 2014
Trade payables and other current liabilities		
SRL Limited (Subsidiary)	254.60	98.05
Fortis Malar Hospitals Limited (Subsidiary)	9.34	8.79
Fortis Hospotel Limited (Subsidiary)	1,615.57	5.05
Hiranandani Healthcare Private Limited (Subsidiary)	0.67	0.40
Ligare Travel Limited (Enterprises owned or significantly influence by KMPs or their relatives)	10.83	–
Ligare Aviation Limited (Enterprises owned or significantly influenced by KMP or their relatives)	–	107.01
Fortis Healthcare International Pte. Limited (Subsidiary)	7.29	–
Escorts Heart and Super Speciality Hospital Limited (Associate)	884.37	–
Fortis Hospitals Limited (Subsidiary) *****	2,651.59	1,471.17
Escorts Heart Institute and Research Centre Limited (Subsidiary)	25.69	893.32
Medsource Healthcare Private Limited (Fellow Subsidiary)	26.28	–
RWL Healthworld Limited (formerly as Religare Wellness Limited)	39.79	–
Investments		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	71,894.80	71,894.80
Fortis Hospotel Limited (Subsidiary)	20,739.71	20,739.71
Fortis Hospitals Limited (Subsidiary) *****	40,210.58	40,210.58
SRL Limited (Subsidiary)	80,368.53	80,368.53
Fortis CSR Foundation (Subsidiary)	5.00	–
Hiranandani Healthcare Private Limited (Subsidiary)	3,040.00	3,040.00
Fortis Healthcare International Limited (Subsidiary)	14,744.49	14,744.49
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	5.00	5.00
Fortis Medicare International Limited (Associate)	4.75	4.75
Sunrise Medicare Private Limited (Associate)	0.31	0.31
Corporate guarantee given for loans availed by*		
Fortis Hospitals Limited (Subsidiary) *****	39,220.00	34,720.00
SRL Limited (Subsidiary)	–	19,500.00
Escorts Heart Institute and Research Centre Limited (Subsidiary)	6,500.00	6,500.00
Fortis C-Doc Healthcare Limited (Subsidiary)	1,031.00	1,031.00

Notes:

- * The loans availed by above companies against guarantee given have been used by the respective companies for acquiring fixed assets and meeting working capital requirements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- **** During the year ended March 31, 2014, Fortis Healthcare Australia Pty Limited (FHA), a wholly owned subsidiary of the Company divest entire stake in Dental Corporation Holdings Limited ("DC"), Australia and its subsidiaries on May 31, 2013.
- ***** During the year ended March 31, 2014, Fortis Healthcare International Pte Ltd., a subsidiary of the Company divest entire stake in Fortis Hoan My Medical Corporation (Vietnam) and its subsidiaries on August 20, 2013.
- ****** During the year ended March 31, 2014, Fortis Healthcare International Pte Ltd., a wholly owned subsidiary of the Company divest entire stake in Altai Investments Limited, the holding Company of Quality Healthcare, Hongkong and its subsidiaries on October 24, 2013.
- ******* During the year ended March 31, 2014, Hon'ble High Court of Delhi approved the scheme of amalgamation ('the Scheme') of Fortis Health Management (North) Limited ('FHMNL') with Fortis Hospitals Limited ('FHsL'), both wholly owned subsidiaries of the Company. The scheme became effective from September 1, 2013 with appointed date as April 1, 2012.
- ******* During the previous year, Escorts Heart and Super Speciality Institute Limited ('EHSSIL'), Kanishka Healthcare Limited ('KHL') and Escorts Hospital and Research Centre Limited ('EHRCL'), subsidiaries of Religare Health Trust have been merged into another subsidiary of Religare Health Trust, International Hospital Limited ('IHL') w.e.f. January 1, 2013
- Note:** Above related party transactions do not include the transactions with related parties as defined under Companies Act, 2013 for the previous year.

6. Leases**(a) Assets taken on Operating Lease:**

Hospital/ Office premises, few medical equipments and other premises are obtained on operating lease. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. For all cases, there are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. The total lease payments in respect of such leases recognised in the statement of profit and loss for the year are ` 1,049.96 lacs (Previous year ` 2,670.62 lacs) and capitalized during the year are ` 1,212.24 lacs (Previous year ` 1,341.99 lacs).

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

(` in lacs)		
Particulars	As at March 31, 2015	As at March 31, 2014
Minimum lease payments :		
Not later than one year	881.04	3,105.70
Later than one year but not later than five years	3,112.73	11,647.13
Later than five years	64.01	1,170.73

(b) Assets given on Operating Lease

- i) The Company has sub-leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. There are no restrictions imposed by lease arrangements and the rent is not

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

determined based on any contingency. All these leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognised in the statement of profit and loss for the year are ₹ 26.32 lacs (Previous year ₹ 116.76 lacs).

- ii) The Company has leased out certain capital assets on operating lease to a Trust managing hospital operations. The lease term is for 3 years and thereafter renewable at the option of the lessor. There are no restrictions imposed by the lease arrangements and the rent is not determined based on any contingency. There is no escalation clause in the lease agreements. The lease arrangement is non-cancellable in nature. The details of the capital assets given on operating lease are as under:

(₹ in lacs)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Plant and Machinery	96.66	96.66	-	96.66	77.17	19.49
Medical Equipments	3,959.80	1,881.80	2,078.00	4,045.65	1,922.00	2,123.65
Furniture and Fittings	177.73	134.91	42.82	177.73	105.70	72.03
Computers	120.25	120.25	-	120.25	119.90	0.35
Office Equipments	33.16	29.52	3.64	33.15	10.87	22.28
Vehicles	48.70	26.99	21.71	48.70	21.76	26.94
Total	4,436.30	2,290.13	2,146.17	4,522.14	2,257.40	2,264.74

The total lease payments received in respect of such leases recognised in the statement of profit and loss account for the year are ₹ 954.92 lacs (Previous year ₹ 910.59 lacs).

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

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Minimum lease payments :		
Not later than one year	235.26	941.05
Later than one year but not later than five years	-	235.26
Later than five years	-	-

7. Long term borrowings

(i) Secured Loans

(₹ in lacs)

Particulars	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
	Non Current	Current	Non Current	Current
Term loan from a body corporate	6,748.25	1,328.67	13,475.00	1,983.33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Term loan from L&T Infrastructure Finance Company Limited (“Lender”) was taken in financial year 2011-2012 and is secured by a first pari passu charge by way of mortgage of the Company’s immovable properties, present and future. Further secured by a first pari passu charge by way of hypothecation of the Company’s movable assets, including movable machinery, machinery spares, tools and accessories, present and future. Also, secured by a second pari passu charge by way of hypothecation on the Company’s book debts, operating cash flows and the receivables and revenues, current assets commissions and revenues of whatsoever nature and wherever arising, both present and future. Further, there is an exclusive pledge of shareholding of the Company in SRL Limited in favour of the lender, to the extent of at least 2 times of the facility amount, to be maintained at all times during the subsistence of the facility. The rate of interest for each tranche of facility shall be Prime Lending rate less 3.75% per annum, payable monthly. On July 31, 2013, Lender assigned ` 10,000 lacs to L&T Fincorp Limited out of outstanding amount of ` 16,683.33 lacs as on that date. The loan is repayable in 84 structured monthly instalments, after a moratorium of 12 months from the date of first disbursement to the Company. The remaining loan from the lender has been fully repaid during the year. As at March 31, 2015, ` Nil (Previous year ` 6,192.60 lacs) is payable to L&T Infrastructure Finance Company Limited and ` 8,076.92 lacs (Previous year ` 9,265.73) is payable to L&T Fincorp Limited.

(ii) Unsecured Loans - Bonds

(` in lacs)					
Particulars	Note	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
		Non Current	Current	Non Current	Current
5% Foreign currency convertible bonds	17	–	62,335.53	60,059.36	–
4.66%+LIBOR Foreign currency convertible bonds	18	18,700.66	–	18,017.80	–
4.86%+LIBOR Foreign currency convertible bonds	19	34,284.54	–	33,032.64	–

(iii) Unsecured Loans – Deferred payment liabilities

(` in lacs)				
Particulars	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
	Non Current	Current	Non Current	Current
Deferred payment facilities	–	–	581.37	763.90

Deferred payment facility had been taken for purchase of radiotherapy machine for USD 1,936,000. The amount was repayable in 2 equal instalments. First instalment of USD 968,000 was due on June 20, 2014 and second instalment of USD 968,000 is due on March 15, 2016. However, prepayment of second instalment of USD 968,000 has been made during the current year.

Further, another facility was taken from Siemens Financial Services for Oracle licenses. The loan was repayable in 8 quarterly payments starting from August 2013 and ending on March 2015. The same has been repaid fully during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

8. Commitments:

(` in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ` 141.34 lacs (Previous Year ` 342.40 lacs)]	933.57	1,697.76

(b) Going concern support in form of funding and operational support letters issued by the Company in favour of FLFL, FCCL, FHSL, Fortis C-Doc Healthcare Limited, FHMEI, LHPL, FAHPL, Birdie & Birdie Realtors Private Limited.

(c) For commitments relating to lease arrangements, refer note 6.

9. Contingent liabilities (not provided for) in respect of:

(` in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.	1,319.13	796.68
The Company is under litigation with the Income Tax Department against certain income tax demands on account of deduction of tax under section 194J of Income Tax Act, 1961 instead of section 192 on payments made to retainer doctors, u/s 201(1)/201(1A) for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14, thereby raising demands of ` 239.92 lacs (Previous year ` 239.92 lacs), ` 261.49 lacs (Previous year ` 261.49 lacs), ` 20.87 lacs (Previous year ` 77.61 lacs) and ` 23.86 lacs (Previous year Nil) respectively. Company had filed appeals with the Commissioner of Income Tax (Appeals), Chandigarh which passed order in favour of the Company for all assessment years. Department has filed further appeal to the Income Tax Appellate Tribunal (ITAT) for assessment years 2010-11 and 2011-12, which is pending for disposal. Based on management assessment, Company believes that it has good chance of success in these cases.	501.41	579.02

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(` in lacs)**

Particulars	As at March 31, 2015	As at March 31, 2014
The Excise & Taxation Commissioner cum Designated Officer-Mohali had passed an assessment order dated October 08, 2013 under Punjab Value Added Tax Act, 2005 ('PVAT') thereby raising a demand of ` 1,412.35 lacs (including penalty ` 741.39 lacs and interest of ` 300.26 lacs) holding that the assessee was liable to pay tax on the medical consumables used on in-patients and out-patients and has contravened the provisions of Section 29(2) of PVAT. Company is in appeal before the Hon'ble High Court of Punjab and Haryana against the aforesaid order of Deputy Excise & Taxation Commissioner. Hon'ble High Court admitted appeal filed by the Company and further, granted stays on assessment order vide its order dated January 15, 2014. During the current year, Hon'ble High Court of Punjab and Haryana has been decided the case in favour of the Company.	-	1,412.35
The Commissioner of Service-tax, Chandigarh has passed an Order dated March 14, 2014 under Service-tax Act alleging that assessee is liable to pay service-tax on support services of business or commerce provided to doctors, thereby raising demand of ` 215.34 lacs (Previous year ` 215.34 lacs) and ` 50.14 lacs (Previous year Nil) for financial years 2007-08 to 2011-12 and 2012-13 respectively. The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Company believes that it has good chance of success in these cases.	265.47	215.34
The Company is under litigation with the Income Tax Department against income tax demand on account of disallowance u/s 14A, disallowance of credit card expenditure, disallowance of foreign travelling expenses and interest income not offered to tax for assessment year 2012-13. Based on management assessment, Company believes that it has good chance of success in this case.	332.08	-
Service Tax Department issued notice alleging therein that one of the Hospital of the Company is providing services of infrastructure and administrative support to Vendors and thus, is liable to pay service-tax on amounts retained from doctors' fees for the financial years 2008-09 to 2011-12. The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Company believes that it has good chance of success in these cases.	294.35	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Corporate guarantee given to financial institutions/ banks in respect of financial assistance availed by subsidiaries and associates of the Company. None of the corporate guarantee have been evoked by the Banks/ Financial institutions during the year as the subsidiaries and associates of the Company have complied with the loan covenants.		
- Axis Bank	7,751.00	13,251.00
- Royal Bank of Scotland	1,500.00	1,500.00
- HDFC Bank Limited	22,000.00	14,000.00
- GE Money Financial Services Private Ltd	-	14,500.00
- GE Capital Services India Ltd	-	5,000.00
- ICICI Bank Ltd	20,000.00	20,000.00
Others	-	6.47

10. Employee Stock Option Plan

The Company has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiaries and holding Company. During the year ended March 31, 2008, 458,500 options (Grant I) were granted to the employees under Plan 'A'. Under the same plan, 33,500 options (Grant II) were granted to the employees during the year ended March 31, 2009, 763,700 options (Grant III) were granted during the year ended March 31, 2010, 1,302,250 options (Grant IV) were granted during the year ended March 31, 2011 and 200,000 options (Grant V) were granted during the year ended March 31, 2012. Under plan 'B', 4,050,000 options (Grant VI) were granted to employees during the year ended March 31, 2013, 3,715,000 option (Grant VII) were granted during the year ended March 31, 2014 and 240,000 options (Grant VIII) were granted during the current year. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company. The weighted average share price of the Company during the year was ` 118.67 (Previous year ` 100.25). As at March 31, 2015, the following schemes were in operation:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
Date of grant	13-Feb-08	13-Oct-08	14-Jul-09	1-Oct-10	12-Sep-11	23-Feb-12	10-Jun-13	12-Nov-14
Date of Board Approval	30-Jul-07	30-Jul-07	30-Jul-07	30-Jul-07	30-Jul-07	12-Aug-11	12-Aug-11	12-Aug-11
Date of Shareholder's approval	27-Sep-07	27-Sep-07	27-Sep-07	27-Sep-07	27-Sep-07	19-Sep-11	19-Sep-11	19-Sep-11
Number of options granted	458,500	33,500	763,700	1,302,250	200,000	4,050,000	3,715,000	240,000
Vesting Period	February 13, 2009 to February 12, 2013	October 13, 2009 to October 12, 2013	July 14, 2010 to July 13, 2014	October 1, 2011 to September 30, 2015	September 12, 2012 to September 11, 2016	23-Feb-15	10-Jun-16	11-Nov-17
Exercise Period up to	12-Feb-18	12-Oct-18	13-Jul-19	30-Sep-20	11-Sep-21	22-Feb-19	9-Jun-20	10-Nov-21

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

Particulars	March 31, 2015		March 31, 2014	
	Number of options	Weighted Average Exercise Price (`)	Number of options	Weighted Average Exercise Price (`)
Outstanding at the beginning of the year	5,808,230	106.24	4,525,030	117.40
Granted during the year	240,000	121.00	3,715,000	91.00
Forfeited during the year	1,322,600	100.26	2,417,000	103.78
Exercised during the year*	21,500	73.96	14,800	72.58
Expired during the year	–	–	–	–
Outstanding at the end of the year	4,704,130	108.82	5,808,230	106.24
Exercisable at the end of the year	1,353,490	115.57	276,330	135.48
Weighted average remaining contractual life (in years)	5.48	–	6.46	–
Weighted average fair value of options granted (in `)	39.03	–	37.35	–

* Under Grant I 2,400 options were exercised on March 31, 2015 and allotment was made on April 10, 2015.

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2015	March 31, 2014
Range of exercise prices	` 50.00 to 158.00	` 50.00 to 158.00
Number of options outstanding	4,704,130	5,837,610
Weighted average remaining contractual life of options (in years)	5.48	6.46
Weighted average exercise price (in `)	108.82	106.24

Stock Options granted

The weighted average fair value of stock options granted during the year is ` 39.03 (Previous year ` 37.35). The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2015	March 31, 2014
Exercise Price	` 50.00 to 158.00	` 50.00 to 158.00
Expected Volatility	6.42% to 34%	6.42% to 34%
Life of the options granted (Vesting and exercise period) in years	3 years to 6.5 years	3 years to 6.5 years
Expected dividends	–	–
Average risk-free interest rate	7.31% to 8.70%	7.31% to 8.70%
Expected dividend rate	–	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

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:

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Profit as reported	(3,390.59)	2,399.44
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method	(520.61)	(627.37)
Proforma profit	(3,911.20)	1,772.07
Earnings Per Share (In `)		
Basic		
- As reported	(0.73)	0.53
- Pro forma	(0.84)	0.39
Diluted		
- As reported	(0.73)	0.53
- Pro forma	(0.84)	0.39

The fair value of total option outstanding at the year end is ` 1,835.99 lacs (Previous year ` 2,169.18 lacs) and these shall vest over a period of 3-5 years. Accordingly, the charge for the current year in relation to employee stock compensation on a straight line basis under fair value method would have been ` 520.61 lacs (Previous year ` 623.77 lacs).

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

Defined Benefit Plan

The Company has a defined benefit gratuity plan, where under 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 following table summarizes the components of net benefit expenses recognised in the statement of profit and loss and the amounts recognized in the balance sheet.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(` in lacs)**

Particulars	Gratuity	Gratuity
	(Unfunded)	(Unfunded)
	2014-2015	2013-2014
Statement of Profit & Loss		
Net employee benefit expenses		
Current Service cost	187.11	164.70
Interest Cost on benefit obligation	79.20	51.35
Expected return on plan assets	-	-
Actuarial loss/ (gain) recognised during the year	166.45	118.70
Net benefit expense	432.76	334.75

Balance sheet**Details of Provision for Gratuity as at year end**

Present value of defined benefit obligation	1,224.03	881.24
Fair value of plan assets	-	-
Surplus/ (deficit) of funds	(1,224.03)	(881.24)
Net asset/ (liability)	(1,224.03)	(881.24)

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

Opening defined benefit obligation	881.24	737.55
Defined Benefit Obligation acquired under slump sale	39.77	-
Current Service cost	187.11	164.70
Interest Cost on benefit obligation	79.20	51.35
Benefits paid	(129.74)	(191.06)
Actuarial loss/(gain) recognised during the year	166.45	118.70
Closing defined benefit obligation	1,224.03	881.24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

Particulars	As at March 31, 2015	As at March 31, 2014
Discount rate	7.75%	9.25%
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT	Indian Assured Lives Mortality (2006-08) (Modified) ULT
Withdrawal/ Employee Turnover Rate		
Age upto 30 years	18.00%	18.00%
Age from 31 to 44 years	6.00%	6.00%
Age above 44 years	2.00%	2.00%

Experience history for the current and previous four periods are as follows:

(` in lacs)

	Year ending				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Defined benefit obligation at the end of the period	(1,224.03)	(881.24)	(737.55)	(491.36)	(212.17)
Plan assets at the end of the period	-	-	-	-	-
Surplus/ (deficit)	(1,224.03)	(881.24)	(737.55)	(491.36)	(212.17)
Experience gain/ (loss) adjustment on plan liabilities	(19.04)	(211.51)	(101.33)	(85.50)	(75.29)
Experience gain/ (loss) adjustment on plan assets	-	-	-	-	-
Actuarial gain/ (loss) due to change on assumptions	(147.41)	92.81	(36.12)	28.21	-

Notes:

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

12. The Company has entered into 'Operation and Management' agreement with entities which are into hospital operations, in terms of which, the Company is responsible for developing and providing maintenance support and related services necessary to support, manage and maintain the hospital as may be required. The management fee in this case is generally based on gross billing of the hospital subject to certain conditions as per the underlying agreement. The gross billing of the hospital is considered based on the unaudited financial statements of the respective entity. The management does not anticipate any material changes in the amounts considered in financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**13. Restructuring**

The Company has completed following restructuring during the current year:-

- a. In continuance of Company's strategy of Asset Light model, during the current year, the Company has entered in to an agreement with Escorts Heart and Super Specialty Hospital Limited ("EHSSHL"), a subsidiary of Religare Health Trust, for transfer of net assets relating to the Mohali Clinical Establishment (in Punjab) to EHSSHL. Such transaction has resulted in net gain of ₹ 265.37 lacs and disclosed as an exceptional item.

S. No.	Particulars	₹ in lacs
1	Net Fixed Assets	1,508.25
2	Net Current Assets	(194.80)
3	Total Assets Transferred (1+2)	1,313.45
4	Sale Consideration	1,578.82
5	Profit on Sale of Undertaking (4-3) (included under Exceptional items)	265.37

- b. During the previous year, the Board of Directors of the Company at its meeting held on March 25, 2014 approved the purchase of operations of Fortis Hospital, Shalimar Bagh from its subsidiary, Fortis Hospitals Limited ('FHsL') on a going concern basis by way of a slump sale. The Company and FHsL entered into a business transfer agreement ('BTA') on March 28, 2014 for purchase of operations of Shalimar Bagh for a cash consideration of ₹ 4,000 lacs. The transaction has been executed on April 1, 2014 as per agreement.

Detail of assets and liabilities purchased on slump sale are as follows :

S. No.	Particulars	₹ in lacs
1	Fixed Assets including Capital Work in Progress and capital advances	2,923.71
2	Current assets, loans and advances	1,663.19
3	Current liabilities and provisions	3,879.47
4	Total assets acquired (net) (1+2-3)	707.43
5	Purchase consideration	4,000.00
6	Goodwill (5-4)	3,292.57

The Company had completed following restructuring during the previous years:-

The Company's primary business consists of provision of Hospital Services through various entities. The Company initiated internal restructuring within the Company with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light models. Subsequent to the internal restructuring completed during the year, the business of certain identified hospitals of the Company are being divided into the following two verticals, such that they are managed under different verticals whilst continuing to have mutual interdependencies:

- (i) One vertical (the "Clinical Establishments Division") will own, maintain and operate clinical establishments (being fully air conditioned institutions established, and specifically customized and duly fitted with all fixtures, fittings, certain medical equipment and infrastructure required for running and operating the hospitals), along with providing services under outpatient division and radio-diagnostic services (hereinafter referred to as the "Clinical Establishment Services").

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- (ii) The other vertical (the “Medical Services Division”) will undertake the business of running the hospital operations, being hereinafter referred to as provision of medical services, including in-patient services and emergency services (“Medical Services”).

14. As part of Sponsor Agreement entered between The Trustee-Manager of Religare Health Trust, Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively referred as ‘Indemnified parties’) with the Company, the Company has provided following indemnities:-

- i) To RHT and its directors, officers, employees and agents under the relevant transaction agreements against any losses or liabilities finally determined as payable for any breach of the Consolidated Foreign Direct Investment (FDI) Policy or Foreign Exchange Management Act (‘FEMA’), to the extent that such breach has resulted from the acquisition by RHT of the Hospital Services Companies.

Further, the Company has undertaken to transfer or procure additional medical and healthcare services to Hospital Services Companies in the event that any regulatory authority raises concerns over compliance with any applicable law.

However, the Company will not be liable to indemnify the Indemnified Parties for any losses resulting from delay or failure of the Indemnified Parties in completing any statutory filings or similar formalities under the Consolidated FDI Policy, FEMA and other laws in force in India as of the Listing Date i.e. October 19, 2012, required to be undertaken by the Indemnified Parties in relation to the acquisition by RHT or FGHIPL of the equity shares of the Hospital Services Companies.

The Company’s obligations under this indemnity shall continue so long as the Company or the Group holds 15.0% or more of the total units from time to time issued in RHT or three years from the Listing Date, whichever is later.

However, the Company will be liable in respect of the indemnity for a maximum period of five years from the Listing Date.

- ii) The Company has also undertaken to indemnify (“Tax Indemnity”) each of the Hospital Services Companies and their respective directors, officers, employees and agents (the “Investing Parties”) against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies.
- iii) Further, as per terms of the various Agreements entered into between Hospital Services Companies and Fortis Operating companies, the Hospital Services Companies have right to recover certain statutory dues levied on them from Fortis Operating Companies. There is a possible present obligation on Hospital Services Companies to collect certain statutory dues from the Fortis Operating Companies and pay it to the relevant authorities. In view of uncertainty arising from interpretation of the regulations, management believes that value of such statutory dues cannot be measured reliably and therefore has not been considered in these financial statements.

15. On January, 9 2012, FHML entered into Share Purchase Agreement with the company to acquire its 49% interest in FHTL at an aggregate consideration of ₹ 37,728.39 lacs. FHTL is the owner of Shalimar Bagh Clinical Establishment and Gurgaon Clinical Establishment. FHML on September 17, 2012 entered into Shareholders’ Agreement with the Company, pursuant to which FHML has a call option over the Company’s 51% interest in FHTL (“FHTL Call Option”) at a fixed price, subject to fulfillment of certain conditions, applicable laws including, and receipt of necessary approvals from all third parties. FHML also has the right to appoint 50% of the directors of FHTL, including the chairman of the board of directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

who will have the casting vote in case of deadlock on any matter, including all financial and operating policies of the Company, brought to the board of directors for its approval. Additionally, the Company has assigned its right to receive dividends from FHTL in favour of FHML. In addition, FHML has a put option on its 49% interest in FHTL ("FHTL Put Option"), exercisable if FHML is unable to acquire 100% of the issued and paid-up share capital of FHTL within 5 years from the date of transfer of the 49% shareholding of FHTL by the Company to FHML, for any reason outside the control of FHML. The put option shall be exercised at a price that is equal to the fair market value of Put Securities on the date of exercise of put option, determined on a discounted cash flow basis.

16. During the year ended March 31, 2013, Escorts Heart Institute and Research Centre Limited ('EHIRCL') have issued 401,769 Compulsorily Convertible Preference Shares ('CCPS') of face value of ₹ 10 each at a premium of ₹ 7,456.98 per CCPS to Kanishka Healthcare Limited ('KHL') with a maturity period of 15 years aggregating to ₹ 30,000 lacs. Following are the key terms of CCPS:-

- a) CCPS Put Option – KHL is entitled to exercise an unconditional and irrevocable right to require the Company or its nominee to buy all of CCPS upon occurrence of KHL having exercised FHTL Put Option or FHTL Call Option under shareholders agreement entered between the Company, FHTL and FHML, as per above.
- b) Under FHTL call Option the Company is required to pay sum equal to the fair valuation of Equity Shares of EHIRCL as per DCF Method.
- c) In case of FHTL put option Company has right to purchase, subject to due compliance with law, all CCPS at consideration equal to KHL's contribution along with coupon rate agreed.

17. During the year ended March 31, 2011, the Company had issued 1,000 5% Foreign Currency Convertible Bonds of US Dollar 100,000 each aggregating to US Dollar 100,000,000 due 2015 (the "Bonds"). These Bonds are listed on the Euro MTF market of the Luxembourg Stock Exchange. The Bonds are convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to May 11, 2015 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 167 with 26,922.1557 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 44.96 = US Dollar 1.00. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds may be redeemed, in whole but not in part, at the option of the Company at any time on or after 18 May 2013 (subject to the Company having given at least 30 days' notice) at 100 percent of their aggregate principal amount plus accrued but unpaid interest if the closing price of the Shares on each trading day with respect to the shares for a period of at least 30 consecutive such trading days is equal to or greater than 130 per cent of the Accreted Conversion Price (as defined in the terms and conditions of the Bonds).

The Bonds may also be redeemed in whole, but not in part, at the option of the Company subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at certain early redemption amount, as specified, on the date fixed for redemption in the event of certain changes relating to taxation in India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on May 18, 2015 at 103.1681 per cent of its principal amount. Management has reassessed the probability for conversion of bonds into equity and is of the opinion that it is unlikely that conversion option will be availed by the bondholders. On account of the same, the Company has utilized Securities premium account and provided for the proportionate premium on redemption for the period up to March 31, 2015 amounting to ` 1,922.85 lacs (Previous year ` 1,472.10 lacs). These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

Exchange Rate at March 31, 2015 considered for restatement of the Bonds at the year end was ` 62.33553= US Dollar 1 (` 60.059349= US Dollar 1 at March 31, 2014).

Subsequent to the end of current year, the Bonds have been fully redeemed on the due date as per aforesaid terms.

- 18.** During the year ended March 31, 2014, the Company issued 150 Foreign Currency Convertible Bonds aggregating to US Dollar 30,000,000 due 2018 (the "Bonds") at the rate of (4.66%+LIBOR). These Bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Bonds are convertible upto US Dollar 24,000,000 of principal amount at the option of the holder at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to August 01, 2018 into fully paid equity shares with full voting rights at par value of ` 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ` 99.09 with 1,204.71 shares being issued per Bond with a fixed rate of exchange on conversion of ` 59.6875 = US Dollar 1.00. The Conversion Price is subject to adjustment in certain circumstances.

Subject to certain conditions, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond outstanding (but in no event exceeding US Dollar 6,000,000 in aggregate principal amount of Bonds), at the option of the Company at any time on or after September 17, 2013 up to August 01, 2018 at the Partial Reset Conversion Price (as defined in the "Terms & Conditions of the Bonds").

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on August 08, 2018 at 100 per cent of its principal amount. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

The Company has incurred expenses of ` 542.62 lacs (including ` 24.72 lacs paid to Auditors) in connection with this issue.

The proceeds of the issue amounting to ` 18,390.74 lacs have been used for repayment of debts.

Exchange Rate at March 31, 2015 considered for restatement of the Bonds at the year end was ` 62.33553= US Dollar 1 (` 60.059349= US Dollar 1 at March 31, 2014).

- 19.** During the year ended March 31, 2014, the Company issued 550 Foreign Currency Convertible Bonds of US Dollar 100,000 each aggregating to US Dollar 55,000,000 due 2018 (the "Bonds") at the rate of LIBOR+4.86%. The Bonds are convertible at the option of International Finance Corporation ("IFC"), an international organization established by Articles of Agreement among its member countries including

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

the Republic of India (the holder) giving 7 days notice to the Company at any time on or after June 07, 2013 up to June 08, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 and number of shares to be issued will be calculated on conversion on the basis of applicable rate of exchange of US Dollar and ₹ on conversion date. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds may be converted on the request of the holder but not less than value of US Dollar 5,000,000 or in multiple of US Dollar 1,000,000 thereafter. Except in certain condition mentioned in the "Terms & Conditions of the Bonds" the holder cannot exercise the Conversion Option in part or in full in respect of twenty per cent (20%) of the original bond value for a period of three (3) years after the Subscription Date.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond at the option of the Company at any time on or after June 07, 2013 at Modified Conversion Price (as defined in the "Terms & Conditions of the Bonds").

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on June 08, 2018 at 100 per cent of its principal amount. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

Exchange Rate at March 31, 2015 considered for restatement of the Bonds at the year end was ₹ 62.33553= US Dollar 1 (₹ 60.059349= US Dollar 1 at March 31, 2014).

- 20.** During the year ended March 31, 2013, the Company initiated an institutional placement programme (IPP) for issuance of equity share of the Company. The issue was authorised by the Board of Directors through circular resolutions dated November 27, 2012 and by the Company's shareholders through a special resolution passed by way of postal ballot the result whereof was announced on January 15, 2013.

During the year ended March 31, 2014, the Board of Directors of the Company, through its resolution dated May 17, 2013, authorised the issuance of up to 34,993,030 equity shares of face value ₹ 10 each at a price of ₹ 92 per equity share under IPP. The transaction was concluded in May 2013. The total proceeds of the issue were approximately ₹ 32,193.59 lacs. The Company has incurred expenses of ₹ 1,377.92 lacs (including ₹ 37.10 lacs paid to Auditors) in connection with this issue. The specified purposes for utilization of issue proceeds were repayment of debts, funding capital expenditure requirements and general corporate purposes. All proceeds of the issue have been utilized for the specified purposes as follows:-

Particulars	(₹ in lacs)
Receipts	32,193.59
Less: Expenses incurred for the issue	1,377.92
Net Receipts	30,815.67
Use of proceeds	
Repayment of debt	15,000.00
General corporate purpose	15,815.67
Total	30,815.67

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- 21.** During the year ended March 31, 2014, the Board of Directors of the Company, through its resolution dated April 24, 2013, authorised the issuance of up to 28,610,355 Equity Shares to International Finance Corporation through a preferential allotment. Subsequently, on June 6, 2013, the Company issued and allotted 18,833,700 equity shares to International Finance Corporation at ` 99.09 per share including premium of ` 89.09 per share aggregating to ` 18,662.31 lacs.
- 22.** During the year ended March 31, 2014, the shareholders of the Company, through its special resolution dated August 22, 2013, authorized the issuance of 3,737,449 Equity shares to Standard Chartered Private Equity (Mauritius) III Limited through a preferential allotment. Subsequently, on September 5, 2013, the Company issued and allotted 3,737,449 equity shares to Standard Chartered Private Equity (Mauritius) III Limited at ` 99.09 per share including premium of ` 89.09 per share aggregating to ` 3,703.44 lacs.
- 23. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

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

24. Particulars of Un-hedged Foreign Currency Exposure as at the reporting date:

(` / USD in lacs)

Particulars	Amount
Import trade payable	US\$ 7.88 lacs (March 31, 2014: US\$ 0.61 lacs) ` 491.51 lacs (March 31, 2014: ` 36.39 lacs)
Foreign Currency Loans	
- Loans taken including interest accrued thereon	US\$ 1,883.91 lacs (March 31, 2014:US\$ 1,883.99 lacs) ` 117,434.77 lacs (March 31, 2014: ` 113,151.11 lacs)
- Loans given including interest accrued thereon	US\$ 1,375.33 lacs (March 31, 2014:US\$ 1,304.45 lacs) ` 85,731.79 lacs (March 31, 2014: ` 78,344.29 lacs)
- Deferred payment liability including interest accrued thereon	US\$ Nil (March 31, 2014:US\$ 20.01 lacs) ` Nil (March 31, 2014: ` 1,201.49 lacs)
Cash and Bank Balance	US\$ 0.57 lacs (March 31, 2014:US\$ 23.08 lacs) ` 35.44 lacs (March 31, 2014: ` 1,386.07 lacs)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**25. Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested**

(₹ in lacs)

Particulars	Maximum amount outstanding during the year		Closing balance			
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14
			(current)	(non-current)	(current)	(non-current)
Subsidiaries						
Hiranandani Healthcare Private Limited	4,638.22	5,300.38	3,578.22	-	4,193.38	-
Escorts Heart Institute and Research Centre Limited	21,907.49	52,759.66	21,717.49	-	14,295.66	-
Fortis Hospitals Limited	138,569.89	124,250.17	81,080.89	-	70,686.17	-
Fortis Healthcare International Limited	74,408.99	110,232.65	23,535.59	49,868.42	22,676.19	48,047.48
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	35.33	32.41	35.33	-	32.41	-
Total			129,947.52	49,868.42	111,883.81	48,047.48

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

(₹ in lacs)

Name of the loanee	Rate of Interest	Due date	Secured/unsecured	31-Mar-15	31-Mar-14
Hiranandani Healthcare Private Limited	11.75%	March 31, 2016	Unsecured	3,578.22	4,193.38
Escorts Heart Institute and Research Centre Limited	14%	March 31, 2016	Unsecured	21,717.49	14,295.66
Fortis Hospitals Limited	13% & 13.75%	March 31, 2016	Unsecured	81,080.89	70,686.17
Fortis Healthcare International Limited	5% & 6.5%	August 8, 2018	Unsecured	73,404.02	70,723.67
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	10%	March 31, 2016	Unsecured	35.33	32.41
				179,815.95	159,931.29

The above loans have been given for meeting the working capital requirements, purchase of capital assets and investments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

(` in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Opening Balance (A)	4,662.71	3,750.27
EMPLOYEE BENEFITS		
Salaries, wages and bonus	539.65	241.93
Total (B)	539.65	241.93
OTHER EXPENSES		
Contractual manpower	50.13	18.15
Power, fuel and water	126.38	77.44
Housekeeping expenses including consumables	55.00	48.02
Consultation fees to doctors	294.73	147.79
Repairs & maintenance	-	15.46
Rent	1,212.24	1,341.99
Legal and professional fee	75.10	7.03
Travel & conveyance	202.17	21.13
Rates & taxes	-	0.51
Communication expenses	4.31	0.13
Miscellaneous expenses	-	1.44
Total (C)	2,020.06	1,679.09
Total (D=A+B+C)	7,222.42	5,671.29
Amount Capitalized to Fixed Assets (E)	619.79	1,008.58
Balance carried forward to Capital Work in Progress (F=D-E)	6,602.63	4,662.71

27. Expenditure in foreign currency (on accrual basis)

(` in lacs)

Particulars	2014-15	2013-14
Marketing and business promotion	154.80	156.06
Travel and conveyance	43.73	31.98
Legal and professional fee	122.13	143.55
Interest	6,277.83	5,611.78
Recruitment & training	13.59	10.73
Printing and stationery	8.45	-
Miscellaneous expenses	66.89	51.65
	6,687.41	6,005.75

The above expenditure doesn't include expenses incurred on issuance of foreign currency convertible bonds and equity share under institutional placement programme amounting to Nil (Previous year ` 648.06 lacs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**28. Earnings in Foreign Currency (on accrual basis)** (₹ in lacs)

Particulars	2014-15	2013-14
Sale of services	804.15	381.30
Interest income	4,346.65	4,502.08

29. Value of imports calculated on CIF basis (₹ in lacs)

Particulars	2014-15	2013-14
Capital goods	500.15	3,026.52

30. Material Consumed (including consumables)

	% of Total Consumption		Value (₹ in lacs)	
	2014-15	2013-14	2014-15	2013-14
Indigenous*	100	100	14,836.59	10,926.01
Imported	-	-	-	-
Total	100	100	14,836.59	10,926.01

*Including consumables of ₹ 106.86 lacs (Previous year ₹ 92.64 lacs) debited to housekeeping expenses.

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

31. Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures are as follows:

Particulars	₹ in lacs
Gross amount required to be spent	53.79
Spent during the year	-
Balance unspent during the year	53.79

32. Previous Year Figures

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 Number: 301003E
Chartered Accountants

Sd/-
per Tridibes Basu
Partner
Membership No.: 017401

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

Sd/-
Malvinder Mohan Singh
Executive Chairman
DIN 00042981

Sd/-
Rahul Ranjan
Company Secretary
Membership No.: A17035

Sd/-
Shivinder Mohan Singh
Executive Vice Chairman
DIN 00042910

Sd/-
Gagandeep Singh Bedi
Chief Financial Officer
CA Membership No.: 087813

Place : Gurgaon
Date : May 28, 2015

Place : Gurgaon
Date : May 28, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Fortis Healthcare Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), its associates and joint controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘the consolidated financial statements’).

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

- a) Attention is drawn to Note 12(i) & (ii) and 11(A) & (B) to the consolidated financial statements regarding matters relating to tax demands and termination of certain land leases allotted by Delhi Development Authority (DDA) respectively against one of the subsidiaries ("Escorts Heart Institute Research Centre Limited") more fully described therein. Based on the advice given by the external legal counsel, no provision /adjustment has been considered necessary by the Group in this regard in the consolidated financial statements. Our opinion is not qualified in respect of these matters.
- b) Attention is drawn to Note 11(C) to the consolidated financial statements regarding non-compliance with the order of Hon'ble High Court of Delhi in relation to provision of free treatment/ beds to poor by one of the subsidiaries ("Escorts Heart Institute Research Centre Limited") more fully described therein. Based on legal opinion, no provision/ adjustment has been considered necessary by the Group in this regard in the consolidated financial statements. Our opinion is not qualified in respect of this matter.
- c) Attention is drawn to Note 11(D) to the consolidated financial statements, relating to the order of Navi Mumbai Municipal Corporation (NMMC), received by one of the subsidiaries ("Hiranandani Healthcare Private Limited"), concerning alleged contravention of the provisions of Bombay Nursing Home

Registration (Amended) Act, 2005 and more fully described therein. Based on the advice given by the external legal counsel, no provision / adjustment has been considered necessary by the Group in this regard in the consolidated financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Company, its subsidiaries, associate companies and jointly controlled entities incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matters described under the paragraphs (a) and (c) of the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note XX to the consolidated financial statements;
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India.

Other Matter

- a) We did not audit the financial information of certain overseas subsidiaries whose financial information, prepared under either International Financial Reporting Standards ('IFRS') or Singapore Financial Reporting Standards ('SFRS'), as the case may be, whose financial statements reflect total assets of

` 198,443.79 lacs as at March 31, 2015, total revenues of ` 21,736.33 lacs and net cash outflows of ` 97,392.43 lacs for the year ended March 31, 2015. This financial information of these subsidiaries have prepared in accordance with IFRS or SFRS and have been audited by other auditors who have submitted their audit opinions, prepared under generally accepted auditing standards of their respective countries, to the management of the respective companies, copies of which have been provided to us by the Company. Further, we also did not audit the financial information of certain overseas associates whose financial information, prepared under International Financial Reporting Standards ('IFRS'), in the aggregate reflect net profit of ` 232.10 lacs for the year ended March 31, 2015, being the proportionate share of Group. This financial information has been prepared by the management, and our opinion is based solely on the management certified accounts. The management of the Company has converted this audited financial information of the Company's subsidiaries and associates to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus insofar it relates to amounts included in respect of these subsidiaries and associates, is based solely on the reports of other auditors or management certified accounts under the accounting policies generally accepted in respective countries and the aforesaid conversion undertaken by management, which has been examined by us on a test basis. Our opinion is not qualified in respect of this matter.

- b) We did not audit the financial information of certain subsidiaries, whose financial information prepared under the generally accepted accounting principles accepted in India, whose financial statements reflect total assets of ` 219,515.62 lacs as at March 31 2015, total revenues of ` 23,470.82 lacs and the net cash outflows of ` 99,171.99 lacs for the year ended March 31, 2015. This financial information has been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.
- c) We did not audit the financial information of certain joint ventures, whose financial statements reflect total assets of ` 2,371.24 lacs as at March 31, 2015, total revenues of ` 4,138.89 lacs and the gross cash inflow of Rs 819.27 lacs for the year ended March 31, 2015, being the proportionate share of Group, for the year then ended. This financial information has been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.
- d) We did not audit the financial information of certain associates, whose financial information reflect net profit of ` 232.10 lacs for the year ended March 31, 2015, being the proportionate share of Group, for the year ended March 31, 2015. This financial information has been prepared by the management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial information. Our opinion is not qualified in respect of this matter. In our opinion and according to the information and explanations given to us by the management, this financial information certified by the management and incorporated above are not material to the Group.
- e) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sd/-

per Tridibes Basu

Partner

Membership Number: 017401

Place of Signature: Gurgaon

Date: May 28, 2015

Annexure referred to in paragraph 1 of the section on 'Report on Other Legal and Regulatory Requirements' referred to in our report of even date

The Group, comprising Fortis Healthcare Limited ('Holding Company') and its subsidiaries, joint controlled entities and associates incorporated in India and to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report)

- (i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management of the Holding Company and the Covered entities of the Group during the year and no material discrepancies were identified on such verification.
- (ii) (a) The management of the Holding Company and the Covered entities of the Group have conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management of the Holding Company and the Covered entities of the Group are reasonable and adequate in relation to the size of the company and the nature of their business.
- (c) The Holding Company and the Covered entities of the Group are maintaining proper records of inventory and no material discrepancies were noticed on physical verification. However, in two subsidiaries, in our opinion, maintenance of inventory records need to be strengthened so that the stock ledger reflects correct quantities of inventories and in case of one subsidiary, discrepancies noted on physical verification of inventory were material and have been properly dealt with in the books of accounts of such subsidiary.
- (iii) (a) The Holding Company and, as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, six of its subsidiaries have granted loans that are repayable on demand, to certain companies covered in the register maintained under section 189 of the Companies Act, 2013 and that such companies have not demanded repayment of such loans during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. In case of the Holding Company and three subsidiaries, there is no due date for receipt of interest and no interest has been received during the year on such loans.
- (b) In case of the Holding Company and as reported by the other auditors who audited the financial statements of the covered entities of the Group, there is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain covered entities of the Group 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 in Holding Company and certain Covered entities of the Group, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities of the Group and the nature of their business, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Holding Company and the Covered entities of the Group, except in case of one subsidiary, the internal control system for purchases of inventory is inadequate since the purchase of inventory at various centres of that subsidiary are made without inviting quotations and that this is a continuing failure to correct a major weakness in the internal control system and prevailed at the balance sheet date.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.

- (vi) We have broadly reviewed the books of account maintained by the Holding Company and certain Covered entities of the Group, to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to health and diagnostic services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same has not been made by us or such other auditors. To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of certain other Covered entities of the Group.
- (vii) (a) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, the Holding Company and the Covered entities of the Group are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, value added taxes, cess and other material statutory dues, as applicable to the Holding Company and the respective covered entities though there has been a slight delay in a few cases. The provisions relating to excise duty are not applicable to the Holding Company and the covered entities.
- (b) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, no undisputed amounts relating to the Holding Company and the Covered entities of the Group, payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, value added taxes, 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 Holding Company and certain covered entities of the Group and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of the dues	Amount involved * (` Lacs)	Amount paid under protest (` Lacs)	Assessment year to which amount relates	Forum where dispute is pending
Holding Company					
Income Tax Act	Tax Deducted at Source & Interest thereon	239.92	239.92	2010-11	Income Tax Appellate Tribunal, Chandigarh
Income Tax Act	Tax Deducted at Source & Interest thereon	261.49	22.30	2011-12	Income Tax Appellate Tribunal, Chandigarh
Income Tax Act	Income tax & Interest thereon	332.08	Nil	2012-13	Commissioner of Income Tax (Appeals), Delhi
Finance Act, 1994	Service tax and penalty	265.48	Nil	2007-08 to 2012-13	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax and penalty	294.35	Nil	2008-09 to 2011-12	Custom Excise & Service Tax Appellate Tribunal

Name of Statute	Nature of the dues	Amount involved * (` Lacs)	Amount paid under protest (` Lacs)	Assessment year to which amount relates	Forum where dispute is pending
Fortis Hospitals Limited, subsidiary					
The West Bengal Value Added Tax Act, 2003	Value Added Tax and interest thereon	157.08	10.00	2011-12	Value Added Tax Tribunal, West Bengal
Rajasthan Value Added Tax Act, 2003	Value Added Tax and interest thereon	502.18	Nil	2011-12 & 2012-13	High Court of Rajasthan
Income Tax Act	Income tax & Interest thereon	257.58	Nil	2012-13	Deputy Commissioner of Income Tax, Delhi
Escorts Heart Institute and Research Centre Limited, subsidiary					
Central Excise and Customs Law	Custom Duty	1,100.66	497.64	1990-91 to 1993-94 and 2002-03	Central Excise and Service Tax Appellate Tribunal
Income Tax Act	Income Tax & Interest Thereon	12,436.90	3,313.61	2001-02 (Delhi Society)	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act	Income Tax & Interest Thereon	10,532.16	1,815.20	2001-02 (Chandigarh Society)	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act	Income Tax & Interest Thereon	214.67	Nil	2004-05	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act	Income Tax & Interest Thereon	83.16	Nil	2005-06	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act	Income Tax & Interest Thereon	99.33	Nil	2006-07	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act	Income Tax & Interest Thereon	56.48	Nil	2007-08	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act	Income Tax & Interest Thereon	1,512.47	Nil	2003-04, 2004-05, 2005-06, 2006-07, 2007-08	Supreme Court of India
Income Tax Act	Income Tax & Interest Thereon	109.03	Nil	2009-10	Commissioner of Income Tax (Appeals), Delhi

Name of Statute	Nature of the dues	Amount involved * (` Lacs)	Amount paid under protest (` Lacs)	Assessment year to which amount relates	Forum where dispute is pending
Income Tax Act	Income Tax & Interest Thereon	91.25	Nil	2010-11, 2011-12	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act	Income Tax & Interest Thereon	22.77	Nil	2003-04	Income Tax Appellate Tribunal, Delhi
Income Tax Act	Income Tax & Interest Thereon	0.37	Nil	2009-10	High Court of Rajasthan
Hiranandani Healthcare Private Limited, subsidiary					
Income Tax Act, 1961	Income Tax & Interest Thereon	83.19	Nil	2012-13	Commissioner of Income Tax (Appeals)
SRL Limited, subsidiary					
Income Tax Act, 1961	Income Tax & Interest Thereon	158.20	Nil	2006-07	Delhi High Court
Income Tax Act, 1961	Income Tax & Interest Thereon	1,256.14	Nil	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax & Interest Thereon	2,011.67	Nil	2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax & Interest Thereon	291.19	Nil	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax & Interest Thereon	134.56	Nil	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax & Interest Thereon	1,850.53	Nil	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax & Interest Thereon	738.44	Nil	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax & Interest Thereon	55.14	Nil	2012-13	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service tax	81.44	Nil	July 2003-April 2006	Commissioner of Service Tax, Mumbai
DDRC SRL Diagnostics Private Limited, Jointly controlled entity**					
Income Tax Act, 1961	Income Tax & Interest Thereon	12.36	Nil	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax & Interest Thereon	35.58	Nil	2009-10	Commissioner of Income Tax (Appeals)

Name of Statute	Nature of the dues	Amount involved * (` Lacs)	Amount paid under protest (` Lacs)	Assessment year to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax & Interest Thereon	127.70	Nil	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax & Interest Thereon	40.59	Nil	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax & Interest Thereon	48.11	Nil	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax & Interest Thereon	36.38	Nil	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax & Interest Thereon	47.21	Nil	2012-13	Commissioner of Income Tax (Appeals)

* amounts as per demand order including interest and penalty wherever indicated in the Order.

** Proportionate share

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the covered entities of the Group in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The Holding Company has no accumulated losses at the end of the financial year and it had not incurred cash losses in the immediately preceding financial year. The Holding Company has incurred cash losses in the current financial year.

Based on our audit procedures and as reported by other auditors who audited the financial statements of Covered entities of the Group, in case of five subsidiaries, the accumulated losses at the end of the financial year are more than fifty percent of their net worth. Further, two subsidiaries incurred cash loss during the year and two subsidiaries incurred cash loss during the immediately preceding year.

The other Covered entities of Group did not have accumulated losses at the end of the financial year or incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, we are of the opinion that the Holding Company and the respective covered entities of the Group have not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(x) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, the Holding Company and one subsidiary have given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company and that subsidiary.

- (xi) Based on the information and explanations given to us by the management and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and certain Covered entities of the Group.
- (xii) 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 and as reported by the other auditors who audited the financial statements of Covered entities of the Group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group has been noticed or reported during the year.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sd/-

per Tridibes Basu

Partner

Membership Number: 017401

Place of Signature: Gurgaon

Date: May 28, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Notes	March 31, 2015 in Lacs	March 31, 2014 in Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4 (i)	46,280.54	46,278.63
Reserves and surplus	4 (ii)	358,482.43	381,957.85
		404,762.97	428,236.48
Minority Interest		15,294.24	13,925.92
Compulsorily convertible preference shares	30	67,000.00	67,000.00
Non-current liabilities			
Long-term borrowings	4 (iii)	100,439.57	165,868.42
Deferred tax liabilities (net)	4 (iv)	2,387.69	6,511.04
Other long-term liabilities	4 (v)	6,760.43	4,963.55
Long-term provisions	4 (vi)	5,016.55	4,414.96
		114,604.24	181,757.97
Current liabilities			
Short-term borrowings	4 (vii)	2,699.19	3,184.73
Trade payables	4 (viii)	52,508.29	48,170.50
Other current liabilities	4 (ix)	98,759.50	41,230.25
Short-term provisions	4 (x)	5,929.15	4,573.99
		159,896.13	97,159.47
TOTAL		761,557.58	788,079.84
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	4 (xi) (a)	174,305.08	179,419.12
Intangible assets	4 (xi) (b)	247,464.15	235,258.45
Capital work-in-progress		22,431.19	14,248.23
Intangible assets under development		386.09	462.41
		444,586.51	429,388.21
Non-current investments	4 (xii)	84,768.17	82,396.71
Deferred tax assets (net)	4 (iv)	3,099.39	3,009.62
Long-term loans and advances	4 (xiii)	55,367.66	68,354.41
Other non-current assets	4 (xiv)	1,635.48	890.81
		589,457.21	584,039.76
Current assets			
Current investments	4 (xv)	61,581.74	99,340.99
Inventories	4 (xvi)	6,396.88	6,197.57
Trade receivables	4 (xvii)	42,889.05	44,074.22
Cash and bank balances	4 (xviii)	18,965.28	25,854.42
Short-term loans and advances	4 (xix)	33,401.56	22,286.32
Other current assets	4 (xx)	8,865.86	6,286.56
		172,100.37	204,040.08
TOTAL		761,557.58	788,079.84
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

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

Sd/-
per Tridibes Basu
Partner
Membership No.: 017401

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

Sd/-
Malvinder Mohan Singh
Executive Chairman
DIN 00042981

Sd/-
Rahul Ranjan
Company Secretary
Membership No.: A17035

Sd/-
Shivinder Mohan Singh
Executive Vice Chairman
DIN 00042910

Sd/-
Gagandeep Singh Bedi
Chief Financial Officer
CA Membership No.: 087813

Place : Gurgaon
Date : May 28, 2015

Place : Gurgaon
Date : May 28, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Notes	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Continuing Operations			
Income			
Revenue from operations	4 (xxi)	396,586.18	349,188.15
Other income	4 (xxii)	9,583.20	16,737.57
Total revenue		406,169.38	365,925.72
Expenses			
Purchase of medical consumables and drugs [Net of the amount capitalised (refer note 23)]		93,672.21	85,039.93
(Increase)/ decrease in inventories of medical consumables and drugs	4 (xxiii)	(221.50)	3,026.34
Employee benefits expense	4 (xxiv)	76,814.73	69,520.73
Other expenses	4 (xxv)	213,256.89	186,390.08
Total expenses		383,522.33	343,977.08
Earnings before interest, tax, depreciation and amortization (EBITDA)		22,647.05	21,948.64
Finance costs	4 (xxvi)	15,177.85	25,015.76
Profit/ (loss) before tax, depreciation and amortization		7,469.20	(3,067.12)
Depreciation and amortization expense	4 (xxvii)	23,456.28	18,284.03
Loss before exceptional items and tax		(15,987.08)	(21,351.15)
Exceptional items	4 (xxviii)	33.15	(512.55)
Loss before tax		(15,953.93)	(21,863.70)
Tax expenses:			
Current tax (including MAT payable) [including reversal of earlier years tax of ` 279.40 lacs (Previous year ` 230.53 lacs)] (refer note 26)		4,539.47	5,430.99
Less: MAT credit entitlement		(132.00)	(239.23)
Deferred tax credit		(3,954.37)	(4,125.44)
Total tax expenses		453.10	1,066.32
Loss after tax and before minority interest and share in profits of associate companies		(16,407.03)	(22,930.02)
Share in profits of associate companies		5,933.32	1,114.11
Loss after tax and before minority interest		(10,473.71)	(21,815.91)
Profits attributable to minority interest		1,387.20	65.47
Loss for the year from continuing operations (A)		(11,860.91)	(21,881.38)
Discontinuing Operations			
Profit/ (loss) before tax from discontinuing operations	32	(2,374.47)	36,178.91
Tax expense of discontinuing operations		172.48	1,584.12
Profit/ (loss) after tax and before minority interest from discontinuing operations		(2,546.95)	34,594.79
Profits/ (losses) attributable to minority interest		(12.86)	430.63
Share in profits/ (losses) of associate companies		25.03	(28.54)
Profit/ (loss) for the year from discontinuing operations (B)		(2,509.06)	34,135.62
Profit/ (loss) for the year (A+B)		(14,369.97)	12,254.24
Earnings/ (loss) per share [Nominal value of shares ` 10/- each (Previous year ` 10/- each)]			
Basic (on continuing operations)		(2.56)	(4.83)
Diluted (on continuing operations)		(2.56)	(4.82)
Basic (on total profit/ (loss) for the year)		(3.11)	2.70
Diluted (on total profit/ (loss) for the year)		(3.11)	2.70
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

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

Sd/-
per Tridibes Basu
Partner
Membership No.: 017401

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

Sd/-
Malvinder Mohan Singh
Executive Chairman
DIN 00042981

Sd/-
Rahul Ranjan
Company Secretary
Membership No.: A17035

Sd/-
Shivinder Mohan Singh
Executive Vice Chairman
DIN 00042910

Sd/-
Gagandeep Singh Bedi
Chief Financial Officer
CA Membership No.: 087813

Place : Gurgaon
Date : May 28, 2015

Place : Gurgaon
Date : May 28, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015 in Lacs	March 31, 2014 in Lacs
A. Cash flow from operating activities		
Loss before tax from continuing operations	(11,407.81)	(20,815.06)
Profit/ (loss) before tax from discontinuing operations	(2,336.58)	35,719.74
	<u>(13,744.39)</u>	<u>14,904.68</u>
Adjustments for:		
Depreciation and amortization expense on continuing operations	23,456.28	18,284.03
Depreciation and amortization expense on discontinuing operations	2,822.24	6,502.39
Loss on sale of fixed assets	238.59	980.30
Profit on redemption of mutual funds	(2,302.17)	(1,866.58)
Provision for doubtful receivables	4,485.88	4,877.57
Provision for doubtful advances	1,494.71	163.65
Provision for contingencies	230.95	74.95
Bad debts and advances written off	1,664.69	2,676.10
Arrangement fees written off	-	10.72
Finance charges	169.52	765.92
Foreign exchange fluctuation loss (net)	(3,540.16)	2,284.54
Forward cover premium amortised	(1,429.81)	(5,890.33)
Unclaimed balances and excess provisions written back	(1,250.83)	(394.55)
Wealth tax	30.93	23.77
Interest income	(3,781.20)	(9,048.76)
Dividend income	(912.85)	-
Interest expenses	14,095.11	26,674.00
Profits transferred to Minority Interest	1,374.34	496.10
Share in profits of associate companies	(5,958.35)	(1,085.57)
Operating profit before working capital changes	<u>17,143.48</u>	<u>60,432.93</u>
Movements in working capital :		
Increase in trade receivables	(4,960.40)	(12,488.10)
Increase in inventories	(199.31)	(271.16)
(Increase)/ decrease in loans and advances	(4,078.46)	11,597.69
Increase in other assets	(300.65)	(3,216.23)
Increase in trade payables, other liabilities and provisions	6,740.92	2,344.99
Cash generated from operations	<u>14,345.58</u>	<u>58,400.12</u>
Direct taxes paid (net of refunds)	(11,931.45)	(10,490.08)
Net cash flow from operating activities (A)	<u>2,414.13</u>	<u>47,910.04</u>
B. Cash flow from investing activities		
Purchase of fixed assets	(24,347.06)	(60,020.58)
Proceeds from sale of fixed assets	3,829.73	5,888.45
Investment in bank deposits	(175.38)	(35.56)
Redemption/ maturity of bank deposits	-	2,506.60
Loans to body corporates and others (given)/ repayments (net)	1,263.45	36,940.97
Proceeds/ (purchase) of investments in subsidiaries and associates	(7,730.00)	328,775.83
Sale/ (purchase) of investments in mutual funds (net)	40,974.26	(58,544.14)
Interest received	3,403.75	10,716.29
Dividend received from associates	4,041.05	688.75
Net cash flow from investing activities (B)	<u>21,259.80</u>	<u>266,916.61</u>
C. Cash flow from financing activities		
Proceeds from issuance of equity share capital [including securities premium of ₹ 12.29 lacs (Previous Year ₹ 48,812.18 lacs), net of expenses incurred for issue of equity shares of Nil (Previous Year ₹ 1,887.01 lacs)]	14.20	52,710.19
Redemption of non-cumulative redeemable preference shares [including premium of Nil (Previous Year ₹ 8,045.62 lacs)]	-	(8,478.26)
Proceeds from issuance of 4.66%+LIBOR Foreign currency convertible bonds	-	17,825.94
Proceeds from issuance of 4.86%+LIBOR Foreign currency convertible bonds	-	31,422.93
Redemption of non convertible debentures including premium	-	(30,000.00)
Proceeds from long-term borrowings	12,500.00	12,628.97
Repayments of long term borrowings	(25,830.56)	(362,107.62)
Proceeds/ (repayments) of short-term borrowings (net)	(2,057.51)	2,104.36
Loan arrangement fees (paid)/ refunded (net)	(980.33)	(62.64)
Interest paid	(13,998.41)	(37,767.73)
Net cash flow used in financing activities (C)	<u>(30,352.61)</u>	<u>(321,723.86)</u>
Net decrease in cash and cash equivalents (A + B + C)	<u>(6,678.68)</u>	<u>(6,897.21)</u>
Add: Cash and cash equivalents at the beginning of the year	24,921.90	48,458.34
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	(120.98)
Add: Cash and cash equivalents in respect of subsidiaries acquired/(disposed off) during the year (refer note 32)	36.95	(16,760.21)
Cash and cash equivalents at the end of the year	<u>18,280.17</u>	<u>24,921.90</u>
Components of cash and cash equivalents:		
Cash in hand	704.82	711.31
Cheques in hand	181.34	92.53
Balances with banks on current and cash credit accounts	14,708.68	23,563.88
Balances with banks on unpaid dividend account	-	5.82
Balances with banks on deposit accounts	3,370.44	1,480.88
	<u>18,965.28</u>	<u>25,854.42</u>
Less: Deposits not considered as cash equivalents	685.11	932.52
Total cash and cash equivalents	<u>18,280.17</u>	<u>24,921.90</u>
Summary of significant accounting policies	2	

As per our report of even date

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

Sd/-
per Tridibes Basu
Partner
Membership No: 017401

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

Sd/-
Malvinder Mohan Singh
Executive Chairman
DIN 00042981

Sd/-
Rahul Ranjan
Company Secretary
Membership No: A17035

Sd/-
Shivinder Mohan Singh
Executive Vice Chairman
DIN 00042910

Sd/-
Gagandeep Singh Bedi
Chief Financial Officer
CA Membership No: 087813

Place : Gurgaon
Date : May 28, 2015

Place : Gurgaon
Date : May 28, 2015

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. Nature of operations

Fortis Healthcare Limited (the 'Company' or 'FHL') was incorporated in the year 1996 and commenced its hospital operations in the year 2001. As part of its business activities, the Company holds interests in its subsidiaries, joint ventures and associate companies through which it manages and operates a network of multi-specialty hospitals and diagnostics centres. The Company's equity shares are listed on both BSE Limited and National Stock Exchange of India Limited. The Company's 5% foreign currency convertible bonds were listed on the Euro MTF market of the Luxembourg Stock Exchange whereas (4.66%+ LIBOR) foreign currency convertible bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

2. Summary of significant accounting policies

(a) Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements ("CFS") have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The CFS has been prepared on an accrual basis and under the historical cost convention.

The accounting policies have been consistently applied by the 'Fortis Group' (as defined under 'Principles of Consolidation' in note (b) below) and are consistent with those used in the previous year, except for the changes in accounting policies explained below.

(b) Principles of Consolidation

The CFS relates to FHL and its subsidiaries, joint ventures and associates ('Fortis Group' or 'Group') "more fully described in composition of group" in note 3 below. In the preparation of the CFS, investments in subsidiaries, associates and joint ventures are accounted for in accordance with the requirements of Accounting Standard (AS) 21 (Consolidated Financial Statements), AS 23 (Accounting for Investments in Associates) and AS 27 (Accounting for Interest in Joint Ventures) notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rules, 2014. The CFS is prepared on the following basis:

- (i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship comes into existence.
- (ii) The difference between the cost to the Company of its investment in the subsidiary and its proportionate share in the equity of the subsidiary as at the date of acquisition of stake is recognized as goodwill or capital reserve, as the case may be. Goodwill is tested for impairment at the end of each accounting year or if there is any indication of impairment. For impairment, the carrying value of goodwill is compared with the present value of discounted cash flows of the respective subsidiaries and loss, if any, is adjusted to the carrying value of the goodwill.
- (iii) Minorities' interest in net profits/losses of the subsidiaries for the year is identified and included in the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same are accounted for by FHL, being the holding company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- (iv) Investments in associates are accounted for using the equity method. The difference between the cost of investment in associate and the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill or capital reserve, as the case may be and included in the carrying value of the investment in the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment except where the Company has contractual obligation to share the losses beyond the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by FHL) are recouped.
- (v) The Company reports its interest in a jointly controlled entity using proportionate consolidation method wherein the assets, liabilities, income and expenses of the jointly controlled entity are proportionately consolidated.
- (vi) As far as possible, the CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. Where it is not practicable to use uniform accounting policies, differences in accounting policies are disclosed separately in accordance with AS 21 (Consolidated Financial Statements).
- (vii) The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2015.

(c) Use of estimates

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

Change in Estimate

Till the year ended March 31, 2014, depreciation was being provided as per rates prescribed under Schedule XIV of the Companies Act, 1956. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets in India. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Where the asset has nil remaining useful life on the date of Schedule II becoming effective, i.e., April 1, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of surplus in the statement of profit and loss, a result an amount of ₹ 1,290.57 lacs (net of deferred tax credit amounting to ₹ 324.02 lacs) has been charged to the opening balance of surplus in the statement of profit and loss. The carrying amount of other assets, i.e., assets whose remaining useful life is not nil on April 1, 2014, is depreciated over their remaining useful life.

Had the group continued to depreciate the assets at the earlier rates, depreciation and loss for the year would have been lower by ₹ 2,206.95 lacs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(d) Tangible fixed assets**

Fixed assets are stated at cost (or fair value at the time of acquisition under slump sale or revalued amounts, as the case may be) less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

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.

(e) Depreciation on tangible fixed assets

- (i) Except as stated in para (ii), (iii) and (iv) below, depreciation on all fixed assets within the Fortis Group is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The group has used the following useful lives to provide depreciation on its fixed assets.

S. No.	Assets	Useful Lives
1	Plant & machinery	15 years
2	Medical equipments	13 years
3	Furniture and fittings	10 years
4	Computers	3 years
5	Office equipments	5 years
6	Vehicles*	5-8 years

- (ii) Depreciation on leasehold improvements is provided over the period of lease or over the useful lives of the respective fixed assets, whichever is shorter.
- (iii) Leasehold land is amortized over the period of lease except in respect of one subsidiary (Previous year one subsidiary) where the same is available on perpetual lease basis [100% (Previous year 100%) of net block of leasehold land of the Fortis Group aggregating to ` 398.22 lacs (Previous year ` 398.22 lacs) as at March 31, 2015].
- (iv) In respect of a subsidiary, depreciation is being provided for using the Written Down Value method based on the re-estimated useful lives as mentioned above [amounts to 5.28 % (Previous year 5.73%) of the total net block of fixed assets (excluding leasehold and freehold land) of the Group aggregating to ` 129,567.64 lacs (Previous year ` 142,769.29 lacs) as at March 31, 2015].

* Management has re-estimated useful lives and residual values of all its vehicles in India. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(v) Change in Accounting policy

- i. Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the group was charging 100% depreciation on assets costing less than ` 5,000/- in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from April 1, 2014, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the group has changed its accounting policy for depreciations of assets costing less than ` 5,000/-. As per the revised policy, the group is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in accounting for depreciation of assets costing less than ` 5,000/- did not have any material impact on financial statements of the group for the current year.

- ii. The group was previously not identifying components of fixed assets separately for depreciation purposes; rather a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, the group has changed the manner of depreciation for its fixed assets. Now, the group identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. This change in accounting policy did not have any material impact on financial statements of the group for the current year.

(f) Borrowing costs

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

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

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs which meet capitalization criteria, 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. Intangible assets are tested for impairment annually, either individually or at the cash-generating unit level.

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.

Technical Know-how Fees

Technical know-how fees are amortized over a period of 3 – 5 years from the date of commencement of commercial operation by the respective entity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**Software**

Cost of software is amortized over the useful life of the software.

License fee

License fees capitalized as an intangible asset is amortised over a period of 4-10 years, being the management estimate of the useful life of the asset.

Right of Use of Land

Right of use of land capitalized as an intangible asset and is not amortized, considering the right is available on perpetual basis.

Non-Compete fee

Non-compete fee which is valued based on the incremental cash flows attributable to the non-compete covenant entered during the acquisition of business by a subsidiary is capitalized and amortized over an estimated useful life of 3-5 years over which the benefits are likely to accrue, on a straight line basis.

Internally generated assets costs

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 capitalized, 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 capitalized 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 recognized in the statement of profit and loss as an expense as incurred. During the period of development, the asset is tested for impairment annually.

Capitalized development expenditure is stated at cost less accumulated amortization 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 statement of profit and loss on issuance of such materials for research and development activities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Fixed assets used for research and development are amortized over a period of five years being the useful life, as estimated by the management.

Goodwill on acquisition

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in the statement of profit and loss.

(h) Impairment of Tangible and Intangible assets

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

(i) Leases

Where a group entity is lessee

- a) Finance leases, which effectively transfer to a Group entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized. If there is no reasonable certainty that the Group entity will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the lower of the estimated useful life of the asset or the lease term.

- b) 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 a group entity is lessor

- a) Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.
- b) Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as expense in the statement of profit and loss.

(j) Investments

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

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.

(k) Inventories

Inventory of medical consumables, drugs and stores and spares are valued at lower of cost and net realizable value. Cost is determined on Weighted Average basis, except for four of the subsidiaries where it is determined on First-in First-out basis [31.19 % (Previous year 36.48 %) of total inventories of Fortis Group aggregating ` 6,396.87 lacs (Previous year ` 6,197.57 lacs) as at March 31, 2015]. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs incurred to make the sale.

(l) Revenue Recognition

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Service Income from operations

Operating income including inpatient and outpatient services, laboratory/ clinical services, management fees from hospitals, management fees from laboratories and income from satellite centers are recognized as and when the services are rendered. Management fee from hospitals and income from medical services is recognised as and when the contractual obligations arising out of the contractual arrangements with respective hospitals are fulfilled.

Income from Clinical Research

Revenue is recognized as and when the services are rendered in accordance with the terms of the respective agreements.

Income from Rehabilitation Centre

Revenue is recognised as and when the services are rendered at the rehabilitation centre.

Rental Income and Equipment Lease Rentals

Revenue is recognized in accordance with the terms of lease agreements entered into with the respective lessees on a straight line basis.

Income from Academic Services

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

Income from medical, dental and other service contracts

The Group has certain medical, dental and other service contracts, in which the Group agrees to provide specific services over the terms of the contracts for a fixed-fee in which the level of services depends on uncertain future events (the "Fixed-fee Contracts"). Fees received or receivable under the Fixed-fee Contracts are recognized on a time proportion basis over the terms of the Fixed-fee Contracts. Expenses incurred in connection with the Fixed-fee Contracts are charged to the statement of profit and loss as incurred. Deficiency in the contract liabilities is immediately charged to the statement of profit and loss by establishing a provision for losses.

Sale of pharmacy items

Revenue from sale of goods is recognized when all significant risks and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods.

Income from sale of scrap and plasma

Revenue from sale of scrap and plasma is recognized when all significant risks and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods.

Export benefits

Income from 'Served from India Scheme' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis.

Income from sponsorship fees

Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*Interest*

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

Dividends

Dividend income is recognized when the right to receive dividend is established by the reporting date.

(m) Unamortized finance charges

Cost incurred in raising funds is amortized on straight line basis over the period for which the funds are obtained.

(n) Foreign Currency Transactions and balances**(i) Initial Recognition**

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

(ii) Conversion

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

(iii) Exchange Differences

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

For the purpose of 2 and 3 above, the Company treats a foreign monetary item as “long-term foreign currency monetary item”, if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii)(2) and (iii)(3) above.

(v) Translation of Integral and non-integral foreign operation

The Company classifies all its foreign operations as either “integral foreign operations” or “non-integral foreign operations.”

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average - rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(o) Retirement and other employee benefits:

I. In respect of Companies incorporated in India.

(i) Contributions to Provident Fund

The entities comprised within the Fortis Group make contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when an employee renders the related service.

The provident fund contribution of certain employees of the group is being deposited with “Fortis Healthcare Limited Provident Fund Trust” and “Escorts Heart Institute and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Research Centre Limited Provident Fund Trust”; such contribution to the trust additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date. There are no other obligations other than the contribution payable to the fund.

(ii) Gratuity

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

Two of the subsidiaries of the Company have taken insurance policy under the Group Gratuity scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and the amount paid/ payable in respect of present value of liability of past services is charged to the statement of profit and loss every year. The difference between the amount paid/payable to LIC and the actuarial valuation made at the end of each financial year is charged to the statement of profit and loss.

(iii) Compensated Absences

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

The Company 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. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains/ losses

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

II. In respect of Companies incorporated outside India**(i) Defined contribution plans**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the local authority. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed in the period that relevant employee services are received.

(ii) Short term employee benefits

Short term employee benefits comprise employee costs such as salaries, bonuses and paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date are considered as short term benefits and are recognized on the basis of the estimated value of benefit expected to be availed by the employees.

(p) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement."

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(q) Employee Stock Compensation Cost

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Till October 27, 2014, the Company was complying with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in accounting for employee stock options. With effect from October 28, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014. The new regulations don’t contain any specific accounting treatment; rather, they require ICAI Guidance note to be followed. Consequent to the application of the new regulations, the Company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from the date of notification of new regulation, i.e., October 28, 2014. The change in accounting policy did not have any material impact on financial statements of the Company for the current year.

(r) Earnings Per Share

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

(s) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their 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.

(t) 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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.

(u) Cash and Cash Equivalents

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

(v) Derivative instruments

In terms of the announcement made by the Institute of Chartered Accountants of India, the accounting for derivative contracts (other than those covered under AS-11) is done based on the “marked to market” principle. If there is a mark to market loss then same is charged to the statement of profit and loss. Net gains are ignored as a matter of prudence.

(w) Segment reporting

Identification of segments

The Group’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(x) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III to the Companies Act, 2013), the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company includes interest income included under other income, but does not include depreciation and amortization expense, finance costs and tax expense.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**3. Composition of the Group**

The list of Subsidiaries, Associates and Joint Ventures considered in the preparation of the consolidated financial statements are as follows:-

Name of the Group Company		Country of Incorporation	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014
a)	Subsidiaries			
	Hiranandani Healthcare Private Limited (HHPL)	India	85.00%	85.00%
	Fortis Hospotel Limited (FHTL) (Refer note a below)	India	64.72%	64.72%
	Fortis Lafemme Limited (FLFL) (formerly known as Fortis Health Management (West) Limited)	India	100.00%	100.00%
	Fortis Health Management (East) Limited (FHM(E)L)	India	88.00%	88.00%
	Fortis Cancer Care Limited (FCCL) (formerly known as Fortis Health Management (South) Limited)	India	100.00%	100.00%
	Fortis Health Management (North) Limited (FHM(N)L) (Refer note e below)	India	–	–
	Fortis Healthcare International Limited (FHIL)	Mauritius	100.00%	100.00%
	Escorts Heart Institute and Research Centre Limited (EHIRCL)	India	100.00%	100.00%
	Lalitha Healthcare Private Limited (LHPL)	India	67.23%	67.23%
	Fortis Malar Hospitals Limited (FMHL)	India	63.20%	63.20%
	Fortis Hospitals Limited (FHsL)	India	100.00%	100.00%
	Fortis Global Healthcare (Mauritius) Limited (FGHL)	Mauritius	100.00%	100.00%
	Malar Stars Medicare Limited (MSML)	India	63.20%	63.20%
	Fortis Asia Healthcare Pte. Limited (FAHPL)	Singapore	100.00%	100.00%
	Fortis C-Doc Healthcare Limited (C-Doc)	India	60.00%	60.00%
	Fortis Health Staff Limited (FHSL) (refer note i below)	India	29.00%	29.00%
	SRL Limited	India	71.45%	71.49%
	SRL Diagnostics Private Limited	India	71.45%	71.49%
	Fortis Healthcare International Pte Limited (FHIPL)	Singapore	100.00%	100.00%
	Fortis Healthcare Australia Pty Ltd	Australia	–	100.00%
	Dental Corporation Holdings Limited (Refer note b below)	Australia	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Name of the Group Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014
Dental Corporation Pty Limited (Refer note b below)	Australia	–	–
D C Holdings WA Pty Ltd (Refer note b below)	Australia	–	–
Dental Care Network Pty Limited (Refer note b below)	Australia	–	–
Dental Corporation (NZ) Limited (Refer note b below)	New Zealand	–	–
Hazel Ridge Pty Limited (Refer note b below)	Australia	–	–
John M Levas Pty Limited (Refer note b below)	Australia	–	–
Scot Petrie Dental Pty Limited (Refer note b below)	Australia	–	–
Dental Corporation Petrie Pty Limited (Refer note b below)	Australia	–	–
Dental Corporation Cox Pty Limited (Refer note b below)	Australia	–	–
Dental Corporation Levas Pty Limited (Refer note b below)	Australia	–	–
Larry Benge Pty Limited (Refer note b below)	Australia	–	–
Dr Chris Hardwicke Pty Limited (Refer note b below)	Australia	–	–
Fortis Healthcare Singapore Pte Ltd	Singapore	100.00%	100.00%
Radlink-Asia Pte Limited (Radlink)	Singapore	100.00%	100.00%
Drs Thompson & Thompson (Radlink Medicare) Pte Limited	Singapore	85.00%	85.00%
Radlink Medicare Pte Limited	Singapore	100.00%	100.00%
Radlink Medicare (Bishan) Pte Limited	Singapore	70.00%	70.00%
Radlink Medicare (Woodlands) Pte Limited	Singapore	70.00%	70.00%
Radlink Medicare (Tampines) Pte Limited	Singapore	100.00%	100.00%
Radlink Medicare (Jurong East) Pte Limited	Singapore	100.00%	100.00%
Clinic 1866 Pte Limited	Singapore	100.00%	100.00%
Radlink Diagnostic Imaging (s) Pte Limited	Singapore	100.00%	100.00%
Drs Lim Hoe & Wong Radiology Pte limited	Singapore	100.00%	100.00%
Healthcare Diagnostic Services Pte Limited	Singapore	100.00%	100.00%
Radlink Women & Fetal Imaging Centre Pte Limited	Singapore	100.00%	100.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Name of the Group Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014
Radlink Pet & Cardiac Imaging Centre Pte Limited	Singapore	100.00%	100.00%
Singapore Radiopharmaceuticals Pte Limited	Singapore	100.00%	100.00%
Singapore Molecular Therapy Centre Pte Limited	Singapore	100.00%	100.00%
Healthcare Clinic and Surgery Pte. Limited	Singapore	100.00%	100.00%
Altai Investments Limited (refer note d below)	British Virgin Islands	–	–
Quality HealthCare Limited (refer note d below)	British Virgin Islands	–	–
Quality HealthCare Hong Kong Limited (refer note d below)	Hong Kong	–	–
Green Apple Associates Limited (refer note d below)	British Virgin Islands	–	–
Quality HealthCare Medical Services Limited (refer note d below)	Hong Kong	–	–
Fortis HealthCare Hong Kong Limited (refer note d below)	Hong Kong	–	–
Quality Healthcare Medical Services (Macau) Limited (refer note d below)	Macau	–	–
Quality HealthCare Chinese Medicine Limited (refer note d below)	Hong Kong	–	–
Marvellous Way Limited (refer note d below)	Hong Kong	–	–
Universal Lane Limited (refer note d below)	Hong Kong	–	–
DB Health Services Limited (refer note d below)	Hong Kong	–	–
Quality HealthCare Medical Centre Limited (refer note d below)	Hong Kong	–	–
Quality HealthCare Professional Services Limited (refer note d below)	Hong Kong	–	–
SmartLab Limited (refer note d below)	Hong Kong	–	–
Allied Medical Practices Guild Limited (refer note d below)	Hong Kong	–	–
GlobalRx Limited (refer note d below)	Hong Kong	–	–
Fortis Hospitals Hong Kong Limited (refer note d below)	Hong Kong	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Name of the Group Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014
Normandy (Hong Kong) Limited (refer note d below)	Hong Kong	—	—
Great Option Limited (refer note d below)	Hong Kong	—	—
Healthcare Opportunities Limited (refer note d below)	British Virgin Islands	—	—
TCM Products Limited (refer note d below)	British Virgin Islands	—	—
GHC Holdings Limited (refer note d below)	Hong Kong	—	—
CASE Specialist Limited (refer note d below)	Hong Kong	—	—
Jadeast Limited (refer note d below)	Hong Kong	—	—
Jadefairs International Limited (refer note d below)	Hong Kong	—	—
Jadway International Limited (refer note d below)	Hong Kong	—	—
Megafaith International Limited (refer note d below)	Hong Kong	—	—
Jadison Investment Limited (refer note d below)	Hong Kong	—	—
Berkshire Group Limited (refer note d below)	British Virgin Islands	—	—
Central Medical Diagnostic Centre Limited (refer note d below)	Hong Kong	—	—
Central MRI Centre Limited (refer note d below)	Hong Kong	—	—
Central Medical Laboratory Limited (refer note d below)	Hong Kong	—	—
Central PET/CT Scan Limited (refer note d below)	Hong Kong	—	—
Portex Limited (refer note d below)	Hong Kong	—	—
Quality HealthCare Services Limited (refer note d below)	British Virgin Islands	—	—
Quality HealthCare Psychological Services Limited (refer note d below)	Hong Kong	—	—
Quality EAP (Macau) Limited (refer note d below)	Macau	—	—
Quality HealthCare Dental Services Ltd (refer note d below)	Hong Kong	—	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Name of the Group Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014
Quality HealthCare Physiotherapy Services Limited (refer note d below)	Hong Kong	–	–
Quality HealthCare Nursing Agency Limited (refer note d below)	Hong Kong	–	–
Dynamic People Group Limited (refer note d below)	British Virgin Islands	–	–
Mena Healthcare Investment Company Limited	British Virgin Islands	82.54%	82.54%
SRL Diagnostics FZ LLC (formerly known as Super Religare Laboratories International FZ LLC)	UAE	100.00%	100.00%
Medical Management Company Limited	British Virgin Islands	82.54%	82.54%
Swindon Limited (refer note c below)	British Virgin Islands	–	–
VOF PE Holding2 Limited (refer note c below)	Cayman Island	–	–
Fortis Hoan Medical My Corporation (refer note c below)	Vietnam	–	–
Fortis Hoan My Saigon General Hospital Joint Stock Company (refer note c below)	Vietnam	–	–
Hoan My Clinic Company Limited (refer note c below)	Vietnam	–	–
Hue Hoan My General Hospital Joint Stock Company (refer note c below)	Vietnam	–	–
Hoan My Da Nang General Hospital Joint Stock Company (refer note c below)	Vietnam	–	–
Hoan My Cuu Long General Hospital Joint Stock Company (refer note c below)	Vietnam	–	–
Hoan My Da Lat General Hospital Joint Stock Company (refer note c below)	Vietnam	–	–
Fortis Healthcare Vietnam Company Limited (refer note c below)	Vietnam	–	–
Fortis Healthcare Middle East LLC (refer note i below)	United Arab Emirates	49.00%	49.00%
Fortis CSR Foundation (refer note f below)	India	100.00%	100.00%
Birdie & Birdie Realtors Pvt. Ltd. (refer note h below)	India	100.00%	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Name of the Group Company		Country of Incorporation	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014
b)	Associates			
	Sunrise Medicare Private Limited	India	31.26%	31.26%
	Medical and Surgical Centre Limited	Mauritius	28.89%	28.89%
	Fortis Medicare International Limited	Mauritius	49.00%	49.00%
	Fortis Emergency Services Limited	India	49.00%	49.00%
	Lanka Hospitals Corporation Plc	Sri Lanka	28.60%	28.60%
	Town Hall Clinic Pte Limited	Singapore	30.00%	30.00%
	Hoan My Minh Hai (refer note c below)	Vietnam	–	–
	Hoan My Orb Corporation (refer note c below)	Vietnam	–	–
	Hoan My Thien The (refer note c below)	Vietnam	–	–
	International Hospital Limited (IHL) (refer note g below)	India	28.00%	28.00%
	Escorts Heart and Super Speciality Hospital Limited (EHSSL)	India	28.00%	28.00%
	Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL)	Singapore	28.00%	28.00%
	Hospitalia Eastern Private Limited (HEPL)	India	28.00%	28.00%
	Religare Health Trust (RHT)	Singapore	28.00%	28.00%
	Fortis Health Management Limited (FHML)	India	28.00%	28.00%
c)	Joint Ventures			
	Fortis Cauvery	India	51.00%	51.00%
	DDRC SRL Diagnostics Services Private Limited (DDRC)	India	50.00%	50.00%
	Super Religare Reference Laboratories (Nepal) Private Limited (SRRLPL)	Nepal	50.00%	50.00%

Notes:-

- As per Shareholders Agreement ('SHA') signed between FHML, the Company and FHTL, the Company has agreed to divest its stake of 51% in FHTL to FHML on receiving of certain regulatory approvals. However, as per the SHA, there are severe long term restrictions on transfers of funds to the Company by FHTL; accordingly FHTL is not being consolidated w.e.f. October 19, 2012 by the Company. (Refer note 25(d)).
- During the previous year ended March 31, 2014, Fortis Healthcare Australia Pty Limited (FHA), a wholly owned subsidiary of the company divested its entire stake in Dental Corporation along with its subsidiaries to BUPA.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- c) During the previous year ended March 31, 2014, Fortis Healthcare International Pte. Ltd., a wholly owned subsidiary of the Company divested its entire stake in Fortis Hoan My Medical Corporation (Vietnam) along with its subsidiaries to Viva Holdings Vietnam (Pte.) Ltd.
- d) During the previous year ended March 31, 2014, Fortis Healthcare International Pte. Ltd., a wholly owned subsidiary of the company divested its entire stake in Altai Investments Limited, the holding company of Quality Healthcare along with its subsidiaries to BUPA International Limited.
- e) During the previous year ended March 31, 2014, Hon'ble High Court of Delhi approved the scheme of amalgamation of Fortis Health Management (North) Limited ("FHMNL") with Fortis Hospitals Limited ("FHsL") both wholly owned subsidiaries of the company. As a result FHMNL ceases to exist at the close of reporting period (refer note 26).
- f) During the year, the Company has incorporated a non-profit Company under section 8 of the Companies Act, 2013 for carrying out Corporate Social Responsibilities ('CSR') of the Group. Since the objective of control over the entity by the Group is not to obtain economic benefits from its activities, it is not considered for preparation of consolidated financial statement of the Group.
- g) During the previous year, Escorts Heart and Super Speciality Institute Limited ('EHSSIL'), Escorts Hospital and Research Centre Limited ('EHRCL') and Kanishka Healthcare Limited ('KHL') has been merged with International Hospital Limited ('IHL') w.e.f. January 17, 2014 with appointed date of January 1, 2013.
- h) During the current year, Fortis Hospitals Limited, a wholly owned subsidiary of the Company has acquired 100% stake in Birdie & Birdie Realtors Private Limited on May 6, 2014, thus effective May 6, 2014 it has become wholly owned subsidiary of the Company.
- i) Fortis HeathStaff Limited and Fortis Healthcare Middle East LLC are Board control subsidiaries of the Group.

4(i) Share capital

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Authorised shares		
600,000,000 (Previous year 600,000,000) Equity shares of ` 10 each	60,000.00	60,000.00
200 (Previous year 200) Class 'A' Non- Cumulative Redeemable Preference Shares of ` 100,000 each	200.00	200.00
11,498,846 (Previous year 11,498,846) Class 'B' Non- Cumulative Redeemable Preference Shares of ` 10 each	1,149.88	1,149.88
64,501,154 (Previous year 64,501,154) Class 'C' Cumulative Redeemable Preference Shares of ` 10 each	6,450.12	6,450.12
Total authorised share capital	67,800.00	67,800.00
Issued, subscribed and fully paid up shares		
462,805,414 (Previous year 462,786,314) Equity shares of ` 10 each	46,280.54	46,278.63
Total issued share capital	46,280.54	46,278.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

Particulars	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
At the beginning of the year	462,786,314	46,278.63	405,207,335	40,520.73
Issued during the year: Institutional Placement Programme (refer note 27)	-	-	34,993,030	3,499.30
Issued during the year: Preferential allotment (refer note 28 and 29)	-	-	22,571,149	2,257.12
Issued during the year: Employee Stock Option Plan (ESOP) (refer note 14)	19,100	1.91	14,800	1.48
Outstanding at the end of the year	462,805,414	46,280.54	462,786,314	46,278.63

Preference Shares- Class 'C' Zero percent Cumulative Redeemable Preference Shares of ` 10 each

Particulars	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
At the beginning of the year	-	-	1,450,000	145.00
Redeemed during the year	-	-	(1,450,000)	(145.00)
Outstanding at the end of the year	-	-	-	-

Preference Shares- Class 'C' Zero percent Cumulative Redeemable Preference Shares of ` 9 each

Particulars	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
At the beginning of the year	-	-	3,196,000	287.64
Redeemed during the year	-	-	(3,196,000)	(287.64)
Outstanding at the end of the year	-	-	-	-

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of redemption of preference shares

During the year ended March 31, 2009, the Company issued 1,450,000 Class 'C' Zero Percent Cumulative Redeemable Preference Shares of ` 10 each at a premium of ` 90 per share. Preference shares were redeemable at a premium of ` 117.69 per preference share, on October 18, 2010,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

however, the date of redemption of October 18, 2010 has been deferred to October 18, 2014 at the redemption premium of ` 198.20 per share. Both the Company and the subscriber had an option for early redemption of the Preference Shares. In case the early redemption option would have been exercised, the premium on redemption shall be adjusted proportionately. Preference shares were redeemed on October 28, 2013 at a redemption price of ` 184.96 including redemption premium of ` 174.96 per share.

During the year ended March 31, 2008, the Company issued 11,500,000 Class 'C' zero percent cumulative redeemable preference shares of ` 10 each at a premium of ` 90 per share, out of which 3,196,000 zero percent cumulative redeemable preference shares were still pending for redemption at the beginning of the year. These shares were redeemable at ` 175 per share, including premium, on October 18 of 2008, 2009, 2010, 2011 and 2012 respectively in installment of ` 1,437.50 lacs each and installment of ` 12,937.50 lacs on October 18, 2013. The Company had the option to make voluntary premature redemption of the Shares in part or in full in which event the redemption premium would have been computed @ 12% compounded annually on the subscription amount from the subscription date till the redemption date. However, the due date of redemption in 2009, 2010, 2011, 2012 and 2013 respectively has been postponed to October 18, 2014 and due to this, the Company has agreed to pay additional redemption premium calculated at 12%, 12.5%, 13%, 13% and 13% respectively on the redemption amounts due in respective years. In the event of liquidation of the Company before redemption of preference shares, the holder of preference shares will have priority over equity shares in the repayment of capital. Preference shares were redeemed on October 28, 2013 at a redemption price of ` 181.36 including redemption premium of ` 172.36 per share.

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

Name of Shareholder	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
Fortis Healthcare Holdings Private Limited, the holding Company	329,591,529	32,959.15	329,591,529	32,959.15
RHC Holding Private Limited, the ultimate holding Company	218,250	21.83	218,250	21.83

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

Name of Shareholder	March 31, 2015		March 31, 2014	
	Number	Value ` in Lacs	Number	Value ` in Lacs
Fortis Healthcare Holdings Private Limited, the holding Company	329,591,529	71.22%	329,591,529	71.22%
International Finance Corporation	25,793,949	5.57%	25,793,949	5.57%

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company (refer note 14).

(g) Shares reserved for issued on conversion

For details of shares reserved for issue on conversion of bonds, please refer note 17, 18 and 19 regarding terms of conversion/ redemption of bonds.

4(ii) Reserves and surplus

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
i. Securities premium reserve		
Balance as per the last financial statements	294,973.45	251,479.89
Add: Premium on issue of equity shares	12.29	48,812.18
Less: Amount utilized for accrual of premium payable on redemption of 5% foreign currency convertible bonds	(450.75)	(1,472.10)
Less: Amount utilized for accrual of premium payable on redemption of cumulative redeemable preference shares	–	(830.87)
Less: Expenses incurred for issue of foreign currency convertible bonds	–	(1,128.64)
Less: Expenses incurred for issue of equity shares	–	(1,887.01)
Closing balance	294,534.99	294,973.45
ii. General reserves		
Balance as per the last financial statements	41,964.89	36,883.13
Add: transfer from debenture redemption reserve	–	5,081.76
Closing balance	41,964.89	41,964.89
iii. Amalgamation reserve		
Balance as per the last financial statements	156.00	156.00
Closing balance	156.00	156.00
iv. Foreign currency translational reserve		
Balance as per the last financial statements	(8,999.09)	(5,747.12)
Add: current year transfer	(7,917.92)	(3,251.97)
Closing balance	(16,917.01)	(8,999.09)
v. Debenture redemption reserve		
Balance as per the last financial statements	11,622.54	5,081.76
Add: amount transferred from surplus balance in the statement of profit and loss	3,552.09	11,622.54
Less: amount transferred to general reserve	–	(5,081.76)
Closing balance	15,174.63	11,622.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
vi. Other reserves		
Balance as per the last financial statements	(1,432.06)	(1,432.06)
Closing balance	(1,432.06)	(1,432.06)
vii. Foreign currency monetary item translation difference account		
Balance as per the last financial statements	(714.67)	(93.41)
Add: current year transfer	653.33	(621.26)
Closing balance	(61.34)	(714.67)
viii. Surplus in the statement of profit and loss		
Balance as per the last financial statements	44,386.79	43,805.37
Add: profit/ (loss) for the year	(14,369.97)	12,254.24
Less: depreciation [refer note 2 (c) (net of deferred tax ` 324.02 lacs)]	(1,290.57)	–
Less: transfer to debenture redemption reserve	(3,552.09)	(11,622.54)
Less: Proposed final equity dividend [amount per share ` 0.50 (Previous year Nil)]	(92.99)	(34.22)
Less: tax on proposed equity dividend	(18.59)	(15.81)
Less: preference dividend	(0.25)	(0.25)
Net surplus in the statement of profit and loss	25,062.33	44,386.79
	358,482.43	381,957.85
4(iii) Long-term borrowings		
Secured (refer note 8)		
Term loan from banks	31,792.86	26,800.43
Term loans from body corporates	14,108.12	24,391.78
Hire purchase loans from banks	4.04	12.94
Finance lease obligations	61.76	232.58
Deferred payment liabilities	647.66	876.66
Buyers credit	642.20	956.89
	47,256.64	53,271.28
Unsecured (refer note 8)		
5% Foreign currency convertible bonds	–	60,059.36
4.66%+LIBOR Foreign currency convertible bonds	18,700.66	18,017.80
4.86%+LIBOR Foreign currency convertible bonds	34,284.54	33,032.64
Finance lease obligations	104.16	125.16
Loans from body corporates and others	93.57	429.67
Deferred payment liabilities	–	932.51
	53,182.93	112,597.14
	100,439.57	165,868.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

4(iv) Deferred tax assets / (liabilities) (net)*

	March 31, 2015 in Lacs	March 31, 2014 in Lacs
Deferred tax liability arising on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	14,826.63	15,230.68
Others	91.45	45.68
	14,918.08	15,276.36
Deferred tax asset arising on account of:		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	802.48	1,023.43
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	1,675.67	1,945.89
On carry forward business losses and unabsorbed depreciation	8,937.84	5,532.69
Provision for doubtful debt and advances	4,099.98	3,193.60
Others	113.79	79.33
	15,629.76	11,774.94
Net deferred tax assets/ (liabilities)	711.68	(3,501.42)

* Aggregate of deferred tax assets (net) and deferred tax liabilities (net) for respective entities in the group is included under respective heads in the balance sheet.

4(v) Other long-term liabilities

Advances and deposits	12.24	11.24
Capital creditors	2,922.98	446.55
Lease equalisation reserve	3,809.35	2,999.62
Interest accrued but not due on borrowings	1.46	19.64
Premium payable on redemption of 5% foreign currency convertible bonds	–	1,472.10
Others	14.40	14.40
	6,760.43	4,963.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**4(vi) Long-term provisions**

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Provision for employees' benefits		
Provision for gratuity (refer note 16)	3,868.39	3,143.77
	3,868.39	3,143.77
Others		
Provision for litigation (refer note 13)	330.39	413.63
Provision for restoration and maintenance#	817.77	857.56
	1,148.16	1,271.19
	5,016.55	4,414.96
Provisions for litigation		
Opening balance	413.63	496.88
Less: utilized/ reversed during the year	83.24	83.25
Closing balance	330.39	413.63
Provisions for restoration and maintenance		
Opening balance	857.56	787.44
Add: exchange translation adjustments	(39.79)	70.12
Closing balance	817.77	857.56

#At the end of certain leases, costs are expected to be incurred in restoring the leased premises. The Group recognizes the provision for the cost of restoration and maintenance on estimated basis, where such obligation exists as per contract.

4(vii) Short-term borrowings**a Secured (refer note 8)**

Bank overdrafts	40.31	372.93
Cash credits	1,079.13	1,577.43
	1,119.44	1,950.36

b Unsecured (refer note 8)

Loans from ultimate holding company	794.50	794.50
Loans from an associate	106.25	102.37
Loans from holding company	341.50	–
6,750,000 (Previous year 6,750,000) Zero percent preference shares of ` 10 each (proportionate share of the Company) (issued by DDRC SRL Diagnostics Services Private Limited, a Joint Venture)	337.50	337.50
	1,579.75	1,234.37
	2,699.19	3,184.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

4(viii) Trade payables

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Trade payables	52,508.29	48,170.50
	52,508.29	48,170.50

4(ix) Other current liabilities

Current maturities of long-term debt (refer note 8)	75,288.01	18,978.79
Book overdrafts	1,729.85	3,301.81
Advances from patients/ customers	4,799.91	4,486.64
Security deposits	1,798.46	1,833.36
Interest accrued and due on borrowings	147.52	44.43
Interest accrued but not due on borrowings	2,333.77	2,321.98
Unpaid preference dividend	6.49	6.26
Deferred revenue*	27.57	214.82
Share application money payable	–	341.50
Liability against indemnification	133.10	133.10
Premium payable on redemption of 5% foreign currency convertible bonds	1,922.85	–
Capital creditors	3,615.70	2,441.38
Technology renewal fund	120.73	309.71
Payable against losses of associates (refer note 35)	1,147.02	1,066.56
Payable to related parties	262.29	31.10
Lease equalisation reserve	79.76	141.38
Statutory payables	4,789.34	5,473.46
Advance against sale of asset	120.00	–
Employee payables	107.88	49.89
Other liabilities	329.25	54.08
	98,759.50	41,230.25

* Deferred revenue represents payment received in advance for fixed fees contracts for which services had not been rendered at the end of the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**4(x) Short-term provisions**

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
a Provision for employee benefits		
Provision for gratuity (refer note 16)	452.26	215.71
Provision for leave encashment	2,966.08	2,715.81
	3,418.34	2,931.52
b Others		
Provision for taxation (net of advance tax)	1,648.65	999.73
Provision for equity dividend	92.99	–
Provision for tax on proposed equity dividend	18.59	–
Provision for contingencies	463.97	263.48
Provision for wealth tax	29.72	12.76
Provision for restoration and maintenance*	256.89	366.50
	2,510.82	1,642.47
	5,929.15	4,573.99
Provision for contingencies		
Opening balance	263.48	251.33
Add: provision made during the year	230.95	74.95
Less: utilized during the year	(30.46)	(62.80)
Closing balance	463.97	263.48
Provision for restoration and maintenance		
Opening balance	366.50	341.09
Add: provision made during the year	648.65	678.02
Add: exchange translation adjustments	(12.95)	30.50
Less: utilized during the year	(745.31)	(683.11)
Closing balance	256.89	366.50

*At the end of certain leases, costs are expected to be incurred in restoring the leased premises. The Group recognizes the provision for the cost of restoration and maintenance on estimated basis, where such obligation exists as per contract.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 4(xi) (a) : Tangible assets

	Leasehold land	Freehold land	Building	Leasehold improvements	Plant & machinery	Medical equipment	Furniture & fittings	Computers	Office equipments	Vehicles	Total
Cost or valuation											
As at April 1, 2013	398.22	13,704.60	46,324.98	30,131.46	35,980.09	112,876.88	11,280.72	13,231.58	2,279.45	4,700.86	270,908.84
Additions	-	21,432.29	10,166.30	2,644.01	2,052.71	26,041.30	2,412.27	2,221.87	966.47	781.97	68,719.19
Disposals	-	-	(1,382.66)	(2,304.60)	(3,387.78)	(1,305.84)	(505.57)	(699.75)	(68.07)	(353.08)	(10,007.35)
Disposals on sale of subsidiaries	-	-	(15,807.97)	(11,369.57)	(20,381.01)	(19,231.25)	(2,822.89)	(7,950.53)	-	(1,235.19)	(78,798.41)
Other adjustments*	-	-	2,736.31	(2,736.31)	62.27	(51.67)	-	8.76	(12.64)	(0.09)	6.63
Exchange translation adjustments	-	1,114.72	3,489.79	1,527.74	4,466.04	1,845.12	634.20	927.59	-	130.44	14,135.64
As at March 31, 2014	398.22	36,251.61	45,526.75	17,892.73	18,792.32	120,174.54	10,998.73	7,739.52	3,165.21	4,024.91	264,964.54
Additions	-	-	285.11	581.31	1,525.00	10,583.74	297.81	590.77	130.56	601.74	14,596.04
Additions on acquisition of subsidiary	-	8,744.60	510.52	-	247.27	-	465.29	-	-	-	9,967.68
Disposals	-	-	-	(3,238.41)	(2,369.99)	(7,359.71)	(523.17)	(486.16)	(201.73)	(475.47)	(14,654.64)
Other adjustments*	-	-	-	-	-	-	-	(156.85)	-	-	(156.85)
Exchange translation adjustments	-	(632.46)	84.54	4.33	(91.00)	(738.61)	(163.97)	(40.53)	-	0.38	(1,577.32)
As at March 31, 2015	398.22	44,363.75	46,406.92	15,239.96	18,103.60	122,659.96	11,074.69	7,646.75	3,094.04	4,151.56	273,139.45
Depreciation											
As at April 1, 2013	-	-	6,711.78	10,820.85	16,060.17	42,139.55	4,599.93	6,581.76	687.67	1,632.32	89,234.03
Charge for the year	-	-	1,707.00	3,908.41	2,173.18	10,981.57	1,336.60	1,924.50	225.47	525.49	22,782.22
Disposals	-	-	(90.22)	(1,467.53)	(712.04)	(685.71)	(230.55)	(405.33)	(37.42)	(143.16)	(3,771.96)
Disposals on sale of subsidiaries	-	-	(1,818.86)	(2,976.04)	(9,449.48)	(7,397.12)	(807.10)	(4,003.81)	-	(391.13)	(26,843.54)
Other adjustments*	-	-	1,659.44	(1,659.44)	80.87	(72.95)	-	7.40	(12.00)	(1.68)	1.64
Exchange translation adjustments	-	-	280.82	435.97	1,858.49	807.94	257.04	467.62	-	35.15	4,143.03
As at March 31, 2014	-	-	8,449.96	9,062.22	10,011.19	45,773.28	5,155.92	4,572.14	863.72	1,656.99	85,545.42
Charge for the year	-	-	1,510.70	2,901.42	938.32	14,206.31	1,261.99	2,054.95	1,111.28	503.36	24,488.33
Additions on acquisition of subsidiary	-	-	71.66	-	91.00	-	242.92	-	-	-	405.58
Disposals	-	-	-	(2,349.02)	(1,497.19)	(5,925.00)	(395.32)	(468.00)	(151.08)	(249.71)	(11,035.32)
Other adjustments*	-	-	-	-	-	-	-	(43.39)	-	-	(43.39)
Exchange translation adjustments	-	-	33.99	22.69	(1.01)	(428.74)	(120.29)	(33.05)	-	0.16	(526.25)
As at March 31, 2015	-	-	10,066.31	9,637.31	9,542.31	53,625.85	6,145.22	6,082.65	1,823.92	1,910.80	98,834.37
Net Block											
As at March 31, 2014	398.22	36,251.61	37,076.79	8,830.51	8,781.13	74,401.26	5,842.81	3,167.38	2,301.49	2,367.92	179,419.12
As at March 31, 2015	398.22	44,363.75	36,340.61	5,602.65	8,561.29	69,034.11	4,929.47	1,564.10	1,270.12	2,240.76	174,305.08

* Other adjustments include necessary reclassifications, rectifications and inter head transfers and adjustments to depreciation thereof.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1 Leasehold Land includes ` 398.22 lacs (Previous year ` 398.22 lacs) in respect of a subsidiary, for which, during the financial year 2005-06, Delhi Development Authority has terminated all allotment letters/ lease deeds for which the subsidiary had filed an appeal in Delhi High Court. Repossession of land has been stayed by an interim stay order passed by Delhi High Court (refer note 11).

2 The above assets include certain fixed assets leased pursuant to operating lease agreement (refer note 7 (c)).

3 The above assets include certain assets taken on financing lease, the details of the same as follows:-

Particulars	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Total
Gross Block						
As at April 1, 2013	-	754.00	-	-	-	754.00
Additions	32.92	128.76	9.79	5.40	10.65	187.52
As At March 31, 2014	32.92	882.76	9.79	5.40	10.65	941.52
Additions	-	-	-	-	-	-
As At March 31, 2015	32.92	882.76	9.79	5.40	10.65	941.52
Depreciation						
As at April 1, 2013	-	240.42	-	-	-	240.42
Charge for the year	9.81	173.04	1.73	3.64	3.31	191.53
As At March 31, 2014	9.81	413.46	1.73	3.64	3.31	431.95
Charge for the year	7.38	141.15	3.21	1.76	6.31	159.81
As At March 31, 2015	17.19	554.61	4.94	5.40	9.62	591.76
Net Block						
As at March 31, 2014	23.11	469.30	8.06	1.76	7.34	509.57
As at March 31, 2015	15.73	328.15	4.85	-	1.03	349.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 4(xi) (b) : Intangible assets

	Technical know how fees	Non compete fees	License fee	Right of use of land	Software	Goodwill	Goodwill on consolidation	Total
Cost or valuation								
As at April 1, 2013	417.78	1,550.00	1,860.90	3,412.30	5,895.65	328,896.77	416,788.24	758,821.64
Additions	544.07	-	-	221.07	2,319.79	-	-	3,084.93
Deletions	-	-	-	-	(0.13)	-	-	(0.13)
Disposals on sale of subsidiaries	-	-	-	(4,022.17)	(111.38)	(279,804.62)	(231,045.96)	(514,984.13)
Other adjustments*	-	-	-	-	(6.63)	-	-	(6.63)
Exchange translation adjustments	-	-	-	388.80	79.17	-	2,890.75	3,358.72
As at March 31, 2014	961.85	1,550.00	1,860.90	-	8,176.47	49,092.15	188,633.03	250,274.40
Additions	467.79	-	-	-	6,031.83	-	10,661.33	17,160.95
Deletions	-	-	-	-	(10.97)	-	-	(10.97)
Other adjustments*	-	-	-	-	156.85	-	-	156.85
Exchange translation adjustments	-	-	-	-	(39.83)	-	(1,655.11)	(1,694.94)
As at March 31, 2015	1,429.64	1,550.00	1,860.90	-	14,314.35	49,092.15	197,639.25	265,886.29
Amortization and impairment								
As at April 1, 2013	238.31	1,550.00	629.51	-	2,834.01	-	7,835.76	13,087.59
Charge for the year	293.95	-	336.09	-	1,374.16	-	-	2,004.20
Deletions	-	-	-	-	4.13	-	-	4.13
Disposals on sale of subsidiaries	-	-	-	-	(67.56)	-	-	(67.56)
Other adjustments*	-	-	-	-	(1.64)	-	-	(1.64)
Exchange translation adjustments	-	-	-	-	(10.77)	-	-	(10.77)
As at March 31, 2014	532.26	1,550.00	965.60	-	4,132.33	-	7,835.76	15,015.95
Charge for the year	427.98	-	335.99	-	1,770.27	-	451.32	2,985.56
Impairment (refer note 1 below)	-	-	-	-	-	-	419.22	419.22
Deletions	-	-	-	-	(4.64)	-	-	(4.64)
Other adjustments*	-	-	-	-	43.39	-	-	43.39
Exchange translation adjustments	-	-	-	-	(37.34)	-	-	(37.34)
As at March 31, 2015	960.24	1,550.00	1,301.59	-	5,904.01	-	8,706.30	18,422.14
Net block								
As at March 31, 2014	429.59	-	895.30	-	4,044.14	49,092.15	180,797.27	235,258.45
As at March 31, 2015	469.40	-	559.31	-	8,410.34	49,092.15	188,932.95	247,464.15

* Other adjustments include necessary reclassifications, rectifications and inter head transfers and adjustments to depreciation thereof.

1 During current year, the Group has also recognized impairment loss in one of its subsidiary Fortis HealthStaff Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
4(xii) Non-current investments		
Unquoted Trade investments		
(valued at cost unless stated otherwise)		
Investment in Equity Instruments		
A. Investment in subsidiaries		
Fortis CSR Foundation	5.00	–
50,000 (Previous year Nil) shares of ₹ 10 each, fully paid up (refer note 3(f) of the above 6 (Previous year Nil) Share are held by nominee shareholders.		
Investment in associate companies		
Fortis Medicare International Limited	–	–
98,000 (Previous year 98,000) Ordinary Shares of US\$ 1 each, fully paid up (refer note 35)		
Hoan My Minh Hai General Hospital Joint Stock Company		
Nil (Previous year 1,600,000) Equity Shares of Vietnamese Dong (VND) 10,000 each, fully paid up (including goodwill of ₹ 116.79 lacs)	–	263.56
Add: Share in post acquisition profits/ (losses) upto the beginning of the year	–	(26.84)
Add: Share in profits/ (losses) for the current year	–	(44.95)
Less: Disposed during the year	–	(191.77)
Sunrise Medicare Private Limited	0.31	0.31
3,126 (Previous year 3,126) Equity Shares of ₹ 10/- each)		
Thien The Hoan My Joint Stock Company		
Nil (Previous year 5,000) Equity Shares of Vietnamese Dong (VND) 10,000 each, fully paid up	–	10.95
Add: Share in post acquisition profits/ (losses) upto the beginning of the year	–	(10.95)
Town Hall Clinic Pte. Limited		
100 (Previous year 100) Equity Shares of SGD 1each, fully paid up	112.50	112.50
Add: Share in post acquisition profits upto the beginning of the year	42.02	24.33
Add: Share in profits for the current year	24.89	17.69
Add: Exchange translation adjustments	(21.94)	(1.53)
	157.47	152.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Quoted Trade investments (valued at cost unless stated otherwise)		
Investment in Equity Instruments		
Investment in associates companies		
Lanka Hospitals Corporate Plc		
64,120,915 (Previous year 64,120,915)	19,762.82	19,762.82
Equity Shares of Lankan Rupees (LKR) 62 each (including goodwill of ` 16,102.33 lacs)		
Add: Share in pre acquisition profits upto the date of acquisition	568.70	568.70
Add: Share in post acquisition profits upto the beginning of the year	1,635.82	690.79
Add: Share in profits for the current year	698.46	945.03
Less: Dividend received during the year	(140.84)	(591.23)
Add: Exchange translation adjustments	(339.34)	(206.60)
Medical And Surgical Centre Limited		
164,670,801 (Previous year 164,670,801)	1,312.69	1,312.69
Ordinary Shares of MUR 10 each (including capital reserve of ` 4,224.26 lacs)		
Add: Share in post acquisition profits upto the beginning of the year	956.28	661.35
Add: Share in profits for the current year	313.42	294.93
Less: Dividend received during the year	(128.04)	(97.53)
Add: Exchange translation adjustments	159.69	307.22
Religare Health Trust (refer note 25)		
220,676,943 (Previous year 220,676,943) units of SGD 0.90 each, fully paid up	57,904.71	57,904.71
Add: Share in profits for the current year	5,002.91	–
Less: Dividend received during the year	(3,772.17)	–
Add: Exchange translation adjustments	670.29	690.53
	59,805.74	58,595.24
	84,768.17	82,396.71
Aggregate amount of quoted investments - at cost	84,605.39	82,243.41
Aggregate amount of quoted investments - at market value	123,899.49	107,235.69
Aggregate amount of unquoted investments - at cost	162.79	153.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**4(xiii) Long-term loans and advances**

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Unsecured, considered good		
Capital advances	3,142.45	11,730.69
Security deposits	6,349.43	6,298.67
Loan to bodies corporate and others	–	13,387.02
Loan to employees	13.96	–
Advances recoverable in cash and kind or for value to be received	1,028.13	118.13
Advance income tax (net of provision for taxation)	27,006.94	19,282.73
Deposits with income tax authorities	5,139.62	5,139.62
MAT credit entitlement	11,810.74	11,880.60
Balances with customs excise and other authorities	516.95	516.95
Technology renewal fund advance	359.44	–
	55,367.66	68,354.41
Unsecured, Doubtful		
Security deposits	50.00	50.00
Loan to body corporate and others	70.00	–
	120.00	50.00
Less : Provision for doubtful advances	120.00	50.00
	55,367.66	68,354.41

4(xiv) Other non-current assets

Unsecured, considered good		
Interest accrued but not due on loans and bank deposits	385.90	8.44
Unamortised finance charges	148.61	204.19
Bank deposits with original maturity of more than 12 months	1,083.47	624.42
Margin money deposits	17.50	53.76
	1,635.48	890.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
4(xv) Current investments		
Unquoted Trade investments (valued at cost unless stated otherwise)		
Investment in Equity Instruments		
A. Investment in subsidiaries		
Fortis Hospotel Limited [refer note 3 (a) and note 25]	20,739.71	20,739.71
149,822,782 (Previous year 149,822,782) Equity Shares of ` 10/- each of the above, 6 (Previous year 6) shares are held by nominee shareholders		
B. Investments in mutual funds (valued at lower of cost and fair value, unless stated otherwise)		
7,571.278 (Previous year 7,571.278) units in Religare Ultra Short Term Fund-Growth Option	102.81	102.81
Nil (Previous year 243,311.49) units of ` 100 each in Birla Sun Life Cash Plus - Growth Direct Plan	–	500.00
Nil (Previous year 3,864,158.95) units of ` 100 each in Birla Sun Life Saving Fund - Growth Direct Plan	–	9,500.00
Nil (Previous year 505,16,052.24) units of ` 10 each in HDFC Floating Rate Income Fund - Short term Plan - Direct Plan - Wholesale Option - Growth Option	–	11,006.63
Nil (Previous year 10,000,000) units of ` 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	–	1,000.00
9,078,941 (Previous year Nil) units of ` 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	1,000.00	–
Nil (Previous year 2,077,333.30) units of ` 10 each in ICICI Prudential Flexible Income - Direct Plan - Growth	–	5,000.00
4,300,619 (Previous year 12,393,260.88) units of ` 10 each in IDFC Money Manager Fund - Treasury Plan - Growth - Direct Plan	950.00	2,500.00
Nil (Previous year 16,772,144.82) units of ` 10 each in IDFC Ultra Short term Fund Growth - Direct Plan	–	3,000.00
Nil (Previous year 20,000,000) units of ` 10 each in Reliance Fixed Horizon Fund - XXV - Series 29-Direct Plan Growth Plan	–	2,000.00
Nil (Previous year 91,29,251.95) units of ` 10 each in Reliance Yearly Interval Fund - Series 3-Direct Plan - Growth Plan	–	1,000.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Nil (Previous year 4,983,852.32) units of ` 10 each in Reliance Floating Rate Fund - Short Term Plan-direct Growth Plan	–	1,000.00
Nil (Previous year 2,24,095.50) units of ` 10 each in Reliance Liquid Fund-Treasury plan Growth	–	7,000.00
20,531 (Previous year Nil) units of ` 10 each in Reliance Liquid Fund-Treasury plan Growth	700.00	–
Nil (Previous year 5,786,668.67) units of ` 10 each in Reliance Quarterly Interval Fund - Series ii-Direct Growth Plan Growth Option	–	1,000.00
Nil (Previous year 85,098.98) units of ` 10 each in Religare Liquid Fund - Direct Plan Growth	–	1,500.00
Nil (Previous year 143,708.13) units of ` 10 each in UTI-Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth	–	2,500.00
Nil (Previous year 2,500,000) shares of USD 10 each in Global Opportunity Fund	–	14,994.18
500,000 (Previous year 250,000) shares of USD 100 each in Global Dynamic Opportunity Fund	30,638.97	14,997.41
23,468 (Previous year Nil) units of ` 10 each in L & T Liquid Fund-Growth Direct Plan	450.00	–
51,939 (Previous year Nil) units of ` 10 each in Reliance Money Manager Fund	1,000.00	–
3,260,893 (Previous year Nil) units of ` 10 each in HDFC Liquid Fund	900.00	–
51,585 (Previous year Nil) units of ` 10 each in Religare Invesco Ultra Short Term Fund	1,000.00	–
913,111.04 (Previous year Nil) units of ` 100 each in Birla Sun Life Floating Rate Fund - Growth Direct Plan	1,700.00	–
821,247 (Previous year Nil) units of ` 10 each in ICICI Prudential Flexible Income - Direct Plan - Growth	1,700.00	–
41,189 (Previous year Nil) units of ` 10 each in IDFC Cash Fund Growth	700.00	–
C. National saving certificates	0.25	0.25
Aggregate amount of unquoted investments	61,581.74	99,340.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
4(xvi) Inventories (valued at lower of cost and net realizable value)		
Medical consumables and drugs	6,015.57	5,771.05
Stores and spares	381.31	426.52
	6,396.88	6,197.57
4 (xvii) Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	26.22	17.56
Unsecured, considered good	8,722.43	8,114.61
Doubtful	12,664.50	9,202.27
	21,413.15	17,334.44
Other receivables		
Secured, considered good	236.96	324.67
Unsecured, considered good	33,903.44	35,617.38
Doubtful	1,668.13	477.34
	35,808.53	36,419.39
Less: Provision for doubtful receivables	14,332.63	9,679.61
	42,889.05	44,074.22
4(xviii) Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- on current accounts	14,405.00	23,377.16
- on cash credit accounts	300.42	171.86
- deposits with original maturity of less than 3 months	2,685.33	548.36
- on exchange earners foreign currency accounts	3.26	14.86
- on unpaid dividend account	-	5.82
Cash in hand	704.82	711.31
Cheques in hand	181.34	92.53
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	159.74	565.91
Deposits with original maturity of more than 12 months	386.42	361.50
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	138.95	5.11
	18,965.28	25,854.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
4(xix) Short-term loans and advances		
Secured, considered good		
Security deposits	142.77	273.03
Unsecured, considered good		
Balances with customs excise and other authorities	353.91	158.56
Security deposits	893.21	981.85
Loan to employees	117.07	23.37
Advances recoverable in cash or in kind or for value to be received	5,981.60	6,153.61
Gratuity fund	–	46.51
Loans to body corporates and others*	20,000.00	11,328.63
Technology renewal fund advance	157.70	–
Advance income tax (net of provision for taxation)	2,128.93	–
Loans to an associate	3,276.80	3,058.53
Deposit with income tax authorities	349.57	262.23
	33,401.56	22,286.32
Unsecured, considered doubtful		
Balances with customs excise and other authorities	78.65	65.16
Advances recoverable in cash or in kind or for value to be received	1,125.91	463.13
Loans to body corporates and others	808.93	–
	2,013.49	528.29
Less : Provision for doubtful advances	2,013.49	528.29
	33,401.56	22,286.32
<p>* An unsecured advance of ` 10,000.00 lacs was given by a subsidiary to a company in an earlier year against acquisition of immovable property which was shown as capital advance under long term loans and advances in note 4(xiii). In accordance with revised agreement with that company, such amount is now repayable with interest in September 2015. Accordingly the amount has been reclassified as loan to body corporates and others under short term loans and advances in note 4(xix), against which the subsidiary has received ` 500.00 lacs subsequent to year end and has also received post-dated cheque for balance amount including interest. Interest accrued on such loan upto March 31, 2015 amounting to ` 1,473.53 lacs is included in interest accrued but not due on loans and bank deposits under Other current assets in note 4(xx).</p>		
4(xx) Other current assets		
Unsecured, considered good		
Interest accrued on loans and bank deposits	1,560.25	526.46
Unamortized premium on forward contracts	866.39	–
Unamortized finance charges	48.27	82.78
Accrued operating income	6,377.23	5,676.79
Assets held for sale	0.53	0.53
Others	13.19	–
	8,865.86	6,286.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
4(xxi) Revenue from operations		
Sale of services		
<i>Revenue from domestic operations</i>		
In patient	272,787.65	238,994.46
Out patient	45,919.57	37,149.45
Laboratory/ clinical services	71,499.97	65,031.04
Income from medical services	917.39	786.95
Management fees from hospitals [includes prior period income of ` 88.01 lacs (Previous year Nil)]	692.04	1,269.36
Income from satellite centers	132.10	721.21
Income from clinical research	221.72	138.57
	392,170.44	344,091.04
Less: Trade discounts	7,470.40	6,427.15
	384,700.04	337,663.89
<i>Revenue from International operations</i>		
Hospital operations	797.74	807.49
Laboratory/ clinical services	2,790.96	2,623.53
	3,588.70	3,431.02
Sale of products		
Pharmacy	3,387.34	3,332.23
Less: Trade discounts	62.53	50.66
	3,324.81	3,281.57
Other operating income		
Income from rehabilitation centre	51.01	126.72
Income from academic services	164.01	97.64
Income from rent	414.64	490.76
Equipment lease rental	1,218.91	1,074.73
Export benefits [net of prior period reversal of ` 241.10 lacs (Previous year Nil), includes prior period income of Nil (Previous year ` 22.04 lacs)]	214.82	1,174.72
Sponsorship income	285.33	491.14
Scrap sale	63.60	60.12
Sale of plasma	40.72	35.68
Unclaimed balances and excess provisions written back	1,250.83	394.55
Miscellaneous income	1,268.76	865.61
	4,972.63	4,811.67
	396,586.18	349,188.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015	March 31, 2014
	` in Lacs	` in Lacs
4(xxii) Other income		
Profit on redemption of mutual funds	2,302.17	1,866.58
Interest on bank deposits	323.71	455.46
Interest on loan - others (net of prior period reversal of ` 447.12 lacs (Previous year Nil))	3,457.50	8,502.83
Foreign exchange fluctuation gain (net)	713.88	–
Dividend income from mutual funds	912.85	–
Forward cover premium amortization	1,429.81	5,890.33
Commitment fees no longer payable	250.00	–
Miscellaneous income	193.28	22.37
	9,583.20	16,737.57
4(xxiii)(Increase)/ decrease in inventories of medical consumables and drugs		
Inventory at the beginning of the year	5,672.06	8,697.13
Inventory at the end of the year	5,893.56	5,670.79
	(221.50)	3,026.34
4(xxiv) Employee benefits expense*		
Salaries, wages and bonus	67,157.32	62,174.26
Gratuity expense (refer note 16)	1,663.98	765.35
Leave encashment	1,493.86	561.12
Contribution to provident and other funds	3,730.77	3,509.19
Staff welfare expenses	2,414.33	2,324.30
Recruitment and trainings	354.47	186.51
	76,814.73	69,520.73
4(xxv) Other expenses*		
Contractual manpower	5,062.87	4,402.40
Power, fuel and water	10,153.60	9,449.63
Housekeeping expenses including consumables	2,814.49	2,523.71
Patient food and beverages	4,076.27	3,692.31
Pathology laboratory expenses	1,034.36	953.25
Radiology expenses	752.41	1,566.89
Consultation fees to doctors	28,335.65	21,970.57
Professional charges to doctors	38,508.58	38,331.24
Hospital service fee expense	56,386.41	40,647.14
Cost of medical services	216.58	349.30
[* Net of expenses capitalised (refer note 23)]		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Repairs and maintenance		
- Building	1,997.55	640.95
- Plant and machinery	3,955.87	4,584.68
- Others	2,195.93	1,908.97
Rent		
- Hospital buildings, offices and labs	6,799.17	8,808.07
- Equipments	1,369.37	1,225.20
- Others	1,540.02	1,661.78
Donations	29.18	3.77
Legal and professional fee	9,885.07	5,018.59
Travel and conveyance	5,248.70	5,694.57
Rates and taxes	504.13	552.07
Printing and stationary	2,350.41	2,180.79
Communication expenses	1,451.05	2,346.20
Directors' sitting fees	56.28	21.57
Insurance	1,180.58	1,125.25
Ground rent	6.16	4.28
Marketing and business promotion	16,388.62	12,984.78
Wealth tax	30.93	23.77
Loss on sale of assets (net)	357.76	976.24
Auditors' remuneration	378.35	216.16
Foreign exchange fluctuation loss (net)	-	1,689.62
Bad debts and advances written off	1,644.25	2,674.41
Provision for doubtful receivables	4,400.35	4,673.28
Provision for doubtful advances	1,494.71	163.65
Provision for contingencies	230.95	74.95
Provision for diminution in value of investment	134.53	-
Commitment fees	-	800.00
Miscellaneous expenses	2,285.75	2,450.04
	213,256.89	186,390.08

4(xxvi) Finance costs

Interest expense		
-on term loans	11,025.33	18,064.53
-on cash credit	172.31	30.49
-on others	2,767.99	2,909.98
	13,965.63	21,005.00

[* Net of expenses capitalised (refer note 23)]

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ` in Lacs	March 31, 2014 ` in Lacs
Bank charges	1,051.84	3,271.01
Other borrowing costs		
-Arrangement fees written off	–	10.72
-Amortization of finance charges	160.38	729.03
	160.38	739.75
	15,177.85	25,015.76
4(xxvii) Depreciation and amortization expense		
Depreciation of tangible assets	21,912.43	16,543.51
Amortization of intangible assets	2,739.22	1,740.52
Impairment on intangible assets	419.22	–
	25,070.87	18,284.03
Less: Adjusted with opening balance of surplus in the statement of profit and loss (includes deferred tax ` 324.02 lacs) [refer note 2(c)]	1,614.59	–
	23,456.28	18,284.03
4(xxviii) Exceptional items		
Income:		
Profit on sale of clinical establishment (refer note 25 (e))	190.82	–
	190.82	–
Expenses:		
Loss on disposal of investment (refer note 25 (e))	157.67	512.55
	33.15	(512.55)
4(xxix) Loss per share (EPS)		
Profit/ (loss) for the year from continuing operations	(11,860.91)	(21,881.38)
Total profits for the year	(14,369.97)	12,254.24
Weighted average number of equity shares in calculating Basic EPS	462,789,218	453,356,916
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2007 and ESOP 2011	691,157	386,744
Weighted average number of equity shares in calculating Diluted EPS	463,480,374	453,743,660
Bonds (refer note 4 (iii)) issued by the Company, are considered as antidilutive and accordingly, has not been considered for the computation of diluted EPS		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

5. Segment Reporting

Business Segments:

The Group is primarily engaged in the business of healthcare services, which in the opinion of management is considered to be the only reportable business segment as per Accounting Standard 17 on 'Segment Reporting' issued by The Institute of Chartered Accountants of India, as notified under section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) Rules, 2014.

Geographical segments:

The group operates in the business segment explained above in two principal geographical areas, geographical segments being classified as secondary segment. In India, its home country, the group focuses largely on healthcare services. Additionally, the group's operations 'Outside India' are now mostly focusing on South East Asia and Middle East. The group primarily operates in Singapore and Mauritius

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Company's consolidated revenues by geographical market.

(` in lacs)

Region	Year Ended	
	March 31, 2015	March 31, 2014
India	392,967.50	344,763.52
Outside India	21,044.82	131,166.19
Total	414,012.32	475,929.71

Carrying value of Assets and additions to tangible and intangible fixed assets- by location of assets

The following table shows the carrying amount of segment assets and additions to tangible and intangible fixed assets by geographical area in which the assets are located:

(` in lacs)

Region	Carrying amount of Segment assets		Additions to Tangible & Intangible assets	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
India	552,032.14	574,557.00	40,289.66	66,275.60
Outside India	209,525.44	213,522.84	1,435.01	5,528.52
Total	761,557.58	788,079.84	41,724.67	71,804.12

Notes:

- 1) The significant part of operations outside India (other than Mauritius, Dubai and Singapore) was disposed off during the previous year.
- 2) The revenue outside India includes ` 17,426.14 lacs (Previous year ` 126,741.56 lacs) relating to discontinued operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**6. Related party disclosures****Names of Related parties and names of related party relationship**

a)	Ultimate Holding Company	RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited)
b)	Holding Company	Fortis Healthcare Holdings Private Limited (FHHPL)
c)	Subsidiary	Fortis Hospotel Limited [refer note 3(a) above] Fortis CSR Foundation [refer note 3(f) above] (w.e.f. September 22, 2014)
d)	Fellow Subsidiaries (parties with whom transactions have taken place)	RHC Financial Services (Mauritius) Limited Fortis Healthcare Global Pte Limited Escorts Heart Centre Limited RWL Healthworld Limited (formerly known as Religare Wellness Limited) Fortis Hospital Management Limited Medsources Healthcare Private Limited
e)	Associates	Medical and Surgical Centre Limited Fortis Medicare International Limited Sunrise Medicare Private Limited Fortis Emergency Services Limited International Hospital Limited* (IHL) Lanka Hospitals Corporation Plc Town Hall Clinic Pte Limited Escorts Heart and Super Speciality Institute Limited* (EHSSIL) Escorts Hospital and Research Centre Limited* (EHRCL) Escorts Heart and Super Speciality Hospital Limited (EHSSHL) Kanishka Healthcare Limited* (KHL) Religare Health Trust (RHT) Fortis Health Management Limited (FHML)
f)	Joint Ventures	DDRC SRL Diagnostics Services Private Limited SRL Diagnostics (Nepal) Private Limited (formerly known as Super Religare Reference Laboratories (Nepal) Private Limited) Fortis Cauvery
g)	Key Management Personnel ('KMP') and their Relatives	Mr. Malvinder Mohan Singh - Executive Chairman at FHL Mr. Shivinder Mohan Singh - Executive Vice Chairman at FHL Mr. Balinder Singh Dhillon - Executive Director at FHL (up to February 11, 2014) Mr. Aditya Vij - Chief Executive Officer at FHL (upto December 31, 2014) and Managing Director at FHsL (from August 29, 2013 to October 1, 2014)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Ms. Ritu Vij- relative of Mr. Aditya Vij (upto December 31, 2014)
	Mr. Ashish Bhatia - Wholetime Director at EHIRCL (up to June 20, 2013) and at FHsL (w.e.f. August 29, 2013)
	Dr. Raajiv Singhal - Wholetime Director at EHIRCL (up to February 1, 2014)
	Dr. Ashok Seth - Wholetime Director at EHIRCL (up to June 20, 2013)
	Mr. Sunil Kapoor - Wholetime Director at EHIRCL (from February 01, 2014 to December 22, 2014)
	Dr. Anoop Misra- Chairman and Wholetime Director at Fortis C-Doc Healthcare Limited
	Dr. Angeli Misra- relative of Dr. Anoop Misra
	Dr. Lakshminarayana Raju - Wholetime Director at LHPL
	Dr. Mohan Keshavamurthy - Wholetime Director at LHPL
	Mr. Karthik Rajagopal - Wholetime Director at LHPL
	Mr. Venkatramana Raju- relative of Dr. Lakshminarayana Raju
	Mr. Venkatakrishna Raju- relative of Dr. Lakshminarayana Raju
	Dr. Seetha Beladevi- relative of Dr. Mohan Keshavamurthy
	Dr. Sanjeev K. Chaudhry- Managing Director at SRL
	Mr. Kiran C. Vaidya- Chief Operating Officer at SRL (up to September 15, 2014)
	Mr. Sanjeev Vashishta- Chief Executive Officer of SRL
	Mr. Vijayarathna - Wholetime Director at FMHL (up to July 26, 2014)
	Mr. Raghunath P - Whole time Director at FMHL (w.e.f. July 26, 2014)
	Dr. Chandrasekhar G .R.- Partner in Fortis Cauvery
	Dr. Sarla Chandrasekhar- Partner in Fortis Cauvery
	Additional related parties as per Companies Act, 2013
	Mr. Gagandeep Singh Bedi - Chief Financial Officer at FHL (w.e.f. September 24, 2014)
	Mr. Sandeep Puri - Chief Financial Officer at FHL (upto September 24, 2014)
	Mr. Rahul Ranjan - Company Secretary at FHL
	Mr. Dinesh Gupta - Company Secretary at FMHL (upto June 2, 2014)
	Mr. Akshaya Kumar Singh - Chief Financial Officer at FMHL
	Mr. Sumit Goel- Company Secretary at FMHL (w.e.f. September 5, 2014)
	Mr. Rakesh Laddha- Chief Financial Officer at FHsL (w.e.f. August 14, 2014)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

		Ms. Meetu Gulati- Company Secretary at FHsL (w.e.f. August 29, 2013)
		Mr. Saurabh Chadha - Chief Financial Officer at SRL
		Mr. Ankush Agarwal - Company Secretary at SRL (up to October 14, 2014)
		Mr. Ravi Batra - Company Secretary at SRL (from November 01, 2014)
		Mr. Lalit Yadav - Company Secretary at SRL Diagnostics Private Limited
		Dr. Brian William Tempest - Non-Executive Director
		Mr. Gurcharan Das - Non-Executive Director (upto September 24, 2014)
		Mr. Harpal Singh - Non-Executive Director
		Ms. Joji Sekhon Gill - Non-Executive Director
		Ms. Lynette Joy Hepburn Brown - Non-Executive Director (w.e.f. May 29, 2014)
		Mr. Pradeep Ratilal Raniga - Non-Executive Director
		Dr. Preetinder Singh Joshi - Non-Executive Director
		Mr. Ravi Umesh Mehrotra - Non-Executive Director (w.e.f. March 26, 2015)
		Ms. Shradha Suri Marwah - Non-Executive Director (w.e.f. March 26, 2015)
		Mr. Sunil Godhwani - Non-Executive Director
		Mr. Udai Dhawan - Non-Executive Director
h)	Enterprises owned or significantly influenced by KMP or their Relatives	Aarushi Lithotripsy Private Limited
		AEGON Religare Life Insurance Company Limited
		Balaji School of Nursing
		Bar Chem
		Cauvery Hospital
		Chethana Foundation
		Dion Global Solutions Limited
		Dr. Chandrashekar Foundation
		Fortis Clinical Research Limited
		Fortis Healthcare Global II Pte Limited
		Fortis Nursing and Education Society
		Fortis RM Pharma
		Hale & Tempest Company Limited
		Indira Priyadarshani School of Nursing

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Krishna Institute of Medical Sciences Limited
	Ligare Aviation Limited (formerly known as Religare Aviation Limited)
	Ligare Travels Limited (formerly known as Religare Travels (India) Limited)
	Quality Healthcare Medical Services Limited
	R. M. Educational Trust
	Ranibennur College of Nursing
	Religare Capital Market Limited
	Religare Finvest Limited
	Religare Health Insurance Company Limited
	Religare Technova IT Services Limited
	Religare Wealth Management Limited
	RMCRS Health Management Limited
	Srinivasa Education Society

The schedule of Related Party Transactions and closing balances are as follows:

(₹ in lacs)		
Particulars	March 31, 2015	March 31, 2014
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals, Rental and Pharmacy income)		
AEGON Religare Life Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.16	0.17
Cauvery Hospital (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	1.18
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	146.98	117.43
Escorts Heart Centre Limited (Fellow Subsidiary)	66.60	95.30
Fortis Clinical Research Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	27.18	89.72
Fortis Health Management Limited (Associate)	114.54	73.45
Fortis Hospital Management Limited (Fellow Subsidiary)	10.32	12.51
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	24.87	33.47
International Hospital Limited (Associate)*	114.30	15.88
Kanishka Healthcare Limited (Associate)*	–	49.94
Medical and Surgical Centre Limited (Associate)	797.74	807.49
Quality Healthcare Medical Services Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	40.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(` in lacs)**

Particulars	March 31, 2015	March 31, 2014
Religare Health Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	55.79	48.85
Religare Wealth Management Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.06	0.27
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	638.92	514.88
SRL Diagnostic (Nepal) Private limited (Joint Venture)	63.79	57.49
Sunrise Medicare Private Limited (Associate)	6.00	6.00
Interest income		
Escorts Heart Centre Limited (Fellow Subsidiary)	–	115.67
Fortis Emergency Services Limited (Associate)	453.50	193.27
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	–	3.83
Fortis Healthcare Global II Pte Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	1.23
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	–	0.34
Dividend Income		
Medical and Surgical Centre Limited (Associate)	128.04	97.53
Religare Health Trust (Associate)	3,772.17	–
Lanka Hospital Corporation PLC (Associate)	140.84	591.23
Hospital Service Fees		
Fortis Hospotel Limited (Subsidiary)	22,084.97	12,234.79
International Hospital Limited (Associate)*	23,376.85	14,184.84
Kanishka Healthcare Limited (Associate)*	–	4,163.71
Fortis Health Management Limited (Associate)	1,762.34	1,667.26
Escorts Hospital and Research Centre Limited (Associate)*	–	2,154.06
Escorts Heart and Super Speciality Hospital Limited (Associate)	9,162.26	4,673.96
Escorts Heart and Super Speciality Institute Limited (Associate)*	–	1,568.52
Interest expense		
RHC Holding Private Limited (Ultimate Holding Company)	–	2.03
Dr. Chandrasekhar G .R. (KMP)	–	4.33
Dr. Sarla Chandrasekhar (KMP)	–	3.14
RHC Financial Services (Mauritius) Limited (Fellow subsidiary)	–	2,275.24
Fortis Medicare International Limited (Associate)	–	5.83
Management Fees Expenses		
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	–	179.06
Pathology laboratory expenses		
Cauvery Hospital (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	19.56
Commitment fee no longer payable		
International Hospital Limited (Associate)*	250.00	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Power, fuel and water		
Cauvery Hospital (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	16.85
Repairs and maintenance-Building		
Cauvery Hospital (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	0.26
Investment made		
Fortis CSR Foundation (Subsidiary)	5.00	–
Purchase of goods/ services		
Cauvery Hospital (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	7.49
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	–	0.11
Fortis Health Management Limited (Associate)	0.41	–
Fortis RM Pharma (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	1.77
International Hospital Limited (Associate)*	27.91	–
Medsource Healthcare Private Limited (Fellow Subsidiary)	1,246.80	278.16
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	517.02	487.84
Professional Charges Paid		
Hale & Tempest Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	24.60	–
Fortis Emergency Services Limited (Associate)	–	2.35
Dr. Mohan Keshavamurthy (KMP)	26.95	–
Fortis RM Pharma (Enterprise owned/ significantly influenced by KMP/ their relatives)	20.77	22.82
License user agreement fees		
RHC Holding Private Limited (Ultimate Holding Company)	1.00	1.12
Rent Expenses		
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	364.46	343.14
Dr. Chandrashekar Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	24.07
Chethana Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	20.22	20.22
Mr. Aditya Vij (KMP)	20.25	–
Ms. Ritu Vij (relative of KMP)	20.25	–
Travel and conveyance		
Fortis Emergency Services Limited (Associate)	150.90	123.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(` in lacs)**

Particulars	March 31, 2015	March 31, 2014
Ligare Travels Limited (formerly known as Religare Travels (India) Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	369.65	273.47
Ligare Aviation Limited (formerly known as Religare Aviation Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	405.93	367.14
Marketing Expenses		
Fortis Emergency Services Limited (Associate)	3.72	5.80
Insurance Expenses		
Religare Health Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	130.49
Managerial Remuneration		
Mr. Sanjeev Vashishta (KMP)	151.33	84.62
Dr. Anoop Misra (KMP)	141.22	126.38
Mr. Shivinder Mohan Singh (KMP)	535.67	537.84
Dr. Sanjeev K. Chaudhry (KMP)	148.95	148.95
Mr. Kiran C. Vaidya (KMP)	–	83.65
Dr. Ashok Seth (KMP)	–	113.47
Dr. Raajiv Singhal (KMP)	–	45.18
Mr. Malvinder Mohan Singh (KMP)	532.43	522.00
Mr. Gagandeep Singh Bedi (KMP)	53.66	–
Mr. Sandeep Puri (KMP)	128.76	–
Mr. Rahul Ranjan (KMP)	38.44	–
Mr. Sunil Kapoor (KMP)	63.10	11.72
Mr. Raghunath P (KMP)	36.41	–
Mr. Vijayarathna (KMP)	17.03	41.94
Mr. Akshaya Kumar Singh (KMP)	9.51	–
Mr. Aditya Vij (KMP)	233.52	–
Mr. Saurabh Chadha (KMP)	65.83	–
Mr. Ankush Agarwal (KMP)	6.09	–
Mr. Ravi Batra (KMP)	16.23	–
Mr. Lalit Yadav (KMP)	38.50	–
Director Sitting Fees		
Brian William Tempest	6.92	–
Harpal Singh	6.59	–
Gurcharan Das	1.32	–
Joji Sekhon Gill	5.05	–
Pradeep Ratilal Raniga	5.17	–
Preetinder Singh Joshi	7.84	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Sunil Godhwani	4.11	–
Udai Dhawan	3.27	–
Lynette Joy Hepburn Brown	4.13	–
Ravi Umesh Mehrotra	0.89	–
Shradha Suri Marwah	1.00	–
Sale of fixed assets		
Fortis Health Management Limited (Associate)	–	0.72
Sale of clinical establishment/fixed assets		
Escorts Heart and Super Speciality Hospital Limited (Associate)	1,578.82	–
Issue of Equity Shares/ Capital contribution		
Dr. Anoop Misra (KMP)	–	130.16
Dr. Angeli Misra (KMP)	–	92.37
Loans/ advances taken		
RHC Holding Private Limited (Ultimate Holding Company)	–	5,500.00
Fortis Healthcare Holdings Private Limited (Holding Company)	341.50	–
Dr. Chandrasekhar G .R. (KMP)	–	20.00
Dr. Sarla Chandrasekhar (KMP)	–	15.84
Loans/ advances repaid		
RHC Holding Private Limited (Ultimate Holding Company)	–	5,500.00
Dr. Lakshminarayan Raju (KMP)	–	29.56
Dr. Mohan Keshavamurthy (KMP)	–	4.08
Dr. Seetha Beladevi (relative of KMP)	–	1.35
Mr.Venkatakrishna Raju (relative of KMP)	–	10.00
Loans/ advances given		
Escorts Heart Centre Limited (Fellow Subsidiary)	–	97.92
Fortis Emergency Services Limited (Associate)	450.60	1,174.00
Fortis Cauvery (Joint Venture)	–	125.56
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	–	451.57
Fortis Healthcare Global II Pte Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	105.72
Loans/ Advances Received Back		
Escorts Heart Centre Limited (Fellow Subsidiary)	–	922.59
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	454.78	1,465.44
Fortis Healthcare Global II Pte Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	171.42	76.25
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	–	56.22
Redemption of Preference share capital		
RHC Financial Services (Mauritius) Limited (Fellow subsidiary)	–	93,252.66
RHC Holding Private Limited (Ultimate Holding company)	–	8,478.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(` in lacs)**

Particulars	March 31, 2015	March 31, 2014
Expense incurred on behalf of		
Dion Global Solutions Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	1.57	1.77
Escorts Heart and Super Speciality Institute Limited (Associate)*	–	0.33
Escorts Heart Centre Limited (Fellow Subsidiary)	11.17	3.73
Fortis Emergency Services Limited (Associate)	9.87	23.83
Fortis Health Management Limited (Associate)	31.65	44.34
Fortis Hospital Management Limited (Fellow Subsidiary)	116.88	13.13
Fortis Hospotel Limited (Subsidiary)	–	43.04
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	16.86	43.96
International Hospital Limited (Associate)*	–	21.28
Kanishka Healthcare Limited (Associate)*	–	69.27
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	4.04	–
SRL Diagnostic (Nepal) Private limited (Joint Venture)	1.93	11.48
Sunrise Medicare Private Limited (Associate)	–	1.01
Mr. Malvinder Mohan Singh (KMP)	4.91	–
Mr. Shivinder Mohan Singh (KMP)	11.36	–
Expenses incurred on behalf of Group by		
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	35.89	22.38
Escorts Heart and Super Speciality Hospital Limited (Associate)	987.70	–
Escorts Heart and Super Speciality Institute Limited (Associate)*	–	1.50
Escorts Heart Centre Limited (Fellow Subsidiary)	1.87	–
Fortis Emergency Services Limited (Associate)	–	2.06
Fortis Health Management Limited (Associate)	208.71	13.00
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	9.29	–
Fortis Healthcare Global II Pte Limited (enterprise owned significatory influenced by KMP their relatives)	25.87	–
Fortis Hospotel Limited (Subsidiary)	1,165.16	1,262.55
Hale & Tempest Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	21.94	–
International Hospital Limited (Associate)*	1,250.54	1,352.39
Kanishka Healthcare Limited (Associate)*	–	56.86
Religare Finvest Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	0.37
SRL Diagnostic (Nepal) Private limited (Joint Venture)	6.68	13.44
Collection on behalf of related party		
Escorts Heart and Super Speciality Hospital Limited (Associate)	35.78	18.23
Escorts Heart Centre Limited (Fellow Subsidiary)	0.21	–
International Hospital Limited (Associate)*	–	0.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Collection on behalf of Group by related party		
Escorts Heart and Super Speciality Hospital Limited (Associate)	2.95	–
Escorts Hospital and Research Centre Limited (Associate)*	–	3,904.47
Sunrise Medicare Private Limited (Associate)	1.87	–
Escorts Heart Centre Limited (Fellow Subsidiary)	4.34	–
International Hospital Limited (Associate)*	1,125.11	1,219.83

Balance Outstanding at the year end

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Loans/Advance Recoverable		
Balaji School of Nursing (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.44	0.44
Cauvery Hospital (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	32.22
Dion Global Solutions Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.93	1.77
Escorts Heart Centre Limited (Fellow Subsidiary)	–	78.77
Fortis Emergency Services Limited (Associate)	3,539.26	3,150.45
Fortis Health Management Limited (Associate)	35.63	26.56
Fortis Healthcare Global II Pte Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	172.23
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	–	1,455.27
Fortis Hospital Management Limited (Fellow Subsidiary)	171.65	309.54
Fortis Medicare International Limited (Associate)	101.26	102.68
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	1.80	–
Indira Priyadarshani School of Nursing (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	10.10
International Hospital Limited (Associate)*	626.21	143.80
Kanishka Healthcare Limited (Associate)*	–	16.35
R.M. Educational Trust (Enterprise owned/ significantly influenced by KMP/ their relatives)	1.25	2.00
Ranibennur College of Nursing (Enterprise owned/ significantly influenced by KMP/ their relatives)	1.05	1.05
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	0.85	7.19
RMCRS Health Management Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	24.41	24.41
Srinivasa Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	2.36	2.36
Sunrise Medicare Private Limited (Associate)	3.92	2.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(` in lacs)**

Particulars	March 31, 2015	March 31, 2014
Unsecured Loans		
Fortis Healthcare Holdings Private Limited (Holding Company)	341.50	–
RHC Holding Private Limited (Ultimate Holding Company)	794.50	794.50
Fortis Medicare International Limited (Associate)	106.25	102.37
Investments		
Sunrise Medicare Private Limited (Associate)	0.31	0.31
Town Hall Clinic(Associate)	112.50	112.50
Fortis Hospotel Limited (Subsidiary)	20,739.71	20,739.71
Lanka Hospitals Corporation Plc (Associate)	19,762.82	19,762.82
Medical and Surgical Centre Limited (Associate)	1,312.69	1,312.69
Religare Health Trust (Associate)	57,904.71	57,904.71
Fortis CSR Foundation (Subsidiary)	5.00	–
Trade Receivables		
AEGON Religare Life Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.07	0.04
Cauvery Hospital (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	1.38
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	24.01	6.61
Escorts Heart Centre Limited (Fellow Subsidiary)	–	4.54
Fortis Clinical Research Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.06	35.59
Fortis Health Management Limited (Associate)	21.86	6.65
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	22.77
International Hospital Limited (Associate)*	26.16	8.96
Ligare Travels Limited (formerly known as Religare Travels (India) Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	0.02
Medical and Surgical Centre Limited (Associate)	162.11	213.37
Quality Healthcare Medical Services Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	4.91
Ligare Training Academy Limited (formerly Religare Aviation Training Academy Private Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	0.10
Religare Capital Market Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	1.86	1.86
Religare Health Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	23.40	17.41
Religare Wealth Management Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.03	0.01
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	189.08	196.52

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
SRL Diagnostic (Nepal) Private limited (Joint Venture)	14.59	18.05
Sunrise Medicare Private Limited (Associate)	11.23	18.09
Fortis Hospotel Limited (Subsidiary)	38.52	–
Other Current Assets		
Fortis Emergency Services Limited (Associate)	–	193.27
Escorts Heart Centre Limited (Fellow Subsidiary)	–	17.15
Fortis Healthcare Global II Pte Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	10.00
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	–	77.66
Trade Payables and Other Liabilities		
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	2.54	10.91
Cauvery Hospital (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	68.31
Dr. Anoop Misra (KMP)	19.80	19.80
Dr. Chandrasekhar G .R. (KMP)	–	43.44
Dr. Sarla Chandrasekhar (KMP)	–	34.73
Escorts Heart and Super Speciality Hospital Limited (Associate)	1,916.58	5.12
Escorts Heart and Super Speciality Institute Limited (Associate)*	–	813.21
Escorts Hospital and Research Centre Limited (Associate)*	–	512.21
Fortis Emergency Services Limited (Associate)	6.73	26.57
Fortis Health Management Limited (Associate)	323.15	288.34
Fortis Hospotel Limited (Subsidiary)	4,606.74	2,796.94
Fortis RM Pharma (Enterprise owned/ significantly influenced by KMP/ their relatives)	1.89	1.77
International Hospital Limited (Associate)*	4,314.48	3,799.38
Kanishka Healthcare Limited (Associate)*	–	851.36
Hale & Tempest Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	1.30	–
Ligare Aviation Limited (formerly known as Religare Aviation Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	107.01
Ligare Travels Limited (formerly known as Religare Travels (India) Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	18.61	7.98
SRL Diagnostic (Nepal) Private limited (Joint Venture)	2.23	–
Medsorce Healthcare Private Limited (Fellow Subsidiary)	226.85	41.74
Religare Technova IT Services Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	–	4.48
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	197.37	214.79
Interest Accrued but not due (Liability)		
Fortis Medicare International Limited (Associate)	–	21.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
Dr. Chandrasekhar G .R. (KMP)	–	3.90
Dr. Sarla Chandrasekhar (KMP)	–	2.83

Notes:

*During the previous year, Escorts Heart and Super Speciality Institute Limited ('EHSSIL'), Escorts Hospital and Research Centre Limited ('EHRCL') and Kanishka Healthcare Limited ('KHL'), subsidiary of Religare Health Trust has been merged into another subsidiary of Religare Health Trust, International Hospital Limited ('IHL').

Note : Above related party transactions do not include the transactions with related parties as defined under Companies Act, 2013 for the previous year.

7. Leases**(a) Assets taken on Finance Lease**

The Group has finance leases and hire purchase contracts for various items of plant and machinery and medical equipments. These leases have terms of renewal as agreed between the parties at the option of the Group. There is no escalation clause in the agreement. There are no restrictions imposed by the lease agreements. The total finance charges paid in respect of such leases recognize in the statement of profit and loss during the year is ₹ 30.04 lacs (Previous year ₹ 26.29 lacs). Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

(₹ in lacs)

Particulars	March 31, 2015		March 31, 2014	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Not later than one year	207.1	180.76	399.08	356.77
Later than one year but not later than five years	229.94	124.01	417.89	302.95
Later than five years	138.08	42.01	168.08	54.78
Total minimum lease payments	575.12	346.78	985.05	714.50
Less: amount representing finance charges	228.34	–	270.55	–
Present value of minimum lease payments	346.78	346.78	714.50	714.50

(b) Assets taken on Operating Lease

In respect of the Group, hospital/ office premises and certain medical equipments are obtained on operating lease. In all the cases, the agreements are renewable at the option of the respective group company. For all cases, there are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. The leases are both cancellable and non- cancellable in nature and the total lease payments in respect of such leases recognized in the statement of profit and loss for the year are ₹ 10,915.63 lacs (Previous year ₹ 19,718.44 lacs) and capitalized during the year ₹ 1,921.78 lacs (Previous year ₹ 2,122.51 lacs). The total future minimum lease payments under the non-cancelable operating leases are as under:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Minimum lease payments :		
Not later than one year	4,011.37	5,678.95
Later than one year but not later than five years	8,148.97	17,034.12
Later than five years	1,997.98	4,760.54

(c) Assets given on Operating Lease

- (i) The Group has sub-leased some portion of hospital premises and certain medical equipments. In all the cases, the agreements are renewable at the option of the respective group company. There is no escalation clause in the respective lease agreements. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognized in the statement of profit and loss for the year are ` 468.13 lacs (Previous year ` 544.52 lacs).
- (ii) The Company and one of its subsidiary has leased out certain capital assets on operating lease to Trusts managing hospital operations. The lease term is for 3 years and thereafter renewable at the option of the Company and its subsidiary. There are no restrictions imposed by the lease arrangements and the rent is not determined based on any contingency. There is no escalation clause in the lease agreements. The lease arrangement is non-cancellable in nature. Details of such capital assets given on non-cancellable operating lease are disclosed as under:

(` in lacs)

Particulars	March 31, 2015			March 31, 2014		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Plant & Machinery	96.66	96.66	–	96.66	77.17	19.49
Medical Equipments	4,887.89	2,042.60	2,845.29	4,848.19	2,003.99	2,844.20
Furniture & Fittings	177.73	134.91	42.82	177.72	105.70	72.02
Computers	120.69	120.61	0.08	120.70	120.02	0.68
Office Equipments	33.16	29.52	3.64	33.15	10.86	22.29
Vehicles	48.70	26.99	21.71	48.70	21.76	26.94
Total	5,364.83	2,451.29	2,913.54	5,325.12	2,339.50	2,985.62

The total lease payments received in respect of such leases recognized in the statement of profit and loss for the year are ` 1,218.91 lacs (Previous year ` 1,074.73 lacs).

The total of future minimum lease income receivable under the non-cancellable operating leases is as under:

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Minimum lease payments:		
Not later than one year	498.22	1,193.64
Later than one year but not later than five years	425.23	814.64
Later than five years	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

8. Borrowings

(I)	(i) Long term borrowings including current maturities	Security and guarantee details	Repayment terms	Interest rate	(in lacs)			
					March 31, 2015		March 31, 2014	
					Non current	Current	Non current	Current
A. Term loan from banks-Secured								
	The Loan is secured against exclusive charge on entire fixed assets and current assets of Fortis Cauvery, the partnership firm, both current and future. The loan is further guaranteed by Personal Guarantee of Dr. Chandrasekhar and Dr. Sarla Chandrasekhar, partners of Fortis Cauvery and corporate guarantee of FHsL, a subsidiary of the Company.	The loan was repayable with in six years with a moratorium period of one year, in 59 monthly installments starting from January 2013 of ` 8.33 lacs and last monthly installment of ` 8.53 lacs. The remaining loan from the lender has been fully repaid during the year.	13% p.a.	-	-	-	140.28	55.25
	The loan is secured against immovable properties, stocks and book debts of LHPL. The loan is further guaranteed by FHsL.	The loan is repayable over twenty quarterly installments, commencing from November 20, 2011 amounting to ` 57.49 lacs per quarter.	Base Rate + 200 bps	172.92	228.01		400.93	229.99
	The loan is secured by first charge on assets (moveable and immovable) of the company. It is further secured by Corporate Guarantee issued by the Company.	Loan amount is repayable in 60 equated monthly equal installments of principal amount. Interest to be served monthly with monthly rests.	BR + 175 BPS (floating)	2,333.33	800.00		3,133.33	800.00
	The loan is secured on first pari passu charge on the assets (moveable and immovable) of hospitals owned and equitable mortgage of those owned by hospitals of FHsL. It is further secured by Corporate Guarantee issued by the Company.	` 3,000 lacs was repayable at the end of 12 months and ` 4,000 lacs at the end of 24 months from the date of disbursement. The same has been repaid fully during the year.	10.6% p.a.	-	-	-	-	4,000.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(I)	(i) Long term borrowings including current maturities	Security and guarantee details	Repayment terms	Interest rate	March 31, 2015			March 31, 2014	
					Non current	Current		Non current	Current
		The loan is secured by way of first pari passu charge on the moveable fixed assets and current assets of the subsidiary and equitable mortgage of the property of certain hospital those owned by one of subsidiaries of the Company. These loans are further secured by Corporate Guarantee issued by Fortis Healthcare Limited.	Term Loan is repayable in 18 structured quarterly installments within a period of 60 months with repayment being start after 6 months from the date of disbursement (i.e. moratorium period of 6 months).	Base Rate (BR) + 1.25%	10,416.67	2,084.93		-	-
		The loan is 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.	12.25% p.a.	93.32	130.10		223.42	115.17
		The loan is 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.	11.25% (State Bank of India BR + 1.25%)	2,285.72	761.90		3,047.62	761.90
		The loan is secured by way of a first charge on the moveable and immovable assets which have been purchased against these loans.	Loan amount is repayable in 8 quarterly equal installments commencing from October 01, 2013.	12.25% (BR+2.25%)	-	500.00		500.00	1,000.00
		The loan is secured by way of a first charge on all fixed assets of a 50% joint venture of a subsidiary company and personal guarantee of Directors.	Loan amount is repayable in 48 monthly installments commencing from February 15, 2013.	11.45% (BR + 1.45 %)	76.19	50.57		82.39	35.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(I)	(i) Long term borrowings including current maturities	Security and guarantee details	Repayment terms	Interest rate	March 31, 2015		March 31, 2014	
					Non current	Current	Non current	Current
		The loan is secured by first pari passu charge over movable assets and the second pari passu charge over the current assets of EHIRCL. Same is further secured by irrevocable and unconditional corporate guarantee from the company.	The above term loan is to mature on March 27, 2019. The loan is repayable in 18 quarterly installments beginning at the end of seven quarters (December 31, 2014) from first draw down date i.e. March 28, 2013.	11.5% p.a.	4,000.00	600.00	4,800.00	200.00
		The loan is secured by first pari-passu charge over moveable assets upto 1x cover and second pari-passu charge over current assets, exclusive charge over DSRA/Fixed Deposit.	The above term loan is to mature on March 27, 2019. The Loan is repayable in 18 quarterly installments beginning at the end of seven quarters from first draw down date (March 29, 2013) 8% in the 1st year, 12% in the 2nd year, 24% in 3rd year, 24% in 4th year and balance 32% in the 5th year.	11.5% p.a.	12,000.00	1,800.00	13,800.00	1,200.00
		The loan is secured by way of exclusive charge on all fixed assets & secondary charge over current assets of Fortis C-Doc, both present and future along with corporate guarantee of the Company and personal guarantee of Dr. Anoop Misra and Angeli Misra	The Loan is repayable on 20 quarterly installments beginning from June 30, 2014, 5% in the 1st year, 20% in the 2nd year, 25% in 3rd year, 25% in 4th year, 19% in the 5th year and balance 6% in the 5th year.	12.5% – 12.75% p.a.	414.71	265.51	672.46	215.85
		Term loan is secured by a charge over certain property, plant and equipment of the Group with carrying amount of USD 3,522,000	Repayable by March 2017. Prepayment for the same has been made during the year.	3.37% to 5.25% p.a.	-	-	-	393.30
				Total (A)	31,792.86	7,221.02	26,800.43	9,006.95

(in lacs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

				March 31, 2015		March 31, 2014	
(I)	(i) Long term borrowings including current maturities	Repayment terms	Interest rate	Non current	Current	Non current	Current
B.	Term loan from body corporate - Secured:						
	Term loan from L&T Infrastructure Finance Company Limited ("Lender") was taken in financial year 2011-2012 and is secured by a first pari passu charge by way of mortgage of the Company's immovable properties, present and future. Further secured by a first pari passu charge by way of hypothecation of the Company's movable assets, including movable machinery, machinery spares, tools and accessories, present and future. Also, secured by a second pari passu charge by way of hypothecation on the Company's book debts, operating cash flows and the receivables and revenues, current assets commissions and revenues of whatsoever nature and wherever arising, both present and future. Further, there is an exclusive pledge of shareholding of the Company in SRL Limited in favour of the lender, to the extent of at least 2 times of the facility amount, to be maintained at all times during the subsistence of the facility. The rate of interest for each tranche of facility shall be Prime Lending rate less 3.75% per annum, payable monthly.	The loan is repayable in 84 structured monthly instalments, after a moratorium of 12 months from the date of first disbursement to the Company. On July 31, 2013, L&T Infrastructure Finance Company Limited (Lender) assigned ` 10,000 lacs to L&T Fincorp Limited out of outstanding amount of ` 16,683.33 lacs as on that date. The remaining loan from the lender has been fully repaid during the year. As at March 31, 2015, ` Nil (Previous year ` 6,192.60 lacs) is payable to Lender and ` 8,076.92 lacs (Previous year ` 9,265.73) is payable to L&T Fincorp Limited.	12.25% p.a.	6,748.25	1,328.67	13,475.00	1,983.33
	The loan is 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 instalments along with interest from the date of loan viz., October 5, 2010.	8% p.a.	-	173.45	279.19	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(I)	(i) Long term borrowings including current maturities	Security and guarantee details	Repayment terms	Interest rate	March 31, 2015		March 31, 2014	
					Non current	Current	Non current	Current
		The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan is repayable in 60 monthly installments of ` 9.08 lacs each along with interest from the date of loan viz., December 6, 2010.	9.75% p.a.	-	35.85	35.85	79.82
		The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan is repayable in 60 monthly installments of ` 10.95 lacs each along with interest from the date of loan viz., June 21, 2011.	9.75% p.a.	15.33	123.38	138.71	111.96
		The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan is repayable in 48 monthly installments of ` 7.36 lacs each along with interest from the date of loan viz., September 28, 2011.	10.25% p.a.	-	70.17	70.17	97.38
		The loan is secured by hypothecation of fixed assets of SRDPL.	The loan was taken on January 25, 2012 with moratorium period of 12 months towards repayment of principal and carries interest. The loan is repayable in 17 quarterly installments of ` 264.7 lacs each after the moratorium period along with interest.	11.92% p.a.	1,058.83	1,058.82	2,117.65	1,058.82
		The loan is 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.	The loan is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., March 26, 2013.	11.50% p.a.	5,714.29	1,904.76	7,619.05	1,904.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)								
(I)	(i) Long term borrowings including current maturities	Security and guarantee details	Repayment terms	Interest rate	March 31, 2015		March 31, 2014	
					Non current	Current	Non current	Current
	The loan is 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.	The loan is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., March 26, 2013. 80% of total loan of ` 5,000.00 lacs taken from GE Capital Services India had been transferred to Abu Dhabi Commercial Bank Limited by way of assignment agreement dated December 10, 2013		11.50% p.a.	571.42	190.48	761.90	190.48
				Total (B)	14,108.12	4,885.58	24,391.78	5,705.74
C.	Hire purchase loans from banks - Secured:							
	Vehicle loan is secured by way of hypothecation of the vehicles financed.		Loan was repayable over four years on equated monthly installments. The same has been repaid fully during the year.	8.35% to 10.94% p.a.	-	-	4.52	7.98
	The loan is secured against hypothecation of the specific vehicles purchased.		The loan is repayable in monthly equal installments along with interest commencing from date of loan.	8% to 12% p.a.	4.04	4.38	8.42	7.43
				Total (C)	4.04	4.38	12.94	15.41
D.	Finance lease obligation - Secured:							
	Loan is secured by Medical Equipment taken on lease.		The loan is repayable over seven years in equated monthly installments.	10.52% p.a.	61.76	27.29	89.29	29.91
	The lease obligation is secured by way of hypothecation of laboratory equipments in favor of lessor purchased from the loan.		The loan was carrying interest @ 12% per annum. The obligation was repayable in 60 monthly lease rental commencing from April 1, 2010. The same has been repaid fully during the year.	12% p.a.	-	-	-	124.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)						
(I)	(i) Long term borrowings including current maturities	Security and guarantee details	Repayment terms	Interest rate	March 31, 2015	
					Non current	Current
		The loan is secured by the lessor's title to the leased assets and a corporate guarantee by a subsidiary of FHIPL.	Repayable in 48-60 monthly installments.	6% p.a.	-	178.54
				Total (D)	61.76	333.00
E.	Deferred payment liabilities Secured:					
	Deferred payment facility was taken in the financial year 2011-2012 and carries interest @ 9% per annum for the first year and SBI base rate + 0.50% for subsequent years. Deferred credit payment facility is secured by first charge by way of hypothecation of specific equipment of the Company.	The loan is repayable in two parts, one is in 20 structured quarterly installments commencing from April 2012 and other one is in 20 structured quarterly installments commencing from May 2013.	9% p.a. for 1st year and SBI base rate + 50 BP for subsequent years		457.35	419.31
	Deferred payment facility has been taken in the current year and is secured by first charge by way of hypothecation of specific equipment of the Company.	The loan is repayable in 60 structured monthly installments commencing from June 2014.	Not Applicable		190.31	51.91
				Total (E)	647.66	471.22
F.	Buyers credit facility - Secured:					
	Buyer's credit facility from HDFC Bank was taken in the year 2012-13 for finance of various medical equipments to be imported.	It is repayable within 3 years from the date of import of medical equipment.	(3%-3.5%) + 6 months LIBOR		642.20	160.73
	Facility was secured against each specific asset against which the facility was availed.	Facility has been repaid fully during the year.	2.55% to 2.79%		-	677.61
				Total (F)	642.20	160.73
						677.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(I)		(i) Long term borrowings including current maturities			March 31, 2015		March 31, 2014	
		Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current	Current
G.		5% Foreign currency convertible bonds - Unsecured:						
		The Company had issued Foreign currency convertible bonds which are convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) upto May 11, 2015 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (refer note 17)			5% p.a.	-	60,059.36	-
					Total (G)	-	60,059.36	-
H.		(4.66% + LIBOR) Foreign currency convertible bonds - Unsecured:						
		The Company had issued 150 Foreign currency convertible bonds aggregating to US \$ 30,000,000 at the rate of (4.66% + LIBOR) which are convertible at the option of the holder upto US \$ 24,000,000 of principal amount at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) upto August 1, 2018 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (refer note 18)			4.66% + LIBOR p.a.	18,700.66	18,017.80	-
					Total (H)	18,700.66	18,017.80	-
I.		(4.86% + LIBOR) Foreign currency convertible bonds - Unsecured:						
		The Company had issued 550 Foreign currency convertible bonds aggregating to US \$ 55,000,000 at the rate of (4.86% + LIBOR) which are convertible at the option of International Finance Corporation (the holder) giving 7 days notice to the Company at any time on or after June 07, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) upto June 08, 2018 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (refer note 19)			4.86% + LIBOR p.a.	34,284.54	33,032.64	-
					Total (I)	34,284.54	33,032.64	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(i) Long term borrowings including current maturities				March 31, 2015		March 31, 2014	
Security and guarantee details		Repayment terms	Interest rate	Non current	Current	Non current	Current
J.	Finance lease obligations - Unsecured: The lease obligation along with interest is payable in monthly installments of ` 2,50,000 each over the period of 12 years		12.50% p.a.	104.16	21.00	125.16	23.78
			Total (J)	104.16	21.00	125.16	23.78
K.	Term loans from body corporate and others - Unsecured: The loan is repayable to Fortis Medicare International Ltd (Associate) by March 2016.		Interest Fee	93.57	-	92.04	-
	The loan is repayable to Fortis Global Healthcare Infrastructure Pte. Ltd by March 2016.		Interest Fee	-	24.08	-	1,041.22
	Loan taken from Dr. Chandrasekhar GR and Dr. Sarala Chandrasekhar. The same has been waived off during the year (refer note 25)		12.00% p.a	-	-	78.17	-
	Loan taken from Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited) proportionate share of loan to a Joint Venture. The same has been waived off during the year (refer note 25)		12.00% p.a	-	-	259.46	-
			Total (K)	93.57	24.08	429.67	1,041.22
L.	Deferred payment liabilities - Unsecured: Deferred payment facility taken on March 02, 2012 with moratorium period of 9 months towards repayment of loan. The loan is repayable in 27 monthly installments of ` 4.64 lacs each after the moratorium period along with interest.		Not Applicable	-	4.60	4.60	52.01
	Deferred payment facility had been taken from Elekta Limited of USD 1,936,000 for the radiotherapy machine purchased which is repayable in 2 equal installments. First installment of USD 968,000 is due on June 20, 2014 and second installment of USD 968,000 is due on March 15, 2016. Prepayment of second installment of USD 968,000 has been done during the year.		3.20% p.a	-	-	581.37	581.37
	Deferred payment facility has been taken from Elekta Limited of USD 1,154,000 which is repayable in 2 equal installments. 50% will be paid from 15 months of arrival of material or 12 months from installation, rest 50 % will be paid in 24 months from first payment. The same has been repaid fully during the year.		6 months LIBOR + 2.75%	-	-	346.54	346.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(i) Long term borrowings including current maturities		March 31, 2015		March 31, 2014	
Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current
The facility is taken from Siemens Financial Services for Oracle licences. The loan is repayable in 8 quarterly payments starting from August 2013 and ending on March 2015. The same has been repaid fully during the year		Not Applicable	-	-	487.70
		Total (L)	-	4.60	932.51
					1,467.62
M. Factoring financing - Unsecured:					
The financing of \$323,980 is secure over the Group's trade receivables and a corporate guarantee from the Company. The Group received an advance at the discretion of the financial institution, up to a limit of \$2,000,000 and not exceeding 80% against eligible receivables.		Interest rate of 5.25% per annum and a monthly factoring fee of 0.5% of gross invoice value with a monthly minimum charge of \$1,800.	-	-	361.30
		Total (M)	-	-	361.30
TOTAL (I=A+B+C+D+E+F+G+H+I+J+K+L+M)			100,439.57	75,288.01	165,868.42
					18,978.79

(i) Short term borrowings		March 31, 2015		March 31, 2014	
Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current
N. Bank overdrafts - Secured:					
Secured against the first charge on current assets of EHIRCL and the second charge on the Corporate Guarantee given by the FHL.	Not Applicable	11.45%	-	-	184.96
Secured against immoveable property, stocks and book debts of LHPL. The facility is further guaranteed by FHSL.	Not Applicable	Rate of interest of 2.80% over base rate	-	39.59	187.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)					
II.	(i) Short term borrowings		Interest rate	March 31, 2015	March 31, 2014
	Security and guarantee details	Repayment terms			
	The bank overdraft facility limit of ` 6,720.00 lacs has been taken from Axis Bank Limited chargeable to interest at base rate + 1.50%, secured against the first charges on current assets of the Company. The same is repayable on demand	Not Applicable	Rate of interest of 1.50% over base rate	0.72	-
			Total (N)	40.31	372.93
O.	Cash credit - Secured:				
	The facility is secured by way of first charge on SRL entire current assets. They are further secured by way of a second charge on the SRL's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future.	Not Applicable	12.25%	770.50	1,330.04
	The facility is secured by way of first charge on SRL entire current assets. They are further secured by way of a second charge on the SRL's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future.	Not Applicable	12.25%	299.08	157.05
	The facility is secured by way of first charge on the SRL's entire current assets. They are further secured by way of a second charge on the SRLDPL's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future. The facility is guaranteed by the company.	Not Applicable	11.50% to 13%	9.55	90.34
			Total (O)	1,079.13	1,577.43
P.	Loan from ultimate holding company - Unsecured:				
	Interest free loan of ` 794.50 lacs has been taken from RHC Holding Private Limited during the year ending March 31, 2007.	The loan is repayable on demand.	Nil	794.50	794.50
			Total (Q)	794.50	794.50
Q.	Loan from an associate - Unsecured:				
	Interest free loan has been taken from Fortis Medicare International Limited.	The loan is repayable on demand.	Nil	106.25	102.37
			Total (R)	106.25	102.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(` in lacs)

II.	(i) Short term borrowings		Interest rate	March 31, 2015	March 31, 2014
	Security and guarantee details	Repayment terms			
R.	Loan from holding company - Unsecured:				
	Loan of ` 341.50 lacs has been taken from Fortis Healthcare Holdings Private Limited during the current year.	The loan is repayable on demand.	14%	341.5	–
			Total (R)	341.5	–
S.	Preference share capital - Unsecured:				
	Redeemable Preference Shares issued by Joint Venture of one of the subsidiaries of the Group.	Redeemable after 20 years from issuance date of September 11, 2006 at par or at such premium as decided by Board of Directors.	Not Applicable	337.50	337.50
			Total (S)	337.50	337.50
	TOTAL (II=N+O+P+Q+R+S)			2,699.19	3,184.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**9. Commitments**

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 3,142.45 lacs (Previous year ₹ 1,730.69 lacs)]	3,655.37	6,887.53

a) For commitments relating to lease arrangements, refer note 7.

10. Contingent Liabilities (not provided for) in respect of :

₹ in lacs

Particulars	As at March 31, 2015	As at March 31, 2014
Claims against the Group not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on expert opinion obtained, the management believes that the Group has good chance of success in these cases	14,490.00	9,357.78
The Company is under litigation with the Income Tax Department against certain income tax demands on account of deduction of tax under section 194J of Income Tax Act, 1961 instead of section 192 on payments made to retainer doctors, u/s 201(1)/201(1A) for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14, thereby raising demands of ₹ 239.92 lacs (Previous year ₹ 239.92 lacs), ₹ 261.49 lacs (Previous year ₹ 261.49 lacs), Nil (Previous year ₹ 77.61 lacs) and ₹ 23.86 lacs (Previous year Nil) respectively. Company had filed appeals with the Commissioner of Income Tax (Appeals), Chandigarh which passed order in favour of the Company for assessment years 2010-11, 2011-12 and 2012-13. Department filed further appeal to the Income Tax Appellate Tribunal (ITAT) for assessment years 2010-11 and 2011-12, which is pending for disposal. Company has filed appeal with the Commissioner of Income Tax (Appeals), Chandigarh for assessment year 2013-14 which is pending for disposal. Based on management assessment, Company believes that it has good chance of success in these cases.	501.41	579.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in lacs

Particulars	As at March 31, 2015	As at March 31, 2014
The Excise & Taxation Commissioner cum Designated Officer-Mohali had passed an assessment order dated October 08, 2013 under Punjab Value Added Tax Act, 2005 ('PVAT') thereby raising a demand of ₹ 1,412.35 lacs [including penalty ₹ 741.39 lacs and interest of ₹ 300.26 lacs] holding that the assessee was liable to pay tax on the medical consumables used on in-patients and out-patients and has contravened the provisions of Section 29(2) of PVAT. Company is in appeal before the Hon'ble High Court of Punjab and Haryana against the aforesaid order of Deputy Excise & Taxation Commissioner. Hon'ble High Court admitted appeal filed by the Company and further, granted stays on assessment order vide its order dated January 15, 2014. During the current year, Hon'ble High Court of Punjab and Haryana has decided the case in favour of the Company.	–	1,412.35
The Commissioner of Service-tax, Chandigarh has passed an Order dated March 14, 2014 under Finance Act, 1994 alleging the assessee is liable to pay service-tax on support services of business or commerce provided to doctors, thereby raising demand of ₹ 215.34 lacs (Previous year ₹ 215.34 lacs) and ₹ 50.14 lacs (Previous year Nil) for financial years 2007-08 to 2011-12 and 2012-13 respectively. The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on expert opinion obtained, the management believes that the Company has good chance of success in this case.	265.47	215.34
Interest on Customs duty/ penalty for misdeclaration of imported goods, case for which was pending with Hon'ble Supreme Court of India. The same has been decided in favour of the one of the subsidiary of the Company, FHsL, by Hon'ble Supreme Court in the current year.	–	515.5
Income tax litigations in case of one of the subsidiary, EHIRCL, for various years are pending, as further explained in detail in note 9 below. The amount is after adjusting ₹ 15,098.69 lacs (Previous Year ₹ 14,398.02 lacs) for which the company has a legal right to claim from erstwhile promoters.	10,059.90	10,676.73
In respect of a subsidiary (EHIRCL), Customs duty/ Penalty for mis declaration of imported goods, case for which is pending with Central Excise and Service Tax Appellate Tribunal (refer note 13 below). In view of the management, the eventual outcome of the above matter cannot presently be estimated.	770.27	770.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

` in lacs

Particulars	As at March 31, 2015	As at March 31, 2014
A subsidiary company of the Company (SRL) has received a show cause cum demand notice dated April 20, 2007 for ` 81.44 lacs (Previous year ` 81.44 lacs) 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 subsidiary. Accordingly, no provision in respect of the said demand is considered in the books.	81.44	81.44
A subsidiary of the Company (SRL) is currently under litigation with the Income tax department against certain income tax demands totaling to ` 5,081.27 lacs (net of advances) (previous year ` 4,844.28 lacs (net)) in relation to Assessment years (AY) 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2012-13. These demands are for non-deduction of withholding taxes on the payments made by the SRL of discounts to its collection centers and certain other miscellaneous matters, raised by the Income Tax department. SRL has deposited ` 350.00 lacs against the said demands out of which ` 168.14 lacs were refunded during the previous year. For the AY 2006-07, the Income Tax Appellate Tribunal (ITAT) vide order dated December 16, 2011 had passed an order in favour of SRL against the disallowances of ` 158.20 lacs made by CIT (A) (previous year ` 158.20 lacs), The department has filed an appeal with Delhi High Court against the order passed by ITAT. For the AY 2007-08, 2008-09, 2009-10 and 2010-11, 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.	5,081.27	4,844.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in lacs

Particulars	As at March 31, 2015	As at March 31, 2014
A subsidiary of the Company (SRL) 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 ₹ 291.19 lacs and ₹ 134.56 lacs 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 CIT(A) has already allowed the appeal in favor of Company. Further the Direction has been issued to the Company to revise the return in co-ordination with assessee officer. The Company is in process of rectifying those demand by revising its return for said period. Based on data available on TRACES as on March 31, 2015 demand of ₹ 109.55 lacs and ₹ 6.24 lacs respectively is outstanding. The Company is of the view that the demand is not tenable and no economic outflow is expected against the same.	115.79	425.75
A subsidiary of the Company (SRL) 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 ₹ 457.04 lacs and ₹ 531.80 lacs for non-deduction of taxes under the provisions of section 194H. CIT(A) has passed favourable order dated April 11, 2014. The Company is of the view that the demand is not tenable and no economic outflow is expected against the same.	988.84	988.84
The Company is under litigation with the Income Tax Department against income tax demand on account of disallowance u/s 14A, disallowance of credit card expenditure, disallowance of foreign travelling expenses and interest income not offered to tax for assessment year 2012-13. Based on management assessment, Company believes that it has good chance of success in this case.	332.08	–
Service Tax Department issued notice alleging therein that Hospital is providing services of business or commerce to doctors by way of infrastructure and administrative support and thus, is liable to pay service-tax on amounts retained from doctors' fees for the financial years 2008-09 to 2012-13. Company intends to file appeal before appellate authorities against this demand. Based on management assessment, Company believes that it has good chance of success in these cases.	294.35	–
Bank guarantee issued by one of the subsidiary of the company (SRL) as a security deposit to a customer.	5.00	33.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

` in lacs

Particulars	As at March 31, 2015	As at March 31, 2014
Bank guarantee issued by joint venture (DDRC SRL Diagnostics Private Limited) as a security deposit to customer as on March 31, 2015 ` 1.33 lacs (Previous year ` 1.33 lacs).	1.33	1.33
Bank guarantee given by the Company as a security deposit to a customer.	60.66	79.97
Bank guarantee against fixed deposits issued by a subsidiary of the company (HHPL).	5.00	15.00
Joint venture (DDRC SRL Diagnostics Private Limited) is currently under litigation with the Income Tax department against certain income tax disallowances amounting to ` 935.24 lacs as on March 31, 2015 (March 31, 2014 ` 840.82 lacs) in relation to assessment year 2008-09, 2009-10, 2010-11, 2011-12, 2012-13. These disallowances represents non-deduction of TDS on the discount offered by the Company to various hospitals, labs & corporate institutions which the assessing officer had taken as commission paid, disallowance of depreciation on goodwill and disallowance of preliminary expenses claimed under section 35D. The management based on its internal evaluation and advice obtained from its tax advisors is of the view that the demand is not tenable and no economic outflow is expected against them.	467.62	420.41
A subsidiary of the Company (FHsL) has received a demand on account of disallowance of expenditure under Section 14A of the Income Tax Act, 1961 pertaining to assessment year 2012-13. The Company has filed an appeal with Commissioner of Income Tax (Appeals) on March 16, 2015 which is pending disposal. Based on management assessment, the Company believes that it has good chances of success in this case.	257.58	–
A subsidiary of the Company (FHsL) has received a demand pertaining to financial year 2011-12 raised by Joint Commissioner, Commercial Tax, West Bengal for Value Added Tax (VAT) payable on medicines and foods that are being served to patients. In response to the Assessment Order, the Company has filed a petition to VAT Tribunal in the month of October 2014. The Tribunal has granted a stay and has ordered to pay ` 10 lacs on Ad Hoc basis which will be refunded in case the judgement is in the favour of the Company. The affidavit in opposition has already been submitted by the West Bengal Sales tax department but the Company is yet to submit its affidavit in reply to the Tribunal. Based on management assessment, the Company believes that it has good chances of success in these cases.	157.08	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in lacs

Particulars	As at March 31, 2015	As at March 31, 2014
A subsidiary of the Company (FHsL) has received a demand from Jaipur Value Added Tax (VAT) department on account of VAT payable on sale of implants to patients used in procedures performed on them and sale of food and beverages to admitted patient. The order pertains to FY 2011-12 and 2012-13. The Company has filed a Writ petition before Jaipur High Court where Hon'ble court has granted stay on the matter. Based on management assessment, the Company believes that it has good chances of success in these cases.	502.17	–
Others	0.20	179.63

11. (A) Delhi Development Authority ('DDA') vide its Order dated October 6, 2005 ('DDA Order') had terminated the lease deeds and allotment letters of a subsidiary of the Company (EHIRCL). EHIRCL had filed an Original Miscellaneous Petition ('OMP') and Civil Suit in the Hon'ble High Court of Delhi seeking a declaration that the DDA Order is illegal and praying for a permanent injunction restraining DDA from dispossessing EHIRCL without the due process of law. The Hon'ble High Court of Delhi had granted a stay restraining DDA from recovering physical possession of the property and had made the interim order granted in the OMP absolute till the award is passed. EHIRCL also filed an application for appointment of sole Arbitrator and reference of disputes to Arbitration in the Hon'ble High Court of Delhi. The arbitration application has been dismissed during the previous year. The Civil Suit and Arbitration application is pending with the Hon'ble High Court of Delhi.
- (B) The Estate Officer of the DDA issued a show cause notice dated November 9, 2005 and initiated eviction proceedings against a subsidiary of the Company (EHIRCL). EHIRCL filed a Civil Writ Petition in the Hon'ble High Court of Delhi challenging the show cause notice issued by the Estate Officer, which was dismissed by the Hon'ble Single Judge. EHIRCL thereafter had filed Letters Patent Appeal ('LPA') against the above order before the Hon'ble High Court of Delhi. The Division bench of the Hon'ble High Court of Delhi vide its order dated September 3, 2007 had dismissed the LPA. The Estate Officer thereafter had issued a notice under section 4(1) of Public Premises Act dated October 8, 2007 to EHIRCL for resuming the proceedings under the said Act. EHIRCL had filed an appeal by way of SLP in the Hon'ble Supreme Court against the judgement in the LPA matter. The Hon'ble Supreme Court vide its order dated November 16, 2007 had ordered that proceedings before the Estate Officer may continue but no final order to be passed. The proceedings are pending with the court of law.
- (C) In relation to the order of Hon'ble High Court of Delhi relating to provision of free treatment/beds to poor, in respect of a subsidiary EHIRCL, Directorate of Health Services, Government of NCT of Delhi, (DHS) appointed a firm to calculate "unwarranted profits" arising to it due to non-compliance. The special committee of DHS stated that before giving a formal hearing to EHIRCL, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed firm, which as per their method of calculations amounts to ₹ 73,266.15 lacs, seeking EHIRCL's comments and inputs if any. EHIRCL has responded to such intimation explaining errors and objections to the calculations and is awaiting a formal hearing in the matter with the DHS. Based on its internal assessment as regards this unascertained liability and advice from its external legal counsels on

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

the basis of the documents available, management of the group believes that it is in compliance of conditions of free treatment and free beds to the poor and does not anticipate any liability after proper hearing with DHS. No notice of hearing has since been received till date.

- (D) One of the subsidiary HHPL, had received an order from Navi Mumbai Municipal Corporation (NMMC) under Bombay Nursing Home Registration Act, 1949, for certain alleged contravention of the provisions of the Act and to cancel the registration of the Hospital and immediately cease its operations. HHPL filed writ petition with Bombay High Court (HC) that it is ultra vires and contrary to principles of Natural Justice HC stayed the order and restrained NMMC from taking any steps to interfere or obstruct the functioning. Despite above order, NMMC again issued another Order to submit original certificate of registration of the subsidiary. HHPL has filed civil application in the Writ Petition seeking leave of HC to amend the Writ Petition to include grounds of challenging the new Order as well which are pending before the HC. As per advice obtained from external legal counsel, HHPL has very good case to contend and the orders are out to be set aside.

12. Income tax matters**In case of EHIRCL, one of the subsidiaries of the Company:**

- i) The Income Tax Authorities carried out a survey on August 21, 2003 (certain statutory records of a subsidiary of the Company (EHIRCL) were impounded, which are still in possession of the Authorities), regarding amalgamation of Escorts Heart Institute and Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society), and later on, registration of the amalgamated Society as a company.

Pursuant to the survey, the Income Tax Authorities have re-opened the assessments of Delhi and Chandigarh Societies. The Assessing Officer, Delhi completed the reopened assessments of the Delhi Society for four assessment years i.e. assessment years 1997-98, 1998-99, 1999-00 and 2000-01 wherein, the exemption availed by the erstwhile Delhi Society by virtue of being an approved scientific research organization had been withdrawn in respect of these years. The past accumulated income up to March 31, 1996 had been brought to tax and the income of the respective years thereafter had been subjected to tax as normal business income, hence raising a cumulative demand of ₹ 10,102.04 lacs (Previous year ₹ 10,102.04 lacs) [including interest of ₹ 6,012.57 lacs (Previous year ₹ 6,012.57 lacs)].

EHIRCL challenged the reopening of assessment for those assessment years before the Hon'ble High Court of Delhi in a Writ Petition. The Writ Petition for assessment year 1997-98 had been decided in favour of the EHIRCL vide order dated January 25, 2012. Further, Hon'ble Delhi High Court in its order dated December 10, 2012 directed that all proceedings for the assessment years 1998-99 to 2000-01 are liable to be quashed. The appeals filed by the assessee before the CIT(A)-IV, New Delhi against the aforesaid orders for assessment years 1997-98 to 2000-01 have also been allowed in light of the orders passed by Delhi High Court. Department further filed SLP before the Supreme Court, which has been dismissed.

The Assessing Officer had also assessed the income for assessment year 2001-02, whereby the entire accumulations and allowances made in earlier years have again been brought to tax, raising a demand of ₹ 12,436.90 lacs (Previous year ₹ 12,436.90 lacs) [including interest of ₹ 6,946.00 lacs (Previous year ₹ 6,946.00 lacs)]. EHIRCL has filed an appeal before the Commissioner of Income Tax (Appeals) Delhi against this order, which has been decided in favour of the EHIRCL during the current year.

- ii) The Additional Commissioner of Income Tax, Chandigarh, had also raised a demand of tax in respect

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

of EHIRCL for the assessment year 2001-02 amounting to ` 5,233.05 lacs (Previous year ` 5,233.05 lacs) and interest thereon amounting to ` 2,915.80 lacs (Previous year ` 2,915.80 lacs) by treating the excess of assets over liabilities as short term capital gains on registration of Amalgamated Society as a company. EHIRCL feels that the above registration does not give rise to transfer of assets and consequent capital gains and, therefore, preferred an appeal before the Income Tax Appellate Tribunal (ITAT), Chandigarh. The Tribunal, vide its Order dated March 18, 2008, had remanded the matter back to the Assessing Officer for fresh adjudication. The Assessing Officer, Delhi completed the assessment vide order dated March 31, 2010 and raised a fresh demand of ` 10,532.16 lacs (Previous year ` 10,532.16 lacs) [including interest of ` 5,465.27 lacs (Previous year ` 5,465.27 lacs)]. EHIRCL filed an appeal before the Commissioner of Income Tax (Appeals), Delhi against the said assessment order of the Assessing Officer, which has been decided in favour of the EHIRCL during the current year.

Pursuant to the share purchase agreement, where Company is a party, dated September 25, 2005, the abovementioned income-tax demands, in respect of (i) and (ii) above, are the responsibility of one of the erstwhile promoters to the extent of ` 11,163.51 lacs (Previous year ` 10,112.50 lacs) [including interest of ` 4,482.71 lacs (Previous year ` 3,613.48 lacs)], for which necessary funds were deposited in an escrow account. Further, as per the share purchase agreement, one third of any excess of these demands after adjusting the recovery from escrow account would be borne by the said erstwhile promoters and the rest by the Company, if any. On account of the same, EHIRCL has reduced the contingent liabilities by ` 3,935.18 lacs (Previous year ` 4,285.52 lacs). During the year 2012-13, Income tax department has recovered the said amount deposited in the escrow account and has adjusted the amount against the aforesaid tax liability relating to Delhi Society. During the previous year Delhi High Court has vide order dated July 24, 2013 held the adjustment to be erroneous and asked the revenue authorities to restore the amount so adjusted back into the escrow account and revenue authorities restored the same along with interest to the escrow account for relevant assessment years. Further, during the previous year, EHIRCL has also deposited ` 3,000 lacs under protest against this demand.

- iii) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2003-04 whereby the Assessing Officer had raised demands of ` 424.17 lacs (Previous year ` 424.17 lacs) [including interest of ` 35.10 lacs (Previous year ` 35.10 lacs)] by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Further, the Assistant Commissioner of Income Tax, Delhi has passed an order dated March 31, 2010 under sections 154/ 250/ 143(3) of Income Tax Act, 1961 for the assessment year 2003-04 whereby a demand of ` 22.77 lacs (Previous year ` 22.77 lacs) [including interest of ` 3.95 lacs (Previous year ` 3.95 lacs)] has been raised on to EHIRCL by disallowing partial depreciation on electrical installation and transformers, UPS etc. Appeal filed with the Commissioner of Income Tax (Appeals), Delhi, against the disallowances made in the assessment order has been dismissed and the subsidiary has filed appeal before the ITAT, New Delhi, which is pending disposal.

- iv) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2004-05 whereby the Assessing Officer had raised demands of ` 404.22 lacs (Previous year ` 404.22 lacs) [including interest of ` 97.55 lacs (Previous year ` 97.55 lacs)] by disallowing the claim of key man insurance premium and holding software development charges as

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2004-05 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ` 214.67 lacs (Previous year ` 214.67 lacs) was raised by disallowing depreciation amounting to ` 349.30 lacs (Previous year ` 349.30 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ` 13.85 lacs (Previous year ` 13.85 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the current year.

- v) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2005-06 whereby the Assessing Officer had raised a demand of ` 282.03 lacs (Previous year ` 282.03 lacs) [including interest of ` 56.79 lacs (Previous year ` 56.79 lacs)] on EHIRCL by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. EHIRCL had filed an appeal with the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated October 31, 2008 had allowed partial relief to EHIRCL and had confirmed the balance amount of demand raised by Assessing Officer. EHIRCL filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of EHIRCL and both the disallowances were deleted. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department has filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of EHIRCL. The department has filed further appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Assessment for the A.Y. 2005-06 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ` 83.16 lacs (Previous year ` 83.16 lacs) was raised by disallowing depreciation amounting to ` 270.40 lacs (Previous year ` 270.40 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ` 6.40 lacs (Previous year ` 6.40 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the current year.

- vi) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2006-07 whereby the Assessing Officer had raised a demand of ` 305.16 lacs (Previous year ` 305.16 lacs) [including interest of ` 44.23 lacs (Previous year ` 44.23 lacs)] on EHIRCL by disallowing the claim of keyman insurance premium. EHIRCL had filed an appeal with the Commissioner of Income Tax (Appeals), Delhi against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated July 23, 2009 had allowed partial relief to EHIRCL and had confirmed the balance amount of demand raised by Assessing Officer. EHIRCL filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

been allowed in favour of EHIRCL. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department had filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of EHIRCL. Department has further filed appeal before the Supreme Court against the said orders of Delhi High Court which is yet to be fixed.

Assessment for the A.Y. 2006-07 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 99.33 lacs (Previous year ₹ 99.33 lacs) was raised by disallowing depreciation amounting to ₹ 136.43 lacs (Previous year ₹ 136.43 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 18.79 lacs (Previous year ₹ 18.79 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the current year.

- vii) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2007-08 vide order dated December 24, 2009, whereby the Assessing Officer had raised a demand of ₹ 96.90 lacs (Previous year ₹ 96.90 lacs) [including interest of ₹ 0.76 lacs (Previous year ₹ 0.76 lacs) on EHIRCL by disallowing the claim of key man insurance premium and software development charges. The Commissioner of Income Tax (Appeals) Delhi, ITAT and Delhi High Court has allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2007-08 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 56.48 lacs (Previous year ₹ 56.48 lacs) was raised by disallowing depreciation amounting to ₹ 115.96 lacs (Previous year ₹ 115.96 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 10.31 lacs (Previous year ₹ 10.31 lacs) and including the same in income. An appeal has been filed before the Commissioner of Income-tax (Appeals) - Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the current year.

- viii) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2008-09 vide order dated December 31, 2010, whereby the Assessing Officer had made additions of ₹ 407.94 lacs (Previous year ₹ 407.94 lacs) including a sum of ₹ 307.63 lacs (Previous year ₹ 307.63 lacs) out of interest expenses holding that outstanding against group companies/subsidiaries were not for business purposes and a sum of ₹ 100.30 lacs (Previous year ₹ 100.30 lacs) out of the depreciation claimed by EHIRCL on its assets. Thus, reducing the loss from ₹ 2,955.28 lacs (Previous year ₹ 2,955.28 lacs) to ₹ 2,547.34 lacs (Previous year ₹ 2,547.34 lacs). An appeal has been filed with the Commissioner of Income Tax (Appeals), Delhi which has been decided in favour of the company. Income Tax Department has further filed an appeal before ITAT which is yet to be fixed for hearing.
- ix) The Assessing Officer (TDS) - Jaipur had passed an order dated February 10, 2010, in respect of the Company for the assessment years 2008-09 and 2009-10, thereby raising the following demands:

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- a) A.Y. 2008-09 - ` 16.74 lacs (Previous year ` 16.74 lacs) on account of non- deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), payments to retainer doctors (alleging that TDS was deductible u/s 192 instead of 194J) and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) – Jaipur and was decided vide order dated January 4, 2011 thereby giving partial relief to EHIRCL and the demand raised has been brought down from ` 16.74 lacs (Previous year ` 16.74 lacs) to ` 5.61 lacs (Previous year ` 5.61 lacs) as per order dated December 7, 2011. EHIRCL under protest had paid a sum of ` 8.37 lacs (Previous year ` 8.37 lacs) and subsequent to appeal effect order dated December 7, 2011, a refund has been received amounting to ` 3.36 lacs (Previous year ` 3.36 lacs).
- b) A.Y. 2009-10 - ` 0.37 lacs (Previous year ` 0.37 lacs) on account of non -deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) – Jaipur which was allowed vide order dated August 30, 2011. EHIRCL under protest had paid a sum of ` 0.19 lacs (Previous year ` 0.19 lacs) and subsequent to appeal effect order dated December 7, 2011, a refund of ` 0.42 lacs (Previous year ` 0.42 lacs) is receivable.

The company filed an appeal before the Income-tax Appellate Tribunal, Jaipur against balance issues confirmed vide said orders of CIT (A). Department also filed appeal before ITAT against said orders of CIT (A). As per order dated December 16, 2013, appeal has been decided partially in favour of the Company through Third member reference, EHIRCL has filed appeal before the Hon'ble High Court - Jaipur on the issue of tax deducted u/s 194J by EHIRCL on payments made to retainer doctors as against u/s 192 held to be deductible by the department which is pending disposal.

- x) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2009-10, whereby the Assessing Officer had raised a demand of ` 109.03 lacs (Previous year ` 109.03 lacs) [including interest of ` 23.24 lacs (Previous year ` 23.24 lacs)] by making (i) disallowance u/s 36(1)(iii) ` 307.89 lacs (Previous year ` 307.89 lacs), (ii) disallowance of depreciation - ` 69.70 lacs (Previous year ` 69.70 lacs), (iii) adding profit on sale of assets - ` 20.78 lacs (Previous year ` 20.78 lacs), (iv) disallowance u/s 14A - ` 54.69 lacs (Previous year ` 54.69 lacs), (v) disallowance of short term capital loss - ` 592.80 lacs (Previous year ` 592.80 lacs) and (vi) addition of exempt income ` 640.10 lacs (Previous year ` 640.10 lacs). An appeal was filed with the Commissioner of Income Tax (Appeals), Chandigarh, against the disallowances made in the assessment order, which was dismissed. EHIRCL has filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which is pending disposal.
- xi) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of EHIRCL for assessment year 2010-11, whereby the Assessing Officer has raised a demand of ` 83.25 lacs (Previous year ` 83.25) by making i) disallowance u/s 36(1)(iii) ` 33.67 lacs (Previous year ` 33.67 lacs), ii) disallowance of depreciation - ` 59.14 lacs (Previous year ` 59.14 lacs) and iii) adding profit on sale of assets ` 6.31 lacs (Previous year ` 6.31 lacs). An appeal has been filed before the Commissioner of Income-tax (Appeals) – XIII, New Delhi, which is pending disposal.
- xii) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

EHIRCL for assessment year 2011-12, whereby the Assessing Officer has raised a demand of ` 8.00 lacs (Previous year ` 8.00 lacs) by making i) disallowance u/s 36(1)(iii) ` 105.00 lacs (Previous year ` 105.00 lacs), ii) disallowance of interest on Capital work in progress for ` 26.86 lacs (Previous year ` 26.86 lacs), iii) disallowance of depreciation of ` 50.68 lacs (Previous year ` 50.68 lacs), iv) adding profit on sale of assets ` 4.20 lacs (Previous year ` 4.20 lacs). Appeal against the above order has been filed before Commissioner of Income Tax (Appeals) – New Delhi, which is pending disposal.

13. i) The Commissioner of Customs (Import and General), Delhi had raised a demand on a subsidiary of the Company (EHIRCL) of ` 770.27 lacs [Previous year ` 770.27 lacs (including ` 347.64 lacs (Previous year ` 347.64 lacs as penalty) for mis-declaration of the imported surgical machine with a redemption fine of ` 75.00 lacs (Previous year ` 75.00 lacs) for release of the said machine) on June 8, 2007. The mis-declaration refers to the classification of the underlying machine for customs duty purposes. EHIRCL had filed a stay application with the Central Excise and Service Tax Appellate Tribunal against the above order and deposited ` 347.64 lacs (Previous year ` 347.64 lacs) under protest. The matter is pending for decision with the Tribunal.

Based on discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the Company, the management believes that EHIRCL has a good chance of success in the case and hence, no provision there against is considered necessary.

- ii) The Assistant Collector of Customs had issued an assessment order in earlier year raising a demand of ` 330.39 lacs (Previous year ` 330.39 lacs) holding EHIRCL, a subsidiary of the company to be a commercial establishment in relation to the import of medical equipments, spares and consumables. EHIRCL had filed an appeal with the Collector of Customs (Appeals), against the order of the Assistant Collector of Customs, which has been rejected. EHIRCL filed a further appeal and an application for stay before the Central Excise and Service Tax Appellate Tribunal. The Tribunal had ordered for the stay and had asked EHIRCL to deposit a sum of ` 150.00 lacs (Previous year 150.00 lacs) with the customs authority. EHIRCL had deposited the amount with the customs authority and has also made a provision of ` 330.39 lacs (Previous year ` 330.39 lacs) in the books of accounts. The matter is still pending with the Tribunal.
- iii) The Deputy Commissioner of Customs had issued an assessment order in earlier year raising a demand of Nil (Previous year ` 166.49 lacs) in relation to import of medical equipment against one of the subsidiary of the Company, FHsL. FHsL had filed an appeal with the Hon'ble Supreme Court of India. The court had ordered for the stay and during the previous year court had asked FHsL to deposit a sum of ` 83.25 lacs with the customs authority. FHsL had deposited the amount with the customs authority and has also made a provision of ` 166.49 lacs. During the current year Hon'ble Supreme Court of India has decided the case in the favour of FHsL, hence the provision of ` 166.49 lacs has been reversed during the current year.

14. Employee Stock Option Plan

- i) The Company has provided share-based payment scheme to the eligible employees and directors of the Company/its subsidiaries and holding company. During the year ended March 31, 2008, 458,500 options (Grant I) were granted to the employees under Plan 'A'. Under the same plan, 33,500 options (Grant II) were granted to the employees during the year ended March 31, 2009, 763,700 options (Grant III) during the year ended March 31, 2010, 1,302,250 options (Grant IV) were granted during the year ended March 31, 2011 and 200,000 options (Grant V) were granted during the year ended March 31, 2012. Under plan 'B', 4,050,000 options (Grant VI) were granted to employees during the year ended March 31, 2013, 3,715,000 options (Grant VII) were granted during the year ended March

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

31, 2014 and 240,000 options (Grant VIII) were granted during the current year. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company. The weighted average share price of the Company during the year was ` 118.67 (Previous year ` 100.25). As at March 31, 2015, the following schemes were in operation:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
Date of grant	13-Feb-08	13-Oct-08	14-Jul-09	1-Oct-10	12-Sep-11	23-Feb-12	10-Jun-13	12-Nov-14
Date of Board Approval	30-Jul-07	30-Jul-07	30-Jul-07	30-Jul-07	30-Jul-07	12-Aug-11	12-Aug-11	12-Aug-11
Date of Shareholder's approval	27-Sep-07	27-Sep-07	27-Sep-07	27-Sep-07	27-Sep-07	19-Sep-11	19-Sep-11	19-Sep-11
Number of options granted	458,500	33,500	763,700	1,302,250	200,000	4,050,000	3,715,000	240,000
Vesting Period	February 13, 2009 to February 12, 2013	October 13, 2009 to October 12, 2013	July 14, 2010 to July 13, 2014	October 1, 2011 to September 30, 2015	September 12, 2012 to September 11, 2016	23-Feb-15	10-Jun-16	11-Nov-17
Exercise Period up to	12-Feb-18	12-Oct-18	13-Jul-19	30-Sep-20	11-Sep-21	22-Feb-19	9-Jun-20	10-Nov-21

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

Particulars	March 31, 2015		March 31, 2014	
	Number of options	Weighted Average Exercise Price (`)	Number of options	Weighted Average Exercise Price (`)
Outstanding at the beginning of the year	5,808,230	106.24	4,525,030	117.40
Granted during the year	240,000	121.00	3,715,000	91.00
Forfeited during the year	1,322,600	100.26	2,417,000	103.78
Exercised during the year	21,500	73.96	14,800	72.58
Expired during the year	–	–	–	–
Outstanding at the end of the year	4,704,130	108.82	5,808,230	106.24
Exercisable at the end of the year	1,353,490	115.57	276,330	135.48
Weighted average remaining contractual life (in years)	5.48	–	6.46	–
Weighted average fair value of options granted (in `)	39.03	–	37.35	–

* Under Grant I, 2,400 options were exercised on March 31, 2015 and allotment was made on April 10, 2015.

The details of exercise price for stock options outstanding at the end of the year are as under:

Particulars	March 31, 2015	March 31, 2014
Range of exercise prices	` 50.00 to ` 158.00	` 50.00 to ` 158.00
Number of options outstanding	4,704,130	5,808,230
Weighted average remaining contractual life of options (in years)	5.48	6.46
Weighted average exercise price (in `)	108.82	106.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Stock Options granted

The weighted average fair value of stock options granted during the year is ` 39.03 (Previous year ` 37.35). The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2015	March 31, 2014
Exercise Price	` 50.00 to ` 158.00	` 50.00 to ` 158.00
Expected Volatility	6.42% to 34%	6.42% to 34%
Life of the options granted (Vesting and exercise period) in years	3 years 6.5 years	3 years 6.5 years
Expected dividends	—	—
Average risk-free interest rate	7.31% to 8.70%	7.31% to 8.70%
Expected dividend rate	—	—

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

The fair value of total option outstanding at the year end is ` 1,835.99 lacs (Previous year ` 2,169.18 lacs) and these shall vest over a period of 3-5 years. Accordingly, the charge for the current year in relation to employee stock compensation on a straight line basis under fair value method would have been ` 520.61 lacs (Previous year ` 623.77 lacs).

- ii) One of the subsidiaries of the Company, FMHL provides share-based payment schemes to its employees. During the year ended March 31, 2015, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of FMHL on 31st July 2008/28th May 2009 and by shareholders in the annual general meeting held on 29th September, 2008 /21st August 2009. The following are some of the important conditions to the scheme:

Vesting Plan

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

Exercise Plan

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

Effective Date

The plan shall be deemed to have come to in force on the 21 August 2009 or on such other date as may be prescribed by the board of directors of FMHL subject to the approval of shareholders of the FMHL in general meeting.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The details of activity under the Scheme are summarized below:

Particulars	31-Mar-15		31-Mar-14	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	230,000	26.2	280,000	26.2
Granted during the year	–	–	–	–
Forfeited during the year	–	–	50,000	26.2
Exercised during the year	–	–	–	–
Outstanding at the end of the year	230,000	26.2	230,000	26.2
Exercisable at the end of the year	230,000	26.2	230,000	26.2

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2015 is 1.75 years (March 31, 2014: 2.75 years). The range of exercise prices for options outstanding at the end of the year was ₹ 10 (March 31, 2014: ₹ 10)

The weighted average fair value of stock options granted during the year was Nil (March 31, 2014: Nil). The weighted average fair value of stock options at the last grant date was ₹ 13.45. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2015	March 31, 2014
Dividend yield (%)	Nil	Nil
Expected volatility	67.42%	67.42%
Risk-free interest rate	7.50%	7.50%
Weighted average share price (₹)	Nil	Nil
Exercise price (₹)	26.20	26.20
Expected life of options granted in years	5	5

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

- iii) A subsidiary of the Company (SRL) 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 ₹ 40 per share. During the previous year, the shareholders of SRL 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 ₹ 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Grant I	Grant II
Date of grant	August 22, 2009	September 30, 2013
Date of Board Approval	August 22, 2009	August 23, 2013
Date of Shareholder's approval	August 17, 2009	September 20, 2013
Number of options granted	1,517,470	200,000
Method of Settlement (Cash/Equity)	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	August 21, 2019	September 30, 2022
Grant value (₹)	40	201

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

Particulars	March 31, 2015		March 31, 2014	
	Number of Options	Weighted Average exercise price	Number of Options	Weighted Average exercise price
		(₹)		(₹)
Outstanding at the beginning of the year	1,164,968	40	1,046,220	40
Granted during the year	–	–	200,000	201
Vested during the year	–	–	–	–
Exercised during the year	30,314	–	–	–
Forfeited /Cancelled during the year	23,004	40	81,252	40
Outstanding at the end of the year	1,111,650	68	1,164,968	68
Exercisable option at the end of the year	911,650	40	964,968	40
Remaining life	6		7	
Range of exercise price	40-201		40-201	

The weighted average fair value of stock options granted during the year is ₹ 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%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- iv) 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 consolidated net profit/ (loss) and earnings per share of the Group would be as follows:

	(` in lacs)	
Particulars	March 31, 2015	March 31, 2014
Profit as reported	(14,369.97)	12,254.24
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method	(520.61)	(631.45)
Proforma profit	(14,890.58)	11,622.79
Earnings Per Share (In `)		
Basic		
- As reported	(2.62)	2.70
- Pro forma	(3.19)	2.57
Diluted		
- As reported	(2.62)	2.70
- Pro forma	(3.19)	2.57

15. a) A subsidiary of the Company, Lalitha Healthcare Private Limited ('LHPL'), has earned profit of ` 0.11 lacs (Previous year loss ` 352.59 lacs) during the current year and has accumulated losses of ` 1,665.48 lacs (Previous year ` 1,637.09 lacs) as at March 31, 2015, which has resulted in complete erosion of LHPL's net worth. In view of the expected improvement in the financial results projected by the management and the commitment of continued financial support by the shareholders, the accounts of LHPL have been prepared on a going concern basis.
- b) A subsidiary of the Company, Fortis HealthStaff Limited ('FHSL'), has incurred loss of ` 107.06 lacs (Previous year loss of ` 9.46 lacs) during the current year and has accumulated losses of 1,473.30 lacs (Previous year ` 1,333.66 lacs) as at March 31, 2015, which has resulted in complete erosion of FHSL's net worth. In view of the commitment of continued financial support by the shareholders, the accounts of FHSL have been prepared on a going concern basis.
- c) A subsidiary of the Company, Fortis Lafemme Limited ('FLFL') (formerly known as Fortis Health Management (West) Limited), has incurred loss of ` 6.53 lacs (Previous year loss of ` 5.87 lacs) during the current year and has accumulated losses of ` 41.09 lacs (Previous year ` 34.56 lacs) as at March 31, 2015, which has resulted in complete erosion of FLFL's net worth. In view of the commitment of continued financial support by the shareholders, the accounts of FLFL have been prepared on a going concern basis.
- d) A subsidiary of the Company, Fortis Cancer Care Limited ('FCCL') (formerly known as Fortis Health Management (South) Limited), has incurred loss of ` 285.07 lacs (Previous year loss of ` 53.83 lacs) during the current year and has accumulated losses of ` 404.69 lacs (Previous year ` 119.62 lacs) as at March 31, 2015, which has resulted in complete erosion of FCCL's net worth. In view of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

commitment of continued financial support by the shareholders, the accounts of FCCL have been prepared on a going concern basis.

- e) A subsidiary of the Company, Fortis C-Doc Healthcare Limited ('C-Doc'), has incurred loss of ` 497.84 lacs (Previous year loss of ` 510.84 lacs) during the current year and has accumulated losses of ` 1,597.95 lacs (Previous year ` 1,099.10 lacs) as at March 31, 2015, which has resulted in complete erosion of C-Doc's net worth. In view of the commitment of continued financial support by the shareholders, the accounts of C-Doc have been prepared on a going concern basis.
- f) A subsidiary of the Company, Fortis Health Management (East) Limited ('FHM(E)L'), has incurred loss of ` 165.61 lacs (Previous year loss of ` 124.42 lacs) during the current year and has accumulated losses of ` 390.25 lacs (Previous year ` 199.91 lacs) as at March 31, 2015, which has resulted in complete erosion of FHM(E)L's net worth. In view of the commitment of continued financial support by the shareholders, the accounts of FHM(E)L have been prepared on a going concern basis.
- g) A subsidiary of the Company, Fortis Asia Healthcare Pte Limited ('FAHPL'), has incurred loss of ` 100,274.98 lacs (Previous year profit of ` 53,743.37 lacs) during the current year and has accumulated losses of ` 52,397.87 lacs (Previous year profit of ` 47,877.10 lacs) as at March 31, 2015. In view of the commitment of continued financial support by the shareholders, the accounts of FAHPL have been prepared on a going concern basis.
- h) A subsidiary of the Company, Birdie and Birdie Realtors Private Limited ('B&B'), has incurred loss of ` 1,381.67 lacs (Previous year Nil) during the current year and has accumulated losses of ` 4,319.00 lacs (Previous year Nil) as at March 31, 2015. In view of the commitment of continued financial support by the shareholders, the accounts of B&B have been prepared on a going concern basis.

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

Defined benefit plan

The Group companies have a defined benefit gratuity plan, whereby the employees are entitled to gratuity benefit on the basis of last salary drawn and completed number of years of service. The gratuity plan for two subsidiaries of the Company is 100% funded with an insurance policy with Life Insurance Corporation of India.

The companies of the Group also provides leave encashment benefit to its employees, which is unfunded.

The following table summarizes the components of net employee benefit expenses recognized in the consolidated statement of profit and loss:

Particulars	(` in lacs)			
	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)
	2014-2015	2014-2015	2013-2014	2013-2014
Statement of profit and loss				
Net employee benefit expenses (recognized in Personnel Expenses/ Expenditure during Construction Period)				
Current Service cost	646.69	117.25	639.79	111.93
Interest Cost on benefit obligation	261.54	53.38	213.15	51.18

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in lacs)

Particulars	Gratuity	Gratuity	Gratuity	Gratuity
	(Unfunded)	(Funded)	(Unfunded)	(Funded)
	2014-2015	2014-2015	2013-2014	2013-2014
Expected return on plan assets	–	(46.05)	–	(38.74)
Reversal of excess provision	–	–	–	–
Actuarial loss/(gain) recognized during the year	489.95	141.22	(149.03)	(62.93)
Past Service Cost	–	–	–	–
Net benefit expense	1,398.18	265.80	703.91	61.44
Actual return on plan assets	–	–	–	–
Balance sheet				
Details of Provision for Gratuity as at year end				
Present value of defined benefit obligation	4,017.94	861.03	3,153.25	676.61
Fair value of plan assets	–	558.54	–	516.89
Surplus/(deficit) of funds	(4017.94)	(302.49)	(3153.25)	(159.72)
Net asset/ (liability)	(4017.94)	(302.49)	(3153.25)	(159.72)
Changes in present value of the defined benefit obligation are as follows:				
Opening defined benefit obligation	3,152.22	676.61	2,819.27	624.49
Current Service cost	646.69	117.25	639.79	111.93
Interest Cost on benefit obligation	261.54	53.38	213.15	51.18
Benefits paid	(532.46)	(120.99)	(369.93)	(48.76)
Actuarial (loss)/ gain recognized during the year	489.95	134.78	(149.03)	(62.23)
Closing defined benefit obligation	4,017.94	861.03	3,153.25	676.61
Changes in the fair value of plan assets are as follows:				
Opening fair value of plan assets	–	516.89	–	409.31
Assets assumed on acquisition of Subsidiary*	–	–	–	–
Expected return	–	30.81	–	38.74
Contributions by employer	–	14.32	–	94.73
Benefits paid	–	(1.11)	–	(26.59)
Actuarial gains / (losses)	–	(2.37)	–	0.7
Closing fair value of plan assets	–	558.54	–	516.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

Particulars	March 31, 2015	March 31, 2014
In case of FHL & FHsL		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	NA	NA
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18.00%	18.00%
From 31 to 44 years	6.00%	6.00%
Above 44 years	2.00%	2.00%
In case of EHIRCL and FHsL-Agra & Amritsar		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	3.75%	3.75%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	6.00%	6.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
In case of FHsL-Faridabad		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	9.25%	9.25%
Expected rate of salary increase	3.75%	3.75%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	6.00%	6.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
In case of FMHL		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	9.25%	9.25%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015	March 31, 2014
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18.00%	18.00%
From 31 to 44 years	6.00%	6.00%
Above 44 years	2.00%	2.00%
In case of FHsL –FHKI, Kalyan, Mulund, BG Road, CH Road, Anandpur		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	NA	NA
Expected rate of salary increase	10% for first 3 years & 8% thereafter	10% for first 3 years & 8% thereafter
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	10.00%	10.00%
Upto 40 years	5.00%	5.00%
Upto 50 years	3.00%	3.00%
Above 50 years	2.00%	2.00%
In case of LHPL		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	8.00%	10.00% p.a for first 3 years and 8.00% p.a thereafter
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	10.00%	10.00%
Upto 40 years	5.00%	5.00%
Upto 50 years	3.00%	3.00%
Above 50 years	2.00%	2.00%
In case of HHPL		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015	March 31, 2014
Expected rate of salary increase	8.00%	10.00% p.a. for first 3 years starting from April 1, 2012 and 8.00% p.a. thereafter
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	10.00%	10.00%
Upto 40 years	5.00%	5.00%
Upto 50 years	3.00%	3.00%
Above 50 years	2.00%	2.00%
In case of C-Doc		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18.00%	18.00%
From 31 to 44 years	6.00%	6.00%
Above 44 years	2.00%	2.00%
In case of SRL		
Discount rate	7.92%	9.10%
Expected rate of return on plan assets	8%	8%
Expected rate of salary increase	6.50%	6.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
In case of MSML		
Discount rate	8.00%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	4.00%	4.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015	March 31, 2014
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	4.00%	4.00%
From 31 to 44 years	4.00%	4.00%
Above 44 years	4.00%	4.00%
In case of FHM(E)L		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18.00%	18.00%
From 31 to 44 years	6.00%	6.00%
Above 44 years	2.00%	2.00%

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

(` in lacs)

Particulars	Year ending				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Defined benefit obligation at the end of the period	(4878.97)	(2619.33)	(3443.70)	(2489.15)	(1740.00)
Plan assets at the end of the period	558.54	797.84	409.31	395.46	181.91
Funded status	(4320.43)	(1821.49)	(3034.46)	(2093.69)	(1558.09)
Experience gain/ (loss) adjustment on plan liabilities	(613.16)	(195.09)	(245.41)	(72.47)	(139.94)
Experience gain/ (loss) adjustment on plan assets	(2.59)	32.05	(29.97)	(17.29)	0.28
Actuarial gain/ (loss) due to change on assumptions	(373.29)	296.10	(52.84)	57.93	–

Notes:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

2. The Fortis Group's expected contribution to the fund in the next year is not presently ascertainable and hence, the contributions expected to be paid to the plan during the annual period beginning after the balance sheet date as required by Para 120 (o) of the Accounting Standard 15 (Revised) on Employee Benefits are not disclosed.
3. The Group has invested in the schemes with Life Insurance Corporation of India for the plan assets.
17. During the year ended March 31, 2011, the Company had issued 1,000 5% Foreign Currency Convertible Bonds of US Dollar 100,000 each aggregating to US Dollar 100,000,000 due 2015 (the "Bonds"). These Bonds are listed on the Euro MTF market of the Luxembourg Stock Exchange. The Bonds are convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to May 11, 2015 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 167 with 26,922.1557 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 44.96 = US Dollar 1.00. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds may be redeemed, in whole but not in part, at the option of the Company at any time on or after May 18, 2013 (subject to the Company having given at least 30 days' notice) at 100 percent of their aggregate principal amount plus accrued but unpaid interest if the closing price of the Shares on each trading day with respect to the shares for a period of at least 30 consecutive such trading days is equal to or greater than 130 per cent of the Accreted Conversion Price (as defined in the terms and conditions of the Bonds).

The Bonds may also be redeemed in whole, but not in part, at the option of the Company subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at certain early redemption amount, as specified, on the date fixed for redemption in the event of certain changes relating to taxation in India.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on May 18, 2015 at 103.1681 per cent of its principal amount. Management has reassessed the probability for conversion of bonds into equity and is of the opinion that it is unlikely that conversion option will be availed by the bondholders. On account of the same, the Company has utilized Securities premium account for the proportionate premium on redemption for the period up to March 31, 2015 amounting to ₹ 1,922.85 lacs. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

Exchange Rate at March 31, 2015 considered for restatement of the Bonds at the year end was ₹ 62.33553 = US Dollar 1 (₹ 60.059349 = US Dollar 1 at March 31, 2014).

Subsequent to the end of current year, the Bonds have been fully redeemed on the due date as per aforesaid terms.

18. During the previous year ended March 31, 2014, the Company issued 150 Foreign Currency Convertible Bonds aggregating to US Dollar 30,000,000 due 2018 (the "Bonds") at the rate of (4.66%+LIBOR). These Bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Bonds are convertible upto US Dollar 24,000,000 of principal amount at the option of the holder at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to August 01, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 with 120,471.29 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 59.6875 = US Dollar 1.00. The Conversion Price is subject to adjustment in certain circumstances.

Subject to certain conditions, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond outstanding (but in no event exceeding US Dollar 6,000,000 in aggregate principal amount of Bonds), at the option of the Company at any time on or after September 17, 2013 up to August 01, 2018 at the Partial Reset Conversion Price (as defined in the "Terms & Conditions of the Bonds").

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on August 08, 2018 at 100 per cent of its principal amount. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

The Company has incurred expenses of ₹ 542.62 lacs (including ₹ 24.72 lacs paid to Auditors) in connection with this issue.

The proceeds of the issue amounting to ₹ 18,390.74 lacs have been used for repayment of debts.

Exchange Rate at March 31, 2015 considered for restatement of the Bonds at the year end was ₹ 62.33553 = US Dollar 1 (₹ 60.059349 = US Dollar 1 at March 31, 2014).

- 19.** During the previous year ended March 31, 2014, the Company issued 550 Foreign Currency Convertible Bonds of US Dollar 100,000 each aggregating to US Dollar 55,000,000 due 2018 (the "Bonds") at the rate of (4.86%+LIBOR). The Bonds are convertible at the option of International Finance Corporation ("IFC"), an international organization established by Articles of Agreement among its member countries including the Republic of India (the holder) giving 7 days notice to the Company at any time on or after June 07, 2013 up to June 08, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 and number of shares to be issued will be calculated on conversion on the basis of applicable rate of exchange of US Dollar and ₹ on conversion date. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds may be converted on the request of the holder but not less than value of US Dollar 5,000,000 or in multiple of US Dollar 1,000,000 there after. Except in certain condition mentioned in the "Terms & Conditions of the Bonds" the holder cannot exercise the Conversion Option in part or in full in respect of twenty per cent (20%) of the original bond value for a period of three (3) years after the Subscription Date.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond at the option of the Company at any time on or after June 07, 2013 at Modified Conversion Price (as defined in the "Terms & Conditions of the Bonds").

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on June 08, 2018 at 100 per cent of its principal amount. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

Exchange Rate at March 31, 2015 considered for restatement of the Bonds at the year end was ₹ 62.33553 = US Dollar 1 (₹ 60.059349 = US Dollar 1 at March 31, 2014).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- 20.** Goodwill arising on consolidation appearing in consolidated financial statements is after netting off Capital Reserve aggregating to ` 1,288.53 lacs (Previous year ` 1,288.53 lacs) arise on the acquisition of FMHL, a subsidiary of the Company.
- 21.** During the year ended March 31, 2013, certain shareholders of the SRL had agreed to gift 1,500,000 shares of the SRL to some employees/ directors and consultants of SRL in lieu of motivating them and retaining them over the balance period of engagement agreement with them or for 3 years from the date of execution of gift deed signed with them dated July 7, 2011, whichever is higher. The shares are transferred by the shareholders of SRL in an escrow account which is managed, controlled and operated solely by the escrow agent, in accordance with the provisions of the escrow agreement. At the expiry of the term as mentioned above and on satisfaction of conditions mentioned in the respective gift deeds, the shareholders shall direct the escrow agent to release the subjected shares in favor of such employees/ directors and consultants of SRL. The SRL or its subsidiary does not have any settlement/ other obligation under the arrangements either towards employees/ directors and consultants or shareholders. The Guidance Note on Accounting for Employee Share-based Payments does not provide any specific guidance on accounting of grant of shares by the shareholders. Hence, in the absence of any specific guidance, SRL has not accounted/ disclosed for the grant.
- 22.** Included in the note no. 4 (xix) rental security deposit amounting to ` 158.54 lacs outstanding from a party in relation to a building vacated by SRL 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 provision for these recoverable deposits.
- 23.** During the year, the Group has capitalized the following expenses to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amount capitalized by the Group as per details below:

Particulars	March 31, 2015	March 31, 2014
	` in lacs	` in lacs
Opening Balance (A)	5,535.07	10,460.44
Purchase of medical Consumables and drugs (B)	137.02	–
Employee Benefits		
Salaries, wages and bonus	880.29	781.13
Total (C)	880.29	781.13
Other Expenses		
Contractual manpower	64.51	32.07
Power, fuel and water	162.69	121.08
Housekeeping expenses including consumables	55.00	213.80
Consultation fees to doctors	294.73	147.79
Repairs and maintenance	–	50.01
Rent	1,921.78	2,122.51
Legal and professional fee	169.90	13.97
Travel and conveyance	202.27	25.33
Rates and taxes	–	0.51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015	March 31, 2014
	` in lacs	` in lacs
Printing and stationary	0.03	0.04
Communication expenses	4.31	0.93
Insurance	–	0.60
Marketing and business promotion	–	6.27
Miscellaneous expenses	7.40	30.33
Total (D)	2,882.62	2,765.24
Total (E=A+B+C+D)	9,435.00	14,006.81
Less: Expenses allocated to Fixed Assets during the year	(619.79)	(8,471.74)
Balance carried forward to Capital Work in Progress	8,815.21	5,535.07

24. Interest in joint ventures

- a) The Company, through one of its subsidiary, SRL, has 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. (formerly Super Religare Reference Laboratories (Nepal) Pvt. Ltd.) ("SRRL") with 50% interest in assets, liabilities, expenses and income.

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2015:

(` in lacs)		
Particulars	March 31, 2015	March 31, 2014
I. EQUITY AND LIABILITIES		
Shareholders' funds	136.74	138.72
Non-current liabilities	4.70	12.41
Current liabilities	29.43	25.55
TOTAL	170.87	176.68
II. ASSETS		
Non-current assets	58.73	58.19
Current assets	112.14	118.49
TOTAL	170.87	176.68
Total revenue from operations and other income considered in the consolidated financial statements	228.52	213.02
Total expenses considered in the consolidated financial statements	230.50	197.95
Profit/ (loss) considered in the consolidated financial statements	(1.99)	15.07

- b) The Company, through another subsidiary, SRLDPL, has entered into a Joint Venture agreement with DDRC SRL Diagnostics Private Limited with 50% interest in assets, liabilities, expenses and income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2015:

	(` in lacs)	
Particulars	March 31, 2015	March 31, 2014
I. EQUITY AND LIABILITIES		
Shareholders' funds	1,484.30	1,324.93
Non-current liabilities	153.83	139.97
Current liabilities	465.58	368.28
TOTAL	2,103.71	1,833.18
II. ASSETS		
Non-current assets	1,447.91	1,320.57
Current assets	655.80	512.61
TOTAL	2,103.71	1,833.18
Total revenue from operations and other income considered in the consolidated financial statements	3,780.98	3,092.02
Total expenses considered in the consolidated financial statements	3,615.94	2,908.13
Profit considered in the consolidated financial statements	165.04	183.89

- c) Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited), a subsidiary of the Company, has entered into a Partnership agreement with Dr. Chandrashekar G.R. and Dr. Sarla Chandershekar on April 27, 2011 with 51% share in assets, liabilities, income and expenses, to provide cardiac care facilities.

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2015:

	(` in lacs)	
Particulars	March 31, 2015	March 31, 2014
I. EQUITY AND LIABILITIES		
Shareholders' funds	30.81	(145.96)
Non-current liabilities	1.51	141.29
Current liabilities	65.52	623.21
TOTAL	97.84	618.54
II. ASSETS		
Non-current Assets	0.02	500.62
Current assets	97.82	117.92
TOTAL	97.84	618.54
Total revenue from operations and other income considered in the consolidated financial statements	130.96	501.57
Total expenses considered in the consolidated financial statements	498.94	728.76
Exceptional gain	544.75	-
Profit/ (Loss) considered in the consolidated financial statements	176.77	(227.19)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**25. Restructuring:**

- a. During the year ended March 31, 2012, the Company initiated internal restructuring within the Group with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light model. Subsequent to it RHT, a business trust established in Singapore, was listed on the Singapore Exchange Securities Trading Limited ('SGX-ST') on October 19, 2012.

RHT made an offering of 567,455,000 common units at \$ 0.90 per common unit. Post listing of RHT on SGX-ST on October 19, 2012, Group's shareholding in RHT has been diluted from 100% to 28%. Accordingly, assets and liabilities of Clinical Establishment Division held by RHT Group do not form part of the consolidated assets and liabilities of the Group w.e.f. October 19, 2012. Company recognized gain of ₹ 99,588.79 lacs on dilution of stake in RHT Group during the previous year. Revaluation reserve pertaining to fixed asset of RHT group was transferred to general reserve.

FHL as sponsor of RHT has waived off its right to receive dividend from RHT from the date of listing till March 31, 2014, accordingly, management has not accounted for profits of RHT till year ended March 31, 2014.

The share of such profits waived as well as the reduction in net asset value of the Group's share consequent of dividend distributed to other unit holders is goodwill arising at the time of listing, which has been tested for impairment. Considering the traded price of units being higher than the carrying value of investment in RHT, there is no impairment on the investment in RHT.

During the previous year Kanishka Healthcare Limited ('KHL'), Escort Hospital and Research Centre Limited ('EHRCL') and Escorts Heart and Super Speciality Institute Limited ('EHSSIL'), subsidiaries of RHT have been merged into another subsidiary of RHT, International Hospital Limited ('IHL').

- b. The following transactions have taken place during the year ended March 31, 2013:-
- i. Fortis Hospitals Limited ('FHsL'), a subsidiary of the Company, has sold its clinical establishment divisions at Bannerghatta Road, Bangalore and Mulund, Mumbai to erstwhile Kanishka Healthcare Limited ('KHL') for a consideration of ₹ 20,200.00 lacs and Anandpur, Kolkata and Kalyan, Maharashtra to International Hospital Limited ('IHL') for a consideration of ₹ 12,850.00 lacs on a slump sale basis.
 - ii. Fortis Malar Hospitals Limited (FMHL), a subsidiary of the Company, has sold its clinical establishment division at Chennai to Fortis Health Management Limited ('FHML') for a consideration of ₹ 7,000.00 lacs on a slump sale basis.
 - iii. Investments in the following companies have been diluted:-
 - a) Escorts Heart Institute and Research Centre Limited ('EHIRCL') has sold 4% stake in FHML to Fortis Global Healthcare Infrastructure Pte Limited ('FGHIPL') for a consideration of ₹ 3,861.75 lacs.
 - b) FHsL has sold 48% and 4% stake in erstwhile Kanishka Healthcare Limited ('KHL') to erstwhile Escorts Health and Super Speciality Institute Limited ('EHSSIL') and FGHIPL for a consideration of ₹ 45,758.26 lacs and ₹ 3,815.42 lacs respectively.
- c. On completion of the Trial Phase Services Agreement, erstwhile Fortis Health Management (North) Limited ('FHM(N)L') entered into Hospital and Medical Services Agreement ('HSMA') with erstwhile

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

EHSSIL for hospital at Amritsar, erstwhile Escorts Hospital and Research Centre Limited ('EHRCL') for hospital at Faridabad, IHL for hospital at Noida and Fortis Hospotel Limited ('FHTL') for hospital at Shalimar Bagh, which are effective from April 1, 2012.

In addition, FHM(N)L also entered into HSMA with FHTL for hospital at Gurgaon from August 1, 2012. FHsL has entered into HSMA with IHL for hospitals at Anandpur and Kalyan; and with erstwhile KHL for hospitals at Mulund and Bannerghatta Road with effect from October 19, 2012; Fortis Malar Hospitals Limited has entered into HSMA with FHML for hospital at Chennai with effect from October 19, 2012.

IHL, EHSSIL, EHSSHL, KHL, FHML and EHRCL are collectively referred to as Hospital Service Companies. FHM(N)L, FHsL and FMHL are collectively referred as Fortis Operating Companies.

- d. On January, 9 2012, FHML entered into Share Purchase Agreement to acquire 49% interest in FHTL at an aggregate consideration of ₹ 37,728.39 lacs. FHTL is the owner of Shalimar Bagh Clinical Establishment and Gurgaon Clinical Establishment. FHML on September 17, 2012 entered into Shareholders' Agreement with the Company, pursuant to which FHML has a call option over the Company's 51% interest in FHTL ("FHTL Call Option") at a fixed price, subject to fulfillment of certain conditions, applicable laws including, and receipt of necessary approvals from all third parties. FHML also has the right to appoint 50% of the directors of FHTL, including the chairman of the board of directors who will have the casting vote in case of deadlock on any matter, including all financial and operating policies of the company, brought to the board of directors for its approval. Additionally, the Company has assigned its right to receive dividends from FHTL in favour of FHML. By virtue of availability of above rights under the Shareholder's agreement, FHTL has been deconsolidated from the Group. In addition, FHML has a put option on its 49% interest in FHTL ("FHTL Put Option"), exercisable if FHML is unable to acquire 100% of the issued and paid-up share capital of FHTL within 5 years from the date of transfer of the 49% shareholding of FHTL by the Company to FHML, for any reason outside the control of FHML. The put option shall be exercised at a price that is equal to the fair market value of Put Securities on the date of exercise of put option, determined on a discounted cash flow basis.
- e. The Group has completed following restructuring during the current year:-

In continuance of Company's strategy of Asset Light model, during the current year, the Company has entered in to an agreement with Escorts Heart and Super Specialty Hospital Limited ("EHSSHL"), a subsidiary of Religare Health Trust, for transfer of net assets relating to the Mohali Clinical Establishment (in Punjab) to EHSSHL. Such transaction has resulted in net gain of ₹ 190.82 lacs and disclosed as an exceptional item.

S. No.	Particulars	₹ in lacs
1	Net Fixed Assets	1,508.25
2	Net Current Assets	(194.80)
3	Total Assets Transferred (1+2)	1,313.45
4	Sale Consideration	1,578.82
5	Profit on Sale of Undertaking (4-3)	265.37
6	Unrealised gain of pertaining to the Company's share in RHT	74.55
7	Profit on Sale of Undertaking (5-6) (included under Exceptional items)	190.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Further, during the current year, one of the subsidiary of the Company ("Fortis Cancer Care Limited" formerly known as "Fortis Health Management (South) Limited") entered into a Memorandum of Understanding (MOU) to dissolve the partnership firm, of which subsidiary Company was a partner. Accordingly, the subsidiary company's share of loss amounting to ₹ 157.67 lacs arising due to this has been shown as an exceptional item during the current year.

₹ in lacs			
	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
a)	Loss on dilution of stake in RHT	–	(512.55)
b)	Gain on sale of net assets related to Mohali clinical establishment to EHSSHL	190.82	–
c)	Loss on dissolution of partnership firm Fortis Cauvery	(157.67)	–
	Net exceptional items	33.15	(512.55)

- 26.** During the year ending March 31, 2013, FHsL and FHM(N)L, subsidiaries of the Company have filed an application with Hon'ble Delhi High Court for merger of FHM(N)L in to FHsL from an appointed date of April 1, 2012, with an objective of reducing administrative cost, overhead, managerial and other expenditure and to bring the expertise, technology and facilities under one roof. It would also simplify corporate structure which would provide management more scope to focus on development of business of the companies.

Salient features of the scheme of amalgamation of FHM(N)L with FHsL:-

The Scheme of amalgamation ('the scheme') under sections 391 and 394 of the Companies Act, 1956, between the FHsL and FHM(N)L, was approved by the Hon'ble High court of New Delhi, vide its order dated July 22, 2013. FHsL filed the Order of the Hon'ble High Court approving the scheme, with the Registrar of Companies on September 1, 2013; therefore the scheme became effective from September 1, 2013 with appointed date as April 1, 2012. The scheme had already been approved by the shareholders of both the Companies.

- i. FHM(N)L was engaged in the business of providing consultancy and development work for establishment, promotion, maintenance, management, operation and conduct of healthcare and related services and to purchase, lease or otherwise acquire, promote, own, establish, operate, run or administer hospitals, clinics, nursing homes, chemist shops and all other kinds of healthcare centre(s) etc. and as per the scheme of amalgamation, FHsL shall continue to carry on the business.
- ii. In terms of Accounting Standard 14 – Accounting for Amalgamations notified under the Companies (Accounting Standards) Rules, 2006, (as amended), the Scheme of Amalgamation was accounted for under the 'Pooling of Interest Method', wherein all the assets and liabilities of FHM(N)L became, after amalgamation, the assets and liabilities of FHsL.
- iii. Pursuant to the Scheme, the business of FHM(N)L had been transferred to FHsL on a going concern basis. Accordingly, all the assets, liabilities, rights, licenses, benefits, obligations etc. of FHM(N)L, as on April 1, 2012, stand transferred to and vested in FHsL.
- iv. As per the Scheme, FHsL had allotted to the members of FHM(N)L 1 (one) equity share of the face value of ₹ 10/- (ten) each of FHsL, credited as fully paid up for every 1 (one) equity shares of ₹ 10/- each held by the members of FHM(N)L in FHM(N)L.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

27. During the year ended March 31, 2013, the Company initiated an institutional placement programme (IPP) for issuance of equity share of the Company. The issue was authorised by the Board of Directors through circular resolutions dated November 27, 2012 and by the Company's shareholders through a special resolution passed by way of postal ballot the result whereof was announced on January 15, 2013.

During the previous year, the Board of Directors of the Company, through its resolution dated May 17, 2013, authorised the issuance of up to 34,993,030 equity shares of face value ` 10 each at a price of ` 92 per equity share under IPP. The transaction was concluded in May 2013. The total proceeds of the issue were approximately ` 32,193.59 lacs. The Company has incurred expenses of ` 1,377.92 lacs (including ` 37.10 lacs paid to Auditors) in connection with this issue. The specified purposes for utilization of issue proceeds were repayment of debts, funding capital expenditure requirements and general corporate purposes. All proceeds of the issue have been utilized for the specified purposes as follows:-

Particulars	(` in lacs)
Receipts	32,193.59
Less: Expenses incurred for the issue	1,377.92
Net Receipts	30,815.67
Use of proceeds	
Repayment of debt	15,000.00
General corporate purpose	15,815.67
Total	30,815.67

28. During the previous year, the Board of Directors of the Company, through its resolution dated April 24, 2013, authorised the issuance of up to 28,610,355 Equity Shares to International Finance Corporation through a preferential allotment. Subsequently, The Company issued and allotted 18,833,700 equity shares to International Finance Corporation at ` 99.09 per share including premium of ` 89.09 per share aggregating to ` 18,662.31 lacs.
29. During the previous year, the shareholders of the Company, through its special resolution dated August 22, 2013, authorized the issuance of 3,737,449 Equity shares to Standard Chartered Private Equity (Mauritius) III Limited through a preferential allotment. Subsequently, on September 5, 2013, the Company issued and allotted 3,737,449 equity shares to Standard Chartered Private Equity (Mauritius) III Limited at ` 99.09 per share including premium of ` 89.09 per share aggregating to ` 3,703.44 lacs.
30. A) During the year ended on March 31, 2013, EHIRCL has issued 401,769 Compulsorily Convertible Preference Shares ("CCPS") of face value of ` 10 each at a premium of ` 7,456.98 per CCPS to KHL with a maturity period of 15 years aggregating to ` 30,000 lacs. The holder of CCPS shall be entitled to receive, only out of fund legally available for the payment of dividends, dividends in respect of the par value of the invested CCPS at a per annum rate of 0.01%. The fixed dividend shall be payable on a cumulative basis at the end of a period of 15 years. On conversion date, each CCPS will be convertible into one equity share, provided that the price for conversion shall not at any instance be lesser than the investment valuation. Other key terms of CCPS agreement are:-
- a) CCPS Put Option – KHL is entitled to exercise an unconditional and irrevocable right to require the Company or its nominee to buy all of CCPS held by KHL in EHIRCL upon occurrence of KHL having exercised Fortis Hospotel Limited ('FHTL') Put Option or FHTL Call Option under shareholders agreement entered between the Company, FHTL and FHML. The considerations payable by the Company to KHL is as follows :-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

-In case of FHTL call option - the Company is required to pay sum equal to the fair valuation of Equity Shares of the Company as per DCF Method to KHL.

-In case of FHTL put option - the Company is required to purchase, subject to due compliance with law, all CCPS at consideration equal to KHL's contribution along with coupon rate agreed.

- b) CCPS Call Option - If KHL becomes entitled to exercise the CCPS Put Option, but does not exercise the CCPS Put Option within 90 business days thereof, then the Company shall at any time after the expiry of such 90 business days, be entitled to require KHL to sell all of the CCPS to the Company for a consideration equal to the CCPS Subscription amount along with the coupon of 0.01% accrued thereon as of such date.

During the previous year, the above said CCPS were issued to International Hospital Limited due to merger of Kanishka Healthcare Limited with International Hospital Limited.

- B) Pursuant to the Shareholders Agreement dated June 12, 2012 executed by and amongst SRL Limited ("SRL"), the Company, International Finance Corporation (IFC), NYLIM Jacob Ballas India Fund III LLC (NJBIF) and existing investors (Avigo and Sabre Group) of SRL, SRL has allotted 4,000,000 and 8,333,333 Compulsorily Convertible Preference Shares ('CCPS') of ₹ 20/- each at a premium of ₹ 280/- each to IFC and NJBIF respectively, aggregating to ₹ 37,000 lacs.

In the event of liquidation of the subsidiaries before redemption of preference shares, the holder of preference shares will have priority over equity shares in the repayment of capital.

- 31.** As part of Sponsor Agreement entered between The Trustee-Manager of RHT, FGHIPL and Hospital Service Companies (collectively referred as 'Indemnified parties') with the Company, the Company has provided following indemnities:-

- i) To RHT and its, directors, officers, employees and agents under the relevant transaction agreements against any losses or liabilities finally determined as payable for any breach of the Consolidated Foreign Direct Investment (FDI) Policy or Foreign Exchange Management Act ('FEMA'), to the extent that such breach has resulted from the acquisition by RHT of the Hospital Services Companies.

Further, the Company has undertaken to transfer or procure additional medical and healthcare services to Hospital Services Companies in the event that any regulatory authority raises concerns over compliance with any applicable law.

However, the Company will not be liable to indemnify the Indemnified Parties for any losses resulting from delay or failure of the Indemnified Parties in completing any statutory filings or similar formalities under the Consolidated FDI Policy, FEMA and other laws in force in India as of the Listing Date i.e. October 19, 2012, required to be undertaken by the Indemnified Parties in relation to the acquisition by RHT or FGHIPL of the equity shares of the Hospital Services Companies.

The Company's obligations under this indemnity shall continue so long as the Company or the Group holds 15.0% or more of the total units from time to time issued in RHT or three years from the Listing Date, whichever is later.

However, the Company will be liable in respect of the indemnity for a maximum period of five years from the Listing Date.

- ii) The Company has also undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, Company has accrued ₹ 205.03 lacs (Previous year ₹ 205.03 lacs) as provision for contingency.

- iii) Further, as per terms of the various Agreements entered into between Hospital Services Companies and Fortis Operating companies, the Hospital Services Companies have right to recover certain statutory dues levied on them from Fortis Operating Companies. There is a possible present obligation on Hospital Services Companies to collect certain statutory dues from the Fortis Operating Companies and pay it to the relevant authorities. In view of uncertainty arising from interpretation of the regulations, management believes that value of such statutory dues cannot be measured reliably and therefore has not been considered in these financial statements.

32. Discontinuing of operations

i. Dental Corporation Holdings Limited ("DC"), Australia

During the year ended March 31, 2013, Fortis Healthcare Australia Pty Limited (FHA), a wholly owned subsidiary of the Company entered into a Non-Binding Indicative offer to divest its 63.51% holding in DC to BUPA, Australia for a consideration of AUD 276 million. During the year ended March 31, 2013, Company has recognized impairment loss of goodwill of ₹ 5,334.00 lacs being the difference between estimated sales value and carrying value of net assets of DC as at March 31, 2013. The deal was completed on May 31, 2013 post approvals by the shareholders of DC, other regulatory authorities and the Supreme Court of Victoria (Australia). Accordingly assets and liabilities of DC do not form part of the consolidated assets and liabilities of the Company w.e.f. May 31, 2013. Such deconsolidation resulted in a net gain of ₹ 960.72 lacs. Further Company has incurred loss ₹ 8,906.69 lacs of realized foreign exchange fluctuation loss on settlement of loans within the group from sale proceeds of DC.

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial statements are as follows:

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Revenue	–	33,043.82
Expenses	–	28,785.17
Profit from operating activities	–	4,258.65
Finance costs	–	4,753.62
Depreciation and amortization expense	–	754.96
Profit before tax	–	(1,249.93)
Income tax expense	–	(70.45)
Profit after tax	–	(1,179.48)

Further, net cash flows attributable to above discontinuing operations included in the consolidated cash flow statement are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
Net cash flows from operating activities	–	6,556.51
Net cash flows from investing activities	–	(10,949.56)
Net cash flows from financing activities	–	5,294.88

ii. Fortis Hoan My Medical Corporation, Vietnam

During the previous year, Fortis Healthcare International Pte Ltd., a subsidiary of the Company had entered into an agreement with Viva Holdings Vietnam (Pte.) Ltd, a Chandler Corporation company, to divest entire stake in Fortis Hoan My Medical Corporation (Vietnam), for a consideration of USD 80.00 million. The deal has since been completed on August 20, 2013 post receipt of all approvals. Accordingly assets and liabilities of Hoan My do not form part of the consolidated assets and liabilities of the Company w.e.f. August 20, 2013. Such deconsolidation has resulted in a net gain of ₹ 1,376.95 lacs.

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial statements are as follows:

(₹ in lacs)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Revenue	–	13,245.68
Expenses	–	10,107.18
Profit from operating activities	–	3,138.50
Finance costs	–	537.53
Depreciation and amortization expense	–	1,391.58
Profit before tax	–	1,209.39
Income tax expense	–	338.35
Profit after tax	–	871.04

Further, net cash flows attributable to above discontinuing operations included in the consolidated cash flow statement are as follows:

(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
Net cash flows from operating activities	–	3,259.66
Net cash flows from investing activities	–	(6,041.22)
Net cash flows from financing activities	–	1,069.92

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

iii. Quality Healthcare, Hongkong

During the previous year, Fortis Healthcare International Pte Ltd. ('FHIPL'), a subsidiary of the Company entered into an agreement with BUPA International Limited to divest entire stake in Altai Investments Limited, the holding Company of Quality Healthcare, Hongkong for USD 321.00 million, further USD 44.00 million was received on account of inter group receivables net of payables. Group has received USD 365.00 million towards this transaction.

The deal was completed on October 24, 2013 post receipt of all approvals. Accordingly, assets and liabilities of Quality Healthcare do not form part of the consolidated assets and liabilities of the Company w.e.f. October 24, 2013. Such deconsolidation has resulted in a net gain of ` 42,415.73 lacs. Net gain of ` 42,415.73 lacs are net of goodwill of ` 31,579.87 lacs arising on consolidation of FHIPL. In view of management, considering disposal of all significant subsidiaries of FHIPL, no goodwill is allocable to any other remaining entities.

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial statements are as follows:

(` in lacs)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Revenue	–	63,161.92
Expenses	–	56,917.90
Profit from operating activities	–	6,244.02
Finance costs	–	902.02
Depreciation and amortization expense	–	1,392.10
Profit before tax	–	3,949.90
Income tax expense	–	717.94
Profit after tax	–	3,231.96

Further, net cash flows attributable to above discontinuing operations included in the consolidated cash flow statement are as follows:

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Net cash flows from operating activities	–	(12,266.25)
Net cash flows from investing activities	–	(1,153.69)
Net cash flows from financing activities	–	10,148.83

iv. Radlink-Asia Pte Ltd., Singapore (Radlink)

Subsequent to the current year, Fortis Healthcare International Pte Ltd. (FHIPL), a wholly owned subsidiary of the Company announced its decision to divest 100% shareholding in Radlink and its subsidiaries to Fullerton Healthcare Group Pte. Limited for SGD 111 million. The transaction was concluded on May 12 2015. Since, the transaction was concluded subsequent to the year ended March 31, 2015, no effect of the same has been given in the above consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Earlier, during the current year, Fortis Healthcare Singapore Pte Ltd. (FHS), a wholly owned subsidiary of the Company had entered into a Share Sale Agreement to divest its 100% holding in Radlink to Medi-Rad Associates Ltd, a wholly-owned subsidiary of IHH Healthcare Berhad, for SGD 137 million. However, Competition Commission of Singapore indicated that if the proposed transaction is completed as contemplated; the combination may result in lessening of competition in the relevant market in Singapore. Hence, the transaction could not be completed.

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial statements are as follows:

(` in lacs)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Total Income	13,546.29	14,358.00
Total expenditure	11,448.72	11,674.00
Profit before tax	2,096.57	2,684.00
Tax expenses	171.51	597.00
Profit after tax	1,925.06	2,087.00

The carrying amounts as on March 31, 2015 relating to Radlink are as follows:

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Total Assets	14,419.10	14,563.00
Total Liabilities	3,750.65	5,382.00
Net Assets	10,668.45	9,181.00

Further, net cash flows attributable to above discontinuing operations included in the consolidated cash flow statement are as follows:

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Net cash flows from operating activities	3,046.82	4,667.21
Net cash flows from investing activities	(1,179.37)	(470.89)
Net cash flows from financing activities	644.46	(3,120.80)

v. Fortis Surgical Hospital, Singapore

During the current year, Fortis Healthcare International Pte Ltd. (FHIPL), a wholly owned subsidiary of the Company announced its decision to divest 100% shareholding in Fortis Healthcare Singapore Pte Ltd. which holds and operates Fortis Surgical Hospital to Concord Medical Services (International) Pte Ltd. for SGD 55 million. The transaction was concluded on April 7, 2015. Since, the transaction was concluded subsequent to the current year, no effect of the same has been given in the above consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial statements are as follows:

(` in lacs)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Total Income	4,072.10	4,015.69
Total expenditure	13,302.82	13,467.56
Profit before tax	(9,230.72)	(9,451.87)
Tax expenses	-	-
Profit after tax	(9,230.72)	(9,451.87)

The carrying amounts as on March 31, 2015 relating to Fortis Surgical Hospital, Singapore are as follows:

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Total Assets	59,807.67	64,509.85
Total Liabilities	86,330.74	83,083.53
Net Assets	(26,523.07)	(18,573.68)

Further, net cash flows attributable to above discontinuing operations included in the consolidated cash flow statement are as follows:

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Net cash flows from operating activities	(3,474.44)	(4,880.84)
Net cash flows from investing activities	(33.26)	(56.41)
Net cash flows from financing activities	3,285.56	710.98

33. Particulars of Unhedged Foreign Currency Exposure:

(Amount in lacs)

Particulars	Foreign Currency	March 31, 2015		March 31, 2014	
		Foreign Currency		Foreign Currency	
		Amount		Amount	
Trade payables	USD	12.44	775.73	7.06	424.26
	Euro	0.01	0.36	0.01	0.78
	GBP	0.01	1.30	0.02	1.67
Bank balances	HKD	0.00	0.03	-	-
	AUD	0.02	0.77	-	-
	SGD	55.58	2,525.06	-	-
	VND	0.06	0.00	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in lacs)

Particulars	Foreign Currency	March 31, 2015		March 31, 2014	
		Foreign Currency		Foreign Currency	
		Amount		Amount	
	USD	4.23	263.85	23.08	1,386.07
	MUR	452.84	774.22	–	–
Trade receivables	USD	4.99	310.92	3.10	186.19
	GBP	–	–	0.17	16.97
	AED	1.01	17.10	–	–
	MUR	130.26	222.70	–	–
Advances to Vendors	USD	0.02	1.35	0.07	4.42
	Euro	0.10	6.57	0.11	9.10
Advance from Customers	Euro	0.04	3.00	0.04	3.70
	USD	0.81	50.60	0.73	43.61
EEFC Accounts	USD	0.05	3.25	0.25	14.93
Cash balances	AED	0.02	0.31	0.03	0.46
	Euro	0.01	0.79	0.01	0.85
	USD	0.04	2.71	0.02	1.00
	GBP	0.00	0.25	0.00	0.10
	SGD	0.00	0.09	0.00	0.10
	BHD	0.00	0.07	0.00	0.07
	LKR	0.25	0.12	0.02	0.01
Letter of Credit	Euro	–	–	0.10	8.27
Deferred Payment Liabilities	Euro	–	–	0.06	4.63
	USD	–	–	11.54	693.08
Buyers Credit	USD	10.69	666.63	41.30	2,480.47
	Euro	2.05	137.02	4.30	355.52
Foreign Currency Loans					
- Loans taken	USD	1,883.91	117,434.77	1,883.99	113,151.11

34. Forward Contract

Subsidiaries of the Company has taken foreign currency derivative instrument to hedge its foreign currency risk. The outstanding position of derivative instruments as on March 31, 2015 is as under:

Particulars	Purpose
Forward Contracts to sell USD : USD 301 lacs (Previous year Nil) ` 18,762.99 lacs (Previous year Nil)	Foreign currency loans given

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

35. The Group has subscribed to 98,000 Ordinary Shares of Fortis Medicare International Limited ('FMIL') of USD 1 each during the year ended March 31, 2011, the details of which are given below:

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Cost of Investment	47.68	47.68
Share in losses for the current year	81.32	127.13
Share in post-acquisition losses upto the beginning of the year	1,125.98	998.85
Exchange translation adjustments	12.60	11.74
Payable against losses of associate	1,147.02	1,066.56

The Group has entered into an agreement with the shareholders of FMIL, as per which Group has committed to make payments on behalf of associate to satisfy obligations of it.

36. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures are as follows:

Particulars	` in lacs
Gross amount required to be spent	240.29
Spent during the year	1.18
Balance unspent during the year	239.11

37. Previous Year Figures

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 Number: 301003E
Chartered Accountants

Sd/-
per Tridibes Basu
Partner
Membership No.: 017401

Place : Gurgaon
Date : May 28, 2015

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

Sd/-
Malvinder Mohan Singh
Executive Chairman
DIN 00042981

Sd/-
Rahul Ranjan
Company Secretary
Membership No.: A17035

Place : Gurgaon
Date : May 28, 2015

Sd/-
Shivinder Mohan Singh
Executive Vice Chairman
DIN 00042910

Sd/-
Gagandeep Singh Bedi
Chief Financial Officer
CA Membership No.: 087813



Fortis Healthcare Limited

Regd. Office: Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110 025

Tel.: +91-11-47135000 / 26825000 Fax: +91-11-26825013

www.fortishealthcare.com

FORM A

Annexure to the annual audit report for the year ended March 31, 2015

1	Name of the Company	Fortis Healthcare Limited BSE Scrip Code - 532843 NSE Scrip Symbol- FORTIS CIN - L85110DL1996PLC076704
2	Annual financial statements for the year ended <i>consolidated financial statements</i>	March 31, 2015
3	Type of Audit observation	Unqualified - Matter of Emphasis
4	Frequency of observation	<p>(A) Matter of Emphasis relating to uncertainty related to the outcome of the lawsuits for termination of certain land leases allotted by Delhi Development Authority (DDA) and tax demands against one of the subsidiary ("Escorts Heart Institute and Research Centre Limited").</p> <p>a) Whether appeared first time: No b) Whether repetitive: Yes c) Since how long period: Since financial year ending March 31, 2013, however qualification and subject to opinion for same matter was given from financial year ending March 31, 2007 till March 31, 2012.</p> <p>(B) Matter of Emphasis relating to non-compliance with order of Hon'ble High Court of Delhi in relation to provision of free treatment/ beds to poor by one of the subsidiary ("Escorts Heart Institute and Research Centre Limited").</p> <p>a) Whether appeared first time: No b) Whether repetitive: Yes c) Since how long period: Since financial year ending March 31, 2014.</p> <p>(C) Matter of Emphasis relating to the order of Navi Mumbai Municipal Corporation (NMMC) received by one of the subsidiary ("Hiranandani Healthcare Private Limited"), concerning alleged contravention of the provisions of Bombay Nursing Home Registration (Amended) Act, 2005.</p> <p>a) Whether appeared first time: No Whether repetitive: Yes Since how long period: Since financial year ending March 31, 2014.</p>

For S.R. Batliboi & Co. LLP
Firm Registration Number: 301603E
Chartered Accountants

Tridibes Basu

per Tridibes Basu
Partner

Membership Number: 017401



For and on behalf of the Board of Directors of
Fortis Healthcare Limited

Bhavydeep Singh *Brian William Tempest*

Bhavydeep Singh
Chief Executive Officer

Dr. Brian William Tempest
Chairman- Audit and
Risk Management Committee
DIN : 00101235

Gagandeep Singh Bedi
Gagandeep Singh Bedi
Chief Financial Officer

FORM A

Annexure to the annual audit report for the year ended March 31, 2015

1	Name of the Company	Fortis Healthcare Limited BSE Scrip Code 532843 NSE Scrip Symbol- FORTIS CIN - L85110DL1996PLC076704
2	Annual financial statements for the year ended - <i>Standalone</i>	March 31, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable

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

Tridibes Basu

per Tridibes Basu
Partner

Membership Number: 017401



For and on behalf of the Board of Directors of
Fortis Healthcare Limited

Bhavdeep Singh

Bhavdeep Singh
Chief Executive Officer

Dr. Brian William Tempest

Dr. Brian William Tempest
Chairman- Audit and
Risk Management Committee
DIN : 00101235

Gagandeep Singh Bedi

Gagandeep Singh Bedi
Chief Financial Officer