

Fortis Malar Hospitals Limited
Balance Sheet as at March 31, 2015
(All amounts are in Indian Rupees unless otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
I. Equity and Liabilities			
Shareholders' funds			
Share capital	3 (i)	186,095,090	186,095,090
Reserves and surplus	3 (ii)	718,474,715	656,195,535
		904,569,805	842,290,625
Non-current liabilities			
Deferred tax liabilities (net)	3 (iii)	2,264,966	7,425,818
		2,264,966	7,425,818
Current liabilities			
Trade payables	3 (iv)	131,745,660	102,856,208
Other current liabilities	3 (v)	42,345,737	37,709,658
Short-term provisions	3 (vi)	18,477,524	16,939,120
		192,568,921	157,504,986
TOTAL		1,099,403,692	1,007,221,429
II. Assets			
Non-current assets			
Fixed Assets			
Tangible assets	3 (vii)	175,601,973	174,333,678
Intangible assets		1,470,804	1,983,263
Intangible assets under development		6,422,636	6,422,636
Non-current investments	3 (viii)	500,000	500,000
Long term loans and advances	3 (ix)	4,140,110	3,157,600
		188,135,523	186,397,177
Current assets			
Inventories	3 (x)	10,021,258	2,692,603
Trade receivables	3 (xi)	42,133,983	39,048,019
Cash and bank balances	3 (xii)	189,586,386	101,486,751
Short term loans and advances	3 (xiii)	629,449,849	628,886,974
Other current assets	3 (xiv)	40,076,693	48,709,905
		911,268,169	820,824,252
TOTAL		1,099,403,692	1,007,221,429

Summary of significant accounting policies 2.1

The notes referred to above form an integral part of the financial statements.
As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration number: 101049W

For and on behalf of the Board of Directors of
Fortis Malar Hospitals Limited

per Aniruddh Sankaran
Partner
Membership No: 211107
Chennai
April 29, 2015

Daljit Singh
Chairman
Chennai
April 29, 2015

Raghunath P
Whole Time Director
Chennai
April 29, 2015

Akshaya Kumar Singh
Chief Financial Officer
Chennai
April 29, 2015

Sumit Goel
Company Secretary
Chennai
April 29, 2015

Fortis Malar Hospitals Limited

Statement of Profit and Loss for the year ended March 31, 2015

(All amounts are in Indian Rupees unless otherwise stated)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
Income			
Revenue from operations	3 (xv)	1,179,256,828	1,083,783,455
Total revenue		1,179,256,828	1,083,783,455
Expenditure			
Purchase of medical consumables and drugs	3 (xvi)	282,864,035	243,997,802
Changes in inventories of medical consumables and drugs	3 (xvii)	(7,328,655)	1,250,355
Employee benefits expense	3 (xviii)	154,741,923	139,513,851
Other expenses	3 (xix)	673,706,377	609,928,713
Total expenses		1,103,983,680	994,690,721
Earnings before interest, tax, depreciation and amortization (EBITDA)		75,273,148	89,092,734
Finance costs	3 (xx)	5,087,692	4,572,696
Depreciation and amortisation expense	3 (vii)	27,117,598	19,927,110
Interest income	3 (xxi)	(73,640,823)	(66,142,678)
Profit before tax		116,708,681	130,735,606
Tax expense			
Current tax			
Pertaining to profit for the current year		43,648,921	46,030,798
Adjustment of tax relating to earlier years		-	(1,997,668)
Deferred tax charge/(credit)		(3,534,843)	1,124,629
Profit for the year carried over to the balance sheet		76,594,603	85,577,847
Earnings per share			
	3 (xxii)		
Basic [Nominal value of shares Rs. 10/- each]		4.12	4.60
Diluted [Nominal value of shares Rs. 10/- each]		4.10	4.60

Summary of significant accounting policies

2.1

The notes referred to above form an integral part of the financial statements.

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Fortis Malar Hospitals Limited
Cash flow statement for the year ended March 31, 2015
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flow from operating activities		
Net profit before tax and extraordinary item	116,708,681	130,735,606
Adjustments for :		
Depreciation and Amortisation	27,117,598	19,927,110
Loss on sale of fixed assets	137,936	472,748
Bad debts written off	346,691	1,662,370
Provision for doubtful debts	5,810,438	4,953,734
Interest income	(73,640,823)	(66,142,678)
Interest expense	1,416,030	706,898
Operating profit before working capital changes	77,896,551	92,315,788
Movements in working capital :		
Increase/(decrease) in trade payables	28,810,350	11,487,151
Increase/(decrease) in short term provisions	1,838,000	(98,000)
Increase/(decrease) in other current liabilities	4,636,079	13,650,069
(Increase)/decrease in trade receivables	(8,896,402)	(11,936,436)
(Increase)/decrease in inventories	(7,328,655)	1,250,355
(Increase)/decrease in long term loans and advances	(982,510)	(107,000)
(Increase)/decrease in short term loans and advances	(909,566)	(2,020,109)
(Increase)/decrease in other current assets	8,633,212	(7,974,555)
Cash generated from/ (used in) operations	103,697,059	96,567,263
Direct taxes paid	(55,106,161)	(39,062,561)
Net cash from / (used in) operating activities (A)	48,590,898	57,504,702
B. Cash flows from investing activities		
Purchase of fixed assets	(32,859,815)	(26,880,129)
Proceeds from sale of fixed assets	143,759	214,822
Fixed Deposits placed with Bank	15,000,000	(40,000,000)
Intercompany deposit placed with subsidiary*	-	(64,333,577)
Intercompany deposit placed with subsidiary - Repaid*	-	-
Interest received	73,640,823	116,763,208
Net cash from / (used in) investing activities before extraordinary item	55,924,767	(14,235,676)
Proceeds from sale of clinical establishment business (extraordinary item)	-	-
Business transfer expense (extraordinary item)	-	-
Net cash from / (used in) investing activities after extraordinary item (B)	55,924,767	(14,235,676)

*Intercompany deposit placed with the subsidiary has been renewed by the Company without involving physical exchange of cash. Accordingly, such renewal has not been presented in this cash flow statement.

Fortis Malar Hospitals Limited
Cash flow statement for the year ended March 31, 2015
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
C. Cash flows from financing activities		
Dividend paid on equity shares	-	(8,716,355)
Tax on equity dividend paid	-	(1,581,322)
Proceeds / (Repayments) of short-term borrowings (net)	-	-
Interest paid	(1,416,030)	(706,898)
Net cash from/ (used in) financing activities (C)	(1,416,030)	(11,004,575)
Net increase in cash and cash equivalents (A + B + C)	103,099,635	32,264,451
Total cash and cash equivalents at the beginning of the year	61,486,751	29,222,300
Cash and cash equivalents at the end of the year	164,586,386	61,486,751
Components of cash and cash equivalents:		
Cash in hand	1,660,415	3,265,051
Balances with banks		
On current accounts	1,052,758	2,903,150
On unpaid dividend account**	580,338	582,138
On Deposits with original maturity of less than three months	161,292,875	54,736,412
Total	164,586,386	61,486,751

** The Company can utilize these balance only toward settlement of the respective unpaid dividend.

Summary of significant accounting policies

2.1

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration number: 101049W

For and on behalf of the Board of Directors of
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per Aniruddh Sankaran
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Financial Controller
Chennai
April 29, 2015

Sumit Goel
Company Secretary
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1. Corporate information

Fortis Malar Hospitals Limited ('the Company') was incorporated in the year 1989 to set up, manage and operate a multi-specialty hospital and it commenced its commercial operations in the year 1992. The Company is a subsidiary of Fortis Hospitals Limited.

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 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except the change in accounting policy explained below.

2.1. Summary of significant accounting policies

a Change in accounting policy

Depreciation of fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Useful lives/depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. 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, though these rates in certain cases are different from lives prescribed under Schedule II.

Component Accounting

The Company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from 1 April 2014. 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 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. The company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has no remaining useful life on the date of Schedule II becoming effective, i.e., 1 April 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2014, is depreciated over their remaining useful life.

Effect

Had the Company continued to use the earlier policy of depreciating fixed asset, the profit for the current period would have been higher by Rs 2,103,129 (net of tax impact of Rs 1,082,948), retained earnings at the beginning of the current period would have been higher by Rs 3,157,778 (net of tax impact of Rs 1,626,009) and the net block of fixed assets at March 31, 2015 would correspondingly have been higher by Rs 3,186,077.

b 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.

c Inventories

Inventory of medical consumables, drugs, stores and spares are valued at cost or net realizable value whichever is lower. Cost is determined on First in First out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

d Tangible fixed assets

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

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, 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.

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

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 rates to provide depreciation on its fixed assets.

	Useful lives estimated by the management (years)
Plant and Equipment	14
Medical Equipment	3 to 12
Furniture and Fixtures	10
Computers	3
Office Equipment	5
Vehicles	8

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

The management has estimated the useful lives of medical equipment ranging from 3 to 12 years and plant and machinery as 14 years. These lives are lower than those indicated in Schedule II to the Act.

Also refer note 2.1(a) above.

f Intangible assets

Computer Software

Costs relating to software, which are acquired, are capitalized and amortized on a straight-line basis over their estimated useful lives viz., 6 years.

g Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership for the leased term, 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.

h 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 a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i Impairment of tangible and intangible assets

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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.

j Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

k Revenue recognition

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

Inpatient and Outpatient revenue

Inpatient and outpatient revenue is recognized as and when the services are rendered.

Management fees & income from medical services

Management fee from hospitals and income from medical services is recognized as and when the related services are rendered as per the terms of the agreement with respective hospitals.

Sale of traded goods – pharmacy items

Revenue from sale of pharmacy items are recognized as and when the pharmacy items are sold to patients.

Interest

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

Income from Served from India Scheme (SFIS)

Income from SFIS is recognized based on a prescribed percentage of foreign currency receipts on account of services rendered in accordance with the Served from India Scheme of the Foreign Trade Policy (the “scheme”). The credit under the scheme is recognized only at the time when and to the extent there is no significant uncertainty as to its measurability and ultimate realization.

I Foreign Currency Translation

i. Initial Recognition

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

ii. Conversion

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

iii. Exchange differences

The Company 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 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.
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.

m Retirement and other employee benefits

i. Contribution to provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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.

iii. Compensated absences/Leave encashment

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.

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.

iv. Actuarial gains/losses

Actuarial gains/ losses on gratuity and long term compensated absences are recognized in the statement of profit and loss as they occur.

n Taxes on Income

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax 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.

o Employee stock compensation cost

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. 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.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

p Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the 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.

q 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 values and are determined based on management's estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the management's current estimates.

r Contingent liabilities

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

s Cash and cash equivalents

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

t Measurement of EBITDA

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 its operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, interest income and tax expense.

u Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss account.

Fortis Malar Hospitals Limited
Notes to the financial statement for the year ended March 31, 2015
(All amounts are in Indian Rupees unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
Note 3(i): Share Capital		
Authorised:		
30,000,000 (March 31, 2014 : 30,000,000) Equity Shares of Rs. 10/- each	300,000,000	300,000,000
	300,000,000	300,000,000
Issued, Subscribed and Paid up:		
18,594,259 (March 31, 2014 : 18,594,259) Equity Shares of Rs. 10/- each	185,942,590	185,942,590
Add:30,500 (March 31, 2014 : 30,500) equity shares of Rs. 10 each [Rs. 5 paid up (March 31, 2014 : Rs. 5 paid up)] forfeited	152,500	152,500
	186,095,090	186,095,090

Note A: Reconciliation of Equity Shares outstanding

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Value Rs	Number	Value Rs
Shares outstanding (including forfeited shares) at the beginning of the year	18,609,509	186,095,090	18,609,509	186,095,090
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	18,609,509	186,095,090	18,609,509	186,095,090

Note B:
Shares held by holding/ ultimate holding company and /or their subsidiaries/ associates
Of the above :
11,752,402 Equity Shares (Previous year - 11,752,402 equity shares) are held by Fortis Hospitals Limited , the holding company.

Note C: Details of shareholders having more than 5% interest in the Company

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	No. of Shares held
Fortis Hospitals Limited	11,752,402	63.20%	11,752,402	63.20%

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.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.

During the year ended March 31, 2015, the amount of per share dividend recognized as distributions to equity shareholders was Rs 0.50 per share (March 31, 2014 : Rs. 0.50 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Fortis Malar Hospitals Limited
Notes to the financial statement for the year ended March 31, 2015
(All amounts are in Indian Rupees unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
Note 3(ii) : Reserves and Surplus		
a. Securities premium account		
Opening Balance	93,333,320	93,333,320
Closing balance	93,333,320	93,333,320
b. Surplus/ (deficit) in the statement of profit and loss		
Opening balance	562,862,215	488,164,183
Net Profit for the year	76,594,603	85,577,847
Less: Appropriations		
(i) Schedule II Depreciation Adjustment (net of taxes of Rs. 16,26,009)	(3,157,778)	-
(ii) Interim Dividend paid during the year (amount per share Rs Nil (March 31, 2014 : Rs 0.50 Per share)	-	(9,298,493)
(iii) Tax on Interim Dividend	-	(1,581,322)
(iv) Proposed final equity dividend (amount per share Rs 0.50 Per share (March 31, 2014 : Rs Nil Per share).	(9,298,493)	-
(v) Tax on proposed equity dividend	(1,859,152)	-
Closing balance	625,141,395	562,862,215
Total (a+b)	718,474,715	656,195,535
Note 3 (iii) : Deferred Tax Liabilities, net		
Deferred tax liability arising on account of :		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	12,154,985	14,393,067
Deferred tax asset arising on account of:		
Effect of expenditure debited to statement of profit and loss in the current year but not allowed for tax purposes	(9,890,019)	(6,967,249)
Deferred tax liabilities, net	2,264,966	7,425,818
Note 3 (iv) : Trade Payables		
Trade Payable (Also refer Note 16)	127,720,958	98,910,608
Creditors for purchase of fixed assets	4,024,702	3,945,600
	131,745,660	102,856,208
Note 3 (v): Other Current Liabilities		
Advances from patients	31,247,853	26,974,355
Sundry deposits	1,714,870	1,742,870
Statutory payables	8,802,676	8,197,491
Unclaimed Dividend	580,338	582,138
Other liabilities	-	212,804
	42,345,737	37,709,658
Note 3 (vi) : Short Term Provisions		
a. Provision for employee benefits		
Provision for gratuity (Also refer Note 12)	3,672,000	1,965,000
Provision for leave encashment	3,077,000	2,946,000
b. Other provisions		
Provision for Income tax (net)	570,879	12,028,120
Proposed equity dividend	9,298,493	-
Provision for tax on proposed equity dividend	1,859,152	-
	18,477,524	16,939,120

Fortis Malar Hospitals Limited

Notes to the financial statement for the year ended March 31, 2015

(All amounts are in Indian Rupees unless otherwise stated)

Note 3 (vii) Tangible and intangible assets

	Plant and equipment	Medical Equipments	Furniture and fixtures	Computers	Vehicles	Total Tangible Assets	Software	Total Intangible Assets
Original cost								
At 1 April 2013	20,845,872	213,367,202	8,011,857	10,306,533	-	252,531,464	3,070,024	3,070,024
Additions	1,024,045	12,630,729	3,249,136	3,004,114	1,089,157	20,997,181	2,243,448	2,243,448
Disposals	(1,005,443)	(3,966,654)	(217,875)	(426,750)	-	(5,616,722)	-	-
At 31 March 2014	20,864,474	222,031,277	11,043,118	12,883,897	1,089,157	267,911,923	5,313,472	5,313,472
Additions	1,295,132	21,428,167	7,371,904	2,843,714	-	32,938,917	-	-
Disposals	(325,034)	(515,468)	(397,921)	(1,009,199)	-	(2,247,622)	-	-
At 31 March 2015	21,834,572	242,943,976	18,017,101	14,718,412	1,089,157	298,603,218	5,313,472	5,313,472
Depreciation/Ammortization								
At 1 April 2013	5,678,481	63,636,372	4,569,438	5,843,532	-	79,727,823	2,182,675	2,182,675
Charge for the year	1,097,949	15,206,414	995,880	1,435,960	43,372	18,779,575	1,147,535	1,147,535
Disposals	(625,981)	(3,728,451)	(147,972)	(426,749)	-	(4,929,153)	-	-
At 31 March 2014	6,150,449	75,114,335	5,417,346	6,852,743	43,372	93,578,245	3,330,210	3,330,210
Charge for the year	1,805,527	18,878,861	3,173,111	2,616,921	130,720	26,605,140	512,458	512,458
Schedule II adjustments (Refer note 2.1a)	52,142	3,518,736	-	1,212,909	-	4,783,787	-	-
Disposals	(184,313)	(491,126)	(285,195)	(1,005,293)	-	(1,965,927)	-	-
At 31 March 2015	7,823,805	97,020,806	8,305,262	9,677,280	174,092	123,001,245	3,842,668	3,842,668
Net Block								
At 31 March 2014	14,714,025	146,916,942	5,625,772	6,031,154	1,045,785	174,333,678	1,983,262	1,983,262
At 31 March 2015	14,010,767	145,923,170	9,711,839	5,041,132	915,065	175,601,973	1,470,804	1,470,804

Fortis Malar Hospitals Limited**Notes to the financial statement for the year ended March 31, 2015***(All amounts are in Indian Rupees unless otherwise stated)*

	As at March 31, 2015	As at March 31, 2014
Note 3 (viii) : Non Current Investments (valued at cost unless stated otherwise)		
Trade, Unquoted		
Investment in subsidiary companies		
50,000 (March 31, 2014 : 50,000) equity shares of face value Rs. 10 in Malar Stars Medicare Limited	500,000	500,000
	500,000	500,000
Note:		
Aggregate amount of unquoted investments	500,000	500,000
Note 3 (ix) : Long Term Loans and Advances		
Unsecured, Considered good		
Capital advances	1,183,360	51,700
Security Deposit	2,956,750	3,105,900
	4,140,110	3,157,600

Fortis Malar Hospitals Limited
Notes to the financial statement for the year ended March 31, 2015
(All amounts are in Indian Rupees unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
Note 3 (x) :Inventories (at lower of cost and net realisable value)		
Medical consumables and drugs	10,021,258	2,692,603
	10,021,258	2,692,603
Note 3 (xi) : Trade Receivables (Unsecured)		
Aggregate amount outstanding for a period exceeding six months (from due date of payment)		
Considered good	9,342,974	4,931,862
Considered doubtful	2,886,966	2,917,975
Less : Provision for doubtful debts	(2,886,966)	(2,917,975)
	9,342,974	4,931,862
Other Debts		
Considered good	32,791,009	34,116,157
Considered doubtful	11,139,645	5,211,502
Less : Provision for doubtful debts	(11,139,645)	(5,211,502)
	32,791,009	34,116,157
	42,133,983	39,048,019
Note 3 (xii) : Cash and Bank Balances		
Cash and cash equivalents		
Cash on hand	1,660,415	3,265,051
Balances with banks		
On current accounts	1,052,758	2,903,150
On unpaid dividend account*	580,338	582,138
On Deposits with original maturity of less than three months	161,292,875	54,736,412
	164,586,386	61,486,751
Other bank balances		
On Deposits with original maturity for more than 3 months but less than 12 months	25,000,000	40,000,000
	189,586,386	101,486,751
* The Company can utilize these balance only toward settlement of the respective unpaid dividend.		
Note 3 (xiii) : Short Term Loans and Advances (Unsecured, Considered good)		
Loans and advances to related parties		
Advances recoverable in cash or in kind or for value to be received	934,296	1,441,918
Inter corporate deposit placed with subsidiary (Also refer Note 7)	617,933,576	617,933,576
Loans and advances to others		
Advances recoverable in cash or in kind or for value to be received	10,581,977	9,511,480
	629,449,849	628,886,974
Note 3 (xiv) : Other Current Assets		
Unsecured, Considered good		
Income from Undischarged Patients	21,010,833	26,523,431
Accrued Served From India Scheme (SFIS) Income	5,352,813	8,473,427
Interest accrued but not due	13,713,047	13,713,047
	40,076,693	48,709,905

Fortis Malar Hospitals Limited**Notes to the financial statement for the year ended March 31, 2015***(All amounts are in Indian Rupees unless otherwise stated)*

	For the year ended March 31, 2015	For the year ended March 31, 2014
Note 3 (xv) : Revenue from operations		
Sales of Services		
In patient	957,781,531	862,001,356
Out patient	177,108,196	177,253,116
Income from others	1,161,446	881,152
Sub Total (a)	<u>1,136,051,173</u>	<u>1,040,135,624</u>
Sales of Traded Goods		
Pharmacy products	40,340,711	36,865,600
Sub Total (b)	<u>40,340,711</u>	<u>36,865,600</u>
Other operating revenue		
Income from Served From India Scheme (SFIS)	1,144,053	4,299,478
Other operating income	1,720,891	2,482,753
Sub Total (c)	<u>2,864,944</u>	<u>6,782,231</u>
Total (a+b+c)	<u>1,179,256,828</u>	<u>1,083,783,455</u>
Note 3 (xvi) : Purchase of medical consumables and drugs		
Purchase of medical consumables and drugs	282,864,035	243,997,802
	<u>282,864,035</u>	<u>243,997,802</u>
Details of purchase of medical consumables and drugs:		
Cardio Consumables	96,466,319	72,766,913
Ortho Consumables	19,729,716	17,619,607
Others	166,668,000	153,611,282
	<u>282,864,035</u>	<u>243,997,802</u>
Note 3 (xvii) : Changes in Inventories of Medical Consumables and drugs		
Opening Stock	2,692,603	3,942,958
Closing Stock	10,021,258	2,692,603
	<u>(7,328,655)</u>	<u>1,250,355</u>
Details of inventory		
Cardio Consumables	8,386,262	1,643,107
Ortho Consumables	-	-
Others	1,634,996	1,049,496
	<u>10,021,258</u>	<u>2,692,603</u>
Note 3 (xviii) : Employee Benefit expense		
Salaries, wages and bonus	123,659,375	113,108,433
Gratuity (Also refer Note 12)	2,460,982	2,635,000
Compensated absences/Leave encashment	1,784,240	1,459,000
Contribution to Provident & other funds	10,041,940	9,295,362
Staff welfare expenses	16,523,251	12,960,861
Recruitment & training	272,135	55,195
	<u>154,741,923</u>	<u>139,513,851</u>

Fortis Malar Hospitals Limited
Notes to the financial statement for the year ended March 31, 2015
(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Note 3 (xix) : Other Expenses		
Contractual manpower	5,733,967	3,087,662
Power, fuel and water	21,718,938	21,025,805
Clinical Establishment Fee	176,233,740	166,726,430
Housekeeping expenses including consumables	5,560,042	3,931,421
Patient food and beverages	14,831,410	13,106,133
Pathology laboratory and radiology expenses	42,410,174	30,408,677
Consultation fees to doctors	96,588,959	76,310,148
Professional charges to doctors	198,848,703	191,228,513
Repairs & maintenance		
- Building	1,290,265	1,585,699
- Plant & machinery	12,788,274	9,714,625
- Others	5,427,216	4,628,091
Rent		
- Equipments	4,068,395	3,551,023
- Others	3,499,026	2,999,845
Legal & professional fee	3,725,898	3,801,781
Subscription fee	1,077,817	59,180
Internal audit fee	773,599	645,902
Travel & conveyance	13,846,723	13,383,478
Rates & taxes	156,495	470,170
Printing & stationery	5,328,413	4,815,209
Communication expenses	3,166,309	3,155,736
Directors' sitting fees	753,180	275,542
Insurance	4,130,525	8,340,099
Marketing & business promotion	37,596,578	33,950,028
Loss on sale of fixed assets	137,936	472,748
Payment to auditors (including service tax)		
a. Statutory audit	906,420	906,420
b. Tax audit	56,180	56,180
c. others	252,810	252,810
d. out of pocket expenses	57,907	10,754
Bad debts/ advances written off	346,691	1,662,370
Provision for doubtful debts	5,810,438	4,953,734
Corporate Social Responsibility expenditure (Refer note 16)	118,328	-
Miscellaneous expenses	6,465,021	4,412,500
	673,706,377	609,928,713

Note 3 (xx) : Finance costs

Interest expense	1,416,030	706,898
Bank charges	3,671,662	3,865,798
	5,087,692	4,572,696

Note 3 (xxi) : Interest Income

Interest income		
Interest on bank deposits	11,847,466	4,182,443
Interest from Inter corporate deposit	61,793,357	61,793,357
Interest from other deposits	-	166,878
	73,640,823	66,142,678

Note 3 (xxii) : Earnings per share ("EPS")

Net profit as per statement of profit and loss	76,594,603	85,577,847
Weighted average number of equity shares for calculating Basic EPS	18,609,509	18,609,509
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2007	71,992	-
Weighted average number of equity shares for calculating Diluted EPS	18,681,501	18,609,509

4 Segment reporting

Primary Segment

The Company is engaged in providing health care services, which in the context of Accounting Standard 17 (Segmental Information) is considered as the only business segment. Accordingly, no separate segmental information has been provided herein.

Secondary Segment – Geographical Segment.

The Company operates in India and therefore mainly caters to the needs of the domestic market. Therefore, there are no reportable geographical segments.

5 Capital and other commitments

At March 31, 2015, the Company has capital commitments of Rs 8,393,299 (March 31, 2014 : Rs. 517,500) towards purchase of assets.

6 a. Contingent liabilities

	31 March 2015	31 March 2014
	Rs	Rs
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence).	80,249,842	81,892,872

b. Litigation

- 1) Matters of litigation, if any, the outcome of which in the opinion of Management is considered probable thereby requiring provision, have been provided for under the requirements of Indian GAAP.
- 2) Amount mentioned in Note 6(a) above represents compensation demanded by the patients/their relatives for negligence and are pending with various Consumer Disputes Redressal Commissions. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for liability has been recognized in the financial statements.

7 Loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested

	Particulars		March 31, 2015	March 31, 2014
A	Malar Star Medicare Limited			
	Balance outstanding at the year end	Note 3(xiii)	617,933,576	617,933,576
	Interest accrued and due	Note 3(xiv)	13,713,047	13,713,047
	Total		631,646,623	631,646,623
	Maximum amount outstanding during the year		631,951,358	631,951,358

Loans given to Malar Stars Medicare Limited for a tenure of 12 months. This loan carries interest @ 10% p.a.

8 Value of imports calculated on CIF basis

Particulars	March 31, 2015	March 31, 2014
Capital goods	2,267,360	621,500
Medical Consumables	26,544,588	17,391,988

9 Expenditure in foreign currency (accrual basis)

Particulars	March 31, 2015	March 31, 2014
Professional fees	2,382,184	2,234,559
Travelling and Conveyance	1,625,156	1,041,667
Others	878,857	532,532
Total	4,886,197	3,808,758

10 Earnings in foreign exchange (accrual basis)

Particulars	March 31, 2015	March 31, 2014
Healthcare services rendered to international patients	57,315,090	45,690,100

- 11** The Company does not have any foreign currency exposure as at March 31, 2015 and March 31, 2014. The Company does not have any outstanding derivative instruments as at March 31, 2015 and March 31, 2014.

12 Gratuity

The Company has 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 following table summarises the components of net benefit expense recognised in the statement of profit and loss and the fund status and amounts recognised in the balance sheet.

Statement of Profit and Loss	March 31, 2015	March 31, 2014
Net employee benefit expense (recognised in Employee benefits)		
(i) Current service cost	1,719,000	1,799,000
(ii) Past Service Cost		
(iii) Interest cost on Benefit Obligations	1,159,000	792,000
(iv) Expected return on plan assets	(1,022,000)	(840,000)
(v) Net actuarial (gains)/ losses recognised in the year	805,000	884,000
(vi) Net (benefit) / expense	2,661,000	2,635,000
(vii) Actual return on plan assets	-	-
 Balance Sheet	 March 31, 2015	 March 31, 2014
Details of Provision for gratuity		
(i) Defined benefit obligation	15,625,000	12,911,000
(ii) Fair value of plan assets	11,953,000	10,946,000
(iii) Unrecognized past service cost	-	-
(iv) Plan (Liability) /Asset	(3,672,000)	(1,965,000)
 Changes in the present value of the defined benefit obligation are as follows:		
(i) Opening defined benefit obligation	12,911,000	10,330,000
(ii) Current service cost	1,719,000	1,799,000
(iii) Past Service Cost	-	-
(iv) Interest cost	1,159,000	792,000
(v) Actuarial (gains) / losses on obligation	590,000	850,000
(vi) Benefits paid	(754,000)	(860,000)
(vii) Closing defined benefit obligation	15,625,000	12,911,000
 Changes in the fair value of the plan assets are as follows:		
(i) Opening fair value of plan assets	10,946,000	8,017,000
(ii) Expected return	1,022,000	840,000
(iii) Actuarial gains / (losses)	(215,000)	(34,000)
(iv) Contributions by employer	200,000	2,123,000
(v) Benefits paid	-	-
(vi) Closing fair value of plan assets	11,953,000	10,946,000

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

Particulars	March 31, 2015	March 31, 2014
Discount rate	7.75%	9.25%
Expected rate of return on assets	9.25%	9.25%
<u>Employee turnover</u>		
Age 20 to 30 years	18%	18%
Age 31 to 44 years	6%	6%
Age Above 44 years	2%	2%

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

The Company expects to contribute Rs. 3,672,000 to gratuity in the next year (March 31, 2014: Rs. 1,965,000).

The fund is 100% administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four years are as follows:

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Gratuity					
Defined benefit obligation	(15,625,000)	(12,911,000)	(10,330,000)	(8,781,000)	(7,741,000)
Plan assets	11,953,000	10,946,000	8,017,000	7,273,565	6,328,000
Surplus / (deficit)	(3,672,000)	(1,965,000)	(2,313,000)	(1,507,435)	(1,413,000)
Experience adjustments on plan liabilities	(1,443,000)	(2,508,000)	388,000	(11,000)	91,000
Experience adjustments on plan assets	(215,000)	(34,000)	11,000	(307,283)	28,000

13 Employee stock option plans

The Company provides share-based payment schemes to its employees. The relevant details of the scheme and the grant are as given below.

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of the Company 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 in to force on the 21 August 2009 or on such other date as may be prescribed by the board of directors of the Company subject to the approval of shareholders of the company in general meeting.

The details of activity under the Scheme are summarized below:

	March 31, 2015		March 31, 2014	
	No. of options	WAEP (Rs)	No. of options	WAEP (Rs)
Outstanding at the beginning of the year	230,000	26.20	280,000	26.20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	50,000	26.20
Exercised during the year	-	-	-	-
Outstanding at the end of the year	230,000	26.20	230,000	26.20
Exercisable at the end of the year	230,000	26.20	230,000	26.20

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2015 is 1.75 years (31 March 2014: 2.75 years). The range of exercise prices for options outstanding at the end of the year was Rs. 10. (31 March 2014: Rs. 10).

No stock options were granted during the current year or the previous year. The weighted average fair value of stock options at the last grant date was Rs. 13.45. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2015	March 31, 2014
Dividend yield (%)	0%	0%
Expected volatility	67.42%	67.42%
Risk-free interest rate	7.50%	7.50%
Weighted average share price (Rs.)	Nil	Nil
Exercise price (Rs.)	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.

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

	March 31, 2015	March 31, 2014
	(Rs)	(Rs)
Profit after tax as reported	76,594,603	85,577,847
Add: ESOP cost using the intrinsic value method	Nil	Nil
Less: ESOP cost using the fair value method	Nil	407,468
Proforma profit after tax	76,594,603	85,170,379
Earnings Per Share		
Basic		
- As reported	4.12	4.60
- Proforma	4.12	4.58
Diluted		
- As reported	4.10	4.60
- Proforma	4.10	4.58

14 Related Party Disclosures

14.1. Related parties where control exists

Relationship	Name of the related Party
Ultimate Holding Company	Fortis Healthcare Limited
Holding Company	Fortis Hospitals Limited
Subsidiary Company	Malar Stars Medicare Limited

14.2. Related parties with whom transactions have taken place during the year

Relationship	Name of the related party
Ultimate Holding Company	Fortis Healthcare Limited
Holding Company	Fortis Hospitals Limited
Key Management Personnel	Mr.V.Vijayarathna (Whole-time Director) (resigned from July 26 2014) Mr Raghunath P (Whole time Director) (with effect from July 26, 2014) Mr. Akshaya Kumar Singh (Chief Financial Officer) Mr. Sumit Goel (Company Secretary)
Subsidiary Company	Malar Stars Medicare Limited
Enterprises under common control	Fortis Health Management Limited Lalitha Healthcare Private Limited Super Religare Laboratories Limited

Fortis Malar Hospitals Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless otherwise stated)

14.2. Transactions during the year with related parties

Particulars	March 31, 2015						March 31, 2014					
	Key Management Personnel	Ultimate Holding Company	Holding Company	Subsidiary Company	Entities under Common Control	Entities under significance of the ultimate holding Company	Key Management Personnel	Ultimate Holding Company	Holding Company	Subsidiary Company	Entities under Common Control	Entities under significance of the ultimate holding Company
Balances at the end of the year												
Trade Payable												
Super Religare Laboratories Limited					3,789,162						861,993	
Fortis Health Management Limited						32,314,650						28,833,927
Advance Recoverable												
Fortis Healthcare limited		934,296						878,657				
Malar Stars Medicare Limited										563,261		
Inter corporate deposit placed												
Malar Stars Medicare Limited				617,933,576						617,933,576		
Interest accrued but not due												
Malar Stars Medicare Limited				13,713,047						13,713,047		

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

15 Operating lease payments

Operating lease agreements have been entered in to by the Company with respect to office premises and medical equipment. All lease commitments are cancellable. The total lease payments made during the year are as follows:

Particulars	March 31, 2015	March 31, 2014
Lease rentals paid	7,567,421	6,550,868

16 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There is no overdue amount payable to Micro, Small and Medium Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year and previous year.

17 Expenditure on Corporate Social Responsibility (CSR)

For the year ended March 31, 2015 the Company has incurred expenditure of Rs. 1.18 lakhs as compared to expenditure required to be spent under section 135 of the Act of Rs. 25.94 lakhs resulting in a shortfall of Rs. 24.76 lakhs.

18 Previous year's figures have been regrouped where necessary to conform to the current year's classification.

As per our report of even date

For S R Batliboi & Associates LLP

ICAI Firm Registration number :101049W
Chartered Accountants

**For and on behalf of the Board of Directors of
Fortis Malar Hospitals Limited**

per Aniruddh Sankaran
Partner

Membership No.: 211107
Chennai
April 29, 2015

Daljit Singh

Chairman
Chennai
April 29, 2015

Raghunath P

Whole Time Director
Chennai
April 29, 2015

Akshaya Kumar Singh

Chief Financial Officer
Chennai
April 29, 2015

Sumit Goel

Company Secretary
Chennai
April 29, 2015