

**Lalitha Healthcare Private Limited**  
**Balance sheet as at March 31, 2015**

		Amounts in ₹	
	Notes	As at March 31, 2015	As at March 31, 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	8,115,680	8,115,680
Reserves and surplus	4	(71,733,152)	(68,894,170)
		<b>(63,617,472)</b>	<b>(60,778,490)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	17,093,749	40,016,960
Long-term provisions	6	1,017,000	964,000
		<b>18,110,749</b>	<b>40,980,960</b>
<b>Current liabilities</b>			
Short-term borrowings	7	124,420,717	113,039,923
Trade payables	8	68,164,052	66,960,692
Other current liabilities	8	29,681,879	27,711,248
Short-term provisions	6	1,257,000	999,000
		<b>223,523,648</b>	<b>208,710,863</b>
<b>TOTAL</b>		<b>178,016,925</b>	<b>188,913,333</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	143,654,209	148,549,382
Intangible assets	10	643,605	855,658
Non-current investments	11	25,001	25,001
Loans and advances	12	12,146,856	11,254,090
Other non-current assets	13	54,760	387,933
		<b>156,524,431</b>	<b>161,072,064</b>
<b>Current assets</b>			
Inventories	14	4,496,592	4,450,459
Trade receivables	15	12,220,220	18,308,498
Cash and bank balances	16	346,132	825,241
Loans and advances	12	2,988,992	1,842,496
Other current assets	13	1,440,558	2,414,575
		<b>21,492,494</b>	<b>27,841,269</b>
<b>TOTAL</b>		<b>178,016,925</b>	<b>188,913,333</b>
Summary of significant accounting policies	2.1		

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Firm registration number: 301003E

Chartered Accountants

For and on behalf of the Board of Directors of

**Lalitha Healthcare Private Limited**

per Navin Agrawal

Partner

Membership No: 056102

Place: Bangalore

Date : May 21, 2015

Karthik Rajagopal

Director

Place: Bangalore

Date : May 21, 2015

Dr. Mohan Keshavamurthy

Director

**Lalitha Healthcare Private Limited****Statement of profit and loss for the year ended March 31, 2015**

		Amounts in ₹	
	Notes	March 31, 2015	March 31, 2014
<b>Income</b>			
Revenue from operations	17	215,028,672	187,000,322
Other income	18	2,233,885	2,590,508
<b>Total revenue (I)</b>		<b>217,262,557</b>	<b>189,590,830</b>
<b>Expenses</b>			
Purchase of medical consumables and pharmacy		45,438,120	40,110,979
Changes in inventories of medical consumables and pharmacy	19	(46,133)	1,725,903
Employee benefits expenses	20	29,665,390	31,779,642
Other expenses	23	112,278,723	122,732,918
<b>Total (II)</b>		<b>187,336,100</b>	<b>196,349,442</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>29,926,457</b>	<b>(6,758,612)</b>
Depreciation and amortisation expense	21	9,958,518	8,610,035
Finance costs	22	19,956,863	19,890,005
<b>Profit / (loss) before tax</b>		<b>11,076</b>	<b>(35,258,652)</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
<b>Profit / (loss) for the year</b>		<b>11,076</b>	<b>(35,258,652)</b>
Profit / (loss) per equity share [nominal value of share ₹10/- each (March 31, 2014: ₹10)]			
Basic and diluted	28	0.01	(43.45)
Summary of significant accounting policies	2.1		

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Firm registration number: 301003E

Chartered Accountants

For and on behalf of the Board of Directors of

**Lalitha Healthcare Private Limited**

per Navin Agrawal

Partner

Membership No: 056102

Place: Bangalore

Date : May 21, 2015

Karthik Rajagopal

Director

Place: Bangalore

Date : May 21, 2015

Dr. Mohan Keshavamurthy

Director

**Lalitha Healthcare Private Limited**  
**Cash flow statement for the year ended March 31, 2015**

	Amounts in ₹	
	March 31, 2015	March 31, 2014
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax from operations	11,076	(35,258,652)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortization	9,958,518	8,610,035
Loss on sale of fixed assets	15,705	172,544
Provision for doubtful debts and advances	3,390,317	4,228,384
Bad debts and sundry balances written off	805,386	1,842,579
Amortisation of ancillary borrowing costs	333,173	333,173
Liability no longer required written back	(1,043,522)	(2,182,603)
Interest income	(356,247)	-
Interest expense	19,621,195	19,519,436
<b>Operating profit before working capital changes</b>	<b>32,735,601</b>	<b>(2,735,104)</b>
Movements in working capital :		
Increase in trade payables	2,246,882	10,322,290
Increase in other current liabilities	4,374,009	1,648,891
Increase/ (decrease) in short term provisions	258,000	(59,000)
Increase in long term provisions	53,000	62,000
Decrease/ (increase) in trade receivables	2,880,414	(4,398,900)
Decrease / (increase) in inventories	(46,133)	1,725,903
Decrease / (increase) in short term loans and advances	(2,094,336)	421,557
Decrease / (increase) in long term loans and advances	166,381	(908,444)
Decrease / (increase) in other current assets	974,017	(779,422)
Cash generated from operations	<b>41,547,835</b>	<b>5,299,771</b>
Direct taxes paid	(1,022,770)	(4,715,086)
<b>Net cash from operating activities (A)</b>	<b>40,525,065</b>	<b>584,685</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets including intangibles and capital advances	(10,037,860)	(2,057,143)
Proceeds from sale of fixed assets	-	38,341
Interest received	356,247	-
<b>Net cash used in investing activities (B)</b>	<b>(9,681,613)</b>	<b>(2,018,802)</b>
<b>Cash flows from financing activities</b>		
Repayment of long - term borrowings (net)	(22,998,510)	(23,055,155)
Proceeds from short-term borrowings (net)	11,380,794	36,677,706
Interest paid	(19,704,845)	(15,555,709)
<b>Net cash used in financing activities (C)</b>	<b>(31,322,561)</b>	<b>(1,933,158)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(479,109)</b>	<b>(3,367,275)</b>
Total cash and cash equivalents at the beginning of the year	825,241	4,192,516
<b>Cash and cash equivalents at the end of the year</b>	<b>346,132</b>	<b>825,241</b>

**Lalitha Healthcare Private Limited**  
**Cash flow statement for the year ended March 31, 2015**

**Amounts in ₹**

**Components of cash and cash equivalents:**

Cash on hand	168,884	244,733
Cheques on hand	-	523,647
With banks - on current account	177,248	56,861
<b>Total cash and cash equivalents (note 16)</b>	<b>346,132</b>	<b>825,241</b>

Summary of significant accounting policies

2.1

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Firm registration number: 301003E

Chartered Accountants

For and on behalf of the Board of Directors of

**Lalitha Healthcare Private Limited**

per Navin Agrawal

Partner

Membership No: 056102

Place: Bangalore

Date : May 21, 2015

Karthik Rajagopal

Director

Dr. Mohan Keshavamurthy

Director

Place: Bangalore

Date : May 21, 2015

## **1. Corporate information**

Lalitha Healthcare Private Limited ( the 'Company') was incorporated on March 21, 2005 under the Companies Act, 1956 in India. The Company is operating a multi-speciality Hospital in Bangalore.

## **2. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the 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 and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### **2.1 Summary of significant accounting policies**

#### **(a) Use of estimates**

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

#### **(b) Tangible fixed assets**

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

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

Gains or losses arising from de recognition 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**

Based on management's assessment, the estimated useful lives of the following classes of assets, which are lower than or equal to those indicated in Schedule II. Depreciation is provided on Straight Line Method (SLM), over the estimated useful life of assets as follows:-

	<b>Useful life estimated by the management (years)</b>	<b>Schedule II Estimated Useful Life (years)</b>
Buildings	60	60
Office equipments	5	5
Medical equipments	13	13
Plant and machinery	14	15
Computers	3	3
Furniture & Fittings	10	10
Vehicles	8	8

Pro-rata depreciation is provided from/upto the date of purchase or disposal, for assets purchased or sold during the year.

#### **(d) Intangibles**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets comprise computer software held for use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

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.

A summary of amortization policy applied to the Company's intangible assets is as below:-

	<b>Useful life estimated by the management (years)</b>
Software	6

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**(e) Leases**

**Where the Company is lessee**

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

**(f) Impairment on tangible and intangible assets**

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

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 or its remaining useful life.

**(g) Inventories**

Medical consumables and pharmacy items are valued at lower of cost and net realisable value and cost is determined on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(h) Revenue recognition**

Revenue is 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:

**Sale of goods**

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. Income from pharmacy items are recognized net of returns, discounts and VAT wherever applicable.

**Income from services**

Revenue from services are recognized as and when the services are rendered, net of discounts and allowances.

**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.

**(i) Retirement and other employee benefits**

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 an expenditure, when an employee renders the related service.

Gratuity liability under the Payment of Gratuity Act is a defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gain and losses are recognized in full in the period in which they occur in the statement of profit and loss.

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

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

**(j) Investments**

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

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

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

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

**(k) Income tax**

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.

**(l) 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 period.

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

**(m) Borrowing cost**

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.

**(n) Provisions**

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

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**(o) 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.

**(p) Foreign currency transaction**

**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.

**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.

**Exchange differences :**

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

**(q) Segment Reporting**

**Identification of segments**

The Company'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.

**Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(r) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and on 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, 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 from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

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**3 Share capital**

	March 31, 2015 ₹	March 31, 2014 ₹
<b>Authorised shares</b>		
2,000,000 (March 31, 2014: 2,000,000) equity shares of ₹ 10/- each	20,000,000	20,000,000
2,250,000 (March 31, 2014: 2,250,000) preference shares of ₹ 10/- each	22,500,000	22,500,000
<b>Issued, subscribed and fully paid-up shares.</b>		
811,568 (March 31, 2014: 811,568) equity shares of ₹ 10/- each fully paid up	8,115,680	8,115,680
<b>Issued share capital</b>	<b>8,115,680</b>	<b>8,115,680</b>

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

Equity Shares	March 31, 2015		March 31, 2014	
	In No's	₹	In No's	₹
At the beginning of the year	811,568	8,115,680	811,568	8,115,680
Issued during the year	-	-	-	-
Outstanding at the end of the year	811,568	8,115,680	811,568	8,115,680

**(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, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Out of equity shares issued by the company, shares held by its holding company is as below:

	March 31, 2015 ₹	March 31, 2014 ₹
<i>Equity shares of ₹ 10 each fully paid</i>		
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited), the Holding Company		
545,624 (March 31, 2014: 545,624) equity shares	5,456,240	5,456,240

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

Name of the Shareholder	March 31, 2015		March 31, 2014	
	Nos.	% of holding	Nos.	% of holding
<i>Equity shares of ₹10 each fully paid</i>				
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited), holding company	545,624	67.23%	545,624	67.23%
Dr. Lakshmi Narayana Raju	84,972	10.47%	84,972	10.47%
Dr Mohan Keshavamurthy	68,972	8.50%	68,972	8.50%

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

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4 Reserves and surplus

	March 31, 2015	March 31, 2014
	₹	₹
<b>Securities premium account</b>		
Balance as per the previous financial statements	94,814,550	94,814,550
<b>Closing Balance</b>	<b>94,814,550</b>	<b>94,814,550</b>
<b>Surplus / (deficit) in statement of profit and loss</b>		
Balance as per the previous financial statements	(163,708,720)	(128,450,068)
Impact due to depreciation (note 34)	(2,850,058)	-
Profit / (loss) for the year	11,076	(35,258,652)
Net deficit in the statement of profit and loss	<b>(166,547,702)</b>	<b>(163,708,720)</b>
<b>Total reserves and surplus</b>	<b>(71,733,152)</b>	<b>(68,894,170)</b>

5 Long term borrowings

	Non-current portion		Current portion	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹	₹	₹	₹
Term loan from bank (secured)	17,093,749	40,016,960	22,998,447	23,073,746
<b>Total</b>	<b>17,093,749</b>	<b>40,016,960</b>	<b>22,998,447</b>	<b>23,073,746</b>
<b>The above amount includes</b>				
Secured borrowings	17,093,749	40,016,960	22,998,447	23,073,746
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(22,998,447)	(23,073,746)
<b>Net amount</b>	<b>17,093,749</b>	<b>40,016,960</b>	<b>-</b>	<b>-</b>

The Company has obtained a term loan from a bank which carries an interest @ 2.30% p.a above the bank base rate. The current effective rate for the facility is 12.30% p.a. The loan is secured by (i) first exclusive and exclusive charge on current assets of the Company; (ii) First, sole and exclusive charge on all the fixed assets; (iii) Corporate guarantee of Fortis Hospitals Limited; and (iv) General Insurance for entire property, assets and exposure to be lien marked in favour of bank as the first loss payee.

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6 Provisions	Long-term		Short-term	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
<b>Provision for employee benefits</b>				
Provision for gratuity (note 26)	1,017,000	964,000	125,000	124,000
Provision for compensated absences	-	-	1,132,000	875,000
	<b>1,017,000</b>	<b>964,000</b>	<b>1,257,000</b>	<b>999,000</b>

## 7 Short term borrowings

	March 31, 2015 ₹	March 31, 2014 ₹
Loan repayable on demand from bank (secured)*	3,959,365	18,796,164
11.50% loan from holding company (unsecured) (note 25)	120,461,352	94,243,759
	<b>124,420,717</b>	<b>113,039,923</b>
<b>The above amount includes</b>		
Secured borrowings	3,959,365	18,796,164
Unsecured borrowings	120,461,352	94,243,759
	<b>124,420,717</b>	<b>113,039,923</b>

\*The Company has obtained a working capital loan/ overdraft facility of Rs. 20,000,000 from a bank which carries an interest @ 2.30% p.a above the bank base rate. The current effective rate for the facility is 12.30% p.a. The facility is secured by (i) first exclusive and exclusive charge on current assets of the Company; (ii) First, sole and exclusive charge on all the fixed assets; (iii) Corporate guarantee of Fortis Hospitals Limited; and (iv) General Insurance for entire property, assets and exposure to be lien marked in favour of bank as the first loss payee.

## 8 Other current liabilities

	March 31, 2015 ₹	March 31, 2014 ₹
Trade payables (refer note 27 for details of dues to micro and small enterprises)	68,164,052	66,960,692
	<b>68,164,052</b>	<b>66,960,692</b>
<b>Other liabilities</b>		
Current maturities of long-term borrowings (note 5)	22,998,447	23,073,746
Capital creditors	2,637,318	392,889
Interest accrued but not due on borrowings	145,820	229,470
Other interest free security deposits	-	150,000
Advances from patients	769,813	1,414,779
TDS payable	2,528,192	1,913,526
Service tax payable	136,033	102,534
Other statutory dues	466,256	434,304
	29,681,879	27,711,248
	<b>97,845,931</b>	<b>94,671,940</b>

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**9 Tangible Assets**

Particulars	Freehold Land	Building	Office Equipments	Medical Equipments	Plant and Machinery	Computers	Furniture & Fittings	Vehicles	Total
<b>Cost or valuation</b>									
At April 1, 2013	19,329,148	84,032,712	5,085,945	64,016,572	15,048,847	3,475,745	5,569,034	1,245,504	197,803,507
Additions	-	-	70,188	1,129,629	411,695	61,700	32,632	-	1,705,844
Disposals	-	-	13,433	24,033	43,296	26,414	270,952	-	378,128
<b>At March 31, 2014</b>	<b>19,329,148</b>	<b>84,032,712</b>	<b>5,142,700</b>	<b>65,122,168</b>	<b>15,417,246</b>	<b>3,511,031</b>	<b>5,330,714</b>	<b>1,245,504</b>	<b>199,131,223</b>
Additions	-	437,034	6,800	7,011,559	261,663	-	-	-	7,717,056
Disposals	-	-	47,154	0	33,845	18,740	38	-	99,777
<b>At March 31, 2015</b>	<b>19,329,148</b>	<b>84,469,746</b>	<b>5,102,346</b>	<b>72,133,727</b>	<b>15,645,064</b>	<b>3,492,291</b>	<b>5,330,676</b>	<b>1,245,504</b>	<b>206,748,502</b>
<b>Depreciation</b>									
At April 1, 2013	-	9,004,738	1,757,457	21,697,848	5,411,731	2,200,725	1,927,628	351,080	42,351,207
Charge for the year	-	1,369,732	362,119	4,561,325	1,097,469	566,957	352,221	88,058	8,397,881
Disposals	-	-	5,408	10,410	10,098	23,294	118,037	-	167,247
<b>At March 31, 2014</b>	<b>-</b>	<b>10,374,470</b>	<b>2,114,168</b>	<b>26,248,763</b>	<b>6,499,102</b>	<b>2,744,388</b>	<b>2,161,812</b>	<b>439,138</b>	<b>50,581,841</b>
Charge for the year	-	1,406,088	166,126	5,579,652	1,096,911	304,278	941,128	252,282	9,746,465
Disposals	-	-	47,154	-	18,159	18,740	18	-	84,071
Other adjustments (note 34)	-	-	2,493,339	-	-	356,719	-	-	2,850,058
<b>At March 31, 2015</b>	<b>-</b>	<b>11,780,558</b>	<b>4,726,479</b>	<b>31,828,415</b>	<b>7,577,854</b>	<b>3,386,645</b>	<b>3,102,922</b>	<b>691,420</b>	<b>63,094,293</b>
<b>Net Block</b>									
<b>At March 31, 2014</b>	<b>19,329,148</b>	<b>73,658,242</b>	<b>3,028,532</b>	<b>38,873,405</b>	<b>8,918,144</b>	<b>766,643</b>	<b>3,168,902</b>	<b>806,366</b>	<b>148,549,382</b>
<b>At March 31, 2015</b>	<b>19,329,148</b>	<b>72,689,188</b>	<b>375,867</b>	<b>40,305,312</b>	<b>8,067,210</b>	<b>105,646</b>	<b>2,227,754</b>	<b>554,084</b>	<b>143,654,209</b>

<b>10 Intangible Assets</b>	<b>All amounts in ₹</b>	
<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Gross Block</b>		
At April 1, 2013	845,703	845,703
Additions	463,086	463,086
<b>At March 31, 2014</b>	<b>1,308,789</b>	<b>1,308,789</b>
Additions	-	-
Disposals	-	-
<b>At March 31, 2015</b>	<b>1,308,789</b>	<b>1,308,789</b>
<b>Amortisation</b>		
At April 1, 2013	240,977	240,977
Charge for the year	212,154	212,154
<b>At March 31, 2014</b>	<b>453,131</b>	<b>453,131</b>
Charge for the year	212,053	212,053
Disposals	-	-
<b>At March 31, 2015</b>	<b>665,184</b>	<b>665,184</b>
<b>Net Block</b>		
<b>At March 31, 2014</b>	<b>855,658</b>	<b>855,658</b>
<b>At March 31, 2015</b>	<b>643,605</b>	<b>643,605</b>

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**11 Non current investments**

	March 31, 2015	March 31, 2014
	₹	₹
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
Investment in equity instrument ( 5,000 shares of ₹ 10 each fully paid up) of RMCRS Health Management Private Limited	50,001	50,001
Investments in government or trust securities - National savings certificates	25,000	25,000
	75,001	75,001
Less: Provision for diminution in value of investments	50,000	50,000
Aggregated amount of unquoted investments	<b>25,001</b>	<b>25,001</b>

**12 Loans and advances**

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹	₹	₹	₹
<b>Capital advances</b>				
Unsecured, considered good	173,446	97,070	-	-
(A)	<b>173,446</b>	<b>97,070</b>	-	-
<b>Security deposit</b>				
Unsecured, considered good	2,044,455	2,210,835	185,150	185,150
(B)	<b>2,044,455</b>	<b>2,210,835</b>	<b>185,150</b>	<b>185,150</b>
<b>Loan and advances to related parties (note 25)</b>				
<b>Unsecured, considered good (Unless stated otherwise)</b>				
Considered good	-	-	-	197,223
Considered doubtful	-	2,949,591	-	-
	-	<b>2,949,591</b>	-	<b>197,223</b>
Less: Provision for doubtful advances	-	2,949,591	-	-
(C)	-	-	-	<b>197,223</b>
<b>Other loans and advances</b>				
<b>Unsecured, considered good (Unless stated otherwise)</b>				
Advance tax and tax deducted at source	9,928,955	8,946,185	-	-
Advances to suppliers	-	-	2,000	11,515
Prepaid expenses	-	-	985,846	514,146
Export benefit entitlement	-	-	1,815,996	934,462
Salary Advance (considered doubtful)	-	-	750,615	-
	<b>9,928,955</b>	<b>8,946,185</b>	<b>3,554,457</b>	<b>1,460,123</b>
Less: Provision for doubtful advances	-	-	750,615	-
(D)	<b>9,928,955</b>	<b>8,946,185</b>	<b>2,803,842</b>	<b>1,460,123</b>
<b>Total (A+B+C+D)</b>	<b>12,146,856</b>	<b>11,254,090</b>	<b>2,988,992</b>	<b>1,842,496</b>

**13 Other assets**

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹	₹	₹	₹
<b>Unsecured, considered good (Unless stated otherwise)</b>				
<b>Unamortized expenditure</b>				
Ancillary cost of arranging the borrowings	54,760	387,933	333,173	333,173
<b>Others</b>				
Accrued operating income	-	-	1,107,385	2,081,402
	<b>54,760</b>	<b>387,933</b>	<b>1,440,558</b>	<b>2,414,575</b>

**14 Inventories (valued at lower of cost and net realizable value)**

	March 31, 2015	March 31, 2014
	₹	₹
Medical consumables	3,061,871	3,041,362
Pharmacy	1,434,721	1,409,097
	<b>4,496,592</b>	<b>4,450,459</b>

**Lalitha Healthcare Private Limited****Notes to the financial statements for the year ended March 31, 2015****15 Trade receivables**

	March 31, 2015	March 31, 2014
	₹	₹
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	2,897,217	6,071,318
Doubtful	14,535,007	11,895,306
	<u>17,432,224</u>	<u>17,966,624</u>
Less: Provision for doubtful receivables	14,535,007	11,895,306
	<b>(A) 2,897,217</b>	<b>6,071,318</b>
<b>Other receivables</b>		
Unsecured, considered good	9,323,003	12,237,180
Doubtful	-	-
	<u>9,323,003</u>	<u>12,237,180</u>
Less: Provision for doubtful receivables	-	-
	<b>(B) 9,323,003</b>	<b>12,237,180</b>
<b>Total (A+B)</b>	<b>12,220,220</b>	<b>18,308,498</b>

**16 Cash and bank balances**

	March 31, 2015	March 31, 2014
	₹	₹
<b>Cash and cash equivalents</b>		
Balances with banks		
On current accounts	177,248	56,861
Cash on hand	168,884	244,733
Cheques / drafts on hand	-	523,647
	<u>346,132</u>	<u>825,241</u>

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**Lalitha Healthcare Private Limited****Notes to the financial statements for the year ended March 31, 2015****17 Revenue from operations**

	March 31, 2015	March 31, 2014
	₹	₹
<b>Revenue from operations</b>		
<b>Sale of services</b>		
Inpatient	178,278,451	156,312,466
Outpatient	24,378,687	21,654,995
	<u>202,657,138</u>	<u>177,967,461</u>
Less: Discounts	261,932	728,512
	<u>202,395,206</u>	<u>177,238,949</u>
<b>Sale of products</b>		
Pharmacy	11,751,932	9,462,146
	<u>11,751,932</u>	<u>9,462,146</u>
<b>Other operating income</b>		
Duty credit entitlement	881,534	299,227
	<u>881,534</u>	<u>299,227</u>
<b>Revenue from operations (net)</b>	<b><u>215,028,672</u></b>	<b><u>187,000,322</u></b>

**Details of product sold**

Particulars	March 31, 2015	March 31, 2014
	₹	₹
Pharmacy	11,751,932	9,462,146
	<b><u>11,751,932</u></b>	<b><u>9,462,146</u></b>

**18 Other income**

	March 31, 2015	March 31, 2014
	₹	₹
<b>Interest income on</b>		
Income tax refund	356,247	-
	<u>356,247</u>	<u>-</u>
<b>Other non operating income:</b>		
Rental income	612,755	313,100
Liabilities no longer required written back	1,043,522	2,182,603
Miscellaneous income	221,361	94,805
	<u>1,877,638</u>	<u>2,590,508</u>
	<b><u>2,233,885</u></b>	<b><u>2,590,508</u></b>

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**19 (Increase)/ decrease in inventories**

	March 31, 2015	March 31, 2014
	₹	₹
<b>Inventories at the end of the year</b>		
Pharmacy and Medical Consumables	4,496,592	4,450,459
	<b>4,496,592</b>	<b>4,450,459</b>
<b>Inventories at the beginning of the year</b>		
Pharmacy and Medical Consumables	4,450,459	6,176,362
	<b>4,450,459</b>	<b>6,176,362</b>
	<b>(46,133)</b>	<b>1,725,903</b>

**Details of inventory**

	March 31, 2015	March 31, 2014
	₹	₹
Pharmacy and Medical Consumables	4,496,592	4,450,459
	<b>4,496,592</b>	<b>4,450,459</b>

**20 Employee benefit expense**

	March 31, 2015	March 31, 2014
	₹	₹
Salaries, wages and bonus	25,592,903	28,067,551
Contribution to provident and other funds	2,106,340	2,270,160
Gratuity expense (note 26)	244,000	320,000
Staff welfare expenses	1,722,147	1,121,931
	<b>29,665,390</b>	<b>31,779,642</b>

**21 Depreciation and amortization expense**

	March 31, 2015	March 31, 2014
	₹	₹
Depreciation of tangible assets (note 9)	9,746,465	8,397,881
Amortization of intangible assets (note 10)	212,053	212,154
	<b>9,958,518</b>	<b>8,610,035</b>

**22 Finance costs**

	March 31, 2015	March 31, 2014
	₹	₹
Bank charges	2,495	37,396
Interest expense		
On term loan	6,480,396	9,192,367
On loans from holding company	12,352,882	8,542,330
On working capital	787,917	1,784,739
Amortisation of ancillary borrowing costs	333,173	333,173
	<b>19,956,863</b>	<b>19,890,005</b>

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**23 Other expenses**

	March 31, 2015	March 31, 2014
	₹	₹
Contractual manpower	1,300,465	1,238,455
Power, fuel and water charges	4,596,893	4,692,835
Housekeeping expenses including consumables	6,242,937	7,922,697
Patient food	4,261,734	3,825,180
Pathology laboratory expenses	13,348,734	16,184,117
Management fees	3,226,981	13,310,793
Consultation fees to doctors	46,672,832	44,590,638
Repairs and maintenance		
Plant & Machinery	1,807,713	1,913,460
Building	430,223	544,605
Others	1,254,733	2,314,881
Rent	2,603,358	2,460,113
Printing and stationary	1,034,453	1,539,083
Legal and professional fees	3,691,958	4,422,778
Payment to auditor (refer details below)	730,340	730,340
Travel and conveyance	1,306,266	790,809
Rates and taxes	466,907	480,122
Communication costs	992,236	1,203,303
Insurance	138,192	150,641
Marketing and business promotion	13,825,234	8,119,845
Loss on sale of fixed assets (net)	15,705	172,544
Bad debts and sundry balances written off	805,386	1,842,579
Provision for doubtful debts and advances	3,390,317	4,228,384
Donations	3,500	15,500
Miscellaneous expenses	131,626	39,216
	<b>112,278,723</b>	<b>122,732,918</b>

**Payment to auditor:**

	March 31, 2015	March 31, 2014
	₹	₹
As auditor:		
Audit fee	617,980	617,980
Tax audit fee	112,360	112,360
	<b>730,340</b>	<b>730,340</b>

**24 Segment Reporting**

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

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**25 Related Party Disclosures**

**Names of related parties and related party relationship**

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**(a) Related parties where control exists**

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Ultimate holding company	: Fortis Healthcare Limited
Intermediate holding company	: Fortis Hospitals Limited
Holding company	: Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)

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**(b) Related parties under AS 18 with whom transactions have taken place during the year**

Ultimate holding company	: Fortis Healthcare Limited
Intermediate holding company	: Fortis Hospitals Limited
Holding company	: Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)

Key management personnel ('KMP')	: Mr. Karthik Rajagopal : Dr. Lakshmi Narayana Raju : Dr. Mohan Keshavamurthy
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Relatives of key management personnel	: Dr. Seetha Belavadi : Ms. Nagarathna : Mr. Venkatakrishna Raju
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Enterprises which are under common control with reporting enterprise	: Super Religare Laboratories Limited : Fortis Health Management (North) Limited : Fortis Health Management Limited : International Hospital Limited
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Enterprises owned or significantly influenced by key management personnel or their relatives	: Balaji School of Nursing : Ranibennur College of Nursing : RMCRS Health Management : RM Educational Trust : Sreenivasa Educational Society : Fortis RM Pharma
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Particulars	Amounts in ₹													
	Ultimate holding company		Intermediate holding company		Holding company		Enterprises which are under common control with reporting enterprise		Key management personnel (KMP)		Relatives of key management personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Loans taken during the year</b>														
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)	-	-	-	-	16,600,000	36,300,000	-	-	-	-	-	-	-	-
<b>Loans repaid during the year</b>														
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)	-	-	-	-	1,500,000	3,500,000	-	-	-	-	-	-	-	-
Dr. Lakshmi Narayana Raju	-	-	-	-	-	-	-	-	-	2,956,123	-	-	-	-
Dr. Mohan Keshavamurthy	-	-	-	-	-	-	-	-	-	542,620	-	-	-	-
Dr. Seetha Belavadi	-	-	-	-	-	-	-	-	-	-	-	134,865	-	-
Ms. Nagarathan	-	-	-	-	-	-	-	-	-	-	-	500,000	-	-
Mr.Venkatakrishna Raju	-	-	-	-	-	-	-	-	-	-	-	1,000,000	-	-
<b>Management fees</b>														
Fortis Hospitals Limited	-	-	3,226,981	13,310,793	-	-	-	-	-	-	-	-	-	-
<b>Interest Expense</b>														
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)	-	-	-	-	12,352,882	8,542,330	-	-	-	-	-	-	-	-
<b>Pathology laboratory expenses</b>														
Super Religare Laboratories Limited	-	-	-	-	-	-	9,763,282	11,568,854	-	-	-	-	-	-
Fortis Hospitals Limited	-	-	836,742	941,542	-	-	-	-	-	-	-	-	-	-
International Hospital Limited	-	-	-	-	-	-	156,034	12,200	-	-	-	-	-	-
<b>Consultation Fees to Doctors</b>														
Fortis Hospitals Limited	-	-	4,431,500	-	-	-	-	-	-	-	-	-	-	-
Fortis Health Management (North) Limited	-	-	-	-	-	-	-	2,289,000	-	-	-	-	-	-
Dr. Mohan Keshavamurthy	-	-	-	-	-	-	-	-	2,695,198	2,640,000	-	-	-	-
<b>Legal and professional fees</b>														
Fortis RM Pharma	-	-	-	-	-	-	-	-	-	-	-	-	2,077,064	2,282,025
<b>Purchase of pharmacy</b>														
Fortis Hospitals Limited	-	-	95,877	159,279	-	-	-	-	-	-	-	-	-	-
<b>Sale of pharmacy</b>														
Fortis Hospitals Limited	-	-	7,222,515	6,096,825	-	-	-	-	-	-	-	-	-	-
International Hospital Limited	-	-	-	-	-	-	240,473	-	-	-	-	-	-	-
Fortis Health Management Limited	-	-	-	-	-	-	31,747	7,502	-	-	-	-	-	-
Dr. Mohan Keshavamurthy	-	-	-	-	-	-	-	-	-	28,298	-	-	-	-
<b>Revenue from operations</b>														
Fortis Hospitals Limited	-	-	580	179,753	-	-	-	-	-	-	-	-	-	-
International Hospital Limited	-	-	-	-	-	-	1,740	-	-	-	-	-	-	-
<b>Housekeeping Expenses</b>														
Fortis Hospitals Limited	-	-	510,383	618,732	-	-	-	-	-	-	-	-	-	-
<b>Printing and stationary</b>														
Fortis Hospitals Limited	-	-	32,872	188,978	-	-	-	-	-	-	-	-	-	-
<b>Travel and conveyance</b>														
Fortis Hospitals Limited	-	-	177,281	56,345	-	-	-	-	-	-	-	-	-	-
<b>Expenses reimbursement on behalf of the Company by related parties</b>														
Fortis Hospitals Limited	-	-	153,171	100,000	-	-	-	-	-	-	-	-	-	-
<b>Expenses reimbursement made by the Company on behalf of related parties</b>														
Fortis Hospitals Limited	-	-	720,990	48,240	-	-	-	-	-	-	-	-	-	-
Fortis Healthcare Limited	68,208	-	-	-	-	-	-	-	-	-	-	-	-	-
Fortis Health Management Limited	-	-	-	-	-	-	1,844	-	-	-	-	-	-	-

Lalitha Healthcare Private Limited  
Notes to the financial statements for the year ended March 31, 2015

B. Balances at the year end

Amounts in ₹

Particulars	Ultimate holding company		Intermediate holding company		Holding		Enterprises which are under common control with reporting enterprise.		Key management personnel (KMP)		Relatives of key management personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Short Term Borrowings</b>														
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited)	-	-	-	-	120,461,352	94,243,759	-	-	-	-	-	-	-	-
<b>Trade Payables</b>														
Super Religare Laboratories Limited	-	-	-	-	-	-	1,625,037	2,354,375	-	-	-	-	-	-
Fortis RM Pharma	-	-	-	-	-	-	-	-	-	-	-	-	188,990	176,752
Fortis Health Management (North) Limited	-	-	-	-	-	-	-	3,390,782	-	-	-	-	-	-
International Hospital Limited	-	-	-	-	-	-	-	10,980	-	-	-	-	-	-
Fortis Healthcare Limited	-	-	-	-	-	-	-	96,196	-	-	-	-	-	-
Fortis Hospitals Limited	-	-	45,998,595	45,268,169	-	-	-	-	-	-	-	-	-	-
<b>Short Term Loans and Advances</b>														
Dr. Mohan Keshavamurthy <sup>#</sup>	-	-	-	-	-	-	-	-	-	197,223	-	-	-	-
<b>Long Term Loans and Advances</b>														
Balaji School of Nursing*	-	-	-	-	-	-	-	-	-	-	-	-	-	43,750
Ranibennur College of Nursing*	-	-	-	-	-	-	-	-	-	-	-	-	-	105,000
RMCRS Health Management*	-	-	-	-	-	-	-	-	-	-	-	-	-	2,440,573
RM Educational Trust*	-	-	-	-	-	-	-	-	-	-	-	-	-	124,512
Sreenivasa Educational Society*	-	-	-	-	-	-	-	-	-	-	-	-	-	235,756

<sup>#</sup>The balance has been written off during the year.

\*Provision has been created for these balances, since their recovery is doubtful. The same has been written off during the year.

**26 Gratuity and other post employment benefit plans**

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

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the respective plans.

**Statement of profit and loss**

**Net employee benefit expense recognized in the employee cost**

	March 31, 2015 ₹	March 31, 2014 ₹
Current service cost	320,000	365,000
Interest cost	92,000	69,000
Actuarial gain recognised in the period/year	(168,000)	(114,000)
Net benefit expenses	244,000	320,000

**Balance Sheet**

**Benefit liability**

	March 31, 2015 ₹	March 31, 2014 ₹
Present value of defined benefit obligation	(1,142,000)	(1,088,000)
Fair value of plan assets	-	-
<b>Plan liability</b>	<b>(1,142,000)</b>	<b>(1,088,000)</b>

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

	March 31, 2015 ₹	March 31, 2014 ₹
Opening defined benefit obligation	1,088,000	964,000
Current service cost	320,000	365,000
Interest cost on benefit obligation	92,000	69,000
Benefits paid	(190,000)	(196,000)
Actuarial gain recognised	(168,000)	(114,000)
Closing defined benefit obligation	<b>1,142,000</b>	<b>1,088,000</b>

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

	March 31, 2015	March 31, 2014
Discount rate	7.75%	9.25%
Expected rate of salary increase	8.00%	10.00% p.a for first 3 years and 8.00% p.a. thereafter
Attrition rate	10% at younger ages and reducing to 2% at older ages	10% at younger ages and reducing to 2% at older ages

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

The 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 ₹
Defined Benefit Obligation	1,142,000	1,088,000	964,000	685,000	460,000
Surplus \ (Deficit)	(1,142,000)	(1,088,000)	(964,000)	(685,000)	(460,000)
Experience adjustments on plan liabilities	282,000	13,000	83,000	-	(16,000)
Actuarial Gain \ (Loss ) on plan liabilities	(114,000)	101,000	(39,000)	-	-

(This space has been intentionally left blank)

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

	March 31, 2015 ₹	March 31, 2014 ₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	20,340	13,492
Interest due on above	-	-
	20,340	13,492
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**28 Earnings per share (EPS)**

The following reflects the profit / (loss) and details of shares used in the basic and diluted EPS computations.

	March 31, 2015 ₹	March 31, 2014 ₹
Profit / (loss) for calculation of basic EPS and diluted EPS		
Profit / (loss) after tax	11,076	(35,258,652)
<b>Profit / (loss) for calculation of basic EPS and diluted EPS</b>	<b>11,076</b>	<b>(35,258,652)</b>
Weighted average number of equity shares in calculating basic and diluted EPS	811,568	811,568
<b>Weighted average number of equity shares in calculating basic and diluted EPS</b>	<b>811,568</b>	<b>811,568</b>

**29 Earnings in Foreign currency (accrual basis)**

	March 31, 2015 ₹	March 31, 2014 ₹
Income from medical services	10,555,890	2,992,270
	<b>10,555,890</b>	<b>2,992,270</b>

**30 Value of imports calculated on CIF basis**

	March 31, 2015 ₹	March 31, 2014 ₹
Capital goods	1,740,554	-
	<b>1,740,554</b>	-

**31 Capital and other commitments:**

Estimated amount of contracts (net of advances) remaining to be executed on other commitment account and not provided for is Rs. 1,35,000 (March 31, 2014 : Rs. NIL).

*(This space has been intentionally left blank)*

**32 Contingent liabilities:**

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Claims against the company not acknowledged as debt Patient compensation	5,147,000	-

There are no certain claims made against the Company in respect of patient compensation. The cases are pending with various Consumer Disputes Redressal Commissions. The management does not expect these claims to succeed. Accordingly, no provision for the contingent liability has been recognized in the financial statements.

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

Dr. Mohan Keshavamurthy

Balance as at March 31, 2015 is Nil (March 31, 2014: Rs 197,223 )

Maximum amount outstanding during the year is Rs 197,223 (March 31, 2014: Rs 197,223)

The amount has been written off during the year.

**34** During the year, the Company has reassessed the useful life of assets. Accordingly, the written down value of assets as at April 01, 2014, is depreciated on a prospective basis over the remaining estimated useful life. This change in accounting estimate has resulted in increase in depreciation expense for the year ended March 31, 2015 by Rs. 1,116,705. Further, in case of assets whose useful life on such reassessment had expired as of April 01, 2014, net book value of assets of Rs. 2,850,058 is adjusted against the surplus/(deficit) in the statement of profit and loss as of April 01, 2014.

**35** During the year ended March 31, 2015, the Company has earned a profit of Rs. 11,076 (March 31, 2014 – a loss of Rs. 35,258,652) and has accumulated loss of Rs.166,547,702 (March 31, 2014- Rs. 163,708,720) as against Share capital and Reserves of Rs.102,930,230 (March 31, 2014 – Rs. 102,930,230). Considering the Company's nature of business, its future business plan and the commitment of its Promoter Group to provide continuous financial and operational support for its continued operations in the foreseeable future, the management does not consider an issue of going concern. Accordingly, the accompanying financial statements have been prepared on the going concern assumption.

**36** Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

As per our report of even date

**For S.R. Batliboi & Co LLP**

Firm registration number: 301003E

Chartered Accountants

For and on behalf of the Board of Directors of

**Lalitha Healthcare Private Limited**

per Navin Agrawal

Partner

Membership No: 056102

Place: Bangalore

Date : May 21, 2015

Karthik Rajagopal

Director

Place : Bangalore

Date : May 21, 2015

Dr. Mohan Keshavamurthy

Director