BEYOND MEDICAL EXCELLENCE

Fortis

13th ANNUAL REPORT
2008-09

CONTENTS

Company INFORMATION

BOARD OF DIRECTORS

Mr. Malvinder Mohan Singh, Chairman
Mr. Shivinder Mohan Singh, MD
Mr. Balinder Singh Dhillon
Mr. Gurcharan Das
Mr. Harpal Singh
Dr. P. S. Joshi
Mr. Rajan Kashyap
Mr. Ramesh L. Adige
Justice S. S. Sodhi
Mr. Sunil Godhwani
Lt. Gen. T. S. Shergill
Mr. V. M. Bhutani

CHIEF EXECUTIVE OFFICER

Mr. Bhavdeep Singh

CHIEF FINANCIAL OFFICER

Mr. Yogesh Sareen

Company SECRETARY

Ms. Ruchi Mahajan

AUDITORS

M/s S.R. Batliboi & Co.
Chartered Accountants, New Delhi

REGISTERED OFFICE

Escorts Heart Institute and Research Centre,
Okhla Road, New Delhi-110 025 (India)
Tel.: +91 - 11 - 2682 5000
Fax: +91 - 11 - 4162 8435

OUR VISION

"To create a world-class integrated healthcare delivery system in India, entailing the finest medical skills combined with compassionate patient care."

- Late Dr. Parvinder Singh, Founder Chairman, Fortis Healthcare Limited

Left to Right: Lt. Gen. T. S. Shergill, Dr. P. S. Joshi, Mr. Gurcharan Das, Justic
Mohan Singh, Mr. Sunil Godhwani, Mr. Harpal Singh, Mr. V.

BOARD OF DIRECTORS

e S. S. Sodhi, Mr. Rajan Kashyap, Mr. Shivinder Mohan Singh, Mr. Malvinder
M. Bhutani, Mr. Balinder Singh Dhillon, Mr. Ramesh L. Adige

Left to Right: Dr. Ashok Seth, Dr. Anoop Mishra, Dr. Vijay Kher, Mr Daljit Si
Dr. K.R. Balakrishnan, Dr. A. K. Singh, Mr. Yogesh Sareen

OUR LEADERSHIP TEAM

ngh, Dr. Ashok Rajgopal, Mr. Bhavdeep Singh, Mr. Shivinder Mohan Singh,
n, Dr. Rajesh Ahlawat, Dr. T.S. Mahant, Dr. Upendra Kaul

MESSAGE FROM THE CHAIRMAN

– Mr. Malvinder M. Singh

Dear Shareholders,

The year 2008-09 has been a significant year for your Company. There have been many milestone achievements including our first international foray and the Company declaring its maiden profit after tax since inception. These achievements have been a result of a clear vision, strategy and execution led by a strong and competent team in the company. I would like to take this opportunity to share our joy with each and every one of you for this performance.

We need to actively align ourselves with the needs of the Indian healthcare sector which has some positive characteristics along with many challenges. Higher disposable incomes to spend on healthcare, increasing preponderance of life style diseases and other economic & social realties are stimulating a long term growth phase for the sector. On the other hand the lack of a quality focus in medical care, shortage of skilled & trained manpower, lack of accreditation / certification are challenges that require urgent attention.

Healthcare Sector experiencing a long term growth phase:

The healthcare industry is witnessing a period of sustained growth. For the last few years the industry is growing at 15% per annum and the same trend is estimated to last for another decade or more . This is driven by the fact that the Indian healthcare infrastructure is grossly under developed, demand leads supply and there exists considerable shortage of quality healthcare services.

We at Fortis recognise the opportunity, and are inclined to aggressively grow, both network and revenues, in the next few years to leverage on the growth opportunity. This strategy has already seen your company grow to 28 hospitals, since the opening of our first hospital at Mohali in 2001. The company intends to be a 40 hospital network with more than 6000 beds by the year 2012.

Moreover, supplementing the expansion is the advancement in productivity through standardised and accredited operating systems to serve more patients using the same resources. We at Fortis are evenly poised to aggressively expand our network, establish brand leadership, and emulate a business model which generates adequate returns for the shareholders. This will see the emergence of Fortis as a new leader in the Indian Healthcare space.

Quality Healthcare Focus – a key differentiator:

Indian healthcare delivery is dominated by public hospitals, trust hospitals, and other unorganised private hospitals / nursing homes. A recent sector study indicated that of private infrastructure 84% are facilities with less than 30 beds! Majority of these facilities are devoid of quality standards and offer a very basic service quality. The emergence of large corporate hospitals offering best-in-class services with a focus on service quality is still a recent phenomenon and is largely available only in localised urban locations.

Your Company is establishing a network of healthcare facilities with a commitment to clinical and service quality leading to a higher degree of safety, better outcome, and an overall delightful patient experience.

The Company is also closely working with other leading healthcare providers and the Quality Council of India (QCI) in promoting quality in the Indian healthcare space. We have worked with the QCI to generate quality standards and an accreditation system (NABH) which is practical and affordable.

Shortage of Skilled and trained Manpower:

The raison-de-etre of the healthcare industry is the treatment and care provided to patients. Quality care can only be delivered by high quality medical experts backed by trained support staff, robust infrastructure and efficient systems and processes. The growing need for healthcare in India needs to be well supported by increasing capacity and infrastructure for medical education. Basis international staffing norms India, by the year 2012, needs 1.6 million doctors and 2.6 million nurses. The current availability of doctors and nurses are less than 50% of the required levels. The existing network of medical and nursing schools is inadequate for providing qualified staff in these numbers. This leads to a significant gap in the emerging need for talent vis a vis the current availability in our country.

We are very closely watching the developments in medical education space and will invest in medical education facilities to ensure the availability of qualified and trained manpower for all prevailing and future needs at the appropriate time.

Your Company, with its brand image and large network, is viewed as an employer-of-choice by the medical and non-medical fraternity. Within our network, we are focusing on academics and on partnering with educational institutes and research centres to tap into their talent pools.

Public Private Partnerships:

We are also committed to partner with the Government to expand the reach and expertise of its network. The sector requires increased participation of organised players to offer their expertise in managing a quality setup, and Government is encouraging such participation in the form of Public Private Partnerships. The government has set up a large infrastructure which is not efficiently fulfilling the country's healthcare requirements. Private sector's intervention will become increasingly imperative to bring efficiencies to the system.

Your Company is already working with various state governments to develop workable models in the area of public private partnerships. It currently has two facilities in Vashi and Raipur working successfully in partnership with respective governments. We recognise that the country requires many more such projects to help meet the growing underserved healthcare requirements, and are committed to support these initiatives.

Healthcare costs in India are still funded through individuals or pubic money, and the penetration of health insurance is still very low as compared with global standards. The health insurance sector is bound to grow, and is the key in increasing accessibility and affordability to quality healthcare services to the masses. The Indian government has also recognised this fact, and is also taking the role of health insurer in many states as Karnataka, Andhra Pradesh, etc. We expect health insurance to spread and to grow and over time cover a majority of the population. Your company shall be working with partners to design suitable service offerings in this arena.

Your Company has been one of the fastest growing healthcare Company in India, and will continue to do so! We have significant brand presence through our aggressive pursuit for quality accreditation and certifications. Our vision is to have the "Fortis" brand synonymous with best quality healthcare with a widespread network. The company also has international aspirations in terms of served patients, and with leading accreditations (JCI, NABH, etc), is rightly placed to offer unbeatable Medical value travel propositions. We already cater to international patients, and with the economic pressures being faced by western economies, are ready to play a larger role in providing quality healthcare services at attractive cost.

Fortis aspires to adopt best corporate governance practices. Our strong board of Independent Directors advice and guide us on policies and proposals made by the operating management. The board, acting through empowered committees, also oversees the operations and management of the company. The committees also guide the management to continuously upgrade standards, highlight any potential conflicts of interest, and ensure that fair disclosures are made at all times. The company also adopts a robust risk management practice with aggressive screening, constant monitoring and mitigation planning.

Your Company has a vision to be one of the largest and most reputed healthcare companies in India, and I can confidently say that we are on course in our pursuit. The company is also coming with a Rs.1000 Crores rights issue to fund future expansion and to meet our growth aspirations.

I would also like to take this opportunity to thank members of the Fortis Board for their invaluable support and guidance at each step and all the employees at Fortis for their dedication and passion. Our gratitude is also due to many other stake holders who have been supportive partners. In the end, I would like to specially thank all of you for your confidence in the company, and solicit your continuous and unstinting support in our future endeavours

Warm Regards,

Malvinder Mohan Singh,
Chairman

MESSAGE FROM THE MD

– Mr. Shivinder M. Singh

Dear Shareholders,

Today, as I sit down to pen this note for the annual report, the thought of focusing on the macro environment of India's healthcare sector and its implications on the healthcare of our citizens and consequently on our Company is what comes foremost to the mind.

World over, we are confronted with several models of healthcare delivery (Govt. run systems like UK's NHS, largely private & insurance dominated systems like the USA's), but the search for the one model that has universal appeal continues to be elusive! Having said that, some of these models have succeeded; to varying degrees; in meeting the unique needs of their respective socio-economic environments.

In the context of our country, the need for primary care & public health systems has, almost single handedly, been driven by the Government, with support from many NGOs; the delivery of secondary and tertiary care is catered to by a multitude of providers including the Government, Nursing Homes, Charitable hospitals, Private hospitals & Corporate hospitals. This unique, seemingly unstructured, delivery blend without any bias towards any one specific deliverer probably puts us in a position of strength, whereby we can create a delivery model which can not only meet our country's needs, but, perhaps, also serve as model for other countries to emulate.

To understand the Indian Healthcare system better we need to look at the current structure of the sector. I would categorize our sector into three broad groups - (i) The Govt. healthcare system (ii) private healthcare delivery via small & mid-sized nursing homes and (iii) the large private hospitals (including trusts, societies, etc) & Corporate Hospitals.

According to research findings; the Govt. Sector Houses approx. 70% of the hospital beds in the country, with the balance 30% of bed capacity residing in the private sector!

The Private Healthcare Sector constitutes approx. 45,000 hospitals, with 84% of the hospitals having 30 beds or less. What this means is that nursing homes with anywhere from 2 to 30 beds constitute the vast [1]majority of hospitals in our country.

Whilst small nursing homes are the significant majority, a fact which is of concern is that we have very few large hospitals catering to the Tertiary care needs of our country. Hospitals with over 100 beds constitute a mere 6% of all hospitals & those with 200 beds are a mere1% of all hospitals in the country!!!

A billion people having very limited access to tertiary care is a matter of concern & makes for an alarming healthcare statistic. In mathematical terms our country offers approx. 1 tertiary care bed for every 12,000 people! This ratio assumes even greater significance keeping in view of the high prevalence of disease in segments like cardiac, cancer, diabetes, kidney problems, neurosciences & some others. Even more alarming is the pace of growth.

The Ideal Healthcare Paradigm

In an ideal world, all three groups would need to work in tandem, wherein the following possible division of roles would enable comprehensive care delivery to citizens in a unified and structured manner:

Government should continue its strong focus on public health programs, delivery of primary care and addressing the medical needs of the rural and economically challenged population. We need to make our delivery model more efficient and effective and perhaps use technology to achieve this objective. Reforms in this space are probably the next step to make this a more robust machine delivering high quality care.

The small healthcare providers (nursing homes 2-30 beds), comprising 84% of the private hospitals of our country, should focus principally on secondary care, covering geographies with large populations and increase their penetration into smaller towns. Here, we need greater focus on standards of care, manpower norms, transparency in billing, patient rights, adequacy of infrastructure and technology so as to be more effective at the first point of care.

The role of large private hospitals, corporate hospitals and Govt. owned medical centres of excellence like AIIMS should be to deliver Tertiary care as this requires significant investments in infrastructure, technology, quality, high end medical talent and systems and processes to support quality patient care. These hospitals should be beacons of excellence, continuously upgrading medical skills & protocols, focusing on training future talent as also providing a greater focus on Clinical Research. They are expected to be the trendsetters in transparent billing & procedures, forthcoming in patient information & to be the champions of "Patient Rights" in every way!

Your Company is a player in the third category & willingly shoulders the burden of defining the role that large hospitals should play in providing world class tertiary care to the citizens of India. We will set the benchmark of clinical excellence, transparency, medical & financial ethics & above all a concern for patients. This is a commitment we make to our patient & to all our stakeholders. We need to be innovators of clinical standards, efficient systems and for continuously raising the bar in clinical and service excellence whilst keeping healthcare costs under check – a twin challenge not successfully achieved by most nations of the world. Additionally, we need to invest in training and upgrading the skills of healthcare workers to newer techniques, both technical and behavioral for better clinical outcomes and warmth in care delivery.

Summary

The triple challenge of Affordability, Accessibility and Reliability (referred to as the 'Ability' mantra by us in Fortis) is something that global healthcare systems are constantly grappling with. Similar challenges in other industry sectors, around the world, have been successfully met through the use of innovative tools and technologies. Sectors like telecommunication, consumer durables, automobiles etc. who have faced similar "access, quality and cost" challenges have used innovation, standardization and entrepreneurial fire to find credible and economically viable solutions. We need to use our existing strengths and position – low cost but high quality – to be able to make a quantum leap in meeting the "Triple Challenge" objective that we have set for ourselves.

Like in many other sectors, Indian Healthcare also sits on the crossroads of great opportunity. Our sector needs to convert our strengths which include our clinical competence, our entrepreneurial fire power & reforming Government to realize the dream of "Healthcare for All". It is up to us to ensure that we achieve this vision.

Your Company, Fortis Healthcare, intends to be a major player in this great journey. By bringing all our competencies to bear we will expand across the country & aspire to be a 40 hospitals Company with 6000 beds by 2012. Along with size & reach we seek to become the benchmark for medical & care excellence.

After 'Roti', 'Kapda', 'Makaan' the most important need for humans is the preservation of one's Health. The public and private sectors can and must work together not only to meet the challenge of improving healthcare services in India, but must also strive to exploit our full potential to make India a shining example of how it delivers healthcare to its citizens, and perhaps, a healthcare destination for the rest of the world.

Our journey thus far would not have been as exciting & rewarding if it had not been for the enthusiasm & commitment of every 'Fortisian'. Their commitment has been electrifying as has been the support we have got from all our well-wishers. I want to place on record my deep sense of gratitude to all who have joined us on this journey & above all I want to thank you, our shareholders, for your unwavering support.

Warm Regards,

Shivinder Mohan Singh,
Managing Director

[1]*McKinsey 2001

MESSAGE FROM THE CEO

– Mr. Bhavdeep Singh

Dear Shareholders,

It is my honour and pleasure to share some details on this past year's performance of your Company. I am pleased to announce that financial year 2008-09 has been a year of continuous progress for the Company and we enter this year with good momentum behind us. As had been the case in the quarters leading up to this one, we continue to drive bottom line results through revenue growth, improved patient care, reduced cost and a special focus on process management at all levels of the organization. As we look at the results, we are encouraged that our key performance indicators point to this as being sustainable progress that should continue both in the short and long term.

A very quick look at the numbers shows that the Company turned in a healthy financial performance with revenue growth from Rs. 5480 millions to Rs. 6590 millions while the EBIDTA grew from Rs. 617 millions (11.3%) to Rs. 1143 millions (17.3%). This is the first time since its inception that the Company has declared a net profit. I am further pleased to share that the Company has now been profitable for four consecutive quarters, since we first turned profitable in Q1 2008-09; this is good progress and we are pleased with these results. We are additionally confident that this trend will continue and the net profits will continue to grow in the coming quarters as well.

The growth in revenue has been led by a strong recovery in our Escorts Heart Institute in New Delhi as well as a solid top line numbers in Amritsar, Mohali and Noida. When compared to the prior year, all but one hospital in our network showed good revenue growth. With respect to medical specialties, our growth has been led by cardiology, orthopedics and neurosciences where we are leading the way nationally with best in class doctors and clinical outcomes. To support the growth in these and other specialties, we have continued to invest in medical equipment and technology to ensure that our doctors, nurses and administrators have the very best resources at their disposal.

On the cost management front, our sourcing program, PSM (Purchase and Supply Management) delivered good results. This initiative works to leverage the strengths of our growing network of hospitals by using size and scale to reduce the cost of consumables and implants. Concurrently, our business heads have been prudent on all other cost heads and stayed on target or ahead of target on all cost center lines.

In addition to cost management, we have worked to strengthen our processes to drive efficiency in our system. The Fortis Operating System (FOS) is a key platform to support these process driven activities. FOS has brought in a common operating system to all Fortis hospitals standardizing all key patient related activity. Hence, apart from driving efficiency, it also helps in delivering a common brand experience to all patients visiting our hospitals.

While embarking on key activities in cost and process management, we are also putting a renewed focus on our customers i.e. the patients. We firmly believe that patient care and patient safety must be a key deliverable for our hospitals. While patient care has always been a focus area for the organization, we have raised the ante in the last few months. There is a clear mandate in the organization that patient care and patient safety is everyone's top priority. To achieve patient care excellence, various training and awareness initiative have been launched to deliver a level of predictable service.

When we look at the aforementioned initiatives it is clear that the caliber of our workforce will play a major role in delivering quality clinical outcomes and a great healthcare experience. To that end, we shall continue to focus on and strengthen our front line resources with a special emphasis on our hospital management, doctors and nurses. We have been investing in our team by equipping them with training and development tools to enhance their skills. One of the new initiatives taken in this direction is LDI (Leadership Development Initiative). This is a program where many of our future leaders go through an extensive 16 week training program to help build their capabilities as leaders.

With a good year of progress behind us, we look to the future and have a high degree of confidence in our ability to continue growing while delivering good results. The Fortis brand is quickly gaining recognition as India's leading patient care provider and we are on track to achieve our previously articulated goal of 6000 beds and 40 hospitals by 2012. To sustain our growth, we will continue to focus on the various initiatives articulated above with a very special focus on building our talent levels and delivering great patient care. These represent powerful enablers in the Fortis arsenal that will certainly carry us forward by leaps and bounds while delivering growth and profits. In addition I would also like to mention that we are keenly looking forward to bringing our latest Greenfield hospital in Shalimar Bagh to the fold in the ensuing year. We will continue to think in new and unchartered ways to build one of the finest healthcare institutions in the world – our upcoming facility in Gurgaon is expected to be ready towards the latter part of the next calendar year. These will be significant additions to the Fortis network and will bring in immense value to the organization.

So, we move ahead into the new year with solid plans and a healthy level of optimism. I am grateful for the support shown by our shareholders, our employees and all our partners for their ongoing collaboration and support. We owe our progress and success to all of you.

Warm Regards,

Bhavdeep Singh,
Chief Executive Officer

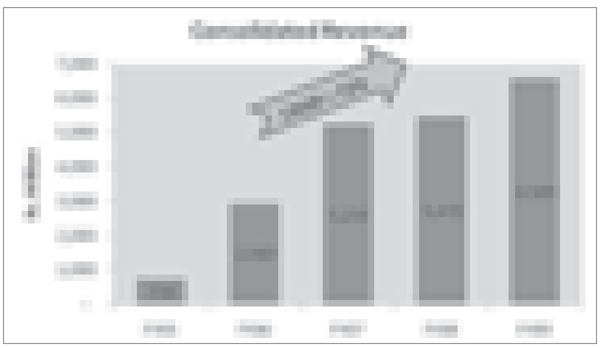
FINANCIAL GROWTH

SURGING AHEAD

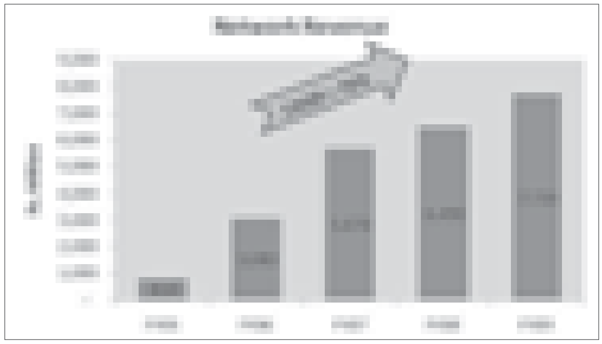
FINANCIAL PERFORMANCE: 2008-09

The fiscal year has been a landmark year in the history of the Company. The Company reported its first ever profitable quarter in 1st Quarter of the financial year and this was followed by improved performance in each of the subsequent quarters. The consolidated net profit of the Company stood at Rs.208 million, which when compared with a net loss of Rs.555 million in the fiscal year 2008 provides a perspective of the progress made during the year. This turn around in operating results is attributed to higher revenues, improving mix, cost reduction through buying efficiencies, improved productivity and overall prudent cost management on all fronts.

The company has shown a consistent revenue trends since inception. It has grown from 1 hospital with 300 beds in fiscal 2001 to a network of 28 hospitals and nearly 3300 beds. The company has grown both organically and inorganically over the years, and during last 5 years the consolidated revenues have grown at a CAGR of 72%, while the network of hospitals of the Company has shown a CAGR of 76% due to recent additions in the O&M facilities.



During the fiscal, the growth in Operating Revenues was led by Escorts Heart Institute & Research Centre, Delhi which reported operating



revenue of Rs.2081 million, an increase of 21% over the previous year. Further, operating revenues in our hospitals at Jaipur and Amritsar increased to Rs.382 million and Rs.412 million, a growth of 119% and 59% respectively. All other hospitals also showed impressive growth in revenues.

The operating margins for the Company grew by 6% and as a result, the Earning before Interest & Depreciation & Amortization (EBIDTA) stood at 1143 million reflecting a growth of 85% over fiscal year 2008. This increase in EBIDTA margin was experienced by all the hospitals and on an absolute basis, Escorts Heart Institute & Research Centre led the performance here too and more than trebled the EBIDTA during the year. Some of the hospitals, namely Fortis Mohali, Fortis Noida & Escorts Amritsar reported more than 20% EBIDTA margins.

During the fiscal year a focused effort on aligning cost structures to ensure profitable growth and aggressive cost management to improve the productivity of spend were undertaken. The Company also started to reap the benefits from initiatives taken to standardize the implant, drugs & consumables across the hospitals and leverage our scale/size to bring in savings through procurement efficiencies. The Company collaborated with various stakeholders to improve efficiencies and ensure operating expenses remain in check. Consequently, the

Operating expense to Revenue ratio reduced by 1 % during the year, leading to improvement in operating margin.

Selling, General and Administrative (SGA) Expenses during the fiscal year were lower than the previous year by 2.2% (Rs.14 million). This is despite higher amount of provisioning made for doubtful debts (by Rs.14 million) as compared to last fiscal 2008, necessitated by the prudent accounting practices adopted by the Company.

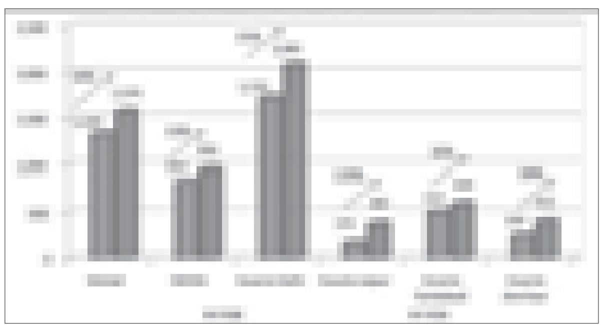
The Company strived to lower cost of its borrowed funds through mix of short term and long term borrowings. This along with prudent cash management practices led to a reduction in overall interest costs during this year. Innovative models of risk and reward sharing were employed in order to improve the returns on capital employed and de-risking the business model, especially for deploying capital intensive newer medical technologies.

The Company plans to raise upto Rs.10,000 million in the ensuing financial year by means of issuing equity shares on rights basis, to fund the organic and inorganic growth plans besides redeeming preference shares and high cost debts. With this, the Company is adequately geared up to en-cash emerging opportunities in Indian Healthcare Industry.

The robust financial performance of the Company during the fiscal year is a tribute to the execution capabilities developed in recent times and these will help us return improved performance as we grow our network and revenues. We have been able to identify best practices from within the network, and adopt them quickly across all other facilities, leading to continuous improvement and evolution of an even more effective business model.

Hospital wise performance:

During the fiscal, all facilities contributed greatly to the overall growth of the Company.



The Forts Escorts Hospital at Jaipur provided the kind of startup operations that could've been planned for a new Greenfield hospital at Fortis. The hospital was in the second year of operation during the fiscal and with higher occupancy levels compared to the earlier fiscal, achieved a 118% growth in terms of revenue. It also received accreditation from NABH within ten months of the facility becoming operational. This helped the hospital gain widespread recognition and provided resonance to Fortis brand in the state of Rajasthan and aided higher footfalls in the hospital.

The slightly older and more mature hospitals at Mohali and Noida, which generally set the operating benchmarks within the network, also registered a robust growth of @ 18% and 15% respectively. Operating margins at Mohali touched a new peak at @ 24% and more importantly laid ground for a more solid performance in the coming years.

Escorts Faridabad also witnessed a great year with revenue growth of 16%. The hospital, being a multi-specialty hospital witnessed surge in no. of in and out-patients visits due to widespread cases of dengue observed during part of the year and thus observed nearly 100% occupancy for some months.

Both associate hospitals and Fortis operated & managed facilities also witnessed robust revenue growth and achievement of significant milestones. The four hospitals that were operated throughout the year ie, La Femme hospital, Vasant Kunj Hospital, Jessa Ram hospital in Delhi and Malar Hospital in Chennai together grew @ 32% in terms of revenues. Malar hospital, which is the Company's first footprint in Southern India, saw a quick turnaround of operations which was brought about through revamping of medical program and operational excellence. The hospital started a Cardiac Care Program which is led by eminent cardiac surgeon Dr K R Balakrishnan. The hospital reported a revenue of Rs. 333 million and this represent a 83% growth over last fiscal. La Femme hospital delivered the highest number of babies during the year and thus significantly excelled on the revenue front with 48% growth over the previous year. The total revenue for the hospital crossed the Rs. 200 million mark during the year. This is a great achievement for a < 40 operating beds hospital and lays benchmarks for Mother and Child Care programs to be adopted at other hospitals. Jessa Ram Hospital, which is the Company's first operated and managed facility grew @ 34% during the year. The hospital has been trying to carve a niche in low cost Cardiac Care and a Catheterization Lab was installed during the last fiscal. Fortis Vasant Kunj hospital grew @ 15% over the previous fiscal. To add icing on the cake, the approval for the commencement of operations at Vashi (Navi Mumbai) facility was also received from Navi Mumbai Municipal Corporation (NMMC) in the last year and the hospital kicked off its IPD operations in March 2009. This is the first network hospital for the Company in Mumbai.

MEDICAL CARE

PURSUING EXCELLENCE

The one unifying force behind each initiative undertaken at Fortis is 'Medical and Service Excellence' and this culture is reflected across all the Fortis Network hospitals.

Our thrust on this aspect has helped us gain many accolades and this is reflected in the improved clinical outcome across our facilities.

Our medical program reached new heights as we touched over 9 lakh lives, a growth of 35% over the previous year. Cardiac Sciences, Neuro Sciences and Renal Sciences grew smartly and Orthopaedics performed exceedingly well. Our medical program further strengthened by introducing newer specialities and joining of medical experts with international stature.

We received various prestigious awards and accreditations for efforts towards patient centricity and quality.

MEDICAL PROGRAM TOUCHES NEW HEIGHTS

Our medical program was significantly enhanced across all hospitals. Various eminent doctors joined us last year and provided further impetus to the high end clinical care. New specialities and equipment were introduced at various hospitals and existing specialities have been significantly enhanced.

Escorts has set benchmarks in cardiac care with its path breaking work over the past 20 years. Today it is recognised world over as a centre of excellence providing the latest technology in Cardiac Bypass Surgery, Minimally Invasive Surgery, Interventional Cardiology, Non-invasive Cardiology, Paediatric Cardiology & Paediatric Cardiac Surgery. The hospital performed 13,585 Cardiac procedures during the year and saw the highest ever Angioplasties conducted in the last quarter .

The joining back of Dr. Ashok Seth, an eminent Cardiologist & a Padma Bhushan awardee, provided further filip to the medical program at Escorts.

To augment the growth at Malar Hospital in Chennai, we introduced a hi-end comprehensive cardiac program, led by the joining of a renowned surgeon, Dr. K. R. Balakrishnan. The Cardiac Program at Malar ramped up swiftly with 100 Cath and COT procedures in just 27 days.

On the other hand, Fortis Hospital, NOIDA welcomed the joining of eminent orthopaedician and Padma Bhushan awardee Dr. P.S. Maini and his team to take the orthopaedic program to greater heights.

Dr. J.D. Wig, former Professor and HOD from PGI joined Fortis Hospital, Mohali and Dr. Ashok Kumar, Rheumatologist joined Fortis Vasant Kunj. Dr. Sanjeev Mehrotra, an eminent Urologist and Renal Transplant Surgeon joined Fortis Hospital, Mohali to lead the Renal transplant program, which is to be launched shortly.

Some other new specialities that we introduced during the year were In Vitro Fertilisation (IVF) at Fortis La Femme; Pulmonology and Cosmetic & Plastic Surgery at Fortis Escorts, Faridabad; Cosmetic Dermatology, EPS Lab and Stroke unit at Fortis Escorts, Jaipur and Neuro Surgical Program at Fortis Vasant Kunj. At Fortis Mohali, we introduced Dental Clinic, Prosthetic Clinic and Computer Aided Surgery (CAS).

We are continuously upgrading the infrastructure at our network hospitals and have spent over Rs. 25 Crore in the last fiscal on the same.

RECOGNITIONS

WHEN QUALITY GETS REWARDED

QUALITY - TOUCHSTONE TO PATIENT CARE

The Medical Strategy & Quality wing has been pursuing educational and training strategies coupled with Quality & Safety drivers to leverage efficient patient-centric services across all our hospitals.

We acknowledge that Quality would be the greatest differentiator and we have gone about it with great panache. As on date, we have the largest number of Hospitals and blood banks in the country accredited by the NABH (National Accreditation Board for Hospitals). Some of our hospitals are ISO certified and JCI accredited.

We see our emerging role as a large dominant player in the national arena and also as a partner with the Quality Council of India in propelling quality and safe patient care. We believe that hospitals should be viewed as citadels of excellence and dependability which is equitable in its delivery. We strive to emerge as the healthcare provider of choice and to be a globally respected healthcare organisation known for Clinical Excellence and Distinctive Patient Care.

In the process of achieving our mission, we have developed an impressive track record of third party accreditation by the National Accreditation Board for Hospitals and Healthcare Providers (Quality Council of India) which is the member of ISQua (International Society for Quality)- the parent body for Quality worldwide.

We aim to get all our hospitals NABH Accredited / NABH prepared and in the process standardize our services across the group and strengthen our bottomline. The following hospitals have received NABH accreditation: Fortis Hospital, Mohali (2008), Fortis Escorts Hospital, Jaipur (2008), Escorts Heart Institute and Research Centre (2008) and Fortis Hospital, Noida (2007). Other units on the fast track for the accreditation include: Fortis Hospital, Vasant Kunj and Fortis Escorts Hospital, Faridabad which are in the final survey phase scheduled in June 2009 while Malar Hospital and Fortis Escorts Hospital, Amritsar are in the preparatory phase.

Focus has also been built on getting NABH accreditation for our blood banks at various facilities. The blood banks that are already NABL accredited are Fortis Hospital, Noida (2008), Escorts Heart Institute and Research Centre (2008) and Fortis Hospital, Vasant Kunj (2009) while the units in the preparatory phase are Fortis Escorts Hospital, Jaipur and Fortis Hospital, Mohali.

Continuous Medical Education/Continuous Nursing Education Seminars

Organisational growth is impossible without the sharing and pooling of our knowledge and resources. Best practices are disseminated across our facilities through coordinated Continuous Medical Education (CMEs), Continuous Nursing Education (CNEs) and Seminars. We have been organising these interactive platforms throughout the year. The most prominent of these activities include:

- Infection Control Week-2009
- Management Techniques for Nursing Leaders
- Disinfection & Sterilization in Hospitals
- Quality Conclave-2009
- Early Diagnosis of Kidney Diseases
- Strategic Management of Blood (Transfusion medicine)
- Continuous Medical Education on Clinical Nutrition

There is a felt need to bring the various clinical stakeholders together to develop the best practices adopted across our network hospitals. We have initiated various forums for such interactive dialogue to bring about concerted and concrete action. Prominent among these are:

- Transfusion Forum
- Central Sterile Supply Department Forum
- Clinical Nutrition Forum
- Quality Forum
- Clinical Pharmacology Forum

HUMAN RESOURCES

WITNESSING AN UPSURGE

We, at Fortis, firmly believe that human resources are our greatest asset. Even while the Company has been experiencing unprecedented growth, we have been ensuring that our people are happy, engaged and satisfied. Our endeavour has been to match the stupendous growth spurt in the organisation with efforts to become a talent-rich enterprise and augment it with strategic focus in all of our initiatives. Some of the initiatives comprise the launch of the Leadership Development Initiative, the Employee Suggestion Scheme, the Employee Engagement and Satisfaction Survey, the HR Hour etc.

We are pursuing an aggressive growth and expansion plan, which will create new critical positions/vacancies in the future. It is our constant endeavour to promote Fortis Healthcare Ltd. as an employer of choice and consequently achieve continuous in-flow of quality talent.

To be able to do that, we are recruiting proactively all round the year and creating a pipeline of talent which can be tapped as soon as the need arises. Our employ strength across the network as on march 31st 2009 is summarized below:

Doctors	912
Nurses	3123
Paramedics	769
Non Medical	1747
Total	**6551**

To be able to service our growth, it is essential to have continuous availability of right talent at the right place and at the right time. Towards this end, we have designed and implemented timely and relevant interventions which promote employee engagement and retention.

Fortis Institute of Enhanced Leadership Development (FIELD) has played a pivotal role in furthering the cause of employee development & retention this year as well, and has focused on building self-sufficiency in training at Fortis. Some of the initiatives in this regard are mentioned below:

1. **Leadership Development Initiative:** LDI was conceived with the objective of nurturing internal talent and prepare them for future leadership roles. We have launched our first program with high potential employees undergoing a 16 week intensive training on all functional areas of the business and leadership.

2. **E-Learning & LMS:** We launched our e-learning program this year with the objective of standardising the FOS modules through structured online content. Another significant technical development is the launch of the E-Learning Management System.

3. **Patient Mania:** With the objective of preparing ourselves better to meet patient demands and enhance their experience on every visit to a Fortis hospital, we have rolled out the Patient Mania training. This initiative is aimed at bringing the vision of `Distinctive Patient Care' to life across the Fortis Network of Hospitals.

To continuously improve the quality of HR services provided to our employees we are constantly evolving systems and processes that are scalable, flexible and are in line with needs of the business environment. Our objective is to continuously devise and implement the best-in-class HR Systems and Processes to effectively serve our employees. As always Fortis is committed to building a healthy and robust workforce.

REACH
A ROBUST GROWTH

FORTIS: EXPANDING ITS HORIZONS

It's our constant endeavour to make quality healthcare available to all parts of the country. Precisely why, we are trying to take our expertise to more and more areas. Towards this, in 2008-09 we have added some prestigious names to our network.

FORTIS HOSPITAL SESHADRIPURAM

Formerly known as Apollo RM, the hospital was acquired by Fortis through one of its subsidiaries. Fortis has now become a majority stakeholder with 67.23% stake in the hospital. Fortis Hospital, Seshadripuram is a 100 bedded hospital that can expand up to 200 beds with multiple specialities in the areas of Gastroenterology, Neurology, Gynaecology, Paediatrics, Diabetics, Orthopaedics and Nephrology. The hospital is strategically located in the heart of the city of Bengaluru and provides the ideal launch pad for Fortis in the city.

FORTIS MODI HOSPITAL

The hospital has been operational since 2007 and was taken up by Fortis on an Operations & Management collaboration with RNMCS in 2009. Formerly known as Apollo Modi Hospital, this is the 3rd hospital to move from the competition stable to us for our clear focus on improving quality & growth. It's a 200 bedded multi-speciality hospital spread over 1.5 acres, with focus on Cardiology, Neurology, Gynaecology, Paediatrics, Diabetics, Orthopaedics and Nephrology. The hospital has a strategic presence in the education hub of Kota and strengthens our presence in Rajasthan and at the same time it allows us to serve the catchment areas in Vadodara, Jodhpur, Indore, Bhopal & Gwalior.

FORTIS CLINIQUE DARNE

This is the first international foray of Fortis. We partnered with a Mauritian business conglomerate- CIEL- to buy a controlling stake in Mauritius' largest and by far the best private hospital. We have also acquired the O&M rights of the hospital which is located in the populated up-market area of Floreal, Curepipe in Mauritius. The hospital has a current bed strength of 120 and is spread over 6 acres, hence offering us the scope for expanding the bed capacity. The hospital offers services in various specialities like Cardiac, Orthopaedics & Neuro Sciences. It's the only private hospital in Mauritius which undertakes Cardiac Surgeries. It's well-equipped with the latest Cath Lab & a 64 slice CT scanner. Fortis Clinique Darne is now set to not only make Mauritius a healthier nation but also a centre of medical tourism in the region.

UPCOMING FACILITIES

Fortis Hospital, Shalimar Bagh

The construction of Fortis Hospital in Shalimar Bagh in Northwest Delhi, intended to be a super-speciality hospital with specialization in Cardiac, Orthopaedics, Neuro-sciences, Renal, Mother & Child care and Gastroenterology, is on track. The construction of the project continued with full force and zeal during the past year and the hospital is expected to be commissioned by third Quarter in the current financial year. The hospital will be spread over an area of approximately 7.34 acres of land and will have 258 beds, in the first phase.

Fortis International Institute of Bio-Medical Sciences (FIIBMS), Gurgaon

Further to the Greenfield hospital in Shalimar Bagh, the construction of Fortis International Institute of Bio-Medical Sciences (FIIBMS), Gurgaon progressed as per plan during the year. This will be the Company's third Greenfield hospital in the NCR and will be a seven-star multi super-speciality flagship hospital of the Company. The Greenfield Hospital Project comprises a 350 bed hospital in the first phase along with modern infrastructure and facilities and is expected to be completed during the third quarter of Fiscal 2011. The hospital is proposed to be set up over 10.81 acres of land and will provide healthcare services to patients with “Centres of Excellence” in Oncology, Trauma, Paediatrics, Mother and Child care, Cosmetology, Cardiac Sciences, Gastroenterology, Neuro Sciences and Renal care. Its proximity to the International airport is highly advantageous in terms of attracting Medical Value Travel.

Fortis International Oncology Centre, Noida

The Company has joined hands with International Oncology Services to provide world-class cancer care. Recognising the unmet requirement for the people in and around NOIDA and beyond, the Company has planned to build and develop an Oncology Block at the Fortis NOIDA hospital which would further add 30,000 sq.ft. built up area. The block will be dedicated to the patients coming for comprehensive cancer treatment including radiation therapy.

CSR

A CARING ETHOS AT THE CORE

Since the beginning of Fortis, numerous corporate social initiatives along with "Fortis Centre for Community Initiatives" (FCCI) have been launched. "The Fortis Charitable Foundation" and "The Fortis Charitable Trust" function as its operating arms. FCCI identifies key programs which reach out to the community at large supporting various ongoing community initiatives. Some of the initatives taken are:

FORTIS' CHIRANJEEVI SCHEME- NURTURING THE NATION'S FUTURE

Today in India, the inability to pay high premium for health insurance is a handicap faced by many. Chiranjeevi, a pioneering project of FCCI provides affordable healthcare services to children from every socio-economic background. This healthcare scheme, driven through a wide network of hospitals, provides a wide range of services. To extend the benefits of Chiranjeevi, we have encouraged private educational institutes to adopt schools for the less privileged.

FORTIS' HIV/AIDS AWARENESS INITIATIVE

The threat of AIDS continues to grow as more people succumb to it. With the stigma & discrimination of being the biggest hurdles to cure AIDS, the first step could be to break the silence and hence improve access to HIV/AIDS care and treatment. In the battle against HIV/AIDS, Fortis, through intervention initiatives aims at empowering and sensitizing the workforce, who will thereafter spread awareness, care and support to the community. To spearhead this, a resource pool of Peer Educators (PEs) has been specially created. Some of the activities we have undertaken are awareness and educative sessions for all Fortis employees, awareness programs in schools and colleges, installation of condom vending machine in hospitals, opening a counselling centre for HIV/AIDS queries and regular interactive sessions with patients' attendants.

WORLD-CLASS HEALTHCARE AT THE GRASSROOT LEVEL

In a country where most lack access to basic healthcare facilities, Fortis Centre for Community Initiatives, endeavours to make world-class healthcare available to everyone.

Expert care takes a tele-leap: Fortis is using Telemedicine to extend quality healthcare to rural India. Medical centres in small towns have set up Telemedicine or Tele ECG centres linked to Fortis. At present there are around 30 centres, where treatment is being carried out by local doctors under expert advice from Fortis specialists. We have also setup the first Telemedicine linked ICU in Panipat and now successfully provide more than 17,000 online patient consultations in over four years and saved more than 5,000 patients in critical units.

Building up healthcare bases: Fortis has also been active in establishing and supporting primary and secondary healthcare facilities in rural areas through partnerships. The developmental role include establishing standard operating practices, training doctors, increasing manpower, sprucing up infrastructure and equipment, organising health camps and much more.

Fortis actively supports NGOs to uplift the poor and the disadvantaged communities, providing support in the form of telemedicine centres, tele-consultations, training of staff, providing medical and healthcare advice etc.

SUPPORT- A LIFELINE OF HOPE

When patients have a chronic, debilitating ailment, their wellness is often enhanced by the support from fellow patients. Fortis has taken the lead to promote two such support groups.

Saarthak, spreading hope beyond cancer: Saarthak is a special initiative undertaken to support cancer patients. This group organises meetings for senior oncologists to interact with patients and members to share their experiences. In addition, Yoga and Art of Living sessions are also held.

Sahayak, the courage to face life on dialysis: Sahayak handles queries and health issues of the dialysis patients, even those who have not been treated by Fortis. Key activities of the group include meetings for informal interaction with senior doctors, as well as, sharing of experiences between members. Experts/pharmaceutical advisors are also invited to inform patients about the latest developments in dialysis. This initiative has been widely appreciated.

GIFTING THE GIRL CHILD A BETTER TOMORROW

With discrimination against the girl child prevalent in rural India, FCCI has committed itself to provide for them a healthy future.

Fortis' Chetna Initiative: Chetna, an initiative by Fortis Hospital, Mohali aims to ensure that underprivileged girls have access to nutrition and health services. Chetna attempts this through adequate healthcare facilities and activities like free cardiac surgeries, rural health camps, free doctor consultation as well as provide Cardiac, Internal Medicine, Paediatrics, Gynaecology, Ophthalmology, Dietetics and Health education.

FORTIS: STAYING IN EMINENCE

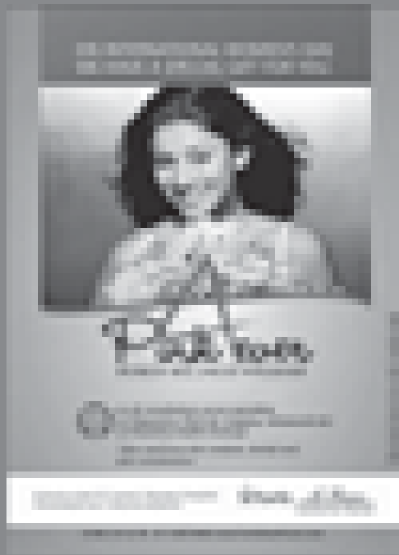
OUR PATIENTS VOUCH FOR US

ESCORTS: CELEBRATING EXCELLENCE IN CARDIAC CARE

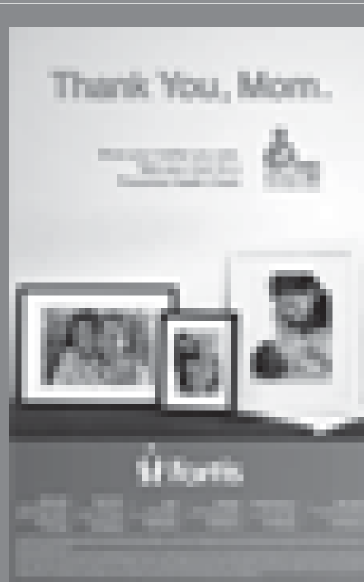
FORTIS GOES INTERNATIONAL: FORTIS CLINIQUE DARNE, MAURITIUS LAUNCH

MARKETING AWARD FOR THE BEST OUTDOOR CAMPAIGN

LAUNCH OF FORTIS HOSPITAL, SESHADRIPURAM



FORTIS,
REACHING
OUT
TO PEOPLE.
CREATIVELY.



FORTIS IN THE NEWS

Successfully Performing Rare Surgeries


She has 4 kidneys

Man gets back hand, and livelihood

Heart stopper of a surgery

Lost in Kabul, regained in Delhi

Our Financial Standing

Fortis Healthcare jumps as firm gets back in the black

Fortis' Rs 1,000-cr rights issue to hit mkt in June

Malar Hospitals sees 38% growth in turnover

Fortis nets Rs 10-cr profit

Venturing New Horizons

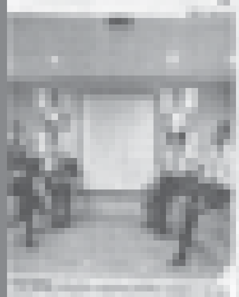
Fortis pick up 56% in Apollo RM

Fortis expands in South India, to invest more

Fortis announces first overseas acquisition

Fortis signs pact with Apollo Modi

Hospital opens to public, officially



DIRECTORS' REPORT

Dear Members,

We are pleased to present the Thirteenth Annual Report on business and operations together with the Audited Financial Statements and the Auditors' Report of your Company for the Year ended March 31, 2009.

FINANCIAL RESULTS

The highlights of consolidated financial results of your Company and its subsidiaries are as follows:

[Rs. in Millions]

	Consolidated	
Particulars	**Year ended March 31, 2009**	Year ended March 31, 2008
Operating Income	**6,305.45**	5,070.95
Other Income	**283.93**	408.94
Total Income	**6,589.38**	5,479.89
Total Expenditure	**5,446.85**	4,862.32
Operating Profit	**1,142.53**	617.57
Less: Finance Charges	**436.61**	554.77
Profit before Depreciation	**705.92**	62.79
Less: Depreciation	**487.40**	468.25
Profit/(Loss) before Tax & Prior Period Items	**218.52**	(405.45)
Less: Tax Expenses	**41.09**	195.49
Less : Prior Period Items	**0.80**	(1.14)
Add: Extraordinary items	**64.01**	-
Net Profit/(Loss) for the year	**240.64**	**(599.81)**
Profit/(Loss) attributable to Minority Interest	**27.42**	(50.42)
Share in current year loss of Associate Companies	**(5.03)**	(5.44)
Net Profit/(Loss) attributable to the shareholders of the Company	**208.19**	**(554.84)**

The highlights of financial results of your Company as a stand-alone entity are as follows:

[Rs. in Millions]

	Stand-alone	
Particulars	**Year ended March 31, 2009**	Year ended March 31, 2008
Operating Income	**1,744.55**	1,579.34
Other Income	**189.97**	321.45
Total Income	**1,934.52**	1,900.79
Total Expenditure	**1,664.41**	1,466.09
Operating Profit	**270.11**	434.69
Less: Finance Charges	**219.46**	296.21
Profit before Depreciation	**50.64**	138.48
Less: Depreciation	**115.40**	106.42
Profit for the period	**(64.76)**	32.06
Less: Fringe Benefit Tax	**5.09**	5.26
Less: Prior period items	**1.65**	0.62
Net Profit/(Loss) attributable to the Shareholders of the Company	**(71.50)**	26.18

The total consolidated income for the year was Rs. 6,589.38 Million, which was 20% higher than the previous year's sum of Rs. 5,479.89 Million. The Profit before interest, depreciation and tax (operating Profit) stood at Rs. 1,142.53 Million which is 85% higher than the previous fiscal and is 17.34% of the total income compared to 11.27% in FY 2009. The Net Profit for the financial year was Rs. 208.19 Million compared to a loss of Rs. 554.84 Million in the previous fiscal. This achievement is a result of extensive efforts put in by the management for growing revenue, improving gross margins and generating efficiencies through increased productivity and leveraging scale.

PERFORMANCE REVIEW

A detailed discussion on performance of operations for the year ended March 31, 2009 is given in Management Discussion and Analysis Report annexed to this Directors' Report.

CAPITAL STRUCTURE

During the year under review, the Authorized Share Capital of the Company was increased from Rs. 4,000 Million to Rs. 6,780 Million by addition of 278 Million Equity Shares of Rs. 10 each, aggregating to Rs. 2,780 Million.

As on March 31, 2009, the issued share capital of the Company was Rs. 2,388.56 Million comprising of 226.67 Million Equity Shares of Rs. 10 each and 13.35 Million Zero Percent Class C Cumulative Redeemable Preference Shares of Rs. 10 each and the paid up share capital of the Company was Rs. 2,387.06 Million comprising of 226.67 Million Equity Shares of Rs. 10 each and 13.20 Million Zero Percent Class C Cumulative Redeemable Preference Shares of Rs.10 each aggregating Rs. 132 Million as reduced by Rs. 11.60 Million, towards redemption of Re. 1 per share on 11.60 Million Zero Percent Class C Cumulative Redeemable Preference Shares during the year.

Subject to necessary regulatory approvals, the Company is raising funds through issue of equity shares on "Rights basis" upto Rs. 10,000 Million (excluding the value of warrants, as and when exercised) to the existing shareholders of the Company. The proceeds of the Rights Issue would be used primarily for funding the greenfield projects, redemption of preference shares, repayment of short term debt and tapping future growth opportunities.

SHARES UNDER COMPULSORY DEMATERIALIZATION

The Equity Shares of your Company are included in the list of specified scrips where delivery of shares in dematerialized (demat) form is compulsory, if the same are traded on a Stock Exchange, which is linked to a depository. As of June 30, 2009, 89.72% of the Company's shares were held in demat form.

STOCK OPTION PLANS

Pursuant to the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme), Guidelines, 1999, as amended from time to time, the details of stock options as on March 31, 2009 under the "Employee Stock Option Plan 2007" are set out in the Annexure to this Directors' Report.

SUBSIDIARIES

As on March 31, 2009, the Company had three Direct Subsidiaries viz. Escorts Heart Institute And Research Centre Limited, International Hospital Limited and Fortis Hospotel Limited and eight step down subsidiaries viz. Escorts Heart And Super Speciality Institute Limited, Escorts Heart Centre Limited, Escorts Heart And Super Speciality Hospital Limited, Escorts Hospital And Research Centre Limited, Fortis Hospital Management Limited, Fortis Healthcare International Limited, Lalitha Healthcare Private Limited and Fortis Health Management Limited.

During the year under review, Fortis Healthcare International Limited (FHIL) was incorporated as a wholly owned stepdown subsidiary of the Company. Through FHIL, your Company has acquired 28.89% stake in

Medical and Surgical Centre Limited, a Company that owns Mauritius's largest private hospital "Clinique Darne" now rechristened as "Fortis Clinique Darne".

On June 18, 2009, your Company incorporated a wholly owned subsidiary viz. Fortis Hospitals Limited. The main objects of the said wholly-owned subsidiary include purchase, lease or otherwise acquire, establish, maintain, operate, run, manage or administer hospitals, medicare, healthcare, diagonostic, health aids and research centre .

EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

The Ministry of Corporate Affairs, Government of India, vide its letter no. 47/573/2009, CL III dated June 26, 2009, has granted exemption from annexing the Accounts and other information of the subsidiaries along with the Accounts of the Company, for the financial year ended March 31, 2009.

As per terms of the said exemption letter, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2009, is included in the Annual Report. The Annual Accounts of the subsidiary companies alongwith the Reports of the Directors and Auditors thereon and all related detailed information are open for inspection by any members including the members of subsidiary companies at the registered office of the Company and subsidiaries concerned. The Company will make available these documents to members including members of subsidiary companies upon receipt of request from them. The members, if they desire, may write to the Company to obtain a copy of financials of the subsidiary companies.

REPORT ON CORPORATE GOVERNANCE

Your Company continues to strive towards highest standards of Corporate Governance while interacting with all the stakeholders.

The Report of Board of Directors of the Company on Corporate Governance is given in a separate section titled "Report on Corporate Governance 2008-09" which forms part of this Annual Report.

Certificate of the Statutory Auditors of the Company regarding compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is annexed with the Corporate Governance Report.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis is given separately and forms part of this Annual Report.

PUBLIC DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public pursuant to the provisions of Section 58A of the Companies Act,1956; and therefore, no amount of principal or interest was outstanding in respect of deposits from the public as of the date of Balance Sheet.

DIVIDEND AND TRANSFER TO RESERVES

In view of the unavailability of distributable profits, your Directors express their inability to recommend any dividend for the financial year ended March 31, 2009. Also, during the said Financial Year, no amount has been transferred to reserves.

DIRECTORS

Dr. Yoginder Nath Tidu Maini resigned from the Directorship of the Company w.e.f October 3, 2008. The Board wishes to accord its sincere appreciation for the valuable guidance rendered by him during his tenure as a Director of the Company.

Mr. Sunil Godhwani was appointed as an Additional Director of the Company w.e.f. February 26, 2009. Pursuant to the provisions of Section 260 of the Companies Act, 1956, ("the Act") Mr. Sunil Godhwani holds the office upto the date of the ensuing Annual General Meeting and is eligible for appointment as Director of the Company in terms of Section 257 of the Act.

Mr. Balinder Singh Dhillon was appointed as an Additional Director of the Company w.e.f. February 26, 2009. Pursuant to the provisions of Section 260 of the Companies Act, 1956, ("the Act") Mr. Balinder Singh Dhillon holds the office upto the date of the ensuing Annual General Meeting and is eligible for appointment as Director of the Company in terms of Section 257 of the Act.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Malvinder Mohan Singh, Mr. Gurcharan Das and Dr. P.S. Joshi shall retire by rotation as Directors at the ensuing Annual General Meeting and being eligible, they have offered themselves for re-appointment.

STATUTORY AUDITORS

As per the provisions of the Company's Act, 1956, M/s S.R. Batliboi & Co., Chartered Accountants, will hold office as Statutory Auditors of your Company till the conclusion of the ensuing Annual General Meeting and have expressed their willingness to be re-appointed as the Auditors of the Company.

Your Company has received the Certificate from M/s S.R. Batliboi & Co., Chartered Accountants, as required under Section 224(1B) of the Companies Act,1956, to the effect that their re-appointment, if made, will be within the limits as prescribed under the provisions thereof. Your Directors recommend their re-appointment as the Auditors of the Company for the financial year 2009-10.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

As required under Section 217(2) of the Companies Act, 1956, the Board of Directors informs the members that during the financial year under review, no changes have occurred in the nature of the Company's business, in the Company's subsidiaries or in the nature of business carried on by them and generally in the classes of business in which the Company has an interest.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Particulars required under Section 217(1)(e) of the Companies Act,1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, are set out in the Annexure to this Directors' Report.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees have been set out in the Annexure to this Directors' Report. However, in terms of Section 219(1)(b)(iv) of the Companies Act,1956, the Report and Accounts are being sent to the shareholders excluding this annexure. Any shareholder interested in obtaining such information may write to the Company Secretary at the registered office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm:

i. that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

ii. that the directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. that the Directors had prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for significant contribution made by the employees at all levels through their dedication, hard work and commitment and look forward to their continued support. Your directors also take this opportunity to express sincere thanks to the medical fraternity and patients for their continued co-operation, patronage and trust reposed in the Company and its health services.

Your directors also wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by banks, financial institutions, government and shareholders and look forward to having continued support in all future endeavors of the Company.

On behalf of the Board of Directors

Date: June 30, 2009
Place: New Delhi

Malvinder Mohan Singh
Chairman

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES,1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

1. Installation of Lower Capacity Chiller.
2. Change in the process of Laundry by installing new washer extractor.
3. Designing of facilities and extension thereto to improve natural light.
4. Optimization the use of lifts by manning the main entry point to ensure they run to the capacity.
5. Common areas on Night Mode for Air Conditioners.

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

– Nil

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

Saving of energy and reduction in costs.

B. TECHNOLOGY ABSORPTION

1. RESEARCH & DEVELOPMENT (R & D):

– Nil

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

a) Efforts in brief, made towards technology absorption, adaptation and innovation.

A new loop has been designed to ensure continuous flow of water to avoid any stagnation. Previously RO water supply was through gravity tank which required frequent draining out. With a new designed loop, draining out of Gravity Tank has been reduced which adds to CFU counts in the RO water.

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

The new loop will help in improving flow, avoid stagnation and improve quality of water for dialysis and scrubbing.

c) In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year, following information may be furnished:

– Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports: initiatives taken to increase exports; development of new export markets for products and services; and export plans

– Nil

b) Total foreign exchange earned and used:

(i)	**Earnings**	**:**	Rs. NIL	
(ii)	**Expenditure**	**:**	**CIF Value of Imports**	– Rs. 13.03 Million
			Others	– Rs. 6.85 Million

ANNEXURE TO DIRECTORS' REPORT

ESOP Disclosure in Directors' Report
Details of Employee Stock Option Plan 2007 for the year ended March 31, 2009
(As per Clause 12 of SEBI (ESOS and ESPS) Guidelines, 1999)

4,58,500 options were outstanding as on April 01, 2008 and 33,500 options were granted during the year under review.

Particulars	Details					
	Date of Grant	Number of options granted	Exercise price	Date of Grant	Number of options granted	Exercise Price
The total number of options granted is 4,92,000	February 13, 2008	458,500	Rs.71	October 13, 2008	33,500	Rs.50
Pricing formula	The grant price is determined based on the closing price of the equity shares of the Company, prior to the date of meeting of the Remuneration Committee, in which stock options are granted, on the stock exchange on which the shares of the Company are listed. The closing price of the shares of the Company at the National Stock Exchange of India Limited on February 12, 2008 was Rs. 70.95 per share and as on October 10, 2008 was Rs. 49.05. Accordingly, exercise price of the options granted by the Remuneration Committee at its meetings held on February 13, 2008, was fixed at Rs. 71 per Equity Share and on October 13, 2008, was Rs. 50 per Equity Share of Rs. 10 each.					
Total number of valid options vested as on March 31, 2009	70,100			Nil		
Total number of options exercised	Nil			Nil		
Total number of options lapsed/forfeited/ cancelled as on March 31, 2009	1,08,000			3,500		
Total number of Equity Shares arising as a result of the exercise of the options as on March 31, 2009 (assuming vesting of the valid options and exercise of all the valid options vested)	3,50,500			30,000		
Total number of options in force	3,50,500			30,000		
Variation in the terms of the options	Nil			Nil		
Money realized by exercise of the options	Nil			Nil		
Person-wise details of options granted to:						
(a) Senior Managerial Personnel	35,300			Nil		
(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	Nil			During the year, 33,500 options have been granted to 8 employees. Each such employee has received grants amounting to 5% or more of the options granted during the said year. However, names of such employees have not been disclosed here, keeping in view the sensitivity.		
(c) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued Equity Share Capital (excluding Equity Shares arising on exercise of the Detachable Warrants) at the time of grant	Nil					
Diluted Earnings Per Share (EPS), as reported on unconsolidated basis, pursuant to the issue of Equity Shares on exercise of the options calculated in accordance with AS 20 for the year ended March 31, 2009	Rs.(0.32)					

Particulars	Details					
	Date of Grant	Number of options granted	Exercise price	Date of grant	Number of options granted	Exercise Price
Vesting schedule	Subject to the right of the Remuneration Committee to, in its absolute discretion, vary or alter the vesting date for an employee or a class of employees, the options will vest in the ratio of 20% each at the end of the first, second, third, fourth and fifth year from the date of grant.					
Lock-in	Not applicable					
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	Employee compensation cost on the basis of the intrinsic value of stock options is zero while on the basis of the fair value of stock options it is Rs. 1.91 million for the FY 2008-09					
Impact on profits of the Company and on the EPS arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Impact on profits: Rs.1.91 million Impact on EPS: Negligible					
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock (based on outstanding options as on March 31, 2009)	Weighted average exercise price: Rs. 69.34 Weighted average fair value: Rs. 25.86					
A description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted-average information:						
• **Method used**	The Company has used the intrinsic value method. However, for estimating the fair value of the options granted, the Black Scholes Option Valuation Model ("Black Scholes Model") has been used					
• **Risk free interest rate**	10 year zero coupon treasury rate has been utilized as the risk free rate applied to the Black Scholes Model					
• **Expected life**	The expected life of the options granted to the eligible employees is 5.5, 6.5, 7.5, 8.5 and 9.5 years from the date of grant for each round of vested options, respectively. This is based on various schemes launched by various organizations in the country					
• **Expected volatility**	Volatility is calculated on the movement of the Company's (and comparable companies') share price on the BSE in the past one year, and works out to 34%. The same volatility is applicable to the Black Scholes Model					
• **Expected dividends**	No dividend has been paid as yet					
• **The price of the underlying share in the market at the time of option grant**	Rs.70.95 on the NSE on February 12, 2008			Rs.49.05 on the NSE on October 10, 2008		

REPORT ON CORPORATE GOVERNANCE 2008-09

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral part of philosophy of the Company in its pursuits of excellence, growth and value creation. The pursuit towards achieving good governance is an ongoing process in your Company and it envisages the creation and adherence to a corporate culture of conscience, consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its commitments towards Shareholders and other stakeholders.

Your Company is committed for adhering to good Corporate Governance practices- which is a key driver of sustainable corporate growth and long term value creation. The brand value and reputation of your Company are seen as the most valuable assets. Your Company recognizes its economic, social and environmental responsibilities and continuously strives towards emulating the best practices in every sphere of its operations.

2. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors ("Board") of the Company has an optimum combination of Executive, Non-Executive and Independent Directors, who have in-depth knowledge of business, in addition to the expertise in their respective areas of specialisation. The Board is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the long term interest of various stakeholders. It brings in strategic guidance, leadership and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to highest standards of ethics, transparency and disclosure.

The majority of the Board comprised of independent Directors. As on June 30, 2009, the Board comprises of 12 Directors, of whom, 1 (one) is an Executive Director designated as Managing Director and 11 (Eleven) are Non-Executive Directors including Non-Executive Chairman. Amongst the Non-Executive Directors, 8 (Eight) are independent Directors. The Non-Executive Directors bring an external and wider perspective to Board's deliberations and decisions.

The size and composition of the Board conform to the requirements of Clause 49 of the Listing Agreement with Stock Exchanges. Other details relating to the Directors as on March 31, 2009:

Name of the Director	Designation in the Company	@Directorship in other Companies	*Committee Membership in other Companies	#Committee Chairmanship in other Companies
Mr. Malvinder Mohan Singh	Non-Executive Chairman(Promoter)	12	9	3
Mr. Shivinder Mohan Singh	Managing Director(Promoter)	11	1	-
Mr. Balinder Singh Dhillon^	Non-Executive Independent	1	2	-
Mr. Gurcharan Das	Non-Executive Independent	4	-	-
Mr. Harpal Singh**	Non-Executive Non-Independent	5	-	-
Dr. P.S. Joshi	Non-Executive Independent	9	4	-
Mr. Ramesh L. Adige	Non-Executive Independent	2	2	2
Mr. Rajan Kashyap	Non-Executive Independent	-	-	-
Mr. Sunil Godhwani^	Non-Executive Non-Independent	14	8	2
Justice S.S. Sodhi	Non-Executive Independent	-	-	-
Lt. Gen. T.S. Shergill	Non-Executive Independent	-	-	-
Mr. V.M. Bhutani	Non-Executive Independent	6	3	2
Dr. Yoginder Nath Tidu Maini^^	Non-Executive Independent	-	-	-

@ Excluding private limited companies, foreign companies and companies under Section 25 of the Companies Act,1956.

* Represents membership of Audit Committee and Shareholders' Grievance Committee of Indian public limited companies.

Represent chairmanship of Audit Committee and Shareholders' Grievance Committee of Indian public limited companies.

^ Appointed as Director w.e.f. February 26, 2009

** Related to Promoters

^^ Resigned from the Board of Directors w.e.f. October 3, 2008

None of the Directors on Board is a member in more than ten committees and/or act as Chairman of more than five committees across all the Companies in which he is Director.

Except Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, who are brothers, and Mr. Harpal Singh, who is Mr. Malvinder Mohan Singh's father-in-law, none of other Directors are related to one another.

Details of Directors

As required under Clause 49 of the Listing Agreement, the information or details pertaining to the Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting, are furnished hereinafter:

a) **Mr. Malvinder Mohan Singh** has been a Director of your Company since August 12,1999. Mr. Malvinder Mohan Singh shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Malvinder Mohan Singh, aged 36 years, has graduated in Economics from St. Stephen's College, Delhi and holds an MBA degree from the Fuqua School of Business, Duke University, U.S.A. Mr. Malvinder Mohan Singh, Group Chairman, Religare Enterprises & Fortis Healthcare Limited, is an entrepreneur known for his aggressive style of management who has set a scorching pace of growth and diversification for the group companies.

Prior to this, Mr. Malvinder was the Chairman, Managing Director and CEO of Ranbaxy Laboratories Ltd. Mr. Malvinder put Ranbaxy in a position of leadership and consummated over 14 inorganic deals across geographies in less than two years. He unlocked value in Ranbaxy's business model and focussed the Company on future growth by monetizing large on-going patent challenges, investing resources in high growth emerging markets and forging strategic research alliances with global big pharma. He has been responsible for advising and counseling management on corporate decisions, providing strategic guidance and overseeing management of the business and ensuring ethical behaviour. He is credited of having successfully led the Company through a cultural transformation initiating a series of enterprise wide people centric initiatives. Most recently, in a landmark deal, Mr. Malvinder spearheaded the coming together of Ranbaxy and Daiichi Sankyo, a leading Japanese innovator, to create a pharmaceutical powerhouse. This deal is widely acknowledged as a game changer by the global pharma industry.

The World Pharmaceutical Frontiers Survey (London bases spg Media Ltd.) ranked Mr. Malvinder as one of the top 40 most influential people in the global pharmaceutical industry in 2008. He is also a recipient of the Golden Peacock Award for business leadership 2008 and the Amity Leadership Award 2009. In March, 2009, the India Today Magazine included him in their list of the 50 most powerful people.

He is also a member of the Young Global Leaders Forum (YGL), an initiative of the World Economic Forum (WEF). He is also a member of the board of visitors at the Fuqua School of Business, Duke University and serves on the board of the INSEAD Global India Council. A member of the Board of Trade, constituted by the Ministry of Commerce & Industry, Government of India, from 2004 to 2009, Mr. Malvinder advises the Government on critical Policy issues relating to the country's Foreign Trade, with the objective of significantly advancing India's exports. Mr. Malvinder is also a member of the Board of the Indian Council for Research on International Economic Relations (ICRIER).

As on June 30, 2009, he holds 6,394 Equity shares of Rs. 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Presently, Mr. Malvinder Mohan Singh is a Director and Member of Committees of the Boards of the following other companies:

S.No.	Name of the Companies in which interested	Designation and Committee Memberships
1.	Escorts Heart Institute And Research Centre Limited	• Chairman
2.	Religare Enterprises Limited	• Chairman • Chairman-Shareholders'/Investors' Grievance Committee • Member-Audit Committee • Member-Issue Committee • Member-Committee under Clause 41 of the Listing Agreement
3.	Religare Technova Limited	• Chairman • Member-Audit Committee • Member-Shareholders'/Investors' Grievance Committee
4.	AEGON Religare Life Insurance Company Limited	• Chairman • Chairman –Audit & Compliance Committee • Chairman-Nomination and Remuneration Committee
5.	Oscar Investments Limited	• Director • Member-Audit Committee • Member-Shareholders'/Investors' Grievance & Share Transfer Committee • Member-Nomination Committee
6.	Super Religare Laboratories Limited	• Director • Chairman-Audit Committee
7.	Fortis Healthcare Holdings Limited	• Director
8.	Shimal Research Laboratories Limited	• Director
9.	Fortis Clinical Research Limited	• Director
10.	Religare General Insurance Company Limited	• Director • Member-Audit Committee
11.	Religare Voyages Limited	• Director
12.	Malav Holdings Private Limited	• Director
13.	Luxury Farms Private Limited	• Director
14.	Chetak Pharmaceuticals Private Limited	• Director
15.	A-1 Book Company Private Limited	• Director
16.	Vistas Realtors Private Limited	• Director
17.	Religare AEGON Trustee Company Private Limited	• Director
18.	RHC Holding Private Limited	• Director
19.	Vistas Complexes Private Limited	• Director

b) **Mr. Shivinder Mohan Singh** was appointed as Managing Director of the Company for a period of 3 years w.e.f. November 13, 2006, pursuant to the provisions of Section 269 and other applicable provisions of the Companies Act, 1956 and is proposed to be re-appointed as such in the ensuing Annual General Meeting. Mr. Shivinder is a young entrepreneur who aims to change the healthcare paradigm in this country.

Mr. Shivinder Mohan Singh is also the Managing Director of Escorts Heart Institute And Research Centre Limited and is also one of the principal promoters and Director on the boards of Religare Enterprises Limited, Super Religare Laboratories Limited and Fortis Clinical Research Limited. He was, till recently, one of the key promoters of Ranbaxy Laboratories Limited and served as Director on the Board of the pharma major.

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

Mr. Shivinder's significant contribution in Indian Healthcare is widely acknowledged. His strategy for Fortis and its execution has been recognized by Harvard Business School in the form of a case study. He has been playing an important and active role in shaping the private healthcare space in India. He is the Chairperson of Health Services Committee of Federation of Indian Chambers of Commerce and Industry (FICCI), Board Member of Indo British Partnership Network (IBPN), Board Member of National Accreditation Board for Hospital and Healthcare Providers (NABH) and chair of the Healthcare Committee of UKTI (UK Trade & Investment). He is also on the National Board of Advisors of AIESEC, a global, non-political, independent, not-for-profit organization run by students and recent graduates of institutions of higher education.

Even though healthcare is a passion for Mr. Shivinder, his dream is to see a vibrant India in his lifetime. This motivates him to get involved in various activities directed towards bringing about positive social change in our country and engaging with different aspects of Building India. Mr. Shivinder is one of the trustees of an NGO 'Joining Hands'. In addition to this, Mr. Shivinder is also keenly involved in various CSR initiatives focused on the Girl Child, HIV education, providing quality healthcare to Rural India to name a few.

He is also on the board of visitors of Fuqua School of Business, Duke University, U.S. and a fellow of Aspens India Leadership Initiative. He is also a Director of Step by Step School.

As on June 30, 2009, he holds 6,394 Equity Shares of Rs. 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Mr. Shivinder Mohan Singh is a Director and member of Committees of Boards of the following other companies:

S.No.	Name of the Companies in which interested	Designation and Committee Memberships
1.	Malar Hospitals Limited	• Chairman • Chairman – Committee under Cause 41 of the Listing Agreement
2.	Escorts Heart Institute And Research Centre Limited	• CEO & Managing Director
3.	Fortis Healthcare Holdings Limited	• Director
4.	Religare Enterprises Limited	• Director • Member – Issue Committee
5.	Religare Voyages Limited	• Director
6.	Oscar Investments Limited	• Director • Member- Risk Management Committee
7.	Super Religare Laboratories Limited	• Director • Member – Audit Committee
8.	Fortis Clinical Research Limited	• Director
9.	Religare General Insurance Company Limited	• Director • Member – Audit Committee
10.	AEGON Religare Life Insurance Company Limited	• Director • Chairman–Investment Committee
11.	Religare Technova Limited	• Director
12.	A-1 Book Company Private Limited	• Director
13.	Chetak Pharmaceuticals Private Limited	• Director
14.	Greenview Buildtech Private Limited	• Director
15.	R.C. Nursery Private Limited	• Director
16.	Religare AEGON Asset Management Company Private Limited	• Director
17.	Shivi Holdings Private Limited	• Director
18.	RHC Holding Private Limited	• Director
19.	Fortis Hospitals Limited	• Director

c) **Mr. Balinder Singh Dhillon** was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company effective February 26, 2009 and holds office upto the date of ensuing Annual General Meeting.

Mr. Balinder Singh Dhillon aged about 42 years, has graduated from the Punjab University and is a member of the Institute of Company Secretaries of India and the Bar Council of India. He holds a Master of Laws degree from McGill University, Canada. As a member of the Law Society of Upper Canada, he completed his accreditation under a Certificate of Qualification equivalent to a Graduate of Law through the Law Faculty, University of Toronto, Canada. Having worked with corporate houses such as Hindustan Unilever Limited and INTRIA Items Inc., a wholly owned subsidiary of CIBC Bank, Canada, he has approximately 16 years of rich experience in corporate laws, governance, strategic planning and implementation.

As on June 30, 2009, he holds 22,000 Equity Shares of Rs. 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Presently, Mr. Balinder Singh Dhillon is not holding any directorship /membership of Committees of the Boards of any other Company.

d) **Mr. Gurcharan Das** has been a Director of your Company since June 29, 2000. Mr. Gurcharan Das shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Gurcharan Das, aged 65 years, has graduated with a Bachelor of Arts (Honors) degree *cum laude* in Philosophy and Government from Harvard University, U.S.A. and holds an MBA degree from Harvard Business School, Harvard University, U.S.A. Mr. Das is an author and a management consultant and advises a number of companies on global corporate strategy. He held the position of the Chief Executive Officer, Procter and Gamble India from 1985 until 1992, and Chairman and Managing Director of Richardson Hindustan Limited from 1981 until 1985. He has over 30 years of experience working in six countries. He is an operating advisor and investor in Chrys Capital LLC. He served on juries of the McKinsey award for the best Harvard Business Review article for 2005 and the $500,000 Milton Friedman Prize. Mr. Das has served on several Government Boards, including the Foreign Investment Promotion Council in India. He is also the author of the book “India Unbound”. He is a regular columnist for the newspapers ‘Times of India’ and the ‘Dainik Bhaskar’ and he contributes occasional articles to the Wall Street Journal and other newspapers.

As on June 30, 2009, he holds 10,000 Equity Shares of Rs. 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Presently, Mr. Gurcharan Das is a Director and member of Committees of the Boards of the following other companies:

S.No.	Name of the Companies in which interested	Designation and Committee Membership
1.	Berger Paints India Limited	• Director
2.	Crest Animations Studio Limited	• Director
3.	Gillette India Limited	• Director
4.	IDBI Capital Market Services Limited	• Director
5.	Ankar Capital Private Limited	• Director
6.	Birla Sun Life Trustee Company Private Limited	• Director
7.	Gurcharan Das Consultants Private Limited	• Director
8.	SKS Microfinance Private Limited	• Director

e) **Dr. P.S. Joshi** has been a Director of your Company since July 28,1998. Dr. Joshi shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Dr. Joshi, aged 61 years, has graduated with an M.B.B.S. degree from Medical College, Amritsar and an M.D. (Cardiology and General Medicine) from Maulana Azad Medical College, Delhi and G.B. Pant Hospital, Delhi. He was also awarded membership to the Royal College of Physicians, United Kingdom in 1978. He is known for his charitable work in the field of cardiology and is the Director and Head of Internal Medicine and Cardiology at the Maharaj Sawan Singh Charitable Hospital, Beas, Amritsar – 143201. Further, he is a Fellow of the Cardiology Society of India (2006), Royal College of Physicians (Edinburgh) (2006), American College of Cardiology and International College of Chest Physicians.

As on June 30, 2009, he holds 33,000 Equity Shares of Rs. 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Presently, Dr. P.S. Joshi is a Director and member of Committees of the Boards of the following other companies:

S.No.	Name of the Companies in which interested	Designation and Committee Memberships
1.	Escorts Heart And Super Speciality Institute Limited	• Director
2.	Escorts Heart And Super Speciality Hospital Limited	• Director • Member-Audit Committee • Member-Remuneration Committee
3.	Escorts Heart Centre Limited	• Director
4.	Escorts Heart Institute And Research Centre Limited	• Director
5.	Escorts Hospital And Research Centre Limited	• Director • Member-Audit Committee • Member-Remuneration Committee
6.	Fortis Hospotel Limited	• Director • Member-Audit Committee • Chairman-Remuneration Committee
7.	International Hospital Limited	• Director • Member-Audit Committee
8	Religare Technova Global Solutions Limited	• Director
9.	Religare Technova Limited	• Director • Member-Remuneration Committee
10.	Religare Technova Services Limited	• Director
11.	Hiranandani Healthcare Private Limited	• Director

f) **Mr. Sunil Godhwani** was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company effective February 26, 2009 and holds office upto the date of ensuing Annual General Meeting.

Mr. Sunil Godhwani aged about 48 years, is a graduate in Chemical Engineering and has a Master's Degree in Industrial Engineering & Finance from Polytechnic Institute of New York. He has over 20 years of experience in business. He is the CEO & Managing Director of Religare Enterprises Limited and the Chairman and Managing Director of Religare Securities Limited.

As on June 30, 2009, he holds 38,500 Equity Shares of Rs. 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Presently, Mr. Sunil Godhwani is a Director and member of Committees of Boards of the following other companies:

S.No.	Name of the Companies in which interested	Designation and Committee Memberships
1.	Religare Enterprises Limited	• CEO & Managing Director • Chairman-Investment & Borrowing Committee • Member-Shareholders' and Investors' Grievance Committee • Member-Committee under Clause 41 of the Listing Agreement • Member-Share Allotment Committee • Member-Issue Committee
2.	Religare Securities Limited	• Chairman & Managing Director • Member-Audit Committee
3.	Religare Finvest Limited	• Chairman • Member-Audit Committee
4.	Religare Commodities Limited	• Chairman
5.	Religare General Insurance Company Limited	• Director • Chairman-Audit Committee
6.	Religare Voyages Limited	• Director
7.	Super Religare Laboratories Limited	• Director • Member-Audit Committee
8.	Vistaar Religare Capital Advisors Limited	• Director • Member-Allotment Committee
9.	AEGON Religare Life Insurance Company Limited	• Director • Member-Audit & Compliance Committee • Member-Investment Committee • Member-Nomination & Remuneration Committee
10.	Religare Trustee Company Private Limited	• Chairman
11.	Religare United Soccer Limited	• Director
12.	Religare Technova Limited	• Director • Chairman-Shareholders'/Investors' Grievance Committee
13.	Religare Macquarie Wealth Management Limited	• Director
14.	Milistone Religare Investment Advisors Private Limited	• Director
15.	National Stock Exchange of India Limited	• Member-Executive Committee(Future & Option Segment) (On behalf of Religare Securities Limited)
16.	National Securities Depository Limited	• Member-Executive Committee(On behalf of Religare Securities Limited)
17.	The Associated Chambers of Commerce and Industry of India	• Member-Managing Committee

Board Functioning & Procedure

At Fortis Healthcare, Board plays a pivotal role in ensuring good governance. In accordance with Clause 49 of the Listing Agreement, the Board meets atleast once in every quarter to review the quarterly results and other items of agenda and if necessary, additional meetings are held. The agenda for each Board meeting is drafted in consultation with the Chairman and circulated in advance to the Board members.

During the financial year 2008-09, Seven Board Meetings were held on (i) April 30, 2008 (ii) June 30, 2008 (iii) July 30, 2008 (iv) October 29, 2008 (v) December 24, 2008 (vi) February 26, 2009 and (vii) March 30, 2009.

Attendance of the Directors at the Board Meetings held during the financial year ended March 31, 2009 and at the last Annual General Meeting:

Name of the Directors	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Malvinder Mohan Singh	7	4	No
Mr. Shivinder Mohan Singh	7	7	Yes
Mr. Balinder Singh Dhillon^	7	1	N.A.
Mr. Gurcharan Das	7	4	Yes
Mr. Harpal Singh	7	6	Yes
Dr. P.S. Joshi	7	3	No
Mr. Ramesh L. Adige	7	6	Yes
Mr. Rajan Kashyap	7	3	Yes
Mr. Sunil Godhwani^	7	-	N.A.
Justice S.S. Sodhi	7	5	No
Lt. Gen. T.S. Shergill	7	7	Yes
Mr. V.M. Bhutani	7	6	Yes
Dr. Yoginder Nath Tidu Maini^^	7	-	No

^Appointed as Director w.e.f. February 26, 2009.

^^ Resigned from the Board of Directors w.e.f. October 03, 2008.

Availability of information to the members of Board:

As required under Clause 49 of the Listing Agreement, to the extent applicable, following information is placed before the Board:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non payment for services rendered by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and Shareholders service such as non-payment of dividend, delay in share transfer etc.

Statutory Compliances

The Board periodically reviews the Compliance Report of the laws applicable to the Company as well as the steps taken by the Company to rectify the instances of non-compliances, if any.

Code of Conduct

The Board has prescribed a Code of Conduct ("Code") for all Board members and Senior Management of the Company. This Code is also posted on website of the Company.

All Board members and senior management personnel have confirmed compliance with the Code for the financial year 2008-09. A declaration to this effect signed by the Managing Director of the Company, is provided elsewhere in the Report.

3. Audit Committee

Composition:

The Audit Committee comprises of the following Directors, namely:

(i) Mr. V.M. Bhutani, Chairman

(ii) Mr. Malvinder Mohan Singh

(iii) Mr. Balinder Singh Dhillon*

(iv) Mr. Harpal Singh

(v) Dr. P.S. Joshi

(vi) Mr. Rajan Kashyap

(vii) Lt. General T.S. Shergill

*Co-opted as Member w.e.f. April 29,2009

The Company Secretary acts as Secretary to the Committee.

All members are financially literate and one member is having requisite accounting and financial management expertise.

Terms of reference

The Board of Directors has approved the following terms of reference for the Audit Committee:

1. To oversee Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. To approve payment to statutory auditors for any other services rendered by the statutory auditors.
4. To review with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting polices and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgement by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. To review with the Management, the quarterly/half-yearly/annual financial statements before submission to the Board for approval.
6. To review with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
7. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. To discuss with Internal Auditors any significant findings and follow up there on.
9. To review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. To discuss with Statutory Auditors before commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in payment to the depositors, debentureholders, Shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the following information:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    c. Management letters/letters of internal control weaknesses issued by the statutory auditors; and
    d. Internal audit reports relating to internal control weaknesses.

13. The appointment, removal and terms of remuneration of the internal auditor.
14. To review Capital Structure, policies and norms related thereto.
15. To review Financial policies, processes, systems and controls covering, Accounting, Treasury, Taxation, Forex, Risk Management and Insurance.
16. To review organization structure, succession planning, policies and processes related to manning, breadth and depth, capabilities, potential and development of managerial personnel in the Finance function.
17. To review, approve or recommend to the Board financial authority to senior managerial personnel.
18. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendation to the Board to take up steps in this matter.
19. Review the functioning of the Whistle Blower mechanism, in case the same is existing.

Review of information by Audit Committee

Apart from other matters, as per Clause 49 of the Listing Agreement, the Audit Committee also reviewed the following information:

1. Management Discussion and Analysis of Financial condition and results of operations;
2. Statement of significant related party transactions;
3. Internal Audit Reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of internal auditors.

Meetings of Audit Committee and attendance during the year

During the financial year ended March 31, 2009, Six meetings were held on (i) June 4, 2008 (ii) July 30, 2008 (iii) October 23, 2008 (iv) December 8, 2008 (v) January 20, 2009 and (vi) February 20, 2009.

The attendance of members of the Audit Committee at these meetings was as follows:

Sr. No.	Name of the Member	No. of meetings held	No. of Meetings attended
1.	Mr. V.M. Bhutani, Chairman	6	5
2.	Mr. Malvinder Mohan Singh	6	2
3.	Mr. Harpal Singh	6	4
4.	Dr. P.S. Joshi	6	3
5.	Mr. Rajan Kashyap	6	5
6.	Lt. Gen. T.S. Shergill	6	6

The Statutory Auditors, Internal Auditors, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Financial Controller (CFC) are also invited at the meetings of Audit Committee.

4. Subsidiary Companies

The Company is having only one material non-listed subsidiary i.e. Escorts Heart Institute And Research Centre Limited. Dr. P.S. Joshi, who is an Independent Director on the Board of Fortis Healthcare Limited, is also a Director on the Board of Escorts Heart Institute And Research Centre Limited. The Audit Committee of the Company reviews the financial statements and investments made by the unlisted subsidiary companies.The minutes of the Board Meetings as well as the statements of significant transactions and arrangements entered into by the unlisted subsidiaries, if any, are placed before the Board of Directors of the Company from time to time.

5. Remuneration Committee

The Remuneration Committee consists of the following members:

(i) Dr. P.S. Joshi, Chairman

(ii) Mr. Malvinder Mohan Singh

(iii) Justice S.S. Sodhi

(iv) Mr. Balinder Singh Dhillon*

*Co-opted as Member w.e.f. April 29, 2009

The Board of Directors has approved the following terms of reference for Remuneration Committee :

1. To decide and approve remuneration, including any revisions thereto from time to time, in respect of the managerial personnel of the Company.
2. To exercise all the powers of the Board in connection with the administration of the “Employee Stock Option Plan-2007”.

Meetings of Remuneration Committee and attendance during the year

During the financial year ended March 31, 2009, three meetings were held on (i) June 4, 2008, (ii) July 16, 2008, (iii) October 13, 2008.

The attendance of members of the Remuneration Committee at these meetings was as follows:

Sr. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Dr. P.S. Joshi, Chairman	3	2
2.	Mr. Malvinder Mohan Singh	3	3
3.	Justice S.S. Sodhi	3	3

The Company Secretary acts as the Secretary to the Committee.

Remuneration Policy & criteria of making payments to Executive and Non-Executive Directors

The Directors' remuneration policy of your Company conforms to the provisions of Companies Act, 1956. Subject to the approval of Shareholders in the general meeting and such other approvals as may be necessary from time to time, the remuneration paid/payable to the Executive and Non-Executive Directors, as applicable, is as recommended by the Remuneration Committee, decided by the Board and approved by the Shareholders and Central Government, if required.

The Company is having only one Executive Director, designated as Managing Director. The remuneration payable to him is decided from time to time on the basis of qualification, experience, responsibilities, performance of the concerned Director and industry practices.

The non-executive Directors are being paid sitting fees for attending the meetings of Board of Directors and various Committees of Board viz. Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee and Management Committee .

The key components of the Company's remuneration Policy are as under:

- Compensation shall be based on credentials and the major driver of performance.
- Compensation shall be competitive and benchmarked with industry practice.
- Compensation shall be fully transparent and tax compliant.

Remuneration to Directors

Executive Directors

None of the Directors other than Mr. Shivinder Mohan Singh is drawing any remuneration from the Company.

The details of remuneration paid to Mr. Shivinder Mohan Singh during the financial year ended March 31, 2009 is as under :

(Amount in Rs. lacs)

Salary	Perquisites	Commission / Performance Incentives	Others	Total
48.00	82.00	50.00	12.96	192.96

Pursuant to a letter dated November 7, 2007, the Central Government approved the payment of minimum remuneration of Rs.19,296,000 p.a. up to a maximum of Rs.27,014,400 p.a. for a period of three years with effect from November 13, 2006.

Further, the Board of Directors has, in its meeting held on October 29, 2008, revised the remuneration payable to to Mr. Shivinder Mohan Singh with effect from April 1, 2008, for his remaining tenure, subject to the approval of the Central Government and the Shareholders of the Company, as specified below:

Salary	Rs.6,000,000 p.a. with power to the Board of Directors to increase the salary up to a sum not exceeding Rs.10,000,000 p.a.
Fixed/Variable Bonus	(i) On a quarterly basis, fixed bonus of Rs.5,000,000 aggregating to Rs. 20,000,000 p.a.; and (ii) On an annual basis, performance linked variable bonus, in the range of Rs.15,000,000 p.a. to Rs. 30,000,000 p.a., based on certain performance parameters.
Perquisites, allowances and other benefits	House rent allowance or Company owned/leased furnished house with actual upkeep and maintenance expenses, expenses relating to gas, electricity, water and other utilities, special allowance, medical reimbursement, leave travel assistance for self and family, insurance, club fees, periodicals/books reimbursement, conveyance, entertainment reimbursement, telephone, telefax and other communication facilities, stock options, security any other reimbursements, allowances or perquisites in accordance with the rules of the Company. The monetary value of such perquisites/allowances will be limited to Rs. 54,000,000 p.a., with authority to the Board of Directors to increase it from time to time up to an amount not exceeding Rs. 80,000,000 p.a. The following shall not be included in the aforesaid limits: i) Contribution to Provident Fund and Superannuation Fund or Annuity fund to the extent these either singly or put together are not taxable under the IT Act; ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service; and iii) Encashment of unavailed leave at the end of tenure.
Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year during the tenure, he shall be entitled to the above remuneration (inclusive of allowances, perquisites and commission, if any) by way of minimum remuneration irrespective of the limits specified under the provisions of Sections 198 and 309, Schedule XIII and all other applicable provisions of the Companies Act.

The terms of the revised remuneration of Mr. Shivinder Mohan Singh have been approved by the Remuneration Committee. The Company has, by a letter dated December 23, 2008, made an application to the Central Government seeking approval for the payment of the above mentioned remuneration. Accordingly, the Company has made a provision of Rs. 623.24 Lacs for payment of the said revised remuneration to Mr. Singh, excluding the variable components as and when payable.

Notes:

1) Mr. Shivinder Mohan Singh was re-appointed as Managing Director for a period of 3 years w.e.f. November 13, 2006.
2) The notice period is 3 months from either side or a shorter period decided mutually. No severance fees is payable on termination of contract.
3) The Board of Directors has, in its meeting dated October 29, 2008 approved the payment of the revised remuneration to Mr. Shivinder Mohan Singh with effect from April 1, 2008 for his remaining tenure, subject to the approval of the Central Government and Shareholders of the Company.
4) He is also entitled to PF contribution @ 12% and superannuation contribution @ 15% of Salary.
5) The amount of Gratuity and Leave Encashment is not included above as it is not ascertainable separately.
6) On annual basis, performance linked variable bonus, based on certain performance parameters including budgeted achievement, inorganic growth in revenue and total Shareholders' returns (TSR) etc. shall be payable to Mr. Shivinder Mohan Singh.
7) No Stock Options have been granted to the Directors of the Company under "Employee Stock Options Plan-2007" of the Company.

Non-Executive Directors

Only sitting fees is being paid to Non-Executive Directors. The sitting fees paid to the Non-executive Directors for the financial year ended March 31, 2009 and their shareholding as on that date is as follows:

Name of Director	Sitting Fee* (Rs. In Lacs)	Shareholding in the Company as on March 31, 2009
Mr. Malvinder Mohan Singh	1.20	6,394
Mr. Balinder Singh Dhillon^	-	22,000
Mr. Gurcharan Das	0.80	10,000
Mr. Harpal Singh	1.70	58,003
Dr. P.S. Joshi	0.95	33,000
Mr. Ramesh L. Adige	1.10	800
Mr. Rajan Kashyap	0.95	1,800
Mr. Sunil Godhwani^	-	38,500
Justice S.S. Sodhi	1.05	4,000
Lt. Gen T.S. Shergill	1.65	16,000
Mr. V.M. Bhutani	1.40	10,102
Dr. Yoginder Nath Tidu Maini^^	-	-

*For attending the Board Meetings, Audit Committee, Management Committee and Remuneration Committee Meetings
^Appointed as Director w.e.f. February 26, 2009
^^ Resigned from the Board of Directors w.e.f. October 3, 2008.

The Company has not granted any stock options to any of its Directors.

There were no other pecuniary relationships or transactions of the Non-executive Directors vis-à-vis the Company.

6. Shareholders' / Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of the following members:

1. Dr. P.S. Joshi, Chairman
2. Mr. Shivinder Mohan Singh
3. Mr. Harpal Singh
4. Mr. Ramesh L. Adige
5. Mr. Rajan Kashyap

Ms. Ruchi Mahajan, Company Secretary acts as the Secretary of the Committee as well as the Compliance officer pursuant to Clause 47(a) of the Listing Agreement with the Stock Exchanges.

The Board of Directors has approved the following terms of reference for Shareholders'/ Investors' Grievance Committee :

1. To approve/refuse/reject registration of transfer/transmission of Shares.
2. To authorise issue of Duplicate Share Certificates and Share Certificates after Split / Consolidation/ Replacement.
3. To authorise printing of Share Certificates.
4. To allot Shares.
5. To issue and allot Equity Shares to the Applicants as per The Companies (Issue of Share Certificates) Rules, 1960. The Share Certificates shall be issued under the seal of the Company which shall be affixed in the presence of:
   (i) any two Directors and
   (ii) the Company Secretary / Authorised Signatory;
6. To affix or authorise affixation of the Common Seal of the Company on Share Certificates of the Company.
7. To authorise to sign and endorse Share Transfers and issue Share Certificates approved by the Committee on behalf of the Company.
8. To authorise Managers/Officers/Signatories for signing Share Certificates.
9. To monitor redressal of Shareholders' and investors' complaints about transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
10. Such other functions as may be assigned by the Board.

Details of investors' grievances received during the year 2008-09:

S.No.	Nature of Complaints	Received	Resolved	Pending
1.	Non receipt of Refund Order	42	42	Nil
2.	Non receipt of credit of shares in Demat Account	09	09	Nil
3.	Correction on Refund Order	05	05	Nil
4.	Non receipt of credit of refund through ECS	01	01	Nil
5.	Miscellaneous	2	2	Nil
	TOTAL	**59**	**59**	**Nil**

The Company gives utmost priority to the redressal of Shareholders' Grievances which is evident from the fact that all complaints received from the Shareholders were resolved expeditiously to the satisfaction of the Shareholders.

There was Nil share transfer lying pending as on March 31, 2009.

The Committee meets as and when required and during the year under review, the Committee met two times.

7. MD / CFO Certification

The MD & CFO certification as stipulated in the Clause 49 (V) of the Listing Agreement was placed before the Board alongwith financial statements for the year ended March 31, 2009, and the Board reviewed the same. The said certificate is provided elsewhere in the Annual Report.

8. General Body Meetings

The location and time of the Annual General Meetings held during the preceding three years and last three Extra-ordinary General Meetings are as follows:

Financial Year	Date	Time	Venue	Special Resolution passed
Annual General Meetings				
2005 – 06	30-08-2006	10.00 A.M.	B-9, Maharani Bagh, New Delhi – 110 065	- Alteration of Articles of Association of the Company (Two Special Resolutions). - Approval for re-appointment of Mr. Harpal Singh as Chairman and Managing Director.
2006 – 07	27-09-2007	10.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi – 110 010	- Inter-corporate investment in Religare Insurance Holding Company Limited. - Alteration in Article 3 of Articles of Association relating to Authorized Share Capital. - Authorization for issue of Securities. - Consent to Employee Stock Option Plan 2007. - Consent to extend the benefit of Employee Stock Option Plan 2007 to the employees of Subsidiary Companies.

Financial Year	Date	Time	Venue	Special Resolution Passed
2007-08	20-09-2008	3.30 P.M.	Air Force Auditorium, Subroto Park, New Delhi – 110 010	- Providing a Corporate Guarantee in favour of Yes Bank Limited (the Bank) in respect of term loan of Rs. 25 Crores sanctioned by the Bank to Escorts Heart Institute And Research Centre Limited (Passed through Postal Ballot). - Providing a Corporate Guarantee in favour of Indusind Bank Limited(the Bank) in respect of Credit Facilities of Rs. 100 Crores sanctioned by the Bank to Company and certain subsidiaries of the Company (Passed through Postal Ballot).
Extra- Ordinary General Meetings				
2006-07	25-09-2006	10.00 A.M.	Library Hall, II Floor, Escorts Heart Institute And Research Centre, Okhla Road, New Delhi-110025	- Alteration of Capital Clause of Memorandum of Association of the Company. - Consequent Alteration of Articles of Association of the Company. - Approval for issue and allotment of redeemable preference shares.
	26-12-2006	9.30 A.M.	Auditorium, New Basement, Escorts Heart Institute And Research Centre, Okhla Road, New Delhi-110025	- Inter-corporate loan and investment pursuant to Section 372A of the Companies Act, 1956 in Hiranandani Healthcare Private Limited. - Increase in remuneration of Mr. Harpal Singh. - Re-appointment of Mr. Shivinder Mohan Singh as Managing Director of the Company. - Issue and allotment of shares on preferential basis.
	26-02-2007	12.30 P.M.	Escorts Heart Institute And Research Centre, Okhla Road, New Delhi-110025	- Issue and allotment of shares on preferential basis. - Authorisation to make inter-corporate investments/ loans pursuant to Section 372A of the Companies Act, 1956 in Sunrise Medicare Private Limited. - Authorisation to place inter-corporate deposits with Religare Finvest Limited.

Details of resolution passed by way of Postal Ballots

During the year ended March 31, 2009, pursuant to Section 192A of the Companies Act, 1956 and Companies (Passing of Resolutions by Postal Ballots) Rules, 2001, the Shareholders of the Company have approved certain resolutions by means of postal ballots, the details of which are under:

A. Business considered vide postal ballots notice dated July 30, 2008 and whose results were declared at the 12th Annual General Meeting of the Company held on September 20, 2008 at Air Force Auditorium, Subroto Park, New Delhi-110010

(i) Special Resolution under Section 372A for providing a Corporate Guarantee in favour of Yes Bank Limited (the Bank) in respect of term loan of Rs. 25 Crores sanctioned by the Bank to Escorts Heart Institute And Research Centre Limited .

(ii) Special Resolution under Section 372A for providing a Corporate Guarantee in favour of Indusind Bank Limited (the Bank) in respect of Credit Facilities of Rs. 100 Crores sanctioned by the Bank to Company and certain subsidiaries of the Company .

Details

The above mentioned postal ballots exercise was conducted by Mr. Satyender Kumar, Practising Company Secretary, Gurgaon.

Summary of the results of the aforementioned Postal Ballots, announced by the Chairman of Annual General Meeting of the Company, held on September 20, 2008 is as follows:

S.No.	Item	No. of valid postal ballot forms received	Votes cast in favour of the resolution	Votes against the resolution	No. of invalid postal ballot forms received
1.	Special Resolution under Section 372A for providing a Corporate Guarantee in favour of Yes Bank Limited.	1884	169,279,690	23,024	179
2.	Special Resolution under Section 372A for providing a Corporate Guarantee in favour of Indusind Bank Limited.	1884	169,265,597	24,187	243

B. Business considered vide postal ballots notice dated December 24, 2008 and whose results were declared on February 11, 2009 at the Registered Office of the Company :

(i) Ordinary Resolution under Section 94 read with Section 16 of the Companies Act, 1956 for increase in Authorised Share Capital and consequent amendment in Clause V of the Memorandum of Association of the Company:

Details

The above mentioned postal ballots exercise was conducted by Mr. Sanjay Grover, of M/s Sanjay Grover & Associates, Company Secretaries , New Delhi

Summary of the results announced by one of the Directors of the Company on February 11, 2009 on the Postal Ballots Forms received is as follows:

Item	No. of valid postal ballot forms received	Votes cast in favour of the resolution	Votes against the resolution	No. of invalid postal ballot forms received
Ordinary Resolution under Section 94 read with Section 16 of the Companies Act,1956 for increase in Authorised Share Capital and consequent amendment in Clause V of the Memorandum of Association of the Company.	1963	170,420,265	48,435	172

Procedure for Voting by Postal Ballots:The Postal Ballots Form and the draft Resolution(s) along with the Explanatory Statement pertaining the said Resolution(s) explaining in detail the material facts and the self-addressed , postage prepaid business reply envelope, are sent to all the members, under Certificate of Posting.

The members are required to carefully read the instructions printed in the Postal Ballots Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and sign the same as per the specimen signature available with the Company or Depository Participant, as the case may be, and return the form duly completed in the attached self-addressed, postage prepaid envelope so as to reach the scrutinizers before the close of working hours of the last date fixed for the purpose. Postal Ballots Forms received after this date are strictly treated as if the form has not been received from the member.

The scrutinizer appointed for the purpose scrutinizes the postal ballots received and submits his report to the Company.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the Shareholders as on a specified date. A resolution is deemed to have been passed as special resolution if the votes cast in favour are at least three times than the votes cast against and in case of ordinary resolution, the resolution is deemed to have been passed, if the votes cast in favour are more than the votes cast against.

9. Disclosures

Related party transactions: The details of the transactions with related parties or others, if any, as prescribed in the Listing Agreement are being placed before the Audit Committee from time to time. During the year under review the Company has not entered into any transaction of material nature with its subsidiaries, promoters, directors or the management, their relatives etc. that may have any potential conflict with the interest of the Company at large.

Accounting Treatment: While in the preparation of financial statements, no treatment different from that prescribed in an Accounting Standard has been followed**.**

Proceeds from Issue: The uses /application of funds raised by the Company through the Initial Public Offering (IPO) of the Equity Shares made in terms of prospectus dated April 25, 2007 are being disclosed to the Audit Committee on a quarterly basis, as a part of quarterly declaration of financial results.

Compliances by the Company

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities relating to the above.

Management

A) Management Discussion and Analysis is forming part of the Annual Report to the Shareholders.

B) During the year, no material financial and commercial transaction has been entered by Senior Management personnel, where they have any personal interest that may have potential conflict of the Company at large. The Company has obtained requisite declarations from all senior management personnel in this regard and the same were placed before the Board of Directors periodicelly.

Other Disclosures

On April 02, 2009, the Company has filed Draft Letter of Offer with SEBI for the issue and allotment of equity shares, of Rs.10 each on "Right Basis" with detachable warrants exchangeable with the Equity Shares of the Company to the existing Equity Shareholders of the Company aggregating to Rs. 1000 Crores (excluding the value of warrants as and when exercised) pursuant to Section 81(1) of the Companies Act, 1956, and the applicable guidelines issued by the Securities and Exchange Board of India.

Companies from which the Promoters have dis-associated in the last three years

Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh have dis-associated from Ranbaxy Laboratories Limited on November 7, 2008. Mr. Shivinder Mohan Singh and Mr. Malvinder Mohan Singh sold 2,120,742 and 2,668,362 equity shares held by them respectively in Ranbaxy Laboratories Limited on November 7, 2008. Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh resigned from the board of Ranbaxy Laboratories Limited with effect from May 24, 2009 and December 19, 2008 respectively.

Prohibition of Insider Trading

In compliance with SEBI (Prohibition of Insider Trading) Regulations,1992, as amended from time to time, the Company has instituted a comprehensive Code of Conduct for its management and staff. The Code lays down the guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company.

10. Means of Communication

a) The quarterly financial results are generally published in Business Standard/Economic Times/Financial Express/Jansatta.

b) The quarterly, half yearly and annual results are posted on the Company's website viz. www.fortishealthcare.com.

c) The Company also makes a presentation to the investors and analysts after taking on record the quarterly results by the Company. The press releases/official news are displayed on the Company's website.

d) The Company also intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

11. Shareholder Information

Annual General Meeting

i) Date of AGM

The Annual General Meeting is proposed to be held on September 25, 2009 at 10.30 A.M.at Air Force Auditorium, Subroto Park, New Delhi-110010.

Posting of Annual Report	On or before September 1, 2009
Last date of receipt of Proxy Form	September 23, 2009 till 10.30 A.M.

ii) The Financial Year of the Company is starting from April 1 and ending on March 31 of next year.

iii) Financial Calendar 2009-2010 (tentative & subject to change)

S.No.	Tentative Schedule	Tentative Date
1.	Financial Reporting for the quarter ended 30th June, 2009	End of July, 2009
2.	Financial Reporting for the quarter ending 30th September, 2009	End of October, 2009
3.	Financial Reporting for the quarter ending 31st December, 2009	End of January, 2010
4.	Financial Reporting for the quarter ending 31st March, 2010*	End of April, 2010
5.	Annual General Meeting for the year ending 31st March, 2010	End of September, 2010

*As provided in Clause 41 of Listing Agreement, Board may also consider submission of Audited Financial Results for the year 2009-2010 in lieu of Unaudited Financial Results for the fourth quarter, by 30th June, 2010 (or such other period as may be stipulated from time to time).

iv) Date of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from **Tuesday, September 22, 2009 to Friday, September 25, 2009 (both days inclusive).**

v) Listing on Stock Exchanges

The Company's Equity Shares are listed on the following Stock Exchanges:

• National Stock Exchange of India Limited (NSE), Bandra Kurla Complex, Bandra(E), Mumbai–400 051

• Bombay Stock Exchange Limited (BSE), PJ Tower, Dalal Street, Fort, Mumbai – 400 001

The listing fee for the financial year 2009-10 has already been paid to NSE and BSE in compliance with Clause 38 of Listing Agreement.

vi) Stock Code of Equity Shares

Trade Symbol at National Stock Exchange of India Limited is FORTIS

Stock Code at Bombay Stock Exchange Limited is 532843

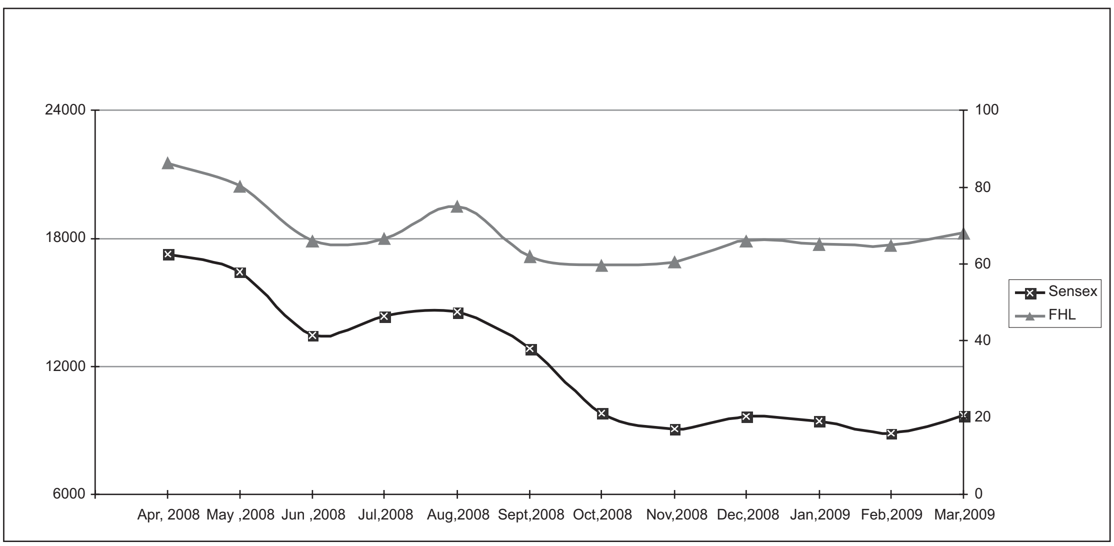
ISIN for Dematerialisation: INE061F01013

vii) Stock Market Price at National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE **)** and comparison with broad-based indices,viz. NSE Nifty and BSE Sensex.

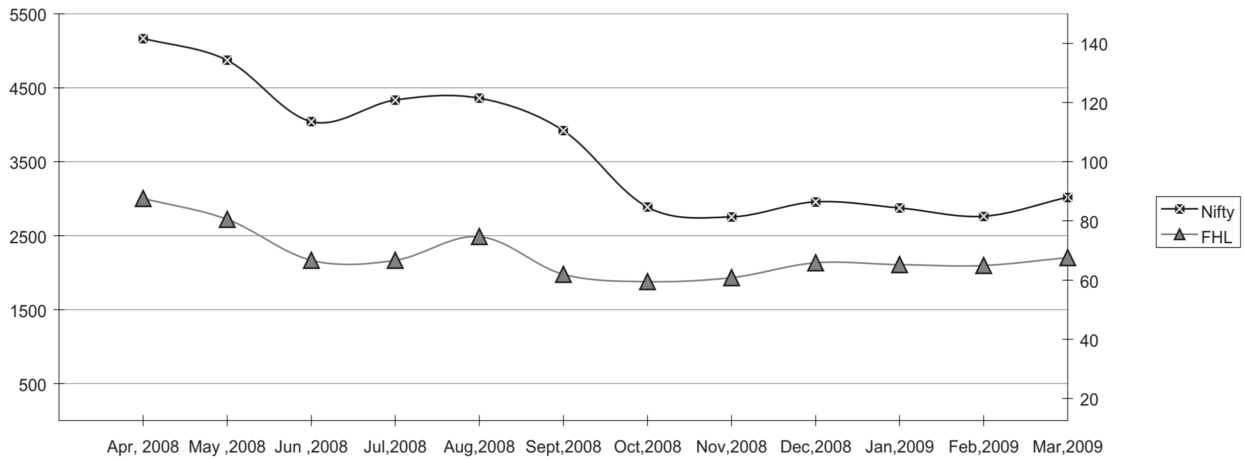
Month	Share Price(Rs.) at BSE			Share Price (Rs.) at NSE		
	High	Low	Volume	High	Low	Volume
April 2008	88.90	75.10	3,430,654	89.70	75.20	7,795,231
May 2008	88.80	72.00	1,879,654	89.40	72.30	3,344,910
June 2008	91.80	65.05	19,614,281	91.70	65.00	30,714,849
July 2008	69.30	60.80	2,869,662	69.20	59.40	5,069,991
August 2008	77.00	65.40	3,628,276	76.90	64.00	6,442,547
September 2008	77.30	60.00	1,575,311	77.50	58.00	2,971,383
October 2008	75.00	45.00	1,969,075	64.45	46.10	3,381,068
November 2008	72.00	56.50	1,846,020	72.00	57.00	3,502,318
December 2008	76.05	50.00	2,988,267	73.70	57.45	4,701,967
January 2009	72.65	61.80	1,812,581	73.00	61.30	3,522,742
February 2009	70.25	62.40	887,485	70.00	62.55	1,899,401
March 2009	75.00	63.05	2,307,792	75.00	60.25	4,215,748

Comparison of closing prices of the Company's share with broad base indices viz. BSE Sensex & NSE Nifty

Stock Price Performance - FHL Vs BSE Sensex



Stock Price Performance - FHL Vs NSE Nifty



viii) Registrar and Transfer Agent

Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) are acting as Registrar and Transfer Agents(RTA) for handling the shares related matters both in physical as well as dematerialized mode. All work relating to equity shares are being handled by them. The Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

Link Intime India Private Limited
A-40, 2nd Floor, Naraina Industrial Area, Phase – II,
Near Batra Banquet Hall, New Delhi – 110028
Telephone No.:+91 11 41410592/93/94
Fax No.:+91 11 41410591
Email: delhi@linkintime.co.in

However, for the convenience of Shareholders, correspondence relating to shares received by the Company are forwarded to the RTA for necessary action thereon.

ix) Nomination Facility

The Shareholders holding shares in physical form may, if they so want, send their nominations in prescribed Form 2B of the Companies (Central Government's) General Rules and Forms,1956, (which can be obtained from the Company's RTA or downloaded from the Company's website www.fortishealthcare.com) to the Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

x) Dematerialization of Shares

As on March 31, 2009, 203,302,308 Equity shares representing 89.70% of the paid up Equity Capital of the Company had been dematerialized.

ISIN Number: INE061F01013

The Company's Equity shares have been allotted ISIN (INE061F01013) both by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

The Shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company's Shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

xi) Elimination of Duplicate Mailing

The Shareholders who are holding Shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

xii) Share Transfer System

The Company's share transfer authority has been delegated to the Managing Director. The delegated authority attends the share transfer formalities on fortnighty basis to expedite all matters relating to transfer, transmission, transposition, split and rematerialization of shares and taking on record status of redressal of Investors' Grievance, etc., if any. The share certificate received by the Company/RTA for registration of transfers, are processed by RTA (on a fortnightly basis) and transferred expeditiously and the endorsed Share Certificate(s) are returned to the shareholder(s) by registered post.

As per the requirements of clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

xiii) Secretarial Audit

The Secretarial Audit as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations,1996 was carried out by a Practising Company Secretary in each of the quarter in the financial year 2008-09, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Secretarial Audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Secretarial Audit Report for each quarter of the Financial Year ended March 31, 2009 has been filed with Stock Exchanges within one month of end of the respective quarter.

xiv) Demat Suspense Account as per Amended Clause 5A of the Listing Agreement:

Pursuant to the insertion of Clause 5A in the Listing Agreement, the Company has opened a Demat Suspense Account-"Fortis Healthcare Limited IPO Suspense Account" and other information as required under amended Clause 5A of the Listing Agreement is as follows:

(i) Aggregate Number of the Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 01, 2008 - 89 Shareholders and 9742 shares

(ii) Number of Shareholders who approached issuer for transfer of shares from suspense account during the year - 22 Shareholders for 2143 shares

(iii) Number of Shareholders to whom shares were transferred from suspense account during the year - 22 Shareholders for 2143 shares

(iv) Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2009 - 67 Shareholders and 7599 shares

The voting rights of these shares shall remain frozen till the rightful owner of such shares claim the subject shares. The details of the shares that have not been credited to Demat Account and are lying in "Fortis Healthcare Limited IPO Suspense Account" can be viewed at Investor Section on the Company's website www.fortishealthcare.com and the concerned persons are requested to apply to the Company/ RTA with requisited documents for transfer of shares to their demat Account.

xv) Share Dematerialization System

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

xvi) Distribution of Shareholding as on March 31, 2009

Number of equity shares held	No. of Shareholders	%age of Shareholders	No. of Shares	Shares (%)
Upto 2500	84,144	79.21	81,602,350	3.60
2,501 to 5,000	15,783	14.86	55,517,220	2.45
5,001 to 10,000	3,640	3.43	29,378,380	1.30
10,001 to 20,000	1,405	1.32	21,541,810	0.95
20,001 to 30,000	425	0.40	10,900,910	0.48
30,001 to 40,000	192	0.18	6,912,560	0.31
40,001 to 50,000	181	0.17	8,686,280	0.38
50,001 to 1,00,000	247	0.23	19,137,560	0.84
1,00,001 and above	219	0.21	2,032,988,260	89.69
Total	**1,06,236**	**100.00**	**2,266,665,330**	**100.00**

xvii) Pattern of Shareholding as on March 31, 2009

S.No.	Category	Number of Shareholders	No. of Shares held	% of Shareholding
1.	Promoters and Promoter Group*	11	155,150,241	68.45
2.	Mutual Funds and UTI	5	3,622,762	1.60
3	Banks, Financial Institutions	6	2,271,917	1.00
4.	FII's/Foreign Companies	22	17,325,499	7.65
5.	Indian Body Corporates	1,069	19,035,086	8.40
6.	NRIs/Foreign Nationals	850	2,789,239	1.23
7.	Indian Public	1,01,118	25,047,408	11.05
8.	Others	3,155	1,424,381	0.63
Total		**1,06,236**	**226,666,533**	**100.00**

*It may further be noted that Ranbaxy Laboratories Limited (RLL) has ceased to be a "Promoter Group Company" of Fortis Healthcare Limited w.e.f. November 07, 2008 and accordingly the shareholding of RLL in the Company has been covered under the head –"Public Shareholding"

xviii) Lock-in of Equity shares

Pursuant to the Initial Public Offer of 4,59,96,439 Equity shares in April, 2007, as per SEBI (DIP) Guidelines, 2000, 4,53,33,307 pre-issue Equity Shares, held by the promoters, are locked-in for 3 years i.e. till 3rd May, 2010.

The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

xix) Employee Stock Options

On February 13, 2008, the Remuneration Committee of Board of Directors of the Company approved the grant of 4,58,500 stock options to 98 eligible employees/Directors of the Company and its subsidiaries pursuant to the ESOP 2007 at an exercise price of Rs. 71 and on October 13, 2008, the Remuneration Committee approved the grant of 33,500 stock options to 8 eligible employees of the Company and its subsidiaries at an exercise price of Rs.50.

As on March 31, 2009, 1,11,500 options have been lapsed and are available for re-issuance and 3,80,500 valid options were outstanding as on that date. Of this 70,100 valid options have vested as on March 31, 2009.

xx) Hospital Location

Fortis Hospital-Mohali
Sector-62, Phase-VIII,
SAS Nagar, Mohali,
Punjab-160062

xxi) Address for Correspondence:

For share transfers/dematerialization of shares, payment of dividend and any other query relating to shares	Link Intime India Private Limited A-40, 2nd Floor, Naraina Industrial Area, Phase – II, Near Batra Banquet Hall, New Delhi – 110028 Telephone No.:+91 11 41410592/93/94 Fax No.:+91 11 41410591 Email: delhi@linkintime.co.in
For Investors' Assistance	Secretarial Department, Fortis Healthcare Limited, Escorts Heart Institute And Research Centre, Okhla Road, New Delhi 110025 Telephone No.: +91 11 2682 5000 Fax No.: +91 11 4162 8435 Email:secretarial@fortishealthcare.com Website: www.fortishealthcare.com

xxii) Designated Exclusive email.id

The Company has designated on email.id: secretarial@fortishealthcare.com exclusively for investors' servicing.

12. Non-mandatory requirements under Clause 49

A. Remuneration Committee

The Board of Directors has constituted a Remuneration Committee, of which majority is composed of independent Directors. The details of Remuneration Committee and its powers have already been discussed in this report.

B. Shareholders Rights

The quarterly/half-yearly results, after they are taken on record by the Board of Directors, are sent forthwith to the Stock Exchanges where Company's shares are listed. The results in the prescribed performa are published in leading English and Hindi dailies. The results are also made available on Company's website www.fortishealthcare.com.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the financial year ended March 31, 2009.

Sd/-
Shivinder Mohan Singh
Managing Director

June 24, 2009, New Delhi

AUDITORS' CERTIFICATE

To

The Members of Fortis Healthcare Limited

We have examined the compliance of conditions of Corporate Governance by Fortis Healthcare Limited, for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. Batliboi & Co.
Chartered Accountants

Per Pankaj Chadha
Partner
Membership No.: 91813

Place : Gurgaon
Date : June 30, 2009

MD AND CFO CERTIFICATE

To the Board of Directors of Fortis Healthcare Limited,

We, Shivinder Mohan Singh, Managing Director and Yogesh Sareen, Chief Financial Officer, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2009 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee that:

   (i) there has not been any significant change in internal control over financial reporting during the year under reference;

   (ii) there has not been any significant changes in accounting policies except to the extent already disclosed in the financial statement(s); and

   (iii) there are no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi	**Shivinder Mohan Singh**	**Yogesh Sareen**
Date : 24th June, 2009	**Managing Director**	**Chief Financial Officer**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian Healthcare Sector:

Healthcare is the prevention, treatment, and management of illness and the preservation of mental and physical well-being through the services offered by the medical, nursing, and allied health professions. The organized provision of such services constitutes a healthcare system. The healthcare industry can be broadly divided into the following categories:

1. Hospitals
2. Pharmaceuticals
3. Diagnostic centres
4. Others - Health insurance & Medical equipment

The total healthcare market in India is estimated at USD 30 billion, with approximately 75% share coming from Hospitals and Pharmaceuticals.

India with its vast population is perennially in need for quality healthcare services, and there had been a focussed initiative for the last decade to improve upon the healthcare infrastructure. Whilst the government and private healthcare infrastructure has grown appreciably in recent times, it is still lagging behind the demand, with the shortage being compounded due to improvement in healthcare parameters; like life expectancy at birth, infant mortality rate, and maternal mortality rate; all of which have shown significant improvement over a period of time.

Ernst and Young in their latest study[1] conducted in the year 2008 envisaged that despite the phenomenal growth in the healthcare infrastructure, there is still lot to be done. The current bed per thousand population ratio for India is 0.86 and compares unfavourably to 2.2, 2.6 & 3.2 for countries like China, Brazil and USA. India in order to reach a ratio of 2 by year 2025 needs approximately 1.75 million additional beds at an investment of ~US$ 86 bn.

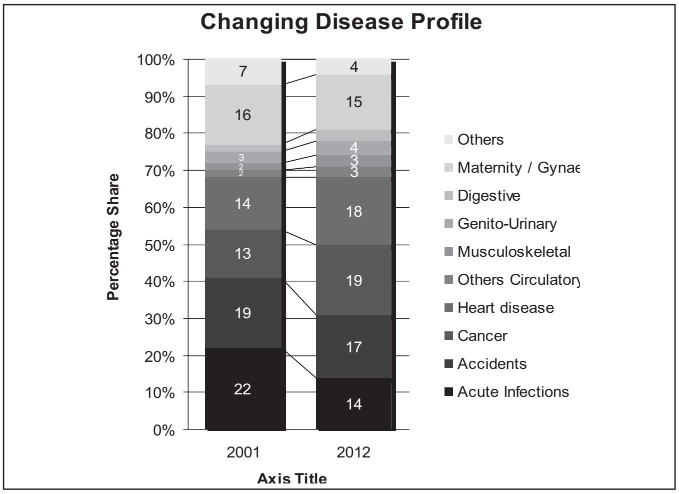
Compared with global benchmarks, the healthcare infrastructure in India is grossly inadequate to service the nation's population. With nearly 16% of the World's population and 21% of total global diseases, the sector is not only grossly understaffed, but is also facing ever widening gaps of physical infrastructure. Initiatives of the government in rapidly improving the healthcare infrastructure by allowing the Private Sector to work along with the government is expected to spur the development and the sector is expected to grow at a much faster rate in the foreseeable future offering abundant opportunities for equipment manufacturers and service providers for investing in curative and preventive services and even medical tourism.

While the government financing shall be directed mainly towards primary & preventive infrastructure, Private Sector shall be responsible for setting up additional healthcare facilities for secondary and tertiary care. With continued efforts and initiatives of both the government and Private Sector for rapidly improving the healthcare infrastructure, the sector is expected to grow @ 15% per annum over the coming few years. It is thus estimated that healthcare spending would contribute over 6% of the GDP by 2012 and employ more than 9 million people.

Opportunities & Outlook of Indian Healthcare Sector:

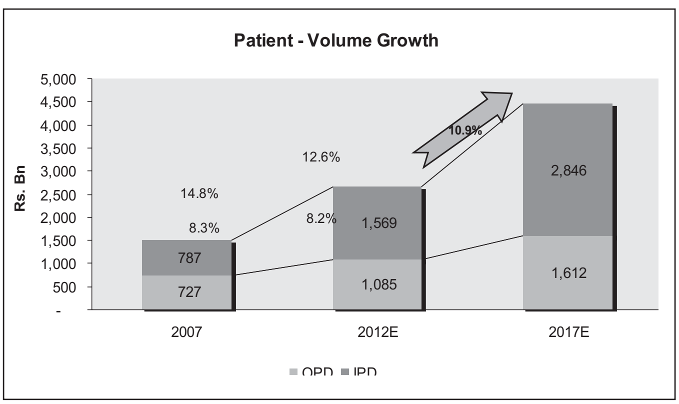
- **Prominence of Private Sector** - The private healthcare sector in India is one of the largest in the world with 81%[2] of the total healthcare expenditure being borne by the Private Sector. The comparable figure for Brazil, China and Russia is 56%, 61% and 38% respectively. The majority of people opt for private treatment (80% of out-patients and 60% of in-patients) even though it is costly when compared to public treatment (20-40 times for out-patients and 2-3 times for in-patients).

- **Improvement in life expectancy and Change in disease profile** - Increases in life expectancy correlate to increases in healthcare spending. An increase in the proportion of the working age group is being accompanied by a rise in per capita and disposable incomes. Increase in healthcare spending increases life expectancy, which further drives increase in healthcare spending.



With growing numbers of lifestyle diseases – cardiovascular, asthma, cancer etc. across the younger population, it is estimated that India would account for 60% of the world's heart diseases by 2010. Thus, more focus is on providing tertiary and quaternary care in treatment for lifestyle diseases. Considering the demand for private healthcare across the Tier – II and Tier – III cities, the government has moved an initiative by allowing the Private Sector to build hospitals in these geographies and allowing them an indirect benefit by relaxing the tax burden for the first five years.

- **Quality led demand in healthcare industry** - The increasing affluence of the Indian population and increased awareness of healthcare options due to improved literacy / education is also likely to contribute to the increase in the demand for quality healthcare services. Thanks to Internet, people in the urban areas have become

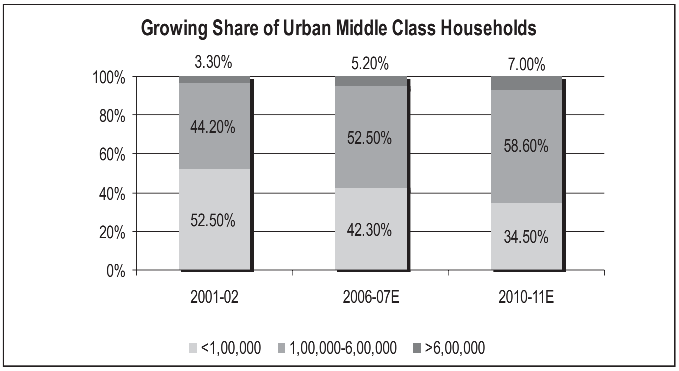


[1]E&Y along with FICCI conducted a study in the year 2008 about Indian Healthcare titled "Fostering Quality Healthcare for All"

[2] Source: CRISIL Research Annual Review on the Hospitals industry - May 2008

increasingly aware regarding the treatment process and are demanding better quality medical care. Going further, this trend is going to be extended to all regions, and the healthcare industry needs to be aligned to offer best quality practices in line with leading international protocols.

- **Increasing Penetration of Health Insurance** -A number of private insurance companies have entered the Indian market and are establishing arrangements with hospitals to provide treatment to their subscribers without upfront cash payments. Competition among insurers is driving marketing efforts which in turn will result in higher penetration of health insurance in society. This will lead to higher affordability of healthcare services. The Indian middle class, with higher disposal incomes, is becoming the preferred target for these marketing efforts. In addition, employers are also increasingly subsidizing their employees' health costs through direct arrangements with medical providers. Although the insurance companies and employers will negotiate for lower rates to be charged by healthcare providers, the potential increase in the penetration rate of medical insurance and employer plans could result in higher demand for premium healthcare services in India. The healthcare insurance is growing at a rate of 40% annually for last few years.



- **Increased focus on Medical Value Travel** - Medical value travel, also known as "medical tourism" is estimated to grow at 22% annually. As per 'Medical Tourism', 750,000 Americans travelled abroad for healthcare in 2007 and the number is estimated to increase to six million by 2010. Medical Tourism also states that India received approximately 450,000 medical tourists in 2007. Medical value travel has the potential to be a latent growth driver for the healthcare sector and India is well poised to take advantage of the medical tourism boom. Indian hospitals and Doctors provide first world treatment at third world costs. A complicated surgical procedure can be done in India at a tenth of the cost as compared to other countries. The cost of such medical care also compares favourably, not only against developed nations, but also against other more established medical tourism destinations such as Thailand. For example, as per Destination India, an open heart surgery, which costs US$100,000 in the United States, over US$40,000 in the United Kingdom and US$14,250 in Thailand, costs US$4,400 in India, and knee surgery, which costs US$48,000 in the United States, over US$50,000 in the United Kingdom and US$7,000 in Thailand, costs US$4,500 in India.

  Hospitals in India are aggressively going for serving this segment of International patients, and are becoming quality focused. All leading hospitals have either received or have applied for accreditations such as JCI, NABH and ISO, and have also tied-up with international insurance providers. According to Destination India, revenues from medical value travel are estimated to reach US$1.48 billion by 2012 from US$ 450 million in year 2007.

- **Increased Spending on Infrastructure** - In order to meet the demand for healthcare in India and improve the availability of hospital beds and doctors, it is widely acknowledged that healthcare infrastructure needs to be improved significantly. According to Destination India, the industry is expected to achieve a hospital bed to 1,000 persons ratio of 1.85 by 2012. Reaching this target will require a total investment of US$77.90 billion (Rs.3,505.5 billion), out of which the Private Sector will invest US$69.70 billion (Rs.3,136.5 billion). According to Destination India, there were 1.2 million beds in India in 2006, of which 683,108 were in private healthcare facilities. According to FICCI HEAL, for India to achieve a bed density of 2 by 2025, an additional 1.75 million beds would need to be created.

  Apart from shortage in beds, other huge challenge being faced by healthcare sector is acute shortage of trained manpower. According to Destination India, an additional 453,800 doctors will be required over and above the numbers that will be added through existing medical colleges by 2012 to reach a ratio of one medical doctor per 1,000 persons in India. In order to maintain the current doctor to nurse ratio of 1:2, an additional 1,290,200 nurses will have to be trained over and above those who will be trained at current nursing schools by 2012. This will need huge investments into developing the medical education segment to keep pace and support the growth on hospital infrastructure.

- **Focus on Public Private Partnerships (PPP)** –The health sector requires increased participation of organised players to offer their expertise in managing a quality setup, and Government is encouraging such participation in the form of Public Private Partnerships. The government has set up a large infrastructure which is not efficiently fulfilling the country's healthcare requirements. Private Sector's intervention has become increasingly imperative to bring efficiencies to the system.

  Fortis is already working with various state governments to develop workable models in the area of public private partnerships. The Company currently have two facilities in Vashi and Raipur working successfully in partnership with respective governments and recognise that the country requires many more such projects to help meet the growing underserved healthcare requirements, and stands committed to support these initiatives.

Your Company:

Fortis Healthcare Ltd. today is one of the leading private healthcare providers in the country having a network of 28 Hospitals, Satellite Centers and Heart Command Centers with nearly 3,300 beds capacity and is the biggest players in the National Capital Region. Fortis is also the 2nd largest private healthcare provider in the country to be listed on a recognized stock exchange in India. "Fortis" brand is synonymous with 'Medical and Service excellence' that is practiced across the its network of hospitals.

The Company is committed to deliver quality healthcare services to patients in its modern facilities, using advanced technology & skilled manpower. Fortis has a team of well trained doctors, nurses and other healthcare professionals, who follow best international protocols. Most of our hospitals are multi-specialty hospitals, which provide secondary and tertiary healthcare to the patients in the field of Cardiac Sciences, Orthopedics, Neuro Sciences, Oncology, Renal Care, Gastroenterology, Nephrology, Metabolic diseases and Mother & Child care by developing "Centers of Excellence" for best patient care and excellent service.

Expanding the Network:

Over a number of years, Fortis has been following aggressive growth pursuing both organic and inorganic channels. While all the existing facilities are growing impressively, the Fortis network is also expanding inorganically through acquisitions and associations for Operational and Management services, to add new hospitals to the network. Starting with the 1st Greenfield hospital launch in Mohali during 2001, the network has now grown to 2nd largest hospital company with 28 hospitals having planned bed capacity of ~3300. The Company intends growing in an aggressive manner to have a pan India presence with bed strength of 6000 through 40 hospitals by the year 2012.

Development during last fiscal includes commencement of operations at its 1st facility in western India. Hiranandani Hospital in Navi Mumbai (Vashi) is a 150 bedded superspecility hospital with "Centre of Excellence" in Cardiac care, Orthopedics, and Mother & Child alongwith a broad range of mutispeciality facility. The hospital is equipped with advanced technological facilities, including Catheterization laboratory and multi scanner.

The Company also had its 1st major foray into the international healthcare market and joined hands with a diversified Mauritian Industrial Group to jointly acquire controlling stake in Mauritius's largest private hospital "Clinique Darné,". Fortis Clinique Darné is one of the most modern medical centres in Mauritius featuring a combination of traditions of dedicated personal care with hi-tech facilities and offers a wide range of general and specialized medical services in a caring and friendly environment. The Company plans to use this strategic entry into Mauritius to spread its footprints in developed markets and replicate its successful business model.

After grounding its feet in southern India by acquiring stake in Malar Hospital, Chennai in Fiscal 2008, the Company, as a second step to establish its deeper presence in the Southern India, acquired majority stake in RM Hospital, Bangalore which is a multi specialty hospital situated in the well located Seshadripuram area of Central Bangalore having "Center of Excellence" in Advanced Urology, Nephrology and related specialties. The Company plans to leverage its expertise to further strengthen the existing medical program and shaping up the facility with better operating systems to enable it to provide superior medical and patient care for the people of the region.

The Company also took the Operating and Management of Fortis Modi Hospital, Kota in Western Rajasthan. Subsequent to the launch of Jaipur Hospital, this Kota hospital comes as the 2nd facility for the Company in the state of Rajasthan. The hospital has a significant presence in that geography and is strategically placed to cater to people from regions of Madha Pradesh, Gujarat, and Rajasthan apart from serving people in and around Kota. The hospital is equipped with state of art technology and offers services in Cardiology, Cardiovascular Surgery, Endocrinology, Nephrology, Neurology & Neuro Surgery, Orthopedics & Trauma, Respiratory Medicine and Urology. The Company plans to revamp the existing medical programs to expand its reach to wider patient base in the central and western region.

During the last quarter of the fiscal, the Company has also entered into Operating and Management agreement with S L Raheja Hospital, Mumbai. This hospital comes as the 2nd hospital for Fortis in Mumbai and offers potential for growth due to its advantageous location and association with renowned doctors. It is located in Central Mumbai and surrounded by densely populated residential colonies with proximity to emerging business hubs of Mumbai viz. Bandra Kurla Complex as well as the new Bandra - Worli sea link and connectivity through Suburban Railways makes it easily accessible in the hour of need.

Upcoming Projects:

The progress on the new Greenfield hospital in Shalimar Bagh in northwest Delhi is on schedule, with hospital expected to be launched during 3rd Quarter of the current fiscal. The hospital will be spread over an area of approximately 7.34 acres of land and will have ~258 beds in 1st phase. On commissioning it shall offer super-specialty healthcare services in Cardiac Sciences, Orthopedics, Neuro-Sciences, Renal care, Mother and Child care and Gastroenterology.

Further the construction of Fortis International Institute of Bio-Medical Sciences (FIIBMS), which is being built in Gurgaon, also continued as scheduled during the year. This will be the Company's 3rd Greenfield hospital in the NCR and will be the premium multi super-specialty flagship hospital of the Company. The hospital, once fully built, will have a bed capacity of ~1000 spread over 10.81 acres of land, out of which ~350 beds are being built in first phase. The hospital would be equipped with other modern infrastructure and facilities and is expected to be completed during the 3rd Quarter of Fiscal 2011. The hospital will have "Centers of Excellence" in Oncology, Trauma, Paediatrics', Mother & Child care, Cosmetology, Cardiac sciences, Gastroenterology, Neuro-sciences and Renal care. The hospital is designed to offer best medical care as per international protocols and shall also be focussing on medical value travel. Its proximity to the International airport is also highly advantageous in terms of attracting Medical Tourists.

Significant enhancement of facilities has been carried out at other hospitals in the network. Recognizing the requirement for the people around NOIDA, the Company is setting up an Oncology Block at the NOIDA hospital spreading over 30,000 sft of built-up area. The block will be dedicated for treatment of patients suffering from Cancer.

Our Competitive Strengths

- **Adherence to high standards of protocols – To ensure patient safety and improved clinical outcomes, the Company** adhere to high standards of clinical protocols in patient handling, operating theaters, intensive care unit management and emergency care, set by leading international hospitals and accreditation bodies. During the year Escorts Hospital - Delhi, Fortis Hospital - Noida and Fortis Escorts Hospital - Jaipur have also received accreditation from NABH[3]. The quality management system at Escorts Hospital - Delhi, Fortis Hospital - Noida and Fortis Escorts Hospital - Faridabad have been designated as ISO 9001:2000-compliant and the environmental management system at Fortis Hospital - Noida has been designated as ISO 14001:2004 compliant. The blood banks at Escorts Hospital - Delhi and Fortis Hospital - Noida are also accredited by NABH.
- **Evolved Business Model** – The Company has put in conscious efforts to learn from its experience with various hospitals and different geographies to evolve its business model with accelerated ramping-up post launch and superior operating margins. Traditionally hospitals are known as capital intensive business with long gestation / breakeven periods. A standard tertiary care facility is known to

[3] National Accreditation Board for Hospitals & Healthcare Providers ("NABH") is an autonomous body established in 2005 under Quality Council of India for setting benchmarks in the healthcare industry in India.

breakeven by 4th years of commencement; however employing the past learning's the newly launched Jaipur Hospital has achieved EBIDTA breakeven in the 16th month of operation. Going further with every new launch, the Company is committed to improve upon this performance and thus provide a greater value proposition to our shareholder.

- **Medical program** – The Company offers secondary, tertiary services in multi-speciality disciplines with focuses "Centre of Excellence - CoE" for advanced tertiary and quaternary care. The CoE speciality includes Cardiac Care, Orthopaedics, Neuro Sciences, Renal Sciences, Gastroenterology, Metabolic diseases, and Mother & Child. The Fortis Escorts Cardiac Program is one of the largest cardiac programs in the country. The program houses the largest concentration of cardiac clinical talent in the country, offering high end services in the fields of adult and pediatric cardiology, electrophysiology for cardiac rhythm management, adult and pediatric cardiac surgery, including robotic surgery, and intensive care management. The compendiums of eminent doctors, many of them Padmashree and Padma Bhushan awardees, are available for the patients under various medical programs to provide world class care.

  During the year, the Company added new cardiac program at Malar Hospital, led by an eminent surgeon Dr. K. R. Balakrishnan. Fortis NOIDA hospital also welcomed the joining of eminent orthopedician and Padma Bhushan Dr. P.S. Maini and his team to enhance its orthopaedic program. An advanced oncology wing also commenced operations at Fortis Noida, and is equipped with the latest in radiation therapy including a PET CT.

- **Modern, patient-centric hospital facilities** – Fortis hospitals have been designed to ensure eco-friendly layout with focus on patient / user convenience and support medical care. The outpatient movement is minimised as the OPD facilities located near diagnostic facilities within the hospital. All IPD facilities are designed to minimise / smoothen the In-Patient movement.

  Further, the efficiency and effectiveness of all patient facing processes is benchmarked and tracked by means of a scorecard under FOS[4] (Fortis Operating System). The benchmarks are continuously upgraded to ensure improved patient experience and service excellence.

  During Fiscal 2008, Escorts Hospital - Delhi was rated the "best super-specialty hospital in Delhi in terms of patient satisfaction" in a survey conducted by the Voluntary Organization in Interest of Consumer Education ("VOICE"[5]), and also received the "Superbrand 2008 Award". We also emphasize pre-emptive and high quality maintenance of our facilities.

  During the year, the Company engaged with 3rd Party consultants to optimise designs so as to reduce the capital cost of setting up new hospitals as well as reduce the operating costs. This will also help provide same look and feel in terms of "Fortis" brand to the patients.

- **Ability of attract, retain prominent clinicians** - The skill level of a hospital's doctors is key to its success. Fortis believes that hiring surgeons and other physicians who have established reputations for clinical excellence in their communities is the key to successful implementation of its strategy to acquire, develop and operate hospitals. The Company has been successful in attracting and retaining prominent and skilled doctors due to the quality and comprehensive capabilities of our hospitals, the clinical leadership at its hospitals, its extensive continuing education program and the research opportunities available, and its community outreach initiatives at network hospitals.

  The focused initiatives for ensuring clinicians friendly environment have resulted in prominent clinicians, as Dr. Ashok Seth, Dr. K R Balakrishnan, Dr. P S Maini, to join team Fortis during the period.

- **Management Band-width** – The Company's senior management team is composed of professional & experienced managers from the manufacturing, healthcare and other service sectors, as well as leading Clinicians with both medical and administrative experience. The Company believes that a combination of a professionally managed administration with a commitment to patient care and high ethical standards enables it to operate the facilities more efficiently and leads to greater innovation in the management philosophy, while at the same time providing quality care to our patients.

  During the year, Mr. Bhavdeep Singh was appointed as the new Chief Executive Officer (CEO) of the Company in the month of February 2009. Mr. Bhavdeep Singh brings with him varied experience from the US and other large retail organizations from India and has held key senior management roles that covered most key aspects of businesses.

  The Organization Structure was also revamped with creation of Regions and Zones to facilitate a more involved and prompt decision making. This setup of regions and zones is also designed to leverage the operating synergies arising out of network.

- **Strong Integration Capabilities** – The Company has employed both organic and inorganic route to grow its network and revenues. Since the launch of Mohali Hospital in 2001, Fortis has made numerous acquisitions including highly successful Escorts Hospital network, and recent international acquisition of Clinic Darné in Mauritius. While pre-acquisition each of these hospitals has distinct operational competence, in the post acquisition integration phase these facilities are now seamlessly integrated into the Fortis network. During the integration stage all the operational processes are benchmarked on 'as is' basis and best practices adopted across the network. These integration efforts have resulted in substantial improvement in productivities and efficiencies throughout the network. Based on each experience, the Company has been evolving its process driven approach to manage the integration aspects and is confident of its ability to integrate large hospitals in its network in a speedy and effective manner to unleash synergies and utilise available opportunities.

- **Brand equity** - "Escorts" and "Fortis" healthcare brands are widely recognized in India by both healthcare professionals and patients. The Company's reputation helps in attracting not only patients, but also well-known doctors and other healthcare professionals to its facilities. The brand recognition extends much beyond the areas in which it currently operates. Historically two of our biggest hospitals Mohali, and Escorts Delhi service more In-patients from outside their immediate geographies of Mohali–Panchkula–Punjab, and NCR respectively for Mohali and Delhi. This demonstrates the awareness

---

[4] FOS is a patient management system that seeks to enhance patient care services through the establishment of standardized non-clinical processes and implementation of performance management methodology.

[5] VOICE is a consumer organization sponsored by the Union Ministry of Consumer Affairs, Govt of India,

and reputation that Fortis & Escorts enjoy amongst general public.

During the year, Escorts Heart Institute was also awarded the "Business SuperBrand – 2008 by Brand Council of India. The prestigious SuperBrand status is internationally known as 'Oscars of Branding'. The Company also launched a very successful Brand building campaign within NCR. This campaign has been very effective and also won the coveted Power 2009 Awards for being the "Best Ad Campaign in the Outdoors Category" organised by 4P's Business, Marketing and Advertising magazine.

Our Strategy

The Company continuously strive to grow the revenues and network, alongwith improvements in the quality of clinical care and service excellence. The focused approach to ensure these objectives is supported by active adoption of following key strategies:

- **Adaptive Growth Strategy –** Foris growth strategy is directed towards reinforcing its presence in already present regions, and to establish presence in new geographies. The Comany wish to have a pan-India presence in form of a network of 40 hospitals by the year 2012 and employs a flexible approach to network expansion through building new hospitals, acquiring existing hospitals, and entering into O&M contracts for both existing and new hospitals, including Satellite Centres and Heart Command Centre(s). The Company have an acquisitions team, which is dedicated to continuously evaluating potential acquisition and O&M opportunities in its existing and new regions and follows defined opportunity assessment matrix. Our evaluation criteria for new opportunities include the cost, the quality of the infrastructure, work culture and specialties at a facility (for existing facilities), location (with a focus on properties located in major cities), population base, the skill and reputation of the doctors and other medical and non-medical staff at existing facilities and the attractiveness to leading doctors of the location of new sites.

  The Company seeks to replicate its North India model to establish a network of super-specialty "Centers of Excellence" and multi-specialty hospitals delivering quality healthcare, to all regions. The recent additions to its network provide footprints in South and West India and the Company is working aggressively to repeat its North India success.

- **Improving Operational Performance –** The Company continues to strive to maximize efficiencies across its hospitals through greater integration of its network. This includes focused implementation of the Fortis Operating System ("FOS") across the network. In addition, the Company's Purchase Supply Management[6] ("PSM") program has helped to leverage the economies of scale and improve margins.

  Fortis seeks to improve occupancy rates by expanding its reach and increasing community outreach programs to gain market share in the regions in which it operates. The Company also seeks to increase its average income per bed in use by focusing on high-end healthcare services, reducing the average length of stay of in-patients and improving utilization rates.

  The prevailing disease profile is also changing with higher incidences of lifestyle disease such as heart disease which command relatively high prices. The Company would continue realigning the service and speciality portfolio to maximise the revenues of the network hospitals.

- **Leveraging People – Focus on acquisition, retention and development –** Healthcare is heavily dependent upon the skill and training of clinical and non-clinical teams. The Company believes that hiring surgeons and other physicians, with established reputations for clinical excellence in their communities, is the key to the successful implementation of our strategy to acquire, develop and operate hospitals. It also focuses on development of in-house talent through active training and development programs. The training and skill enhancement programs are comprehensive in scope and offer modules in service excellence and patient care for clinical and non-clinical staff. The Company believes adopting employee centric policies, alongwith the reputation of its hospitals and doctors will continue to help in attracting and retaining talent.

  The Company also has active program for training its administrators in best management practices. In order to develop a new line of management, Fortis has started Fortis Institute of Enhanced Leadership Development program to build a sustainable pipeline of management talent to support emerging business needs and develop and train the employees appropriately for each level of the management hierarchy to drive results efficiently.

- **Leveraging Technology & IT** – The Company understands the need for adopting leading medical technologies and latest equipment in order to offer the best medical care to our patients. While the latest medical equipment and technology require huge capital investments, it uses innovative funding models, as Leasing or Pay-per-use, to ensure the optimal usage of capital and appropriate sharing of risk-rewards attached to these investments.

  The Company is also focusing on evolving a robust IT platform for seamless integration of information and has decided to reinforce the existing IT network. This initiative is directed to leverage IT for supporting the end to end service delivery process, and also improve the responsiveness and reliability for various processes. The new platform will also provide detailed analytics, and will significantly improve all decision support systems.

Financial Performance:

The total consolidated operating income for the year was Rs. 6305 million which was 24% higher than the previous year consolidated operating income of Rs. 5071 million. The growth is attributable to resonance of the "Fortis" brand and increased footfalls in different specialties across all facilities which stimulated revenues. The total income for the year was at Rs. 6589 million for the year, which was 20% higher than the previous year's total income of Rs. 5480 million and the Earnings before interest, tax, depreciation and amortization (EBITDA) stood at Rs. 1142.5 million was 86% higher than the previous fiscal number of Rs. 617.6 million. The EBITDA as a percentage to total income rose to 17.34% of the total income compared to 11.27% in the previous fiscal. This significant increment in EBITDA is mainly attributable to focus on cost management and optimisation initiatives. The employee costs were 22% of total income as against 25% last year which was due to productivity improvement across all hospitals in the network and transfers with-in the network hospitals to implement newer specialties. With the expanding operations, the direct costs and other costs have decreased as a percentage to total income. Other Income which was 7% of the total income last year has

[6] PSM is a Supply Chain optimization performance through a central purchasing organization. Adoption of PSM initiative has resulting in ~3-4% margin improvement at the units.

reduced to only 4% this year which was a result of reduction of treasury income from the proceeds of IPO, earmarked for construction and development of upcoming Greenfield hospital at Shalimar Bagh. More than 70% of the amount that was allocated for the Shalimar Bagh hospital has been spent.

The Company turned profitable for the first time since its inception by returning a consolidated Net Profit of Rs. 208.2 million compared to a loss of Rs. 554.8 million in the previous fiscal. This achievement marks our journey towards being the most profitable hospitals in the country which are being managed as per the best industry norms across all facilities and delivering same quality of service across its hospitals. This has also helped in laying down the procedure codes for ensuring greater ramp up of new hospitals that will get added in future.

Considering the changing technology, and to keep its facilities updated with the latest and most modern techniques in medical care and treatments, Fortis upgraded the medical equipments at its hospitals during the year and commissioned new equipments like UP's first PET – CT at NOIDA hospital, a state of the art dual CT Scanner at Escorts Hospital, Delhi; a 1.5 Tesla Super Conducting MRI machine with total imaging matrix at Mohali etc. New Catheterization Labs were also added in Escorts Hospital, Delhi and Malar Hospitals, Chennai and a total spend of approximately Rs. 150 million was incurred on replacing / adding new equipments.

The fixed assets turnover ratio (FATR) for the Company increased from 1.10 last year to 1.42 this year. At the end of the year, unutilized proceeds from the IPO monies of Rs. 386.4 million were lying as Bank Deposits out of which Rs. 269.8 million are to be utilized under the Shalimar Bagh hospital project.

During the year, the Company got the approval of the Board of Directors to raise equity through Rights Issue (with detachable warrants) to the tune of Rs. 10,000 million. The Issue will infuse additional capital in the Company which will be utilized towards repayment of certain debts outstanding in the Company's books along with redemption of some part of preference capital outstanding in the books, construction of the upcoming Super-Specialty Greenfield hospital in Gurgaon and towards mergers and acquisitions.

RISKS, CHALLENGES AND THREATS

Healthcare is a capital intensive business with long gestation period. Real estate and project costs play an important role in determining viability of new projects. Considering the fact that Fortis is managing a number of hospital projects, the Company has embarked upon a 'CAPEX Optimization' initiative which shall deliver considerable savings during the execution of projects, thereby improving viability. It also creates competence in the area of project management. However, the sector is highly dependent on patient safety and clinical outcomes, there is always a risk attached to the doctors' performance and quality of delivery of services. Although, the Company has adequate insurance against professional negligence, however, even the slightest negligence on part of the doctors always remain a threat to its reputation and credibility.

Apart from internal risks, the Company also faces numerous environmental risks. The major environmental risks are as follows:

- Shortage in medical education and training facilities (Medical education Infrastructure) - The current number of medical professionals in the country is alarming and needs to be addressed immediately. Considering there is an addition of around 17,000 doctors per year against a requirement of 700,000 additional doctors by the year 2025, additional medical colleges would be required to be set up. India will need to proactively address some of the policy impediments which have limited addition of medical education facilities. As per the estimate of FICCI-EY, there would be a requirement of 196 additional medical colleges with 100 seats to be operational by 2015 and corporate players should also be allowed to enter the field of medical education.

- Availability of funding for healthcare - To reach the aspiration of 2 hospital beds per thousand populations, an additional 1.75 million bed would be required to be added by year 2025. This would require an investment of US$86 Bn. A major portion of this investment will have to be done by the Private Sector, and any adverse change in the financing environment will negatively impact the sector growth aspirations.

- Increasing Penetration of Health Insurance - Health Insurance in India is low on the whole. Around 70% of India's healthcare expenditure is financed out-of-pocket with only 12% of Indian population covered by major health related insurance schemes (ESIS, CGHS, group insurance, government schemes for poor, community insurance, and voluntary insurance). This limits the capacity of Indians to spend on healthcare particularly in lower middle income groups which comprise around 95% of the population. Although private health insurance has grown @ 40%, low awareness, high premiums, and inadequate and inefficient backend infrastructure to serve has kept health insurance out of reach of a large part of the population. Increased penetration of health insurance schemes is mandatory for the growth of healthcare sector in India.

- For one of the ongoing matters of litigation on acquisition of Escorts Heart Institute And Research Centre Limited, the statutory auditors have reported their inability to express an opinion on the matter relating to land under leasehold arrangements with the Delhi Development Authority and certain demands raised by the Income Tax Authorities aggregating to Rs. 1,243.7 million. As the matters are sub-judice, and appeals against the demands pending at various stages and based on the advice received from legal counsels, the management is of the view that the matters shall get resolved in Company's favour.

- Apart from economic and industry risks, the company also faces other challenges and risks related to operations, and project management. These include increased competition in new or existing territories, integration of new facilities and teams into existing network, effective handling of clinicians relations. The Company has identified all the key aspects in operations and adopt an involved risk management and mitigation approach.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company believes that its internal control systems and procedures are commensurate with its size and provides, among other things, a reasonable assurance that transactions are executed with Management authorization and ensure preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or loss.

The internal control systems are supplemented through an extensive internal audit program and periodic review by the Audit Committee. The Internal Audit Function at the group is outsourced to professional auditing firms and the extensive program of Internal Audits is simultaneously supplemented by periodical management reviews and a tight budgetary control mechanism. During the year, services of Grant Thornton and JRA & Associates were retained for carrying out internal audit of various functions and processes at our network hospitals.

HUMAN RESOURCES

Human Resources represent the most valuable asset for any organization. At Fortis, we seek to attract and retain the best and the most talented individuals. Human Resource management incorporates a process driven approach that invests regularly in the training & development needs of employees through succession planning, job rotation, on the job training and extensive training workshops & programs. During the year, an approximate 5.94 man-days of training was imparted to the employees of the Company. This excludes time spent on specialized training and academic research related to doctors where continuous medical education, medical symposiums, guest lectures are organized on routine basis. The total manpower of the Company and its subsidiaries as on March 31, 2009 stood at 6551.

FORWARD LOOKING STATEMENTS

Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion, words like ‘anticipate’, ‘believe’, ‘estimate’, ‘intend’, ‘will’, and ‘expect’ and other similar expressions as they relate the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Readers are cautioned as not to place undue reliance on the forward-looking statements as they speak only as of their dates. The following discussion and analysis should be read in conjunction with the Company’s financial statements included herein and the notes thereto.

AUDITORS' REPORT

To

The Members of Fortis Healthcare Limited

1. We have audited the attached Balance Sheet of Fortis Healthcare Limited ('the Company') as at March 31, 2009 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;

      b) in the case of the profit and loss account, of the loss for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No.: 91813

Place : Gurgaon
Date : June 30, 2009

Annexure referred to in paragraph 3 of our report of even date

Re: Fortis Healthcare Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a policy of verifying the fixed assets once in two years. Fixed assets have been physically verified by the management during the current year. The frequency of physical verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a), (b), (c) and (d) of the Companies (Auditors Report), 2003 are not applicable to the Company.

(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e), (f) and (g) of the Companies (Auditors Report), 2003 are not applicable to the Company.

(iv) As per the information and explanations given to us, certain items of inventory and fixed assets, due to their unique, specialized or proprietary nature, are purchased without inviting comparative quotations. Read with the above, in our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(v) (a) and (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products / services of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, custom duty and cess which have not been deposited on account of any dispute. The provisions relating to excise duty are not applicable to the Company.

(x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that the Company has used funds amounting to Rs. 5,965.70 lacs raised as short-term bridge loans for purchase of fixed assets and repayment of long term borrowings.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) During the period covered by our audit report, the Company has issued 100 unsecured debentures of Rs. 10,000,000 each which have also been redeemed during the year. Accordingly, the Company was not required to create any security or charge in respect of these debentures.

(xx) We have verified that the end use of money raised by way of public issues is as disclosed in Note 13 of Schedule 24 to the financial statement.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No.: 91813

Place : Gurgaon
Date : June 30, 2009

STANDALONE BALANCE SHEET AS AT MARCH 31, 2009

	Schedules	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**23,870.65**	23,826.65
Share Application Money Pending Allotment		-	15,000.00
Reserves & Surplus	2	**70,437.79**	63,264.66
		94,308.44	102,091.31
Loan Funds			
Secured Loans	3	**21,393.46**	15,698.38
Unsecured Loans	4	**7,101.94**	2,562.39
		28,495.40	18,260.77
TOTAL		**122,803.84**	120,352.08
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	**13,294.61**	13,164.92
Less : Accumulated depreciation and amortisation		**5,785.72**	5,079.83
Net Block		**7,508.89**	8,085.09
Capital Work in Progress including Capital Advances		**39.79**	45.00
		7,548.68	8,130.09
Investments	6	**75,198.04**	71,068.93
Current Assets, Loans & Advances			
Inventories	7	**259.53**	248.10
Sundry Debtors	8	**4,472.55**	3,558.87
Cash and Bank Balances	9	**4,686.61**	488.45
Other Current Assets	10	**278.68**	677.31
Loans and Advances	11	**28,380.44**	26,824.77
		38,077.81	31,797.50
Less : Current Liabilities & Provisions			
Current Liabilities	12	**11,752.37**	3,622.52
Provisions	13	**620.32**	681.77
		12,372.69	4,304.29
Net Current Assets		**25,705.12**	27,493.21
Miscellaneous Expenditure (to the extent not written off or adjusted)	14	**50.06**	72.88
Profit and Loss Account		**14,301.94**	13,586.97
TOTAL		**122,803.84**	120,352.08
Notes to Accounts	24		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : June 30, 2009

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

Place : New Delhi
Date : June 30, 2009

STANDALONE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedules	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
INCOME			
Operating Income	15	17,445.50	15,793.39
Other Income	16	1,899.72	3,214.46
TOTAL		19,345.22	19,007.85
EXPENDITURE			
Materials Consumed	17	5,264.12	4,969.13
Personnel Expenses	18	4,255.30	3,484.83
Operating Expenses	19	4,237.38	3,550.23
Selling, General and Administrative Expenses	20	2,887.34	2,656.80
		16,644.14	14,660.99
Profit before Financial Expenses, Depreciation and Amortisation		2,701.08	4,346.86
Financial Expenses	21	2,194.65	2,962.09
Profit before Depreciation and Amortisation		506.43	1,384.77
Depreciation and Amortisation	5	1,154.03	1,064.20
Profit / (Loss) before Tax and Prior Period Items		(647.60)	320.57
Fringe Benefit Tax		50.87	52.58
Net Profit / (Loss) after Tax and before Prior Period Items		(698.47)	267.99
Prior Period Items	22	16.50	6.22
Net Profit / (Loss) for the year		(714.97)	261.77
Add: Balance brought forward from previous year		(13,586.97)	(13,848.74)
Net Profit / (Loss) carried over to the Balance Sheet		(14,301.94)	(13,586.97)
Earnings/ (losses) Per Share	23		
Basic [Nominal value of shares Rs. 10/- each (Previous Year Rs. 10/-)] Computed on the basis of earnings/ (losses) including prior period items		(0.32)	0.12
Diluted [Nominal value of shares Rs. 10/- each (Previous Year Rs. 10/-)] Computed on the basis of earnings/ (losses) including prior period items		(0.32)	0.12
Notes to Accounts	24		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : June 30, 2009

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

Place : New Delhi
Date : June 30, 2009

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Year Ended March 31, 2009 Rs. in lacs	Year Ended March 31, 2008 Rs. in lacs
A. Cash flow from operating activities		
Net profit / (loss) before tax and prior period items	(647.60)	320.57
Less: Prior period items	(16.50)	(6.22)
Adjustments for:		
Depreciation and Amortisation	1,154.03	1,064.20
Loss on sale of fixed assets	101.28	9.71
Profit on sale of investments	(5.39)	(43.89)
Provision for doubtful debts	282.79	6.46
Bad debts / sundry balances written off	28.14	21.47
Arrangement fee written off	22.82	10.75
Foreign exchange (gain)/ loss	213.00	(154.13)
Unclaimed balances and excess provisions written back	(16.19)	(15.34)
Wealth tax	1.92	1.35
Interest income	(1,816.44)	(2,940.37)
Interest expense	2,094.68	2,692.74
Operating profit before working capital changes	1,396.54	967.30
Movements in working capital :		
Increase in sundry debtors	(1,196.48)	(478.44)
Increase in inventories	(11.43)	(9.75)
Decrease in loans and advances	370.41	627.11
Increase in other current assets	(44.06)	(21.94)
Increase / (decrease) in current liabilities and provisions	509.82	(380.85)
Cash generated from operations	1,024.80	703.42
Direct taxes paid (including Fringe Benefit Tax)	(81.86)	(101.43)
Net cash from operating activities (A)	942.94	601.99
B. Cash flows from investing activities		
Purchase of fixed assets	(869.70)	(316.42)
Proceeds from sale of fixed assets	207.94	1,915.31
Loans to subsidiaries (net)	(6,702.46)	(12,394.24)
Deposits with bodies corporate and others (net)	4,838.25	(8,122.92)
Purchase of investments in subsidiaries and associates	(4,189.11)	(3,502.10)
Purchase of investments in mutual funds	(4,850.00)	(7,169.00)
Proceeds from sale of investments in mutual funds	4,855.39	7,501.82
Proceeds from sale of investments of subsidiaries	60.00	-
Interest received	2,259.13	2,497.24
Net cash from / (used in) investing activities (B)	(4,390.56)	(19,590.31)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital	-	4,599.64
Proceeds from issuance of preference share capital	145.00	1,160.00
Premium on issuance of equity share capital	-	45,076.51
Premium on issuance of non cummulative redeemable preference share capital	1,305.00	10,440.00
Share issue expenses	-	(3,278.91)
Proceeds from receipt of share application money (net of refunds)	-	15,000.00
Redemption of non-cumulative redeemable preference shares	(116.00)	(2,700.00)
Premium on redemption of non-cumulative redeemable preference shares	(1,335.05)	(23,400.00)
Proceeds from issuance of non convertible debentures	10,000.00	60,000.00
Redemption of non convertible debentures	(10,000.00)	(60,000.00)
Premium on redemption of non convertible debentures	(301.37)	(1,583.01)
Proceeds from long-term borrowings	7.34	9,977.94
Repayment of long-term borrowings	(4,353.91)	(21,835.46)
Proceeds / (Repayments) of short-term borrowings (net)	14,368.21	(10,567.20)
Decrease in deferred payment liabilities	-	(499.33)
Loan arrangement fees paid	-	(75.00)
Interest paid	(2,073.44)	(2,960.95)
Net cash from /(used in) financing activities (C)	7,645.78	19,354.23
Net increase / (decrease) in cash and cash equivalents (A + B + C)	4,198.16	365.91
Total cash and cash equivalents at the beginning of the year	488.45	122.54
Cash and cash equivalents at the end of the year	4,686.61	488.45
Components of cash and cash equivalents:		
Cash in hand	15.02	3.34
Cheques in hand	0.27	329.43
Balances with scheduled banks on current and cash credit accounts	106.16	155.68
Balances with scheduled bank on deposit account*	4,565.16	-
Total	4,686.61	488.45

* Includes deposits made out of IPO proceeds (Refer note 13 of Schedule 24)

Notes:

1 The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement.

2 Negative figure have been shown in brackets.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : June 30, 2009

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

Place : New Delhi
Date : June 30, 2009

SCHEDULES TO THE ACCOUNTS

SCHEDULE 1 :
SHARE CAPITAL

		As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Authorised:			
- 600,000,000	(Previous Year 322,000,000) Equity Shares of Rs.10/- each	**60,000.00**	32,200.00
- 200	(Previous Year 200) Class 'A' Non-Cumulative Redeemable Preference Shares of Rs. 100,000 each	**200.00**	200.00
- 11,498,846	(Previous Year 11,498,846) Class 'B' Non-Cumulative Redeemable Preference Shares of Rs.10/- each	**1,149.88**	1,149.88
- 64,501,154	(Previous Year 64,501,154) Class 'C' Cumulative Redeemable Preference Shares of Rs.10/- each	**6,450.12**	6,450.12
		67,800.00	40,000.00
Issued:			
- 226,666,533	(Previous Year 226,666,533) Equity Shares of Rs.10/- each fully paid up	**22,666.65**	22,666.65
- 1,750,000	(Previous Year 11,900,000) Class 'C' Zero Percent Redeemable Preference Shares of Rs.10/- each (Refer notes 16 and 17 of Schedule 24)	**175.00**	1,190.00
- 11,600,000	(Previous Year Nil) Class 'C' Zero Percent Redeemable Preference Shares of Rs.9/- each (Refer note 14 of Schedule 24)	**1,044.00**	-
		23,885.65	23,856.65
Subscribed and Paid up:			
- 226,666,533	(Previous Year 226,666,533) Equity Shares of Rs.10/- each fully paid up	**22,666.65**	22,666.65
- 1,600,000	(Previous Year 11,600,000) Class 'C' Zero Percent Redeemable Preference Shares of Rs.10/- each (Refer notes 16 and 17 of Schedule 24)	**160.00**	1,160.00
- 11,600,000	(Previous Year Nil) Class 'C' Zero Percent Redeemable Preference Shares of Rs.9/- each (Refer note 14 of Schedule 24)	**1,044.00**	-
Of the above:			
i)	154,795,150 (Previous Year 154,383,974) Equity Shares are held by Fortis Healthcare Holdings Limited, the holding company.		
ii)	600,000 (Previous Year 600,000) Preference Shares of Rs.9/- each (Previous year Rs.10/- each) are held by Fortis Healthcare Holdings Limited, the holding company.		
iii)	520,000 (Previous Year 520,000) Equity Shares of Rs.10/- each are allotted as fully paid up pursuant to the order of Hon'ble High Court of Delhi dated October 7, 2005, for consideration other than cash.	**23,870.65**	23,826.65

For Details of outstanding stock options, Refer note 10 of Schedule 24.

SCHEDULE 2 :
RESERVES & SURPLUS

		As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Amalgamation Reserve		**156.00**	156.00
(Pursuant to the order of the Hon'ble High Court of Delhi dated October 07, 2005 in respect of amalgamation of an erstwhile subsidiary with the Company)			
Securities Premium Account			
Balance as per last account	**63,108.66**		
Add : Premium received during the year on issue of Redeemable Preference Shares (Refer notes 16 and 17 of Schedule 24)	**16,290.00**		
Less: Applied towards payment of premium on redemption of Non-Convertible Debentures (Refer note 15 of Schedule 24)	**301.37**		
Less: Accrual for premium on redemption of Redeemable Preference Shares (Refer notes 14, 16 and 17 of Schedule 24)	**8,815.50**	**70,281.79**	63,108.66
		70,437.79	63,264.66

SCHEDULES TO THE ACCOUNTS

SCHEDULE 3 :

SECURED LOANS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Term Loans from Banks	**10,282.82**	2,387.31
ECB Loan from a bank	**490.97**	1,134.84
Term Loans from Bodies Corporate	**7,410.97**	8,754.99
Short Term Loans From Bank		
Bank Overdraft	**653.02**	324.31
Commercial Papers (Short term)	**2,500.00**	3,000.00
((Maximum amount outstanding during the year Rs.5,000.00 lacs) (Previous Year Rs.3,000.00 lacs))		
Loans For Vehicles	**55.68**	96.93
	21,393.46	15,698.38

Notes :-

1. Term Loan from Bank amounting to Rs. 282.87 lacs (Previous Year Rs. 387.48 lacs) is secured by way of first and exclusive charge on specific medical equipments of the Company.
2. Term Loan from Bank amounting to Rs. 5,000.00 lacs (Previous Year Rs. Nil) is secured by way of first equitable mortgage charge on land, building and immovable fixed assets of Escorts Hospital and Research Centre Limited (EHRCL), a subsidiary of the Company and is further secured by corporate guarantee of the Company and EHRCL.
3. Term Loan from Bank amounting to Rs. 4,999.95 lacs (Previous Year Rs. Nil) is secured by pledge of 7,692,400 (Previous Year Nil) equity shares of the Company held by Fortis Healthcare Holdings Limited, the holding company and the personal guarantee of the Managing Director of the Company.
4. Term Loan from Banks amounting to Rs. Nil (Previous Year Rs. 1,999.83 lacs) was secured by way of subservient charge on the movable fixed assets of the Company and also secured by pledge of Nil (Previous Year 10,417,000) equity shares of the Company held by Fortis Healthcare Holdings Limited, the holding company.
5. ECB Loan from Bank amounting to Rs. 490.97 lacs (Previous Year Rs. 1,134.84 lacs) is secured by first charge by way of hypothecation of all present and future moveable properties of the Company which inter alia include plant and machinery, medical equipments, computers, furniture and fixtures and other fixed assets installed / stored at Fortis Hospital, Mohali or kept at any other hospital site excluding vehicles hypothecated against specific loans. The loan is further secured by Corporate Guarantee of Malav Hodings Limited, a company under the same management.
6. Term Loan from a Body Corporate amounting to Rs. 982.40 lacs (Previous Year Rs. 1,254.99 lacs) is secured by first charge by way of hypothication of specific equipments of the Company.
7. Term Loan from a Body Corporate amounting to Rs. 6,428.57 lacs (Previous Year Rs. 7,500.00 lacs) is secured by way of subservient charge on present and future fixed assets of the Company and subservient mortgage and charge on hospital property of International Hospital Limited, Noida (a subsidiary of the Company), except assets of Escorts Heart Institute and Research Centre Limited and its subsidiaries (till the time all the legal proceedings in respect thereof are settled). This is also secured by way of pledge of 22,000,000 (Previous Year 22,000,000) equity shares of the Company held by Fortis Healthcare Holdings Limited, the holding company and the personal guarantee of the Managing Director of the Company.
8. Overdraft facility from Bank amounting to Rs. 653.02 lacs (Previous Year Rs. 324.31 lacs) is secured by first pari passsu charge over moveable fixed assets at Fortis Hospital, Mohali and charge over stock and book debts of the Company. Out of the total overdraft facility of Rs. 653.02 lacs, Rs. 372.23 lacs (Previous Year Rs. 324.31 lacs) is further secured by corporate guarantee of RHC Holding Private Limited, a company under the same management.
9. Commercial Papers of Rs. 2,500.00 lacs (Previous Year Rs. 3,000.00 lacs) are secured by way of subservient charge on the movable fixed assets of the Company and also secured by pledge of 10,417,000 (Previous Year 10,417,000) equity shares of the Company held by Fortis Healthcare Holdings Limited, the holding company.
10. Loans for Vehicles amounting to Rs. 55.68 lacs (Previous Year Rs. 96.93 lacs) are secured by hypothecation of respective vehicles.

SCHEDULES TO THE ACCOUNTS

SCHEDULE 4 :

UNSECURED LOANS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Term Loans from Banks	–	1,500.00
(Amount repayable within one year Rs. Nil, Previous Year Rs. 1,500.00 lacs)		
Bank Overdraft	–	1,062.39
(Bank Overdraft facility of Rs. Nil (Previous Year Rs. 732.96 lacs) is obtained on Personal Guarantee of the Managing Director & another Director of the Company)		
From a Subsidiary (repayable on demand)	**1.94**	–
From Bodies Corporate	**7,100.00**	–
(Amount repayable within one year Rs.7,100.00 lacs,Previous Year Rs. Nil)	**7,101.94**	2,562.39

SCHEDULES TO THE ACCOUNTS

SCHEDULE 5 :

FIXED ASSETS

(Rs. in Lacs)

	Gross Block				Depreciation & Amortisation				Net Block	
	As at April 1, 2008	Addition during the year	Deletion during the year	As at March 31, 2009	As at April 1, 2008	During the year	Deletion during the year	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Intangible Assets										
Technical Know How Fees	201.42	–	–	**201.42**	201.42	–	–	**201.42**	**–**	–
Software	322.29	81.09	0.98	**402.40**	189.53	46.40	0.90	**235.03**	**167.37**	132.76
Tangible Assets										
Leasehold Improvements	1,836.50	15.64	155.79	**1,696.35**	904.37	191.16	83.90	**1,011.63**	**684.72**	932.13
Plant & Machinery	1,775.07	22.31	8.97	**1,788.41**	788.25	163.77	2.98	**949.04**	**839.37**	986.82
Medical Equipments	7,374.23	591.53	531.11	**7,434.65**	2,263.99	614.06	303.09	**2,574.96**	**4,859.69**	5,110.24
Furniture & Fittings	517.30	13.58	6.06	**524.82**	230.35	32.63	3.95	**259.03**	**265.79**	286.95
Computers	617.41	35.87	46.40	**606.88**	368.88	57.00	40.27	**385.61**	**221.27**	248.53
Office Equipments	184.21	59.64	27.20	**216.65**	43.25	11.11	9.47	**44.89**	**171.76**	140.96
Vehicles	336.49	107.09	20.55	**423.03**	89.79	37.90	3.58	**124.11**	**298.92**	246.70
Total	**13,164.92**	**926.75**	**797.06**	**13,294.61**	**5,079.83**	**1,154.03**	**448.14**	**5,785.72**	**7,508.89**	**8,085.09**
Capital Work in Progress (Including capital advances of Rs. 13.80 lacs (Previous Year Rs. 13.48 lacs))									**39.79**	45.00
Grand Total	**13,164.92**	**926.75**	**797.06**	**13,294.61**	**5,079.83**	**1,154.03**	**448.14**	**5,785.72**	**7,548.68**	**8,130.09**
Previous Year	14,269.32	868.70	1,973.10	13,164.92	4,063.70	1,064.20	48.07	5,079.83	8,085.09	

Note:

Out of the above assets, certain fixed assets have been given on operating lease (Refer note 6 (b) (ii) of Schedule24).

SCHEDULES TO THE ACCOUNTS

SCHEDULE 5A :

Expenditure during Construction Period (Pending Capitalization/Allocation)

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Opening Balance	–	540.27
Financial Expenses		
Interest	–	27.53
	–	27.53
Less: Expenses transferred to Profit and Loss Account	–	50.78
Less: Expenses transferred to a subsidiary	–	517.02
Balance carried forward to Balance Sheet	–	–

SCHEDULE 6 :

INVESTMENTS

Long Term Investments (At cost)
Unquoted, fully paid-up

Trade

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
A. Investment in Associates		
Sunrise Medicare Private Limited (4,400,364 (Previous Year 4,400,364) Equity Shares of Rs.10/- each)	**440.04**	440.04
Hiranandani Healthcare Private Limited (400,000 (Previous Year 1,000,000) Equity Shares of Rs.10/- each) (Of the above, 3 shares are jointly held with nominee share holders)	**40.00**	100.00
B. In Subsidiary Companies		
Escorts Heart Institute and Research Center Limited (1,800,260 (Previous Year 1,800,260) Equity Shares of Rs.10/- each)	**58,894.80**	58,894.80
International Hospital Limited (4,025,123 (Previous Year 4,025,123) Equity Shares of Rs.100/- each) (Of the above, 4,033 shares have been acquired without any consideration) (Of the above, 6 shares are held by nominee shareholders)	**4,021.09**	4,021.09
Fortis Hospotel Limited (118,021,100 (Previous Year 76,130,000) Equity Shares of Rs.10/- each) (Of the above, 24 (Previous Year 100) shares are held by nominee shareholders)	**11,802.11**	7,613.00
Aggregate amount of unquoted investments	**75,198.04**	71,068.93

SCHEDULES TO THE ACCOUNTS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 7 :		
INVENTORIES		
(at lower of cost and net realisable value)		
Medical Consumables and Pharmacy Items	**239.30**	233.18
Stores and spares	**11.64**	8.80
Fuel	**8.59**	6.12
	259.53	248.10

SCHEDULE 8 :

SUNDRY DEBTORS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Debts outstanding for a period exceeding Six Months		
Unsecured, Considered Good	**1,484.94**	1,885.92
Considered Doubtful	**402.51**	151.81
Other Debts		
Unsecured, Considered Good	**2,987.62**	1,672.95
Considered Doubtful	**0.69**	–
	4,875.76	3,710.68
Less : Provision for Doubtful Debts	**403.21**	151.81
	4,472.55	3,558.87
Included in Sundry Debtors are:		
Dues from Companies under the same management :		
i) **Dues from Subsidiaries**		
Lalitha Healthcare Private Limited	**47.40**	–
(Maximum amount outstanding during the year Rs. 47.40 lacs; Previous Year Rs. Nil)		

SCHEDULE 9 :

CASH AND BANK BALANCES

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Cash in hand	**15.02**	3.34
Cheques in hand	**0.27**	329.43
Balances with Scheduled Banks		
- On Current Accounts	**105.75**	155.68
- On Cash Credit Accounts	**0.41**	–
- On Deposit Accounts*	**4,565.16**	–
* includes unutilized IPO proceeds of Rs. 3,863.98 lacs (Previous Year Rs. Nil)	**4,686.61**	488.45

SCHEDULE 10 :

OTHER CURRENT ASSETS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Interest Accrued but Not Due on Loans and Deposits	**15.97**	458.66
Accrued Operating Income	**262.71**	218.65
	278.68	677.31

SCHEDULES TO THE ACCOUNTS

SCHEDULE 11 :

LOANS AND ADVANCES

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Secured		
Loans to Bodies Corporate & Others	**70.76**	–
Unsecured, Considered good		
Loans to Subsidiaries	**23,354.14**	16,651.68
Loans to Bodies Corporate and Others	**4,145.15**	9,054.16
Advances Recoverable in cash or in kind or for value to be received	**306.47**	417.37
Advance Tax and Tax Deducted at Source	**325.02**	254.01
Balances with Customs, Excise and Other Authorities	**36.39**	55.07
Security Deposits	**142.51**	392.48
Considered Doubtful		
Advance Tax and Tax Deducted at Source	**20.62**	20.62
	28,401.06	26,845.39
Less : Provision for Doubtful Advances	**20.62**	20.62
	28,380.44	26,824.77
Included in Loans and Advances are:		
i) Dues from Companies under the same Management :		
Super Religare Laboratories Limited (formerly known as SRL Ranbaxy Limited) (Maximum amount outstanding during the year Rs. 210.51 lacs; Previous Year Rs. 337.92 lacs)	**–**	113.11
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for previous year) (Maximum amount outstanding during the year Rs. 6,236.60 lacs; Previous Year Rs. 5,287.81 lacs)	**4,079.74**	5,257.81
Religare Finvest Limited (Maximum amount outstanding during the year Rs. 8,675.00 lacs; Previous Year Rs. 8,875.00 lacs)	**–**	8,675.00
Malar Hospitals Limited (Maximum amount outstanding during the year Rs. 32,63 lacs; Previous Year Rs. Nil)	**14.38**	–
ii) Dues from Subsidiaries		
International Hospital Limited (Maximum amount outstanding during the year Rs. 14,532.52 lacs; Previous Year Rs. 33,563.63 lacs)	**14,093.53**	3,780.55
Fortis Hospotel Limited (Maximum amount outstanding during the year Rs. 15,146.91 lacs; Previous Year Rs. 7,604.10 lacs)	**9,039.73**	7,604.10
Escorts Heart and Super Speciality Hospital Limited (Maximum amount outstanding during the year Rs. 141.86 lacs; Previous Year Rs. Nil)	**135.00**	–
Escorts Heart and Super Speciality Institute Limited (Maximum amount outstanding during the year Rs. 105.88 lacs; Previous Year Rs. 6.43 lacs)	**75.88**	2.45
Escorts Heart Institute and Research Centre Limited (Maximum amount outstanding during the year Rs. 1,055.13 lacs; Previous Year Rs. 1,002.34 lacs)	**–**	3.98
Escorts Hospital and Reserch Centre Limited (Maximum amount outstanding during the year Rs. 16.16 lacs; Previous Year Rs. 4.69 lacs)	**9.77**	2.79
Lalitha Healthcare Private Limited (Maximum amount outstanding during the year Rs. 0.23 lacs; Previous Year Nil)	**0.23**	–
iii) Dues from Fellow Subsidiaries		
Fortis Health Staff Limited (Maximum amount outstanding during the year Rs. 0.10 lacs; Previous Year Rs. 0.10 lacs)	**0.10**	0.10
Religare Wellness Limited (formerly Fortis Healthworld Limited) (Maximum amount outstanding during the year Rs. 10.13 lacs; Previous Year Rs. 3.82 lacs)	**7.19**	0.65
iv) Dues from Directors		
(Maximum amount outstanding during the year Rs. 38.62 lacs; Previous Year Rs. 31.91 lacs)	**–**	–

SCHEDULES TO THE ACCOUNTS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 12 :		
CURRENT LIABILITIES		
Sundry Creditors		
(a) total outstanding dues of Micro and Small Enterprises (Refer note 18 of Schedule 24)	–	–
(b) total outstanding dues of creditors other than Micro and Small Enterprises	**2,241.08**	1,406.66
Book Overdraft	**27.52**	30.00
Advances from Patients	**220.24**	304.08
Security Deposits	**8.82**	5.52
Interest Accrued but Not Due on Loans	**81.44**	60.21
Premium on Redemption of Redeemable Preference Shares (Refer notes 14, 16 and 17 of Schedule 24)	**8,917.96**	1,437.51
Other Liabilities	**255.31**	378.54
	11,752.37	3,622.52

SCHEDULE 13 :		
PROVISIONS		
Wealth Tax	**1.93**	1.36
Fringe Benefit Tax	**159.19**	117.83
Gratuity	**229.91**	251.89
Leave Encashment	**205.89**	296.29
Super Annuation Fund	**23.40**	14.40
	620.32	681.77

SCHEDULE 14 :		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Arrangement Fees on Term Loans		
Balance Brought Forward	**72.88**	8.63
Add: Incurred during the year	**–**	75.00
	72.88	83.63
Less : Written off during the year	**22.82**	10.75
	50.06	72.88

SCHEDULES TO THE ACCOUNTS

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
SCHEDULE 15 :		
OPERATING INCOME		
In Patient	**13,880.53**	12,281.06
Out Patient	**1,708.73**	1,293.63
Income From Medical Services	**811.50**	1,312.90
Management Fees from Hospitals	**211.00**	142.35
Income from Rehabilitation Centre	**78.03**	72.89
Income from Rent (Refer note 6 (b) (i) of Schedule 24)	**32.65**	25.53
Equipment Lease Rental (Refer note 6 (b) (ii) of Schedule 24)	**671.52**	630.61
Pharmacy	**288.76**	217.88
	17,682.72	15,976.85
Less: Discounts	**237.22**	183.46
	17,445.50	15,793.39
SCHEDULE 16 :		
OTHER INCOME		
Profit on Redemption of Mutual Funds (Refer note 5 of Schedule 24)	**5.39**	43.89
Interest		
-Bank Deposits	**36.42**	143.53
(Tax Deducted at Source Rs. 4.74 lacs (Previous Year Rs. 29.98 lacs))		
-Others	**1,780.02**	2,796.84
(Tax Deducted at Source Rs. Nil (Previous Year Rs. 8.19 lacs))		
Unclaimed Balances and Excess Provisions Written Back	**16.19**	15.34
Exchange Fluctuation Gain	**–**	153.86
Miscellaneous Income	**61.70**	61.00
	1,899.72	3,214.46
SCHEDULE 17 :		
MATERIALS CONSUMED		
Medical Consumables and Pharmacy Items:		
Opening Stock	**233.18**	232.66
Add: Purchases	**5,270.24**	4,969.65
Less: Closing Stock	**239.30**	233.18
	5,264.12	4,969.13
SCHEDULE 18 :		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	**3,908.15**	2,939.22
Gratuity	**2.43**	44.35
Leave Encashment	**(56.47)**	107.91
Contribution to Provident & Other Funds	**204.43**	179.80
Staff Welfare Expenses	**130.16**	107.91
Recruitment & Training	**66.60**	105.64
	4,255.30	3,484.83

SCHEDULES TO THE ACCOUNTS

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
SCHEDULE 19 :		
OPERATING EXPENSES		
Contractual Manpower	**133.24**	113.32
Power & Fuel	**385.03**	357.32
Housekeeping Expenses including Consumables	**175.20**	178.69
Patient Food	**151.55**	140.59
Pathology Laboratory Expenses	**164.86**	158.77
Radiology Expenses	**504.00**	306.67
Consultation Fees to Doctors	**387.72**	426.76
Professional Charges to Doctors	**1,034.08**	900.42
Repairs & Maintenance		
– Building	**29.74**	55.01
– Plant & Machinery	**278.82**	266.30
Rent		
– Hospital Building (Refer note 6 (a) (i) of Schedule 24)	**947.67**	609.57
– Equipments (Refer note 6 (a) (ii) of Schedule 24)	**45.47**	36.81
	4,237.38	3,550.23

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
SCHEDULE 20 :		
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Donations	**6.43**	13.50
Legal & Professional Fee	**1,031.75**	1,128.82
Travel & Conveyance	**398.74**	400.63
Repairs & Maintenance - Others	**56.64**	68.27
Rates & Taxes	**21.28**	161.59
Directors’ Sitting Fees	**10.80**	9.60
Insurance	**96.85**	105.86
Rent (Refer note 6 (a) (i) of Schedule 24)	**56.82**	111.28
Marketing & Business Promotion	**264.25**	280.21
Wealth Tax	**1.92**	1.35
Loss on Sale of Assets	**101.28**	9.71
Auditors’ Remuneration (as auditors)		
– Audit Fee	**10.00**	10.00
– Limited Review Fees	**7.27**	7.80
– Fees for Audit of Consolidated Financial Statement	**3.00**	3.00
– Tax Audit Fee	**2.67**	2.50
– Certification Fee	**3.25**	4.25
– Out of Pocket Expenses	**0.33**	0.40
Exchange Fluctuation Loss	**213.07**	-
Bad Debts and Sundry Balances written off	**28.14**	21.47
Provision for Doubtful Debts	**282.79**	10.01
Miscellaneous Expenses	**290.06**	306.55
	2,887.34	2,656.80

SCHEDULES TO THE ACCOUNTS

SCHEDULE 21 :
FINANCIAL EXPENSES

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
Interest		
– On Term Loans	**1,846.65**	2,532.89
– Others	**248.03**	159.84
Finance Charges	**63.80**	246.18
Arrangement Fees Written off	**22.82**	10.75
Bank Charges	**13.35**	12.43
	2,194.65	2,962.09

SCHEDULE 22 :
PRIOR PERIOD ITEMS

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
Materials Consumed	–	6.22
Power & Fuel	**16.50**	–
	16.50	**6.22**

SCHEDULE 23 :
EARNINGS / (LOSS) PER SHARE

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
Net Profit/(Loss) as per profit and loss account	**(714.97)**	261.77
Weighted average number of equity shares in calculating Basic EPS	**226,666,533**	223,022,006
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against share option granted to the employees of the Company	–	68,577
Weighted average number of equity shares in calculating Diluted EPS	**226,666,533**	223,090,583

SCHEDULES TO THE ACCOUNTS

Schedule 24:

NOTES TO ACCOUNTS

1. Nature of Operations

Fortis Healthcare Limited ('FHL' or the 'Company') was incorporated in the year 1996 and commenced its hospital operations in year 2001 with the flagship of Multi-Specialty Hospital at Mohali and has thereafter set up / taken over the management of other hospitals in different parts of the country. As part of its business activities, the Company holds interests in its subsidiary and associate companies through which it manages and operates a chain of multi-specialty hospitals. The Company's equity shares are listed on both Bombay Stock Exchange and National Stock Exchange.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects in accordance with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis (except in case of assets for which impairment is made and revaluation is carried out, if any). The accounting policies have been consistently applied by the Company and are consistent with those used in the Previous Year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(d) Depreciation

i) Depreciation on Leasehold Improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

ii) Depreciation on all other fixed assets is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, whichever is higher.

iii) Individual assets not exceeding Rs. 5,000 are depreciated fully in the year of purchase.

(e) Intangibles

Technical Know-how Fees

Technical know-how fees is amortized over a period of 3 years.

Software

Cost of software is amortized over a period of 6 years, being the estimated useful life as per the management estimate.

(f) Impairment

i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

(g) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss account on a straight-line basis over the lease term. Costs, including depreciation are recognised as expense in the Profit and Loss account.

(h) 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 recognise a decline other than temporary in the value of such long term investments.

(i) Inventories

Inventories are valued as follows:

Medical Consumables, Pharmacy Items, Stores and Spares and Fuel	Lower of cost and net realizable value. Cost is determined on Weighted Average basis.

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

(j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Operating Income

Operating Income is recognised as and when the services are rendered / pharmacy items are sold. Management fee from hospitals and income from medical services is recognised as per the terms of the agreement with respective hospitals.

Rehabilitation Centre Income

Revenue is recognised as and when the services are rendered.

Equipment Lease Rentals

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees.

Interest

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

Dividends

Dividend is recognised if the right to dividend is established by the balance sheet date.

(k) Miscellaneous Expenditure (not written off)

Cost incurred in raising funds (Arrangement fees on term loan) is amortised over the period for which the funds are obtained.

(l) Foreign Currency Transactions

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 that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Exchange Differences

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

(m) Employee benefits:

i) Contributions to Provident fund

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

ii) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year using projected unit credit method.

iii) Leave encashment

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for on the basis of actuarial valuation done at the end of the year using projected unit credit method.

iv) Actuarial gains/losses

Actuarial gains/losses are recognized in the Profit and Loss Account as they occur.

(n) Income Taxes

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act,1961. Deferred income tax reflect 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 assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a 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 realised. 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.

Minimum Alternate Tax (‘MAT’) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss account and shown as MAT Credit Entitlement.

(o) Employee Stock Compensation Cost

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

(p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions

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

(r) Cash and cash equivalents

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

3. Segment Reporting

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

4. Related Party Transactions

Names of Related parties (as certified by the management)

Holding Company	Fortis Healthcare Holdings Limited
Subsidiary Companies	a) International Hospital Limited ('IHL') which was a board subsidiary of the Company since December 20, 2002, became a fully owned subsidiary of the Company with effect from March 20, 2006 b) Fortis Hospotel Limited ('FHTL') with effect from March 21, 2006 c) Escorts Heart Institute and Research Centre Limited ('EHIRCL') with effect from September 29, 2005 d) Lalitha Healthcare Private Limited ('LHPL') with effect from January 30, 2009 (Associate of IHL from August 4, 2008 to January 29, 2009) e) Escorts Hospital and Research Centre Limited ('EHRCL') with effect from September 29, 2005 f) Escorts Heart and Super Speciality Institute Limited ('EHSSIL') with effect from September 29, 2005 g) Escorts Heart and Super Speciality Hospital Limited ('EHSSHL')with effect from September 29, 2005 h) Escorts Heart Centre Limited ('EHCL') with effect from September 29, 2005 i) Fortis Hospital Management Limited with effect from April 9, 2008 j) Fortis Health Management Limited with effect from April 7, 2008 k) Fortis Healthcare International Limited with effect from November 25, 2008 Companies (f) and (h) above are subsidiaries of EHIRCL; Companies (d), (e), (g), (i) and (k) above are subsidiaries of IHL and Company (j) above is the subsidiary of FHTL; Companies (e) and (g) above have become subsidiaries of IHL with effect from July 3, 2008 and July 7, 2008 respectively, prior to that these were the subsidiaries of EHIRCL.
Fellow Subsidiaries	a) Fortis Health Staff Limited b) Religare Wellness Limited (formerly Fortis Healthworld Limited) c) Medsource Healthcare Private Limited d) SAK Consumer Retail Services Limited e) Lifetime Healthcare Private Limited f) Pills and Powder Private Limited g) Hospitallia Eastern Private Limited (with effect from February 23, 2009)
Associates	a) Sunrise Medicare Private Limited with effect from January 3, 2006 b) Malar Hospitals Limited (Associate of International Hospital Limited) with effect from October 18, 2007 c) Hiranandani Healthcare Private Limited with effect from April 1, 2008 (subsidiary for the period February 14, 2007 to March 31, 2008) d) Medical and Surgical Centre Limited, Mauritius (Associate of Fortis Healthcare International Limited) with effect from January 28, 2009.
Key Management Personnel ('KMP')	Mr. Harpal Singh – Chairman up to June 7, 2007 Mr. Malvinder Mohan Singh – Chairman, with effect from June 7, 2007 Mr. Shivinder Mohan Singh - Managing Director
Enterprises owned or significantly influenced by key management personnel or their relatives	a) Super Religare Laboratories Limited (formerly SRL Ranbaxy Limited) b) Ranbaxy Laboratories Limited ('RLL') c) RHC Holding Private Limited (formerly Ranbaxy Holding Company) d) Fortis Nursing and Education Society e) Religare Securities Limited f) Religare Commodities Limited g) Religare Finvest Limited h) Ran Air Services Limited i) Religare Travels (India) Limited j) Religare Technova IT Services Limited k) Oscar Investments Limited l) Malav Holdings Limited

The schedule of Related Party Transactions is as follows:

(Rs. in lacs)

Transactions details	Year ended March 31, 2009	Year ended March 31, 2008
Transactions during the year		
Expenses allocated to related parties		
Fortis Hospotel Limited (Subsidiary)	**170.49**	323.52
Super Religare Laboratories Limited (Owned/significantly influenced by KMP/their relatives)**	**53.26**	81.16
International Hospital Limited (Subsidiary)	**75.00**	–
Operating income (including Income from medical services, Management fees from hospitals, Income from rehabilitation centre, Rental and Pharmacy income)		
International Hospital Limited (Subsidiary)	**116.00**	515.00
Sunrise Medicare Private Limited (Associate)	**218.00**	162.40
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for Previous Year)	**40.50**	–
Lalitha Healthcare Private Limited (Subsidiary)****	**44.71**	–
Malar Hospitals Limited (Associate)	**13.75**	–
Fortis Nursing and Education Society (Owned/significantly influenced by KMP/their relatives)	**26.92**	–
Medical and Surgical Centre Limited (Associate)	**7.34**	–
Escorts Heart and Super Speciality Institute Limited (Subsidiary)	**3.07**	21.11
Ranbaxy Laboratories Limited (Owned/significantly influenced by KMP/their relatives)	**0.56**	–
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**10.40**	–
Escorts Hospital and Research Centre Limited (Subsidiary)	**0.72**	–
Escorts Heart and Super Speciality Hospital Limited (Subsidiary)	**2.27**	–
Interest income on loans and advances to		
Fortis Hospotel Limited (Subsidiary)	**298.58**	151.32
International Hospital Limited (Subsidiary)	**443.42**	1,609.60
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**21.28**	26.24
Escorts Heart and Super Speciality Hospital Limited (Subsidiary)	**12.84**	–
Sunrise Medicare Private Limited (Associate)	**23.83**	11.14
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for Previous Year)	**507.79**	255.70
Super Religare Laboratories Limited (Owned/significantly influenced by KMP/their relatives)**	**14.82**	38.90
Religare Finvest Limited (Owned/significantly influenced by KMP/their relatives)	**692.19**	559.13
Fortis Nursing and Education Society (Owned/significantly influenced by KMP/their relatives)	**24.55**	30.06
Religare Securities Limited (Owned/significantly influenced by KMP/their relatives)	**–**	437.55
Religare Commodities Limited (Owned/significantly influenced by KMP/their relatives)	**–**	84.32
Consultation fees to doctors		
Escorts Heart and Super Speciality Institute Limited (Subsidiary)	**–**	2.54
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**6.60**	–
Interest expense on loan taken from		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**52.75**	–
Oscar Investments Limited (Owned/significantly influenced by KMP/their relatives)	**54.15**	–
RHC Holding Private Limited (Owned/significantly influenced by KMP/their relatives)*	**28.77**	–
Sale of fixed assets		
International Hospital Limited (Subsidiary)	**7.16**	16.79
Malar Hospitals Limited (Associate)	**44.26**	–
Escorts Hospital and Research Centre Limited (Subsidiary)	**17.68**	–
Escorts Heart and Super Speciality Institute Limited (Subsidiary)	**106.79**	–
Loans/ advances given		
International Hospital Limited (Subsidiary)	**21,194.25**	63,291.82

(Rs. in lacs)

Transactions details	Year ended March 31, 2009	Year ended March 31, 2008
Fortis Hospotel Limited (Subsidiary)	**11,442.00**	7,228.24
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for Previous Year)	**809.00**	1,953.62
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**1,750.00**	1,000.00
Escorts Heart and Super Speciality Hospital Limited (Subsidiary)	**135.00**	–
Religare Finvest Limited (Owned/significantly influenced by KMP/their relatives)	**12,771.00**	18,505.00
Sunrise Medicare Private Limited (Associate)	**–**	14.09
Religare Commodities Limited (Owned/significantly influenced by KMP/their relatives)	**–**	1,325.00
Religare Securities Limited (Owned/significantly influenced by KMP/their relatives)	**–**	7,000.00
Loans/ advances received back		
International Hospital Limited (Subsidiary)	**11,225.00**	60,244.69
Fortis Hospotel Limited (Subsidiary)	**10,335.00**	3,051.16
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for Previous Year)	**2,500.00**	–
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**1,750.00**	1,000.00
Fortis Nursing and Education Society (Owned/significantly influenced by KMP/their relatives)	**250.00**	–
Religare Finvest Limited (Owned/significantly influenced by KMP/their relatives)	**21,446.00**	9,830.00
Religare Commodities Limited (Owned/significantly influenced by KMP/their relatives)	**–**	1,325.00
Religare Securities Limited (Owned/significantly influenced by KMP/their relatives)	**–**	7,000.00
Sunrise Medicare Private Limited (Associate)	**–**	289.10
Loans taken		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**2,610.00**	–
Oscar Investments Limited (Owned/significantly influenced by KMP/their relatives)	**6,100.00**	–
RHC Holding Private Limited (Owned/significantly influenced by KMP/their relatives)*	**1,000.00**	–
Loans repaid		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**2,610.00**	–
Pathology laboratory expenses		
Super Religare Laboratories Limited (Owned/significantly influenced by KMP/their relatives)**	**164.39**	98.72
Travel and conveyance expenses		
Religare Travel (India) Limited (Owned/significantly influenced by KMP/their relatives)	**86.30**	63.21
Ran Air Services Limited (Owned/significantly influenced by KMP/their relatives)	**3.57**	5.68
Purchase of fixed assets		
Religare Technova IT Services Limited (Owned/significantly influenced by KMP/their relatives)	**78.23**	–
Repairs and maintenance expenses		
Religare Technova IT Services Limited (Owned/significantly influenced by KMP/their relatives)	**2.58**	–
Purchases of medical consumables and pharmacy items		
Ranbaxy Laboratories Limited (Owned/significantly influenced by KMP/their relatives)	**211.55**	116.65
Managerial remuneration		
Shivinder Mohan Singh (KMP) (refer note b below)	**816.20**	221.40
Directors' sitting fees		
Malvinder Mohan Singh (KMP)	**1.20**	–
Legal and professional fee		
Religare Securities Limited (Owned/significantly influenced by KMP/their relatives)	**–**	0.02
Religare Technova IT Services Limited (Owned/significantly influenced by KMP/their relatives)	**9.88**	–
Redemption of preference share capital		
Fortis Healthcare Holdings Limited (Holding Company)	**6.00**	2,600.00
RHC Holding Private Limited (Owned/significantly influenced by KMP/their relatives)*	**65.00**	–
Oscar Investments Limited (Owned/significantly influenced by KMP/their relatives)	**45.00**	–

(Rs. in lacs)

Transactions details	Year ended March 31, 2009	Year ended March 31, 2008
Premium on redemption of preference shares		
Fortis Healthcare Holdings Limited (Holding Company)	**70.05**	23,400.00
RHC Holding Private Limited (Owned/significantly influenced by KMP/their relatives)*	**747.50**	–
Oscar Investments Limited (Owned/significantly influenced by KMP/their relatives)	**517.50**	–
Corporate Guarantees given to banks for loans availed by		
Fortis Hospotel Limited (Subsidiary)	**10,000.00**	–
Escorts Heart and Super Speciality Institute Limited (Subsidiary)	**2,500.00**	–
Guarantee given to IndusInd Bank (refer note c below)	**10,000.00**	–
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for Previous Year)	**4,500.00**	1,500.00
Corporate guarantee received for loans taken		
Malav Holdings Limited (Owned/significantly influenced by KMP/their relatives)	**981.94**	–
Guarantee given to IndusInd Bank (refer note c below)	**10,000.00**	–
Investments made		
Fortis Hospotel Limited (Subsidiary)	**4,189.11**	3,113.00
Sunrise Medicare Private Limited (Associate)	**–**	389.10
Investments sold		
Fortis Healthcare Holdings Limited (Holding Company)	**60.00**	–
Subscription of share capital		
Fortis Healthcare Holdings Limited (Holding Company)	**–**	60.00
RHC Holding Private Limited (Owned/significantly influenced by KMP/their relatives)*	**–**	650.00
Oscar Investments Limited (Owned/significantly influenced by KMP/their relatives)	**–**	450.00
Securities premium received		
Fortis Healthcare Holdings Limited (Holding Company)	**–**	540.00
RHC Holding Private Limited (Owned/significantly influenced by KMP/their relatives)*	**–**	5,850.00
Oscar Investments Limited (Owned/significantly influenced by KMP/their relatives)	**–**	4,050.00
Personal guarantee for loans taken		
Managing Director (KMP)	**5,000.00**	7,500.00
License user agreement fees		
RHC Holding Private Limited (Owned/significantly influenced by KMP/their relatives)*	**1.00**	1.00
Transfer of freehold land to		
Fortis Hospotel Limited (Subsidiary)	**–**	1,858.35
Transfer of preoperative expenses to		
Fortis Hospotel Limited (Subsidiary)	**–**	517.02
Transfer of capital work in progress to		
Fortis Hospotel Limited (Subsidiary)	**–**	143.97
Transfer of deferred payment liability to		
Fortis Hospotel Limited (Subsidiary)	**–**	499.33
Transfer of current assets (project related) to		
Fortis Hospotel Limited (Subsidiary)	**–**	2.80
Transfer of current liability (project related) to		
Fortis Hospotel Limited (Subsidiary)	**–**	153.04

(Rs. in lacs)

Balance outstanding at the year end	As at March 31, 2009	As at March 31, 2008
Loans / advances recoverable		
Escorts Heart and Super Speciality Institute Limited (Subsidiary)	**75.88**	2.45
Escorts Heart and Super Speciality Hospital Limited (Subsidiary)	**135.00**	–
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**–**	3.98
Escorts Hospital and Research Centre Limited (Subsidiary)	**9.77**	2.79
Fortis Hospotel Limited (Subsidiary)	**9,039.73**	7,604.10
International Hospital Limited (Subsidiary)	**14,093.53**	3,780.55
Lalitha Healthcare Private Limited (Subsidiary)****	**0.23**	–
Super Religare Laboratories Limited (Owned/significantly influenced by KMP/their relatives)**	**–**	113.11
Sunrise Medicare Private Limited (Associate)	**39.33**	15.29
Fortis Health Staff Limited (Fellow Subsidiary)	**0.10**	0.10
Religare Finvest Limited (Owned/significantly influenced by KMP/their relatives)	**–**	8,675.00
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for Previous Year)	**4,079.74**	5,257.81
Fortis Nursing and Education Society (Owned/significantly influenced by KMP/their relatives)	**0.01**	250.00
Malar Hospitals Limited (Associate)	**14.38**	–
Religare Wellness Limited (Fellow Subsidiary)***	**7.19**	0.65
Religare Technova IT Services Limited (Owned/significantly influenced by KMP/their relatives)	**7.46**	–
Other current assets		
Fortis Nursing and Education Society (Owned/significantly influenced by KMP/their relatives)	**–**	8.08
Religare Finvest Limited (Owned/significantly influenced by KMP/their relatives)	**–**	413.60
Sundry debtors		
Sunrise Medicare Private Limited (Associate)	**219.18**	49.70
Lalitha Healthcare Private Limited (Subsidiary)****	**47.40**	–
Medical and Surgical Centre Limited (Associate)	**7.34**	–
Fortis Nursing and Education Society (Owned/significantly influenced by KMP/their relatives)	**16.49**	–
Sundry creditors		
Ranbaxy Laboratories Limited (Owned/significantly influenced by KMP/their relatives)	**42.49**	16.11
Religare Travel (India) Limited (Owned/significantly influenced by KMP/their relatives)	**7.74**	–
Ran Air Services Limited (Owned/significantly influenced by KMP/their relatives)	**1.10**	–
Super Religare Laboratories Limited (Owned/significantly influenced by KMP/their relatives)**	**27.85**	–
Unsecured loans		
Oscar Investments Limited (Owned/significantly influenced by KMP/their relatives)	**6,100.00**	–
RHC Holding Private Limited (Owned/significantly influenced by KMP/their relatives)*	**1,000.00**	–
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**1.94**	–
Investments		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**58,894.80**	58,894.80
International Hospital Limited (Subsidiary)	**4,021.09**	4,021.09
Fortis Hospotel Limited (Subsidiary)	**11,802.11**	7,613.00
Sunrise Medicare Private Limited (Associate)	**440.04**	440.04
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for Previous Year)	**40.00**	100.00

(Rs. in lacs)

Balance outstanding at the year end	As at March 31, 2009	As at March 31, 2008
Corporate guarantee for loans taken		
RHC Holding Private Limited (excluding 2,323,000 shares of Ranbaxy Laboratories Limited pledged for loans taken by the Company) (Owned/significantly influenced by KMP/their relatives)*	**750.00**	750.00
Malav Holdings Limited (excluding 445,000 shares of Religare Enterprises Limited pledged for loans taken by the Company) (Owned/significantly influenced by KMP/their relatives)	**981.94**	–
Guarantee given to IndusInd Bank (refer note c below)	**10,000.00**	–
Corporate guarantee given for loans availed by		
Fortis Hospotel Limited (Subsidiary)	**10,000.00**	–
Escorts Heart and Super Speciality Institute Limited (Subsidiary)	**2,500.00**	–
Guarantee given to IndusInd Bank (refer note c below)	**10,000.00**	–
Hiranandani Healthcare Private Limited (Associate for current year, subsidiary for Previous Year)	**6,000.00**	1,500.00
Personal guarantee for loans taken		
Managing Director (KMP)	**12,928.53**	9,000.00

Notes:

* Formerly Ranbaxy Holding Company

** Formerly SRL Ranbaxy Limited

*** Formerly Fortis Healthworld Limited

****Associate for the period from August 4, 2008 to January 29, 2009, and Subsidiary with effect from January 30, 2009.

a) Expenses incurred on behalf of / by related parties, and later reimbursed by / to them have not been considered above.

b) Amount for the year ended March 31, 2009 includes Rs. 623.24 lacs provided at the year end which is subject to Central Government approval.

c) Includes Guarantee given by the Company and EHRCL to IndusInd Bank for loan jointly availed by the Company, EHIRCL, EHRCL, EHSSIL, EHSSHL and IHL.

5. The following current investments have been purchased and sold during the year:

Mutual Fund Scheme	No. of units purchased	Purchase price (Rs. in lacs)	No. of units sold/ redeemed	Sales/Redemption value (Rs. in lacs)
DSP Black Rock Mutual Funds	485,151.32	4,850.00	485,151.32	4,855.39

6. Leases

(a) Assets taken on Operating Lease:

i) Hospital/ Office premises are obtained on operating lease. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. For all cases, there are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature other than the one for Hospital premises at Mohali which is non-cancellable. The total lease payments in respect of such leases recognised in the profit and loss account for the year are Rs. 1,004.49 lacs (Previous Year Rs. 720.86 lacs).

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

(Rs. in lacs)

Particulars	March 31, 2009	March 31, 2008
Minimum lease payments :		
Not later than one year	**1,920.00**	–
Later than one year but not later than five years	**7,680.00**	–
Later than five years	**9,120.00**	–

ii) The Company has also taken few Medical Equipments on non-cancellable operating leases for a period of 7 years. There is no escalation clause in the lease agreements. There is no restriction imposed by lease arrangements and the rent is not determined based on any contingency. The total lease payments in respect of such leases recognised in the profit and loss account for the year are Rs. 45.47 lacs (Previous Year Rs. 36.81 lacs).

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

(Rs. in lacs)

Particulars	March 31, 2009	March 31, 2008
Minimum lease payments :		
Not later than one year	**61.91**	45.47
Later than one year but not later than five years	**33.00**	94.91
Later than five years	**–**	–

(b) Assets given on Operating Lease

i) The Company has sub- leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognised in the profit and loss account for the year are Rs. 32.65 lacs (Previous Year Rs. 25.53 lacs).

ii) The Company has leased out certain capital assets on operating lease to a Trust managing hospital operations and one of its Associates. The lease term is for 3 years and thereafter renewable at the option of the lessor. There are no restrictions imposed by the lease arrangements and the rent is not determined based on any contingency. There is no escalation clause in the lease agreements. The lease arrangement is non-cancellable in nature. The details of the capital assets given on operating lease are as under:

(Rs. in lacs)

Particulars	As at March 31, 2009			As at March 31, 2008		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Software	3.46	1.74	1.72	1.60	1.48	0.12
Plant & Machinery	96.66	27.23	69.43	96.66	17.24	79.42
Medical Equipments	2,996.93	778.74	2,218.19	2,880.21	562.17	2,318.04
Furniture & Fittings	177.06	70.27	106.79	177.06	62.15	114.91
Computers	119.92	53.68	66.24	119.92	35.79	84.13
Office Equipments	27.55	3.94	23.61	27.55	2.67	24.88
Vehicles	33.55	10.11	23.44	33.55	6.32	27.23
Total	**3,455.13**	**945.71**	**2,509.42**	**3,336.55**	**687.82**	**2,648.73**

The total of future minimum lease payments received / receivable under the non-cancellable operating leases are as under:

(Rs. in lacs)

Particulars	March 31, 2009	March 31, 2008
Lease payments received for the year:	**671.52**	630.61
Minimum lease payments :		
Not later than one year	**173.78**	652.57
Later than one year but not later than five years	**–**	163.14

7. Deferred Tax Assets / (Liability) consists of:

(Rs. in lacs)

Particulars	As on March 31, 2008	Current Year (Charge)/ Credit	As on March 31, 2009
Book/ Tax depreciation difference	(930.36)	120.08	(810.28)
Provision for leave encashment	100.71	(30.73)	69.98
Provision for gratuity	85.62	(7.47)	78.15
Provision for doubtful advances	7.01	–	7.01
Provision for doubtful debts	62.04	75.01	137.05
Unabsorbed depreciation/losses	5,449.27	687.86	6,137.13
Total Deferred Tax Asset	**4,774.29**	**844.75**	**5,619.04**

In accordance with Accounting Standard 22 'Accounting for Taxes on Income', in view of the losses incurred by the Company during the year and large amount of accumulated losses carried forward at the close of the year, deferred tax assets on timing differences, on carried-forward losses and unabsorbed depreciation have not been accounted for in the books since it is not virtually certain whether the Company will be able to take advantage of such losses / depreciation.

8. Capital Commitment

(Rs. in lacs)

Particulars	March 31, 2009	March 31, 2008
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances of Rs. 13.80 lacs (Previous Year Rs. 13.48 lacs))	**168.03**	55.11

9. Contingent liabilities (not provided for) in respect of:

(Rs. in lacs)

Particulars	March 31, 2009	March 31, 2008
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on the analysis of in-house legal team, the management believes that the Company has good chance of success in these cases. Hence, no provision there against has been considered necessary.	**326.85**	254.40
Bank Guarantees executed in favour of lessor as security for hospital land and building taken on lease	**–**	139.53
Bank Guarantee executed in favour of Bombay Stock Exchange towards listing of the shares of the Company with the exchange	**–**	252.98
Corporate guarantee given to IDBI Bank in respect of financial assistance availed by an Associate of the Company	**4,500.00**	–
Corporate guarantee given to Yes Bank in respect of financial assistance availed by two Subsidiaries of the Company	**7,500.00**	–
Corporate guarantee given to IndusInd Bank in respect of financial assistance availed by five Subsidiaries of the Company	**10,000.00**	–
Corporate guarantee given to Axis Bank in respect of financial assistance availed by a Subsidiary of the Company	**5,000.00**	–
Corporate guarantee given to ABN Amro Bank in respect of financial assistance availed by an Associate of the Company	**1,500.00**	1,500.00
Others	**11.23**	10.55

10. Employee Stock Option Plan

The Company has provided share-based payment scheme to its employees. During the year ended March 31, 2008, 458,500 options (Lot I) were granted to the employees under Plan 'A'. Under the same plan, 33,500 options (Lot II) have been granted to the employees in the current year. As at March 31, 2009, the following scheme was in operation:

Particulars	Lot I	Lot II
Date of grant	February 13, 2008	October 13, 2008
Date of Board Approval	July 30, 2007	July 30, 2007
Date of Shareholder's approval	September 27, 2007	September 27, 2007
Number of options granted	458,500	33,500
Vesting Period	February 13, 2009 to February 12, 2013	October 13, 2009 to October 12, 2013
Exercise Period up to	February 12, 2018	October 12, 2018

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

Particulars	March 31, 2009		March 31, 2008	
	Number of options	Weighted Average Exercise Price(Rs.)	Number of options	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the year	458,500	71.00	–	–
Granted during the year	33,500	50.00	458,500	71.00
Forfeited during the year	111,500	70.34	–	–
Exercised during the year	–	–	–	–
Expired during the year	–	–	–	–
Outstanding at the end of the year	380,500	69.34	458,500	71.00
Exercisable at the end of the year	70,100	71.00	–	–
Weighted average remaining contractual life (in years)	8.93	–	9.88	–
Weighted average fair value of options granted (in Rs.)	25.86	–	26.48	–

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2009	March 31, 2008
Range of exercise prices	Rs. 71.00 for 350,500 options and Rs. 50.00 for 30,000 options	Rs. 71.00
Number of options outstanding	380,500	458,500
Weighted average remaining contractual life of options (in years)	8.93	9.88
Weighted average exercise price (in Rs.)	69.34	71.00

Stock Options granted

The weighted average fair value of stock options granted during the year is Rs. 18.65 (Previous Year: Rs. 26.48). The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2009	March 31, 2008
Exercise Price	Rs. 71.00 for 350,500 options and Rs. 50.00 for 30,000 options	Rs. 71.00
Expected Volatility	34%	34%
Life of the options granted (Vesting and exercise period) in years	6.5 years	6.5 years
Expected dividends	–	–
Average risk-free interest rate	7.95% for 350,500 options and 8.70% for 30,000 options	7.95%
Expected dividend rate	–	–

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

(Rs. in lacs)

Particulars	March 31, 2009	March 31, 2008
Profit/ (Loss) as reported	(714.97)	261.77
Add: Employee stock compensation under intrinsic value method	–	–
Less: Employee stock compensation under fair value method	(19.08)	(3.13)
Proforma Profit/ (Loss)	(734.05)	258.64
Earnings / (Loss) Per Share (In Rs.)		
Basic		
– As reported	(0.32)	0.12
– Pro forma	(0.32)	0.12
Diluted		
– As reported	(0.32)	0.12
– Pro forma	(0.32)	0.12

The fair value of total option outstanding at the year end is Rs. 98.41 lacs (Previous Year Rs. 121.40 lacs) and these shall vest over a period of 5 years. Accordingly, the charge for the current year in relation to employee stock compensation under fair value method would have been Rs. 19.08 lacs (Previous Year Rs. 3.13 lacs).

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

A. Defined Contribution Plan (Rs. in lacs)

Particulars	March 31, 2009	March 31, 2008
Contribution to Provident Fund	**137.01**	142.82

B. Defined Benefit Plan

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

The Company also provides leave encashment benefit to its employees which is unfunded.

The following table summaries the components of net benefit expenses recognised in the profit and loss account and the amounts recognized in the balance sheet. (Rs. in lacs)

Particulars	Gratuity (Unfunded) March 31, 2009	Gratuity (Unfunded) March 31,2008
Net employee benefit expenses (recognized in Personnel Expenses)		
Current service cost	**49.62**	85.37
Interest cost on benefit obligation	**18.96**	18.11
Expected return on plan assets	**N.A.**	N.A.
Actuarial loss/(gain) recognised during the year	**(65.45)**	(56.41)
Past service cost	**–**	–
Net benefit expense	**3.13**	47.07
Balance Sheet		
Details of Provision for Gratuity at March 31, 2009		
Present value of defined benefit obligation	**229.91**	251.89
Fair value of plan assets	**N.A.**	N.A.
Deficit of funds	**(229.91)**	(251.89)
Net liability	**(229.91)**	(251.89)
Changes in present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	**251.89**	226.36
Current Service cost	**49.62**	85.37
Interest Cost on benefit obligation	**18.96**	18.11
Benefits paid	**(25.11)**	(21.55)
Actuarial loss/ (gain) recognised during the year	**(65.45)**	(56.40)
Closing defined benefit obligation	**229.91**	251.89

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

Discount rate	**7.80%**	8%
Expected rate of return on plan assets	**N.A.**	N.A.
Expected rate of salary increase	**7.50%**	10%
Mortality table referred	**LIC (1994-96) duly modified**	LIC (1994–96) duly modified
Withdrawal rate/ Employee Turnover Rate		
Age upto 30 years	**18%**	3%
Age from 31 to 44 years	**6%**	2%
Age above 44 years	**2%**	1%
Experience adjustment on plan liabilities	**(30.94)**	–

Notes:

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

b) The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contributions expected to be paid to the plan during the annual period beginning after the balance sheet date as required by Para 120 (o) of the Accounting Standard 15 (Revised) on Employee Benefits are not disclosed.

c) Rs. 0.70 lacs (Previous Year Rs. 2.73 lacs) out of the net benefit expenses, as above, has been allocated to a subsidiary.

12. The Company has entered into 'Operation and Management' agreement with entities which are into hospital operations, in terms of which, the Company is responsible for developing and providing maintenance support and related services necessary to support, manage and maintain the hospital as may be required. The management fee in this case is generally based on gross billing of the hospital subject to certain conditions as per the underlying agreement. The gross billing of the hospital is considered based on the unaudited financial statements of the respective entity. The management does not anticipate any material changes in the amounts considered in financial statements.

13. Details of utilisation of proceeds raised through public issue

(Rs in lacs)

S No.	Expenditure Program	Proposed expenditure out of IPO proceeds	Amount expended till March 31, 2009	Amount expended till March 31, 2008
1	Construction and development of the planned hospital to be located at Shalimar Bagh, New Delhi by one of its subsidiaries	10,000.00	7,302.11	3,113.00
2	Refinancing of funds availed for the acquisition of Escorts Heart Institute and Research Centre Limited	35,231.15	35,231.15	35,231.15
3	Issue Expenses	4,445.00	3,278.91	3,278.91
	Total	**49,676.15**	**45,812.17**	**41,623.06**

The Company is having unutilised funds of Rs. 3,863.98 lacs as on March 31, 2009 out of IPO proceeds. These funds have been invested as fixed deposit with a Scheduled Bank.

14. During the year, the Company has partly redeemed 100,000, Class 'C' Zero Percent Redeemable Preference Shares of Re. 1 each at a premium of Rs. 12.55 per share. The redemption premium of Rs. 12.55 lacs on these shares has been adjusted against the liability for premium on redemption of Redeemable Preference Shares.

During the year, the Company has partly redeemed 11,500,000, Class 'C' Zero Percent Redeemable Preference Shares of Rs. 1 each at a premium of Rs. 11.50 per share. The redemption premium of Rs. 1,322.50 lacs on these shares has been adjusted against the liability for premium on redemption of Redeemable Preference Shares.

15. During the year, the Company has issued 100, Zero Percent Unsecured Non- Convertible Debentures of Rs. 10,000,000 each which have been redeemed at an a premium of Rs. 3.01 lacs per debenture. In terms of Section 78 of the Companies Act, 1956, the total redemption premium of Rs. 301.37 lacs has been adjusted against the Securities Premium.

16. During the year, the Company has issued 150,000, Class 'C' Zero Percent Redeemable Preference Shares of Rs. 10 each at a premium of Rs. 9,990 per share. These shares are to be redeemed at various dates between June 30, 2010 and June 30, 2014 at an aggregate premium of Rs. 25,305 lacs. The Company has accrued the redemption premium and debited the same to Securities Premium Account as permitted by Section 78 of the Companies Act, 1956.

17. During the year, the Company has issued 1,450,000, Class 'C' Zero Percent Redeemable Preference Shares of Rs. 10 each at a premium of Rs. 90 per share. These shares are to be redeemed on October 18, 2010 at a premium of Rs. 117.69 per share. The Company has accrued the redemption premium and debited the same to Securities Premium Account as permitted by Section 78 of the Companies Act, 1956.

18. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

	March 31, 2009	March 31, 2008
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	**Nil**	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**Nil**	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	**Nil**	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	**Nil**	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	**Nil**	Nil

19. Hiranandani Healthcare Private Limited (HHPL) became a subsidiary of the Company on February 14, 2007. During the year, the Company has sold 600,000 equity shares held in HHPL, thereby reducing its investment in HHPL to 40% of the total paid up capital of HHPL at cost. Thus, effective April 1, 2008, HHPL has become an Associate of the Company.

20. Particulars of Un-hedged Foreign Currency Exposure:

(Rs. in lacs)

Particulars	**March 31, 2009**	March 31, 2008
Import Creditors	**–**	21.74
ECB Loan		
– Principal	**490.97**	1,134.84
– Interest Accrued but not due	**9.18**	32.18

21. Supplementary Statutory Information (Rs. in lacs)

21.1

Directors' Remuneration	**2008-09**	**2007-08**
Salaries ,Wages & Bonus	**800.00**	195.45
Contribution to Provident & Other Funds	**16.20**	25.95
Total	**816.20**	221.40

a) Total remuneration for the year 2008-09 includes provision of Rs. 623.24 lacs for which the Company has applied for Central Government approval.

b) Total remuneration for the year 2007-08 excludes Rs. 110.00 lacs relating to the year 2006-07 paid/ provided pursuant to the Central Government approval dated November 7, 2007 obtained under sections 269, 198/309 and 637AA of the Companies Act, 1956.

c) As the future liability for Gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Directors is not ascertainable and, therefore, not included above.

(Rs. in lacs)

21.2

Expenditure in Foreign Currency (on accrual basis)	**2008-09**	**2007-08**
Marketing & Business Promotion	**2.38**	10.58
Travel & Conveyance	**14.54**	6.70
Legal & Professional Fees	**12.26**	348.40
Interest	**37.85**	102.65
Recruitment & Training	**–**	19.42
Miscellaneous Expenses	**1.42**	3.20
Total	**68.45**	490.95

(Rs. in lacs)

21.3

Value of imports calculated on CIF basis	2008-09	2007-08
Capital goods	**130.28**	68.41

21.4 Material Consumed (including consumables) (Rs. in lacs)

	% of Total Consumption		Value (Rs. in lacs)	
	2008-09	2007-08	2008-09	2007-08
Indigenous*	100.00	100.00	5,326.96	5,042.25
Imported	–	–	–	–
Total	**100.00**	**100.00**	**5,326.96**	**5,042.25**

*Including consumables of Rs. 62.84 lacs (Previous Year Rs. 73.12 lacs) debited to housekeeping expenses.

Note: Material consumption consists of items of various nature and specifications and includes medical consumables, pharmaceuticals etc. Hence, it is not practicable to furnish the item wise details.

21.5 The Company is a Service Company and is in the business of providing healthcare services to people at large. Hence, no disclosures are required to be given for quantitative information as per the requirements of Part II of Schedule VI of the Companies Act, 1956.

22. Previous Year's figures have been regrouped / recasted, wherever necessary to confirm to current year's classification.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : June 30, 2009

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

Place : New Delhi
Date : June 30, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:

Registration No.	76704	State Code	55
Balance Sheet Date	31.03.2009		

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	Right Issue
-	-
Bonus Issue	Private Placement (Incl.Share Application Money)
-	14,500

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
10,850,191	10,850,191

Sources of Funds

Paid-up Capital (Incl.Share Application Money)	Reserve & Surplus
2,387,065	7,043,779
Secured Loans	Unsecured Loans (Incl. Deferred Payment Liability)
2,139,346	710,194

Application of Funds

Net Fixed Assets	Investments
754,868	7,519,804
Net Current Assets	Misc. Expenditure
2,570,512	5,006
Accumulated Losses	
1,430,194	

IV. Performance of Company (Amount in Rs. Thousands)

	Turnover/Income		Total Expenditure
	1,934,522		2,000,932
+ -	Profit/(Loss) Before Tax	+ -	Profit/(Loss) After Tax
✓ (-)	66,410	✓ (-)	71,497
+ -	Earning per share in Rs.		Dividend Rate%
✓ (-)	0.32		0.00

V. Generic Names of Three Principal Products/Service of Company - Healthcare Services

Item Code No. (ITC Code) Not Applicable

Product Description Not Applicable

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Financial year to which Accounts Relate	Holding Company's interest as at close of Financial Year of Subsidiary Company		Net aggregate amount of Subsidiary Company's profits after deducting its losses or vice-versa, so far as it concerns Members of Holding Company which are not dealt within the Company's Account		Net aggregate amount of Subsidiary Company's profits after deducting its losses or vice-versa, so far as it concerns Members of Holding Company which are dealt within the Company's Account		Holding Company's 31/03/2009 interst as at incorporating Changes Since Close of Financial year/ Period of Subsidiary Company
		(i) Shareholding (No. of Shares)	(ii) Extent of holding%	For the Current Financial Year (Rupees in Lacs)	For the Previous Financial Year (Rupees in Lacs)	For the Current Financial Year (Rupees in Lacs)	For the Previous Financial Year (Rupees in Lacs)	
International Hospital Limited	31/03/2009	4,025,123	100.00	918.01	(245.19)	-	-	
Fortis Hospotel Limited (erstwhile Oscar Biotech Pvt Ltd)	31/03/2009	118,021,100	100.00	(438.70)	(558.22)	-	-	
Escorts Heart Institute And Research Centre Limited	31/03/2009	1,800,260	90.00	2,182.62	(3,082.83)	-	-	
Escorts Hospital And Research Centre Limited**	31/03/2009	Step Subsidiary	100.00	346.65	98.03	-	-	
Escorts Heart Centre Limited*	31/03/2009	Step Subsidiary	90.00	94.54	(151.17)	-	-	
Escorts Heart And Super Specialty Institute Limited*	31/03/2009	Step Subsidiary	90.00	367.22	(1432.38)	-	-	
Escorts Heart And Super Specialty Hospital Limited**	31/03/2009	Step Subsidiary	100.00	(1,392.88)	3.67	-	-	
Lalitha Healthcare Pvt Ltd**	31/03/2009	Step Subsidiary	67.23	(38.18)	-	-	-	
Fortis Hospital Management Limited**	31/03/2009	Step Subsidiary	100.00	(12.88)	-	-	-	
Fortis Health Management Limited***	31/03/2009	Step Subsidiary	100.00	(28.24)	-	-	-	
Fortis Healthcare International Limited**	31/03/2009	Step Subsidiary	100.00	6.96	-	-	-	

Notes :
* Held through Escorts Heart Institute and Research Centre Limited
** Held through International Hospital Limited
*** Held through Fortis Hospotel Limited

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Place : New Delhi
Date : June 30, 2009

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

ABSTRACT OF FINANCIALS AS OF MARCH 31, 2009

(Rs. In Lacs)

	International Hospital Limited	Escorts Heart Institute And Research Centre Limited	Escorts Heart And Super Specialty Institute Limited*	Escorts Heart Centre Limited*	Escorts Hospital And Research Centre Limited**	Escorts Heart And Super Specialty Hospital Limited**	Fortis Hospotel Limited	Lalitha Healthcare Pvt Ltd**	Fortis Hospital Management Limited**	Fortis Health Management Limited***	Fortis Healthcare International Limited**
a) Capital	4,091.12	200.03	2,970.11	197.00	2,200.00	1,349.00	11,802.11	61.03	5.00	5.00	1,514.45
b) Reserves & Surplus (Adjusted for Debit Balance in Profit & loss Account and Miscellaneous Expenditure to the extent not written off, where applicable)	9,402.86	21,290.08	(72.41)	(406.93)	7,395.06	6,041.93	21,469.67	111.06	(12.88)	(28.24)	6.96
c) Total Assets (Fixed Assets, Investment & Current Assets)	33,617.23	31,548.04	6,252.44	240.99	11,134.85	10,956.06	51,305.95	2,033.13	120.90	19.51	1,522.31
d) Total Liabilities (Loans and Current Liabilities)	20,123.25	10,057.93	3,354.75	450.92	1,539.79	3,565.12	18,034.17	1,861.03	128.79	42.75	0.90
e) Details of Investment (except in case of investment in subsidiaries)	3,728.58	-	-	-	-	-	-	0.25	-	-	1,312.69
f) Turnover (including Other Income)	10,139.56	23,228.19	4,138.65	537.46	6,002.35	2,935.73	310.59	98.92	0.13	2.00	26.94
g) Profit/(Loss) before Taxation	929.43	2,536.23	412.72	105.04	569.81	(1,387.22)	(435.85)	(56.55)	(12.88)	(28.24)	7.86
h) Provision for Taxation	11.42	111.10	4.70	-	223.16	5.66	2.85	0.25	-	-	0.90
i) Profit/(Loss) after Taxation	918.01	2,425.13	408.02	105.04	346.65	(1,392.88)	(438.70)	(56.80)	(12.88)	(28.24)	6.96

* Held through Escorts Heart Institute and Research Centre Limited
** Held through International Hospital Limited
*** Held through Fortis Hospotel Limited

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Place : New Delhi
Date : June 30, 2009

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF FORTIS HEALTHCARE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FORTIS HEALTHCARE LIMITED, ITS SUBSIDIARIES AND ASSOCIATES

1. We have audited the attached consolidated balance sheet of Fortis Healthcare Limited ("FHL" or the "Company"), its subsidiaries and associates (collectively, the "Fortis Group") as at March 31, 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 2,173.53 lacs as at March 31, 2009, the total revenue of Rs. 101.05 lacs and cash outflows amounting to Rs. 1.73 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We also did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 1,522.31 lacs as at March 31, 2009, the total revenue of Rs. 26.94 lacs and cash flows amounting to Rs. 182.29 lacs for the year then ended. These financial statements and other financial information have been prepared by the management, and our opinion is based solely on the management certified accounts.

   b) We did not audit the financial statements of certain associates, whose financial statements reflect total losses of Rs. 86.31 lacs (being the proportionate share of Fortis Group) for the year ended March 31, 2009. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We also did not audit the financial statements of an associate, whose financial statements reflect total profits of Rs. 36.01 lacs (being the proportionate share of Fortis Group) for the year ended March 31, 2009. These financial statements and other financial information have been prepared by the management, and our opinion is based solely on the management certified accounts.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

5. *A matter regarding the termination of leasehold arrangements of Escorts Heart Institute and Research Centre Limited's (a subsidiary of the Company) land by the Delhi Development Authority is pending in appeals at various stages, the eventual outcome of which cannot be estimated presently. Also, the liability as an outcome of a Public Interest Litigation (PIL), if any, remains unascertained as the matter is pending with the court of law. Therefore, we are unable to express an opinion at this stage in respect of these matters (refer Note 8 (b) and 8 (d) of Schedule 26). The same was the subject matter of qualification by us in the previous year as well.*

6. *Certain tax demands aggregating to Rs. 12,437 lacs (net of demands raised twice in respect of certain years and also excluding the demand of Rs. 8,149.00 lacs in respect of Assessment Year 2001–02 which has been referred back to the Assessing Officer for reassessment), raised on Escorts Heart Institute and Research Centre Limited (a subsidiary of the Company) by the Income Tax Authorities are pending in appeals and the eventual outcome of the above matters cannot presently be estimated. We are unable to express an opinion at this stage in respect of these matters (refer Note 9 of Schedule 26). The same was the subject matter of qualification by us in the previous year as well.*

7. *Subject to our comments in paragraph 5 and 6 above* and based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated balance sheet, of the state of affairs of the Fortis Group as at March 31, 2009;

   (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and

   (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **S.R. BATLIBOI & CO.**
Chartered Accountants

per Pankaj Chadha
Partner
Membership No.: 91813

Place : Gurgaon
Date : June 30, 2009

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Schedules	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**23,870.65**	23,826.65
Share Application Money Pending Allotment		**–**	15,000.00
Reserves & Surplus	2	**107,986.29**	100,561.12
		131,856.94	139,387.77
Minority Interest		**2,157.44**	2,141.83
Loan Funds			
Secured Loans	3	**35,586.90**	27,540.55
Unsecured Loans	4	**12,313.30**	10,005.15
		47,900.20	37,545.70
Deferred Payment Credit	5	**–**	249.67
Deferred Tax Liability (Net)	8	**122.46**	–
TOTAL		**182,037.04**	179,324.97
APPLICATION OF FUNDS			
Goodwill arising on Consolidation (refer note 23 of Schedule 26)		**39,606.16**	39,269.48
Fixed Assets			
Gross Block	6	**115,576.28**	112,569.38
Less : Accumulated depreciation and amortisation		**33,494.88**	29,237.26
Net Block		**82,081.40**	83,332.12
Capital Work in Progress including Capital Advances		**18,363.32**	12,001.68
		100,444.72	95,333.80
Investments	7	**5,412.57**	3,306.29
Deferred Tax Assets (Net)	8	**–**	84.68
Current Assets, Loans & Advances			
Inventories	9	**1,326.06**	1,234.55
Sundry Debtors	10	**13,350.76**	9,590.66
Cash & Bank Balances	11	**5,794.92**	1,606.42
Other Current Assets	12	**1,096.43**	1,271.87
Loans & Advances	13	**14,784.99**	18,463.52
		36,353.16	32,167.02
Less : Current Liabilities & Provisions			
Current Liabilities	14	**19,348.68**	12,452.41
Provisions	15	**5,276.24**	5,333.95
		24,624.92	17,786.36
Net Current Assets		**11,728.24**	14,380.66
Miscellaneous Expenditure (to the extent not written off or adjusted)	16	**50.06**	72.88
Debit balance in Profit and Loss Account		**24,795.29**	26,877.18
TOTAL		**182,037.04**	179,324.97
Notes to Accounts	26		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : June 30, 2009

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

Place : New Delhi
Date : June 30, 2009

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

		Schedules	**For the Year Ended March 31, 2009 Rs. in lacs**	For the Year Ended March 31, 2008 Rs. in lacs
INCOME				
Operating Income		**17**	**63,054.48**	50,709.52
Other Income		**18**	**2,839.30**	4,089.38
TOTAL			**65,893.78**	54,798.90
EXPENDITURE				
Materials Consumed		**19**	**18,953.84**	16,147.81
Personnel Expenses		**20**	**14,736.17**	13,835.83
Operating Expenses		**21**	**14,329.25**	12,047.60
Selling, General and Administrative Expenses		**22**	**6,449.24**	6,592.00
			54,468.50	48,623.24
Profit before Financial Expenses, Depreciation and Amortisation			**11,425.28**	6,175.66
Financial Expenses		**23**	**4,366.07**	5,547.74
Profit before Depreciation and Amortisation			**7,059.21**	627.92
Depreciation and Amortisation	5,049.63			
Less: Transferred from Revaluation Reserve	175.63	**6**	**4,874.00**	4,682.48
Profit / (Loss) before Tax and Prior Period Items			**2,185.21**	(4,054.56)
Current Income Tax	357.77			
Less: Mat Credit Entitlement (refer note 25 of Schedule 26)	293.77		**64.00**	(40.03)
Deferred Tax Charge/ (Credit)			**207.15**	60.70
Fringe Benefit Tax (includes Rs. Nil (Previous Year Rs. 0.23 lacs) for earlier years)			**139.76**	135.93
Reversal of Deferred Tax Assets created in earlier years			**–**	1,798.30
Net Profit / (Loss) after Tax and before Prior Period and Extra–ordinary Items			**1,774.30**	(6,009.46)
Less: Prior Period Items		**24**	**8.03**	(11.38)
Add: Extra–ordinary Item (refer note 22 of Schedule 26)			**640.10**	–
Net Profit / (Loss) before Minority Interest and share in losses of Associate Companies			**2,406.37**	(5,998.08)
Less: Profits/ (Losses) attributable to Minority Interest			**274.18**	(504.16)
Less: Share in current year losses of Associate Companies			**50.30**	54.43
Net Profit / (Loss) attributable to the shareholders of Fortis Healthcare Limited			**2,081.89**	(5,548.35)
Add: Balance brought forward from previous year			**(26,877.18)**	(21,328.83)
Net Loss carried to the Consolidated Balance Sheet			**(24,795.29)**	(26,877.18)
Earnings/ (Losses) Per Share		**25**		
Basic [Nominal value of shares Rs. 10/– each (Previous Year Rs. 10/–)]				
Computed on the basis of earnings/ (losses) including prior period and extra–ordinary items			**0.92**	(2.49)
Computed on the basis of earnings/ (losses) excluding extra–ordinary items			**0.64**	(2.49)
Diluted [Nominal value of shares Rs. 10/– each (Previous Year Rs. 10/–)]				
Computed on the basis of earnings/ (losses) including prior period and extra–ordinary items			**0.92**	(2.49)
Computed on the basis of earnings/ (losses) excluding extra–ordinary items			**0.64**	(2.49)
Notes to Accounts		**26**		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : June 30, 2009

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

Place : New Delhi
Date : June 30, 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Particulars	Year Ended March 31, 2009 Rs. in lacs	Year Ended March 31, 2008 Rs. in lacs
A.	**Cash flow from operating activities**		
	Net profit / (loss) before tax, prior period and extra-ordinary items	**1,860.73**	(3,604.83)
	Less: Prior period items	**(8.03)**	11.38
	Adjustments for:		
	Depreciation and Amortisation	**4,874.00**	4,682.48
	(Profit)/ Loss on sale of fixed assets	**117.55**	(159.39)
	Profit on sale of investments	**(466.09)**	(45.30)
	Provision for doubtful debts	**602.82**	447.68
	Bad debts / sundry balances written off	**136.62**	88.50
	Arrangement fee written off	**22.82**	10.75
	Foreign exchange (gain)/ loss	**213.00**	(154.13)
	Unclaimed balances and excess provisions written back	**(231.87)**	(169.59)
	Provision for wealth tax	**1.88**	1.63
	Interest income	**(1,811.87)**	(3,062.86)
	Interest expense	**4,192.96**	5,193.13
	Profits/ (Losses) transferred to minority interest	**274.18**	(504.16)
	Share in losses of associate companies	**50.30**	54.43
	Operating profit before working capital changes	**9,829.00**	2,789.72
	Movements in working capital :		
	Increase in sundry debtors	**(4,395.30)**	(855.37)
	Increase in inventories	**(97.15)**	(150.71)
	(Increase)/ Decrease in loans and advances	**99.38**	(711.71)
	(Increase)/ Decrease in other current assets	**(133.64)**	222.18
	Increase / (decrease) in current liabilities and provisions	**(231.52)**	650.23
	Cash generated from operations	**5,070.77**	1,944.34
	Direct taxes paid (including Fringe Benefit Tax)	**(911.78)**	(783.84)
	Extra–ordinary item (refer note 22 of Schedule 26)	**640.10**	–
	Net cash from operating activities (A)	**4,799.09**	1,160.50
B.	**Cash flows from investing activities**		
	Purchase of fixed assets	**(14,123.86)**	(12,287.39)
	Proceeds from sale of fixed assets	**160.64**	1,099.66
	Fixed deposits with banks*	**(60.02)**	(72,668.28)
	Fixed deposits matured with banks	**136.23**	74,056.76
	Deposits with bodies corporate and others (net)	**4,537.11**	(8,770.18)
	Purchase of investments	**(4,850.00)**	(7,557.92)
	Purchase of investments in associates	**(2,496.57)**	(4,128.11)
	Proceeds from sale of investments	**4,855.39**	7,603.22
	Proceeds from sale of investments in subsidiaries	**60.00**	–
	Interest received	**2,120.92**	2,572.90
	Net cash from / (used in) investing activities (B)	**(9,660.16)**	(20,079.34)
C.	**Cash flows from financing activities**		
	Proceeds from issuance of equity share capital	**–**	4,599.64
	Proceeds from issuance of preference share capital	**145.00**	1,160.00
	Premium on issuance of equity share capital	**–**	45,076.51
	Premium on issuance of preference share capital	**1,305.00**	10,440.00
	Share issue expenses	**–**	(3,278.91)
	Proceeds from receipt of share application money (net of refunds)	**–**	15,000.00
	Redemption of non–cumulative redeemable preference shares	**(116.00)**	(2,700.00)
	Premium on redemption of non–cumulative redeemable preference shares	**(1,335.05)**	(23,400.00)
	Proceeds from issuance of non convertible debentures	**10,000.00**	60,000.00
	Redemption of non convertible debentures	**(10,000.00)**	(60,000.00)
	Premium on redemption of non convertible debentures	**(301.37)**	(1,583.01)
	Proceeds from long–term borrowings	**6,316.81**	17,207.07
	Repayment of long–term borrowings	**(9,887.59)**	(23,265.76)
	Proceeds / (Repayments) of short–term borrowings (net)	**17,662.75**	(14,638.97)
	Decrease in deferred payment liabilities	**(249.67)**	(249.67)
	Loan arrangement fees paid	**–**	(75.00)
	Interest paid	**(4,313.46)**	(5,446.19)
	Net cash from /(used in) financing activities (C)	**9,226.42**	18,845.71
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**4,365.35**	(73.13)
	Total cash and cash equivalents at the beginning of the year	**1,463.04**	1,536.17
	Add: Cash and cash equivalents in respect of subsidiaries acquired/ (disposed off) during the year	**(100.67)**	–
	Cash and cash equivalents at the end of the year	**5,727.72**	1,463.04
	Components of cash and cash equivalents:		
	Cash in hand	**191.49**	41.90
	Cheques in hand	**30.24**	348.70
	Balances with scheduled banks on current accounts	**933.51**	830.68
	Balances with scheduled bank on deposit account**	**4,572.48**	241.76
	Total	**5,727.72**	1,463.04

* includes deposit of Rs. 27.38 lacs (Previous Year Rs. 38.40 lacs) under lien against bank guarantees and Rs. 10.34 lacs (Previous Year Rs. Nil) under lien against letters of credit.

** Includes deposits made out of IPO proceeds (Refer note 16 of Schedule 26).

Notes:

1 The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement.

2 Negative figures have been shown in brackets.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : June 30, 2009

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

Place : New Delhi
Date : June 30, 2009

SCHEDULES TO THE ACCOUNTS

SCHEDULE 1 :
SHARE CAPITAL

		As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Authorised:			
– 600,000,000	(Previous Year 322,000,000) Equity Shares of Rs. 10/- each	**60,000.00**	32,200.00
– 200	(Previous Year 200) Class 'A' Non–Cumulative Redeemable Preference Shares of Rs. 100,000 each	**200.00**	200.00
– 11,498,846	(Previous Year 11,498,846) Class 'B' Non–Cumulative Redeemable Preference Shares of Rs. 10/- each	**1,149.88**	1,149.88
– 64,501,154	(Previous Year 64,501,154) Class 'C' Cumulative Redeemable Preference Shares of Rs. 10/- each	**6,450.12**	6,450.12
		67,800.00	40,000.00
Issued:			
- 226,666,533	(Previous Year 226,666,533) Equity Shares of Rs.10/- each fully paid up	**22,666.65**	22,666.65
- 1,750,000	(Previous Year 11,900,000) Class 'C' Zero Percent Redeemable Preference Shares of Rs.10/- each (Refer notes 20 and 21 of Schedule 26)	**175.00**	1,190.00
- 11,600,000	(Previous Year Nil) Class 'C' Zero Percent Redeemable Preference Shares of Rs.9/- each (Refer notes 17 and 18 of Schedule 26)	**1,044.00**	-
		23,885.65	23,856.65
Subscribed and Paid up:			
- 226,666,533	(Previous Year 226,666,533) Equity Shares of Rs.10/- each fully paid up	**22,666.65**	22,666.65
- 1,600,000	(Previous Year 11,600,000) Class 'C' Zero Percent Redeemable Preference Shares of Rs.10/- each (Refer notes 20 and 21 of Schedule 26)	**160.00**	1,160.00
- 11,600,000	(Previous Year Nil) Class 'C' Zero Percent Redeemable Preference Shares of Rs.9/- each (Refer notes 17 and 18 of Schedule 26)	**1,044.00**	-
Of the above:			
i)	154,795,150 (Previous Year 154,383,974) Equity Shares are held by Fortis Healthcare Holdings Limited, the holding company.		
ii)	600,000 (Previous Year 600,000) Preference Shares of Rs.9/- each (Previous year Rs.10/- each) are held by Fortis Healthcare Holdings Limited, the holding company.		
iii)	520,000 (Previous Year 520,000) Equity Shares of Rs.10/- each are allotted as fully paid up pursuant to the order of Hon'ble High Court of Delhi dated October 7, 2005, for consideration other than cash.	**23,870.65**	23,826.65

For Details of outstanding stock options, Refer note 12 of Schedule 26.

SCHEDULE 2 :
RESERVES & SURPLUS

		As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Amalgamation Reserve		**156.00**	156.00
(Pursuant to the order of the Hon'ble High Court of Delhi dated October 07, 2005 in respect of amalgamation of an erstwhile subsidiary with the Company)			
Revaluation Reserve			
Balance as per last Account	**37,296.46**		
Add : Transferred from minority interest	**427.67**		
Less : Transferred to Profit and Loss Account	**175.63**	**37,548.50**	37,296.46
Securities Premium Account			
Balance as per last Account	**63,108.66**		
Add : Premium received during the year on issue of Redeemable Preference Shares (Refer notes 20 and 21 of Schedule 26)	**16,290.00**		
Less: Applied towards payment of premium on redemption of Non–Convertible Debentures (refer note 19 of Schedule 26)	**301.37**		
Less : Accrual for premium on redemption of Redeemable Preference shares (refer notes 17, 18, 20 and 21 of Schedule 26)	**8,815.50**	**70,281.79**	63,108.66
		107,986.29	100,561.12

SCHEDULES TO THE ACCOUNTS

SCHEDULE 3 :

SECURED LOANS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Term Loans from Banks	**22,664.43**	12,877.71
ECB Loan from a Bank	**490.97**	1,134.84
Term Loans from Bodies Corporate	**8,551.24**	10,047.15
Short Term Loans from Banks		
–Bank Overdraft	**1,273.61**	324.31
Commercial Papers (Short term)	**2,500.00**	3,000.00
(Maximum amount outstanding during the year Rs.5,000.00 lacs)		
(Previous Year Rs.3,000.00 lacs)		
Loans For Vehicles	**61.76**	105.63
Interest Accrued and Due	**44.89**	50.91
	35,586.90	27,540.55

Notes :-

1. Term loan from bank amounting to Rs.2,500.00 lacs (Previous Year Rs. Nil) in respect of a subsidiary is secured by way of first charge on fixed assets of Fortis Hospotel Limited (FHTL), a subsidiary of the Company, situated at Shalimar Bagh and Gurgaon and is further secured by an irrevocable corporate guarantee of the Company.
2. Term loan from bank amounting to Rs.1,200.00 lacs (Previous Year Rs. Nil) in respect of a subsidiary is secured by way of pari passu first charge on current assets, movable and immovable fixed assets of FHTL, situated at Shalimar Bagh including deposit of original title deeds of land at Shalimar Bagh with an intent to create mortgage and an irrevocable corporate guarantee of the Company and pledge of 30% shares of FHTL held by the Company. The loan is further secured by extenstion of equitable charge on hospital property at Noida belonging to International Hospital Limited (IHL), another subsidiary of the Company.
3. Term loan from Bank amounting to Rs. Nil (Previous Year Rs. 2,489.04 lacs) in respect of a subsidiary was secured by way of equitable mortgage of land and building and hypothecation of all other fixed assets of Escorts Heart and Super Specilaity Institute Limited (EHSSIL), a subsidiary of the Company and further secured by a corporate guarantee given by Escorts Heart Institute and Research Centre Limited (EHIRCL), another subsidiary of the Company.
4. Term loan from bank amounting to Rs. 2,500.00 lacs (Previous Year Rs. Nil) is secured by way of first charge on movable and immovable fixed assets and current assets of Escorts Heart and Super Specilaity Institute Limited (EHSSIL), a subsidiary of the Company. It is further secured by a corporate guarantee given by the Company.
5. Term Loan from Bank amounting to Rs. 282.87 lacs (Previous Year Rs. 387.48 lacs) is secured by way of first and exclusive charge on specific medical equipments of the Company.
6. Term Loans from Bank amounting to Rs. 5,000.00 lacs (Previous Year Rs. Nil) is secured by way of first equitable mortgage charge on land, building and immovable fixed assets of Escorts Hospital and Research Centre Limited (EHRCL), a subsidiary of the Company and is further secured by corporate guarantee of the Company and EHRCL.
7. Term Loan from Bank amounting to Rs. 4,999.95 lacs (Previous Year Rs. Nil) is secured by pledge of 7,692,400 (Previous Year Nil) equity shares of the Company held by Fortis Healthcare Holdings Limited, the holding copmany and the personal guarantee of the Managing Director of the Company.
8 Term Loan from Bank amounting to Rs. Nil (Previous Year Rs. 1,999.83 lacs) was secured by way of subservient charge on the movable fixed assets of the Company and also secured by pledge of Nil (Previous Year 10,417,000) equity shares of the Company held by Fortis Healthcare Holdings Limited, the holding company.
9. Term Loans from Bank amounting to Rs. 3,688.99 lacs (Previous Year Rs. 4,768.99 lacs) in respect of a subsidiary is secured by way of first and exclusive hypothecation/ mortgage charge on the existing and future movable and immovable fixed assets of International Hospital Limited (IHL), a subsidiary of the Company.
10. Term Loan from Bank amounting to Rs. 72.99 lacs (Previous Year Rs. Nil) in respect of a subsidiary is secured by first charge over the assets financed.
11. Term Loan from Bank amounting to Rs. 1,228.46 lacs (Previous Year 2,312.50 lacs) in respect of a subsidiary is secured by way of mortgage of land situated at Jaipur belonging to Escorts Heart and Super Speciality Hospital Limited (EHSSHL), another subsidiary of the company.
12. Term Loan from Bank amounting to Rs. 1,114.04 lacs (Previous Year Nil) in respect of a subsidiary is secured by equitable mortgage of the land and building of the Hospital at Banglore belonging to Lalitha Healthcare Private Limited (LHPL), a subsidiary of the Company and by hypothecation of medical equipments, furniture & fixtures and other assets acquired out of the term loan. These loans are further secured by equitable mortgage of the immovable property belonging to one of the Director and personal guarantees of two of the Directors of LHPL.
13. Term Loan from Bank amounting to Rs. 41.89 lacs (Previous Year Nil) in respect of a subsidiary is secured by hypothecation over the assets financed
14. Term Loan from Bank amounting to Rs. 35.24 lacs (Previous year Nil) in respect of a subsidiary is secured by second charge on equitable mortgage of the land and building of the Hospital at Banglore belonging to LHPL and by hypothecation of medical equipments, furniture & fixtures and other assets acquired out of the term loan. The loan is further secured by personal guarantees of the Directors of LHPL.
15. Term loan from bank amounting to Rs. Nil (Previous Year Rs. 549.01 lacs) in respect of a subsidiary was secured by way of first and exclusive charge over the movable and immovable assets of Escorts Hospital and Research Centre Limited (EHRCL), a subsidairy of the Company and further secured by equitable mortgage of hospital land and building of EHRCL.
16. ECB Loan from Bank amounting to Rs. 490.97 lacs (Previous Year Rs. 1,134.84 lacs) is secured by first charge by way of hypothecation of all present and future moveable properties of the Company which inter alia include plant and machinery, medical equipments, computers, furniture and fixtures and other fixed assets installed / stored at Fortis Hospital, Mohali or kept at any other hospital site excluding vehicles hypothecated against specific loans. The loan is further secured by corporate guarantee of Malav Hodings Limited, a company under the same management.

SCHEDULES TO THE ACCOUNTS

17. Term Loan from a Body Corporate amounting to Rs. 982.40 lacs (Previous Year Rs. 1,254.99 lacs) is secured by first charge by way of hypothication of specific equipments of the Company.
18. Term loan from a Body Corporate amounting to Rs. 342.24 lacs (Previous Year Rs. Nil) in respect of a subsidiary is secured by way of first and exclusive charge over the assets financed.
19. Term loan from a Body Corporate amounting to Rs. 762.49 lacs (Previous Year 1,292.17 lacs) in respect of a subsidiary is secured by way of first and exclusive charge over the assets financed.
20. Term Loan from a Body Corporate amounting to Rs. 6,428.57 lacs (Previous Year Rs. 7,500.00 lacs) is secured by way of subservient charge on present and future fixed assets of the Company and subservient mortgage and charge on hospital property of International Hospital Limited, Noida (a subsidiary of the Company), except assets of Escorts Heart Institute and Research Centre Limited and its subsidiaries (till the time all the legal proceedings in respect thereof are settled). This is also secured by way of pledge of 22,000,000 (Previous Year 22,000,000) equity shares of the Company held by Fortis Healthcare Holdings Limited, the holding company and the personal guarantee of the Managing Director of the Company.
21. Term loan from a body corporate in respect of a subsidiary of the Company of Rs. 35.54 lacs (Previous Year Rs. Nil) is secured by way of first and exclusive charge over the assets financed.
22. Overdraft facility from Bank amounting to Rs. 653.02 lacs (Previous Year Rs. 324.31 lacs) is secured by first pari passsu charge over moveable fixed assets at Fortis Hospital, Mohali and charge over stock and book debts of the Company. Out of the total overdraft facility of Rs. 653.02 lacs, Rs. 372.23 lacs (Previous Year Rs. 324.31 lacs) is further secured by corporate guarantee of RHC Holding Private Limited, a company under the same management.
23. Overdraft facility from Bank amounting to Rs. 247.94 lacs (Previous Year Rs. Nil) is secured by exclusive charge over the current assets and second pari passu charge over the fixed assets of the Escorts Heart and Super Specilaity Hospital Limited (EHSSHL), a subsidiary of the Company.
24. Overdraft facility from Bank amounting to Rs. 299.09 lacs (Previous Year Rs. Nil) in respect of a subsidiary is secured by exclusive charge on current assets and further secured by second pari passu charge on the fixed assets of International Hospital Limited (IHL), a subsidiary of the Company.
25. Overdraft facility from Bank amounting to Rs. 73.56 lacs (Previous Year Rs. Nil) in respect of a subsidiary is secured by second charge on equitable mortgage of the land and building of the Hospital at Banglore belonging to LHPL and by hypothecation of medical equipments, furniture & fixtures and other assets acquired out of the term loan. The loan is further secured by personal guarantees of the Directors of LHPL.
26. Commercial Papers of Rs. 2,500.00 lacs (Previous Year Rs. 3,000.00 lacs) are secured by way of subservient charge on the movable fixed assets of the Company and also secured by pledge of 10,417,000 (Previous Year 10,417,000) equity shares of the Company held by Fortis Healthcare Holdings Limited, the holding company.
27. Loans for Vehicles amounting to Rs. 61.76 lacs (Previous Year Rs. 105.63 lacs) are secured by hypothecation of respective vehicles. The loan of Rs. 4.42 lacs (Previous Year Rs. Nil) in respect of a subsidiary is further secured by the personal guarantee of the Directors of LHPL.

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 4 :		
UNSECURED LOANS		
Term Loans from Banks	**–**	6,000.00
[Amount repayable within one year Rs. Nil (Previous Year Rs. 6,000.00 lacs)]		
Bank Overdraft	**645.80**	1,763.10
Bank Overdraft facility of Rs. Nil (Previous Year Rs. 732.96 lacs) is obtained on Personal Guarantee of the Managing Director & another Director of the Company.		
From Bodies Corporate and Others	**11,592.01**	2,220.00
[Amount repayable within one year Rs. 11,592.01 lacs (Previous Year Rs. 2,220.00 lacs)]		
Interest Accrued and Due	**75.49**	22.05
	12,313.30	10,005.15
SCHEDULE 5 :		
DEFERRED PAYMENT CREDIT		
Deferred Payment Credit	–	249.67
(Amount payable to HUDA towards land purchased at Gurgaon) [Amount repayable with in one year Rs. Nil (Previous Year Rs. 249.67 lacs)]		
	–	249.67

SCHEDULES TO THE ACCOUNTS

SCHEDULE 6 :

FIXED ASSETS

	Gross Block						Depreciation & Amortisation						Net Block	
	As at April 1, 2008	Additions during the year	Additions on acquisition of a subsidiary during the year	Deletions during the year	Deletions on sale of a Subsidiary*	As at March 31, 2009	As at April 1, 2008	During the year	Additions on acquisition of a subsidiary during the year	Deletions during the year	Deletions on sale of a Subsidiary*	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Intangible Assets														
Technical Know How Fees	201.42	541.14	–	–	–	**742.56**	201.42	80.06	–	–	–	**281.48**	**461.08**	–
License Fee	3,792.59	–	–	–	–	**3,792.59**	657.73	379.26	–	–	–	**1,036.99**	**2,755.60**	3,134.86
Software	573.63	125.91	–	0.98	–	**698.56**	354.22	102.77	–	0.90	–	**456.09**	**242.47**	219.41
Tangible Assets														
Building	16,895.72	102.54	822.92	–	411.67	**17,409.51**	4,248.22	917.43	19.98	–	15.04	**5,170.59**	**12,238.92**	12,647.50
Leasehold Land	15,030.65	–	–	–	–	**15,030.65**	–	118.62	–	–	–	**118.62**	**14,912.03**	15,030.65
Freehold Land	27,851.75	–	519.85	–	–	**28,371.60**	–	–	–	–	–	**–**	**28,371.60**	27,851.75
Leasehold Improvements	3,369.19	15.63	–	155.79	–	**3,229.03**	992.87	242.35	–	83.90	–	**1,151.32**	**2,077.71**	2,376.32
Plant & Machinery	12,217.62	80.48	128.00	30.99	129.08	**12,266.03**	4,633.99	865.55	15.59	12.62	6.33	**5,496.18**	**6,769.85**	7,583.63
Medical Equipments	28,471.43	1,447.45	551.66	655.82	–	**29,814.72**	15,775.56	1,987.38	70.35	502.15	–	**17,331.14**	**12,483.58**	12,695.87
Furniture & Fittings	1,424.68	52.03	20.95	12.87	7.65	**1,477.14**	832.06	91.84	2.39	8.28	2.65	**915.36**	**561.78**	592.62
Computers	1,485.00	116.34	16.48	168.29	39.84	**1,409.69**	1,003.57	144.37	4.34	163.55	1.73	**987.00**	**422.69**	481.43
Office Equipments	429.70	82.82	–	24.20	25.12	**463.20**	141.32	28.98	–	7.83	1.78	**160.69**	**302.51**	288.38
Vehicles	826.00	182.36	10.83	145.63	2.56	**871.00**	396.30	91.02	0.51	97.94	0.47	**389.42**	**481.58**	429.70
Total	112,569.38	2,746.70	2,070.69	1,194.57	615.92	**115,576.28**	29,237.26	5,049.63	113.16	877.17	28.00	**33,494.88**	**82,081.40**	83,332.12
Capital Work in Progress (Including capital advances of Rs. 5,236.91 lacs) (Previous Year Rs. 2,773.47 lacs)													**18,363.32**	12,001.68
Grand Total	112,569.38	2,746.70	2,070.69	1,194.57	615.92	115,576.28	29,237.26	5,049.63	113.16	877.17	28.00	**33,494.88**	**100,444.72**	95,333.80
Previous Year	65,926.55	48,506.94	–	1,864.11	–	112,569.38	25,478.62	4,682.48	–	923.84	–	**29,237.26**	**83,332.12**	

*Refer note C (1) (n) of Schedule 26.

Notes:

1. Leasehold Land inculdes Rs. 398.22 lacs (Previous Year Rs. 398.22 lacs) in respect of a subsidiary, for which, during the financial year 2005–06, Delhi Development Authority has terminated all allotment letter/ lease deeds for which the subsidiary had filed an appeal in Delhi High Court. Respossession of land has been stayed by an interim stay order passed by Delhi High Court (Refer Note 8(b) of Schedule 26).
2. Leasehold land includes Rs. 3,243.56 lacs (Previous Year Rs. 3,243.56 lacs) in respect of a subsidiary, which is mortgaged against the loan taken by another subsidiary of the Company.
3. Freehold land includes Rs. 19,486.67 lacs (Previous Year Rs. 19,486.67 lacs) in respect of a subsidiary which is yet to be registered in the name of the subsidiary.
4. Subservient mortgage and charge has been created on leasehold land together with all buildings and structure thereon, plant and machinery attached to earth and other immovable assets of a subsidiary for the loan of Rs. 7,500.00 lacs availed by the Company from L & T Infrastructure Company Limited.
5. Equitable charge has been created on hospital property at Noida of a subsidiary for the loan of Rs. 5,000.00 lacs availed by another subsidiary of the Company from Axis Bank Limited.
6. Mortgage has been created on land, building and immovable fixed assets of a subsidiary for the loan of Rs. 10,000 lacs jointly availed by the Company and its five subsidiaries.
7. Plant and Machinery includes Rs. 19.24 lacs (Previous Year Rs. 19.24 lacs) and accumulated depreciation of Rs. 19.24 lacs (Previous Year Rs. 19.24 lacs) in respect of a subsidiary, being the cost of independent feeder installed by Punjab State Electricity Board (PSEB), ownership of which vests with PSEB.
8. Vehicles having gross value of Rs. 7.06 lacs (Previous Year Rs. 17.99 lacs) and net book value of Rs. 1.99 lacs (Previous Year Rs. 6.53 lacs) in respect of a subsidiary have been taken on lease.
9. Out of the above assets, certain fixed assets have been given on operating lease (refer note 4 (b) (ii) of schedule 26).
10. Capital Work in progress includes Rs. 2,542.38 lacs (Previous Year Rs. 2,260.68 lacs) relating to expenses incurred during the construction period, pending capitalisation/ allocation as per Schedule 6A.

SCHEDULES TO THE ACCOUNTS

SCHEDULE 6A :

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
Expenditure during Construction Period (Pending Capitalization/Allocation)		
Opening Balance	**2,260.68**	1,896.16
Personnel Expenses		
Salaries, Wages and Bonus	**369.81**	471.48
Gratuity	**25.75**	–
Leave Encashment	**20.38**	–
Contribution to Provident & Other Funds	**14.81**	–
Staff Welfare Expenses	**2.56**	–
	433.31	471.48
Operating Expenses		
Power & Fuel	**–**	74.95
Housekeeping Expenses including Consumables	**–**	6.77
	–	81.72
General and Administrative Expenses		
Legal & Professional Fee	**72.81**	136.40
Travel & Conveyance	**36.08**	57.61
Repairs & Maintenance – Others	**–**	12.35
Rates & Taxes	**2.64**	(5.29)
Insurance	**–**	10.10
Rent	**28.53**	95.70
Ground Rent	**23.06**	24.33
Inauguration Expenses	**–**	40.84
Miscellaneous Expenses	**20.72**	76.62
	183.84	448.66
Financial Expenses		
Interest	**681.83**	593.90
Finance Charges	**109.81**	–
	791.64	593.90
Less: Expenses transferred to Profit and Loss Account	**–**	176.77
Less: Expenses allocated to Fixed Assets	**–**	1,054.47
Less: Deletion on Sale of a Subsidiary (also refer note C (1) (n) of Schedule 26)	**1,127.09**	–
Balance carried forward to Capital Work in Progress	**2,542.38**	2,260.68

SCHEDULES TO THE ACCOUNTS

		As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 7 :			
INVESTMENTS			
Long Term Investments (at cost)			
Investment in Associates			
Quoted, fully paid–up			
Trade			
9,079,002 (Previous Year 9,079,002) Equity Shares of Malar Hospitals Limited of Rs. 10/- each fully paid up (including goodwill of Rs. 2,976.24 lacs)	**2,928.58**		2,927.44
Add: Share in post acquisition losses upto the beginning of the year	**(21.72)**		–
Add: Share in losses for the current year	**(79.09)**	**2,827.77**	(21.72)
164,670,801 (Previous Year Nil) Ordinary Shares of Medical Surgical and Centre Limited (including capital reserve of Rs. 4,224.26 lacs)	**1,312.69**		–
Add: Share in profits for the current year	**36.01**	**1,348.70**	–
Unquoted, fully paid–up			
Trade			
4,400,364 (Previous Year 4,400,364) Equity Shares of Sunrise Medicare Private Limited of Rs. 10/- each fully paid up (including goodwill of Rs. 307.91 lacs)	**440.04**		440.04
Add: Share in post acquisition losses upto the beginning of the year	**(39.47)**		(6.76)
Add: Share in profits / (losses) for the current year	**35.28**	**435.85**	(32.71)
400,000 (Previous Year 1,000,000) Equity Shares of Hiranandani Healthcare Private Limited of Rs. 10/- each fully paid up	**40.00**		–
80,000 (Previous Year Nil) Zero Percent Redeemable Preference Shares of Hiranandani Healthcare Private Limited of Rs. 10/- each fully paid up	**800.00**		–
(Of the above, 3 shares are jointly held with nominee share holders)			–
Add: Share in losses for the current year	**(40.00)**	**800.00**	–
Current Investment			
National Savings Certificate		**0.25**	–
		5,412.57	3,306.29
Aggregate amount of quoted Investments (Market Value Rs. 6,717.22 lacs)		**4,176.47**	2,905.72
Aggregate amount of unquoted investments		**1,236.10**	400.57

SCHEDULE 8 :

DEFERRED TAX ASSETS / LIABILITIES (NET)

		As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
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		**215.43**	218.85
Others		**12.06**	–
		227.49	218.85
Deferred tax asset arising on account of:			
Effect of expenditure debited to profit and loss account in the current year but not allowed for tax purposes		**33.50**	92.96
On carry forward business losses and unabsorbed depreciation		**70.93**	210.13
Others		**0.60**	0.44
		105.03	303.53
Deferred Tax Assets / (Liabilities) (Net)		**(122.46)**	84.68

SCHEDULES TO THE ACCOUNTS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 9 :		
INVENTORIES (at lower of cost and net realisable value)		
Medical Consumables and Pharmacy Items	**1,173.14**	1,069.98
Stores and spares	**137.86**	149.67
Fuel	**15.06**	14.90
	1,326.06	1,234.55

SCHEDULE 10 :		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding Six Months		
– Unsecured, Considered Good	**4,924.50**	4,600.85
– Considered Doubtful	**1,156.02**	663.25
Other Debts		
– Unsecured, Considered Good	**8,426.26**	4,989.81
– Considered Doubtful	**21.56**	16.92
	14,528.34	10,270.83
Less : Provision for Doubtful Debts	**1,177.58**	680.17
	13,350.76	9,590.66

SCHEDULE 11:		
CASH & BANK BALANCES		
Cash in hand	**191.49**	41.90
Cheques in hand	**30.24**	348.70
Balances with Scheduled Banks		
– On Current Accounts	**929.09**	821.01
– On Cash Credit Accounts	**0.53**	5.77
– On Deposit Accounts*	**4,639.67**	385.14
– On Special disbursement account	**3.90**	3.90
	5,794.92	1,606.42

* includes deposit of Rs. 28.38 lacs (Previous Year Rs. 38.40 lacs) under lien against bank guarantees; Rs. 5.00 lacs (Previous Year Rs. 5.00 lacs) deposited under direction of the Court and Rs. 10.34 lacs (Previous Year Rs. Nil) under lien against letters of credit. The amount also includes unutilized IPO proceeds of Rs. 3,863.98 lacs (Previous Year Rs. Nil) (refer note 16 of Schedule 26).

SCHEDULE 12 :		
OTHER CURRENT ASSETS		
Interest Accrued but Not Due on Loans and Deposits	**175.82**	484.90
Accrued Operating Income	**920.61**	786.97
	1,096.43	1,271.87

SCHEDULES TO THE ACCOUNTS

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 13 :		
LOANS & ADVANCES		
Secured		
Loans to Bodies Corporate and Others	**149.32**	–
Unsecured, Considered good		
Loans to Bodies Corporate and Others	**5,160.07**	9,846.50
Loans to Employees	**18.08**	22.39
Advances Recoverable in cash or in kind or for value to be received	**1,654.89**	1,780.82
Advance Tax and Tax Deducted at Source	**5,296.09**	4,400.43
Deposits with Income Tax Authorities	**1,079.21**	1,079.21
Balances with Customs, Excise and Other Authorities	**653.84**	630.54
Security Deposits	**386.23**	610.06
MAT Credit Entitlement (refer note 25 of Schedule 26)	**350.06**	56.59
Interest Accrued and Due	**37.19**	36.98
Considered Doubtful		
Advances Recoverable in cash or in kind or for value to be received	**23.73**	–
Advance Tax and Tax Deducted at Source	**20.62**	20.62
	14,829.33	18,484.14
Less : Provision for Doubtful Advances	**44.34**	20.62
	14,784.99	18,463.52
SCHEDULE 14 :		
CURRENT LIABILITIES		
Sundry Creditors		
(a) total outstanding dues of Micro and Small Enterprises	**–**	–
(b) total outstanding dues of Creditors other than Micro and Small Enterprises	**7,728.98**	7,942.06
Book Overdraft	**54.13**	357.10
Advances from Patients	**829.07**	836.25
Security Deposits Received	**111.16**	56.91
Interest Accrued but Not Due on Loans	**82.58**	261.28
Liability for Rent Equalisation	**–**	3.72
Payable against Purchase of Investment	**400.00**	400.00
Premium on Redemption of Redeemable Preference Shares (refer notes 17, 18, 20 and 21 of schedule 26)	**8,917.96**	1,437.51
Other Liabilities	**1,224.80**	1,157.58
	19,348.68	12,452.41
SCHEDULE 15 :		
PROVISIONS		
Wealth Tax	**2.06**	1.65
Fringe Benefit Tax	**479.47**	349.54
Income Tax	**3,343.82**	2,999.17
Gratuity	**802.95**	850.09
Leave Encashment	**624.54**	1,119.10
Super Annuation Fund	**23.40**	14.40
	5,276.24	5,333.95
SCHEDULE 16 :		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Arrangement Fees on Term Loans		
Balance Brought Forward	**72.88**	8.63
Incurred during the year	**–**	75.00
	72.88	83.63
Less : Written off during the year	**22.82**	10.75
	50.06	72.88

SCHEDULES TO THE ACCOUNTS

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
SCHEDULE 17 :		
OPERATING INCOME		
In Patient	**53,407.20**	44,421.57
Out Patient	**6,396.45**	4,968.87
Income From Medical Services	**2,154.05**	1,635.54
Management Fees from Hospitals	**366.75**	719.92
Income from Satellite Centres	**346.61**	321.26
Income from Rehabilitation Centre	**78.03**	72.89
Income from Rent (refer notes 4 (b) (i), (iii) and (v) of Schedule 26)	**290.39**	259.52
Equipment Lease Rental (refer note 4 (b) (ii) and (iv) of Schedule 26)	**684.14**	661.94
Pharmacy	**461.45**	373.18
	64,185.07	53,434.69
Less: Discounts	**1,130.59**	2,725.17
	63,054.48	50,709.52
SCHEDULE 18 :		
OTHER INCOME		
Profit on Redemption of Mutual Funds	**5.39**	45.30
Interest		
–Bank Deposits	**58.88**	204.08
(Tax Deducted at Source Rs. 8.65 lacs (Previous Year Rs. 37.66 lacs))		
–Others	**1,752.99**	2,858.78
(Tax Deducted at Source Rs. 87.96 lacs (Previous Year Rs. 98.28 lacs))		
Unclaimed Balances and Excess Provisions written back	**231.87**	169.59
Exchange Fluctuation Gain	**–**	153.86
Claim Received Against Keyman Insurance Policy	**134.55**	318.89
Profit on Sale of Investment in Subsidiary	**460.70**	–
Profit on Sale of Assets	**–**	159.39
Miscellaneous Income	**194.92**	179.49
	2,839.30	4,089.38
SCHEDULE 19 :		
MATERIALS CONSUMED		
Medical Consumables and Pharmacy Items:		
Opening Stock	**1,069.98**	920.47
Less: Deletion on Sale of Subsidiary (refer note C (1) (n) of Schedule 26)	**(5.64)**	–
Add: Purchases	**19,062.64**	16,297.32
Less: Closing Stock	**1,173.14**	1,069.98
	18,953.84	16,147.81
SCHEDULE 20 :		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	**13,499.96**	11,970.25
Gratuity	**60.81**	261.58
Leave Encashment	**(294.94)**	100.93
Contribution to Provident & Other Funds	**782.02**	722.73
Staff Welfare Expenses	**580.40**	597.24
Recruitment & Training	**107.92**	183.10
	14,736.17	13,835.83

SCHEDULES TO THE ACCOUNTS

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
SCHEDULE 21 :		
OPERATING EXPENSES		
Contractual Manpower	**863.27**	777.75
Power & Fuel	**2,159.50**	1,900.31
Housekeeping Expenses including Consumables	**863.65**	975.60
Patient Food	**767.35**	764.63
Pathology Laboratory Expenses	**1,150.89**	754.42
Radiology Expenses	**823.69**	520.69
Consultation Fees to Doctors	**1,849.63**	1,148.78
Professional Charges to Doctors	**3,409.38**	3,175.73
Cost of Medical Services	**52.95**	–
Repairs & Maintenance		
– Building	**177.10**	199.19
– Plant & Machinery	**1,142.28**	1,139.21
Rent		
– Hospital Building (Refer note 4 (a) (i) of schedule 26)	**947.67**	609.57
– Equipments (Refer note 4 (a) (ii) of schedule 26)	**71.44**	60.27
Other Expenses	**50.45**	21.45
	14,329.25	12,047.60

SCHEDULE 22 :		
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Donations	**21.30**	45.59
Legal & Professional Fee	**1,391.05**	1,645.89
Travel & Conveyance	**878.40**	908.16
Repairs & Maintenance – Others	**439.16**	380.55
Rates & Taxes	**107.61**	304.18
Directors' Sitting Fees	**10.80**	12.70
Insurance	**326.88**	273.85
Rent (Refer note 4 (a) (i) and (iii) of schedule 26)	**207.19**	302.39
Ground Rent	**28.91**	53.93
Marketing & Business Promotion	**740.32**	867.53
Wealth Tax	**1.88**	1.63
Loss on Sale of Assets	**117.55**	–
Auditors' Remuneration	**110.21**	107.00
Exchange Fluctuation Loss	**211.11**	–
Bad Debts and Sundry Balances written off	**136.62**	88.50
Provision for Doubtful Debts	**602.82**	461.19
Miscellaneous Expenses	**1,117.43**	1,138.91
	6,449.24	6,592.00

SCHEDULES TO THE ACCOUNTS

	For the Year Ended March 31, 2009 Rs. in lacs	For the Year Ended March 31, 2008 Rs. in lacs
SCHEDULE 23 :		
FINANCIAL EXPENSES		
Interest		
– On Term Loans	**3,608.44**	4,338.57
– Others	**584.52**	854.56
Finance Charges	**65.44**	272.58
Arrangement Fees Written off	**22.82**	10.75
Bank Charges	**84.85**	71.28
	4,366.07	5,547.74
SCHEDULE 24 :		
PRIOR PERIOD ITEMS		
Power & Fuel	**16.50**	–
Materials Consumed	**0.36**	6.24
Legal & Professional Fees	**5.81**	–
Rent Income	**(14.83)**	–
Repairs & Maintenance – Plant and Machinery	**11.57**	–
Repairs & Maintenance – Others	**0.39**	–
Rent	**1.47**	5.85
Marketing & Business Promotion	**0.34**	–
Service Tax Recoverable	**(14.21)**	–
Recruitment & Training	**0.63**	–
Staff Welfare Expenses	**–**	9.58
Reversal of Interest Expense	**–**	(33.05)
	8.03	(11.38)
SCHEDULE 25 :		
EARNINGS/ (LOSSES) PER SHARE (EPS)		
Net Profit/(Loss) as per profit and loss account	**2,081.89**	(5,548.35)
Net Profit /(Loss) as per profit and loss account excluding extra-ordinary items	**1,441.79**	(5,548.35)
Weighted average number of equity shares in calculating Basic EPS	**226,666,533**	223,022,006
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against share option granted to the employees of the Company	**–**	68,577
Weighted average number of equity shares in calculating Diluted EPS	**226,666,533**	223,090,583

SCHEDULES TO THE ACCOUNTS

SCHEDULE 26: Notes to the Accounts

A. BACKGROUND

Fortis Healthcare Limited (‘FHL’ or the ‘Company’) was incorporated in the year 1996 and commenced its hospital operations in year 2001 with the flagship of Multi-Specialty Hospital at Mohali and has thereafter set up / taken over the management of other hospitals in different parts of the country. As part of its business activities, the Company holds interests in its subsidiary and associate companies through which it manages and operates a chain of multi-specialty hospitals. The Company’s equity shares are listed on both Bombay Stock Exchange and National Stock Exchange.

B. SIGINIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of Consolidated Financial Statements

The consolidated financial statements ("CFS") have been prepared to comply in all material respects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The CFS has been prepared under the historical cost convention on an accrual basis except in case of certain fixed assets of certain subsidiaries, for which revaluation was carried out in previous year.

The accounting policies have been consistently applied by the 'Fortis Group' (as defined under 'Composition of the Group' in note 1 below under 'Other Significant Notes') and are consistent with those used in the previous year.

(b) Principles of Consolidation

The CFS relates to FHL and its subsidiaries and associates ('Fortis Group'). In the preparation of the CFS, investments in subsidiaries and associates are accounted for in accordance with the requirements of AS 21 (Consolidated Financial Statements) and AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements), notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). The CFS are prepared on the following basis:

i) Subsidiary companies are consolidated on a line–by–line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra–group balances and intra–group transactions and also unrealised profits or losses. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship comes into existence.

ii) The difference between the cost to the Company of its investment in the subsidiary and its proportionate share in the equity of the subsidiary as at the date of acquisition of stake is recognized as goodwill or capital reserve, as the case may be. Goodwill is tested for impairment at the end of each accounting year. For impairment, the carrying value of goodwill is compared with the present value of discounted cash flows of the respective subsidiaries and loss, if any, is adjusted to the carrying value of the goodwill.

iii) Minorities' interest in net profits/losses of the subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same are accounted for by FHL, being the holding company.

iv) Investments in associates are accounted for using the equity method. The difference between the cost of investment in associate and the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill or the capital reserve, as the case may be and included in the carrying value of the investment in the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by FHL) are recouped.

v) As far as possible, the CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. Differences in accounting policies are disclosed separately.

vi) The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2009.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(d) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(e) Depreciation

i) Except as stated in para (ii) , (iii) and (iv) below, depreciation on all fixed assets within the Fortis Group is provided for using the Straight Line Method at higher of the rates arrived at as per the useful lives of the assets as estimated by the management and those prescribed under Schedule XIV of the Companies Act, 1956.

ii) Depreciation on Leasehold Improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

iii) Leasehold land is amortised over the period of lease except in respect of two subsidiaries where the same is available on perpetual lease basis (49% of net block of leasehold land of the Fortis Group aggregating to Rs. 14,912.03 lacs as at March 31, 2009).

iv) In respect of certain subsidiaries, depreciation is being provided for on the written down value method as per the rates prescribed under Schedule XIV to the Companies Act, 1956 (45.39% of the total net block of fixed assets (excluding leasehold and freehold land) of the Fortis Group aggregating to Rs. 38,797.77 lacs as at March 31, 2009).

v) Individual assets with cost not exceeding Rs. 5,000 are depreciated fully in the year of purchase.

vi) In respect of the revalued assets, the difference between the depreciation calculated on the revalued amount and that calculated on the original cost is recouped from the revaluation reserve account.

(f) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised to the extent to which the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto, is charged to the Profit and Loss account.

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

(g) Intangibles

Technical Know–how Fees

Technical know–how fees is amortized over a period of 3 – 5 years from the date of commencement of commercial operation by the respective entity.

Softwares

Cost of software is amortized over a period of 6 years, being the estimated useful life as per the management estimates, except in respect of three of the subsidiaries of the Company, where software is amortized over a period of five years (20.11 % of net block of software of the Fortis Group aggregating to Rs. 242.48 lacs as at March 31, 2009).

License Fees

License fee capitalized as an intangible asset is amortised over a period of 10 years, being the management estimate of the useful life of the asset.

(h) Impairment

i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

(i) Leases

Where a group entity is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight–line basis over the lease term.

Where a group entity is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss account on a straight line basis over the lease term. Costs, including depreciation, are recognized as expense in the Profit and Loss account.

(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 since value of such long term investments.

(k) Inventories

Inventories are valued as follows:

Medical Consumables, Pharmacy Items, Stores and Spares and Fuel	Lower of cost and net realizable value. Cost is determined on Weighted Average basis except for two of the subsidiaries where it is determined on FIFO basis (9.68 % of total Medical Consumables, Pharmacy Items, Stores and Spares and Fuel inventories of Fortis Group aggregating Rs 1,326.05 lacs as at March 31, 2009)

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

(l) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Operating Income
Operating Income is recognised as and when the services are rendered / pharmacy items are sold. Management fee from hospitals and income from medical services is recognised as per the terms of the agreement with respective hospitals.

Rehabilitation Centre Income
Revenue is recognised as and when the services are rendered at the centre.

Rental Income and Equipment Lease Rentals
Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees.

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

Income from Satellite Centre
Income from satellite centre is recognized on an accrual basis in accordance with the terms of respective agreements entered into in respect thereof.

Dividends
Dividend is recognised if the right to dividend is established by the balance sheet date.

(m) Miscellaneous Expenditure (not written off)

Costs incurred in raising funds (Arrangement Fees on Term Loans) is amortised over the period for which the funds are obtained.

(n) Foreign Currency Transactions

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 that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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

iv) Translation of Integral Foreign Operations
The financial statements of an integral foreign operations are translated as if the transactions of the foreign operation have been

those of the company itself. Exchange differences arising on such translation are recognised as income or expense in the year in which they arise.

(o) Employee Benefits

i) Contributions to Provident Fund

The entities comprised within the Fortis Group make contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

ii) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year using the projected unit credit method.

A subsidiary of the Company has taken insurance policy under the group Gratuity scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and the amount paid/ payable in respect of present value of liability of past services is charged to the Profit and Loss account every year. The difference between the amount paid/payable to LIC and the actuarial valuation made at the end of each financial year is charged to the Profit and Loss Account.

iii) Leave Encashment

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation made at the end of the year using projected unit credit method.

iv) Actuarial Gains/Losses

Actuarial gains/losses are recognized in the Profit and Loss Account as they occur.

(p) Income Taxes

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflect 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 assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re–assesses and recognises unrecognised deferred tax assets. It recognises unrecognised 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 realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes–down the carrying amount of a 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 realised. 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.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India ('ICAI'), the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement.

Deferred Tax Assets and Deferred Tax Liabilities across operations on which enterprise has no legal enforceable right are not set off against each other as the Company does not have a legal right to do so.

(q) Employee Stock Compensation Cost

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

(r) Earnings Per Share

Basic earnings per share is calculated by dividing the net consolidated profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net consolidated profit 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.

(s) Provisions

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

(t) Cash and Cash Equivalents

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

C. OTHER SIGNIFICANT NOTES

1. Composition of the Group

The list of Subsidiaries and Associate considered in the preparation of the consolidated financial statements of Fortis Healthcare Limited is as under–

Name of the Group Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2009	Proportion of ownership interest as at March 31, 2008
a) Subsidiaries			
Fortis Hospotel Limited (Refer note (a) below)	India	100.00%	100.00%
Fortis Health Management Limited (Refer note (b) below)	India	100.00%	–
International Hospital Limited (Refer note (c) below)	India	100.00%	100.00%
Fortis Hospital Management Limited (Refer note (d) below)	India	100.00%	–
Fortis Healthcare International Limited (Refer note (e) below)	Mauritius	100.00%	–
Escorts Heart Institute and Research Centre Limited (Refer note (f) below)	India	90.00%	90.00%
Escorts Heart Centre Limited (Refer note (g) below)	India	90.00%	90.00%
Escorts Heart and Super Speciality Institute Limited (Refer note (h) below)	India	90.00%	91.74%
Escorts Hospital and Research Centre Limited (Refer note (i) below)	India	100.00%	90.00%
Escorts Heart and Super Speciality Hospital Limited (Refer note (j) below)	India	100.00%	90.00%
Lalitha Healthcare Private Limited (Refer note (k) below)	India	67.23%	–
b) Associates			
Sunrise Medicare Private Limited (Refer note (l) below)	India	31.26%	31.26%
Malar Hospitals Limited (Refer note (m) below)	India	48.83%	48.83%
Hiranandani Healthcare Private Limited (Refer note (n) below)	India	39.99%	99.99%
Medical and Surgical Centre Limited (Refer note (o) below)	Mauritius	28.89%	–

a) Fortis Hospotel Limited (formerly Oscar Biotech Private Limited) ('FHTL') became a wholly owned subsidiary of the Company consequent to acquisition of 100% stake in the entity from a Promoter Group company on March 20, 2006.

b) Fortis Health Management Limited ('FHML') was incorporated on April 7, 2008 in which FHTL held 99.99% shareholding. The balance 0.01% stake was acquired by FHTL from other shareholders on January 2, 2009. Thus it became a wholly owned subsidiary of FHL through FHTL.

c) International Hospital Limited ('IHL') became a Board Controlled subsidiary of FHL effective December 20, 2002. In March 2006, FHL acquired a majority stake in IHL, resulting in IHL becoming a majority owned subsidiary of FHL.

d) Fortis Hospital Management Limited ('FHoML') was incorporated on April 9, 2008 in which IHL held 99.99% shareholding. The balance 0.01% stake was acquired by IHL from other shareholders on January 2, 2009. Thus it became a wholly owned subsidiary of FHL through IHL.

e) Fortis Healthcare International Limited ('FHIL') was incorporated on November 25, 2008 as a 100% subsidiary of IHL. Thus it became a subsidiary of FHL through IHL.

f) Escorts Heart Institute and Research Centre Limited ('EHIRCL') became a subsidiary of the Company consequent to acquisition of 90.00% stake in the entity effective September 29, 2005.

g) Escorts Heart Centre Limited ('EHCL' – a 99.96% subsidiary of EHIRCL) became a subsidiary of the Company consequent to acquisition of 90.00% stake in Escorts Heart Institute and Research Centre Limited on September 29, 2005.

h) Escorts Heart and Super Speciality Institute Limited ('EHSSIL' – a 82.61% subsidiary of EHIRCL) became a subsidiary of the Company consequent to acquisition of 90.00% stake in Escorts Heart Institute and Research Centre Limited on September 29, 2005. The balance 17.39% stake of EHSSIL was acquired by IHL on March 17, 2008.

During the current year, in April 2008, EHSSIL has made a preferential allotment of 14,000,000 shares to EHIRCL pursuant to which the stake of EHIRCL has increased from 82.61% to 90.80% and the stake of IHL has reduced from 17.39% to 9.19% in EHSSIL. On July 7, 2008, EHIRCL has acquired 9.19% stake in EHSSIL from IHL. On March 6, 2009, EHIRCL has acquired balance 0.01% stake in EHSSIL, thereby EHSSIL has become a 100% subsidiary of EHIRCL effective March 6, 2009.

i) Escorts Hospital and Research Centre Limited ('EHRCL' – a 100% subsidiary of EHIRCL) became a subsidiary of the Company consequent to acquisition of 90.00% stake in Escorts Heart Institute and Research Centre Limited on September 29, 2005.

During the current year, IHL has purchased 99.99% and 0.01% stake in EHRCL from EHIRCL on July 3, 2008 and August 25, 2008 respectively. Thus EHRCL has become a 100% subsidiary of the Company effective August 25, 2008.

j) Escorts Heart and Super Speciality Hospital Limited ('EHSSHL' – a 100% subsidiary of EHIRCL) became a subsidiary of the Company consequent to acquisition of 90.00% stake in Escorts Heart Institute and Research Centre Limited on September 29, 2005.

During the current year, IHL has purchased 99.99% and 0.01% stake in EHSSHL from EHIRCL on July 7, 2008 and August 25, 2008 respectively. Thus EHSSHL has become a 100% subsidiary of the Company effective August 25, 2008.

k) During the current year, International Hospital Limited ('IHL'), a wholly owned subsidiary of the Company has acquired 31.60% stake in the Lalitha Healthcare Private Limited ('LHPL') on August 4, 2008. IHL has acquired additional stake of 24.62% and 11.01% in LHPL on January 30, 2009 and February 14, 2009 respectively. Thus, effective January 30, 2009, LHPL has become a subsidiary of the Company through IHL.

l) As a result of the Shareholders' Agreement dated January 3, 2006 entered into with Sunrise Medicare Private Limited ('SMPL') and certain existing shareholders of that entity, FHL has acquired certain rights which confer on it the power to participate in the financial and operating policy decisions at SMPL. Also, during the previous year, FHL increased its investment in SMPL from 5% to 31.26%. Consequently, in the consolidated financial statements, the Company has applied the equity method of accounting for investment in SMPL effective January 3, 2006.

m) During the previous year, International Hospital Limited ('IHL'), a wholly owned subsidiary of the Company made an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for acquiring equity shares of Malar Hospitals Limited ('MHL'). Consequent to the above and in terms of the Agreement entered into by IHL with the erstwhile promoters of MHL, IHL has acquired 48.83% shareholding in MHL on various dates between October 18, 2007 and February 18, 2008.

n) Hiranandani Healthcare Private Limited ('HHPL') became a subsidiary of the Company effective February 14, 2007. During the current year, the Company has sold 600,000 equity shares of HHPL, thereby reducing the investment to 39.99%. Thus, effective April 1, 2008, HHPL has become an associate of the Company.

o) During the current year, FHIL has acquired 28.89% stake in Medical and Surgical Centre Limited, Mauritius ('MSCL') on January 28, 2009, pursuant to which MSCL has become an associate of FHIL with effect from January 28, 2009.

2. Segment Reporting

As the Group's business activities primarily fall within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

3. Related Party Disclosures

Names of Related parties (As certified by the management)

Holding Company	Fortis Healthcare Holdings Limited (with effect from March 31, 2006)
Fellow Subsidiaries	a) Fortis Health Staff Limited b) Religare Wellness Limited (formerly Fortis Healthworld Limited) c) Medsource Healthcare Private Limited d) SAK Consumer Retail Services Limited e) Lifetime Healthcare Private Limited f) Pills and Powder Private Limited g) Hospitallia Eastern Private Limited (with effect from February 23, 2009)
Associates	a) Sunrise Medicare Private Limited (with effect from January 3, 2006) b) Malar Hospitals Limited (with effect from October 18, 2007) c) Hiranandani Healthcare Private Limited [with effect from April 1, 2008 (subsidiary for the period from February 14, 2007 to March 31, 2008)] d) Lalitha Healthcare Private Limited (from August 4, 2008 to January 29, 2009 thereafter subsidiary of International Hospital Limited) e) Medical and Surgical Centre Limited, Mauritius (with effect from January 28, 2009)

Key Management Personnel ('KMP') and their Relatives	a) Mr. Harpal Singh – Chairman of FHL (upto June 7, 2007) and Chairman of EHIRCL (upto May 29, 2007) b) Mr. Malvinder Mohan Singh – Chairman of FHL (with effect from June 7, 2007) and Chairman of EHIRCL (with effect from May 29, 2007) c) Mr. Shivinder Mohan Singh –Managing Director of FHL and Managing Director of EHIRCL d) Dr. N.K. Pandey – Manager at EHRCL (upto April 30, 2008) e) Mrs. Padamavati Pandey (Relative of Dr. N.K. Pandey) f) Mr. Praveen Chawla – Manager at IHL (from April 2, 2007 upto August 4, 2008) g) Mr. Manoj Rai Mehta – Manager at IHL (from August 4, 2008 upto February 1, 2009) h) Dr. Ashok V Chordiya – Manager at IHL (with effect from March 28, 2009) i) Dr. C M Bhasin – Manager at FHTL (with effect from January 8, 2008) and Manager at EHSSHL (upto November 13, 2007) j) Dr. (Lt. Gen.) M.L. Chawla – Manager at EHSSIL (upto June 14, 2007) k) Mr. Sunil Kapoor – Executive Director at EHSSIL (from April 1, 2008 upto February 1, 2009) l) Mr. Jasdeep Singh – Manager at EHSSIL (with effect from March 30, 2009) m) Dr. Praneet Kumar – Manager at EHSSHL (from December 1, 2007 upto February 1, 2009) n) Mr. Ashish Bhatia – Wholetime Director at EHIRCL (with effect from July 3, 2008) o) Dr. Ashok Seth – Wholetime Director at EHIRCL (with effect from August 25, 2008) p) Dr. Lakshminarayana Raju – Wholetime Director at LHPL (with effect from January 30, 2009) q) Dr. Mohan Kehavamurthy – Wholetime Director at LHPL (with effect from January 30, 2009) r) Mr. Venkatramana Raju (Relative of Dr. Lakshminarayana Raju) s) Dr. Seetha Beladevi (Relative of Dr. Mohan Kehavamurthy)
Enterprises owned or significantly influenced by Key Management Personnel or their Relatives	a) Super Religare Laboratories Limited (formerly SRL Ranbaxy Laboratories Limited) b) Ranbaxy Laboratories Limited ('RLL') c) RHC Holding Private Limited (formerly Ranbaxy Holding Company) d) Fortis Nursing and Education Society e) Religare Securities Limited f) Religare Commodities Limited g) Religare Finvest Limited h) Ran Air Services Limited i) Religare Travels (India) Limited j) Religare Technova IT Services Limited k) Fortis Financial Services Limited l) Oscar Investments Limited m) Religare Enterprises Limited n) Malav Holdings Limited o) RMCRS Health Management Limited p) Aarushi Lithotripsy Private Limited q) Srinivasa Education Society r) R. M. Educational Trust s) R M Pharmacy t) Balaji School of Nursing u) Ranibennur College of Nursing v) Indra Priyadarshani School of Nursing w) RMCRS Shri Narasi Enterprises

The disclosures in respect of Related Party Transactions are as under:

(Rs. in lacs)

Transactions details	Year ended March 31, 2009	Year ended March 31, 2008
Expenses allocated to related parties		
Super Religare Laboratories Limited (owned/significantly influenced by KMP/their relatives)**	**53.26**	81.16
Operating Income (In Patient Income, Out Patient Income, Income from Medical Services, Management Fees and Income from Rent)		
Sunrise Medicare Private Limited (Associate)	**218.00**	162.40
Hiranandani Healthcare Private Limited****	**40.50**	–
Lalitha Healthcare Private Limited (Associate)*****	**44.71**	–
Malar Hospitals Limited (Associate)	**13.75**	–
Religare Wellness Limited (owned/significantly influenced by KMP/their relatives)***	**0.07**	0.98
Ranbaxy Laboratories Limited (owned/significantly influenced by KMP/their relatives)	**123.35**	171.28
Fortis Nursing and Education Society (owned/significantly influenced by KMP/their relatives)	**26.92**	–
Medical and Surgical Centre Limited (Associate)	**34.28**	–
Medsource Healthcare Private Limited (Fellow Subsidiary)	**45.40**	50.52
Interest Income		
Sunrise Medicare Private Limited (Associate)	**25.57**	11.14
Hiranandani Healthcare Private Limited****	**517.50**	–
Super Religare Laboratories Limited (owned/significantly influenced by KMP/their relatives)**	**14.82**	38.90
Religare Finvest Limited (owned/significantly influenced by KMP/their relatives)	**692.71**	559.13
Fortis Nursing and Education Society (owned/significantly influenced by KMP/their relatives)	**96.03**	30.06
Malar Hospitals Limited (Associate)	**26.69**	15.16
Lalitha Healthcare Private Limited (Associate)*****	**1.52**	–
Religare Securities Limited (owned/significantly influenced by KMP/their relatives)	**–**	437.55
Religare Commodities Limited (owned/significantly influenced by KMP/their relatives)	**–**	84.32
Interest Expense		
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**201.24**	469.16
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**394.96**	94.39
Super Religare Laboratories Limited (owned/significantly influenced by KMP/their relatives)**	**–**	34.70
Sale of Fixed Assets		
Malar Hospitals Limited (Associate)	**44.26**	–
Loans/ Advances Given		
Hiranandani Healthcare Private Limited****	**984.00**	–
Religare Finvest Limited (owned/significantly influenced by KMP/their relatives)	**13,321.00**	18,505.00
Sunrise Medicare Private Limited (Associate)	**25.00**	14.09
Malar Hospitals Limited (Associate)	**100.00**	1,200.00
Lalitha Healthcare Private Limited (Associate)*****	**85.00**	–
Religare Commodities Limited (owned/significantly influenced by KMP/their relatives)	**–**	1,325.00
Religare Securities Limited (owned/significantly influenced by KMP/their relatives)	**–**	7,000.00
RMCRS Health Management (owned/significantly influenced by KMP/their relatives)	**0.42**	–
Loans/ Advances Received Back		
Hiranandani Healthcare Private Limited****	**2,500.00**	–
Fortis Nursing and Education Society (owned/significantly influenced by KMP/their relatives)	**425.00**	–
Malar Hospitals Limited (Associate)	**150.00**	–
Lalitha Healthcare Private Limited (Associate)*****	**85.00**	–
Religare Finvest Limited (owned/significantly influenced by KMP/their relatives)	**21,996.00**	9,830.00
Religare Commodities Limited (owned/significantly influenced by KMP/their relatives)	**–**	1,325.00
Religare Securities Limited (owned/significantly influenced by KMP/their relatives)	**–**	7,000.00
Sunrise Medicare Private Limited (Associate)	**25.00**	289.10
RMCRS Health Management (owned/significantly influenced by KMP/their relatives)	**0.02**	–
Loans/Advances Taken		
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**10,100.00**	1,400.00
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**1,000.00**	2,920.00

(Rs. in lacs)

Transactions details	Year ended March 31, 2009	Year ended March 31, 2008
Loans/Advances Paid Back		
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**785.00**	5,768.75
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**1,100.00**	300.00
Repair and Maintenance Expenses		
Religare Technova IT Services Limited (owned/significantly influenced by KMP/their relatives)	**17.61**	–
Pathology Expenses		
Super Religare Laboratories Limited (owned/significantly influenced by KMP/their relatives)**	**928.33**	554.28
Travelling Expenses		
Religare Travels India Limited (owned/significantly influenced by KMP/their relatives)	**147.38**	107.01
Ran Air Services Limited (owned/significantly influenced by KMP/their relatives)	**3.57**	6.49
Purchase of Fixed Assets		
Religare Technova IT Services Limited (owned/significantly influenced by KMP/their relatives)	**102.45**	–
Fortis Financial Services Limited (owned/significantly influenced by KMP/their relatives)	**–**	3.54
Fortis Health Staff Limited (owned/significantly influenced by KMP/their relatives)	**1.20**	–
Purchases of Medical Consumables and Pharmacy Items		
Ranbaxy Laboratories Limited (owned/significantly influenced by KMP/their relatives)	**211.55**	116.65
Religare Wellness Limited (owned/significantly influenced by KMP/their relatives)***	**282.83**	724.21
Medsource Healthcare Private Limited (Fellow Subsidiary)	**838.22**	552.92
Super Religare Laboratories Limited (owned/significantly influenced by KMP/their relatives)**	**–**	3.61
R M Pharmacy (owned/significantly influenced by KMP/their relatives)	**7.86**	–
Equipment Hire Charges		
Super Religare Laboratories Limited (owned/significantly influenced by KMP/their relatives)**	**–**	11.45
Rent Expenses		
Dr. N.K. Pandey (KMP)	**4.00**	6.78
Mrs. Padmavati Pandey (relative of KMP)	**–**	6.78
Managerial Remuneration		
Mr. Shivinder Mohan Singh (KMP) ^	**816.20**	221.40
Mr. Sunil Kapoor (KMP)	**17.64**	–
Dr. N.K.Pandey (KMP)	**–**	62.95
Mr. Manoj Rai Mehta (KMP)	**11.92**	–
Dr. (Lt.Gen.) M.L.Chawla (KMP)	**–**	3.21
Mr. Praveen Chawla (KMP)	**–**	34.76
Dr. Ashok Chordiya (KMP)	**0.26**	–
Mr. Ashish Bhatia (KMP)	**47.02**	–
Dr. Ashok Seth (KMP)	**199.79**	–
Mr. Jasdeep Singh (KMP)	**0.11**	–
Directors' Sitting Fees		
Mr. Malvinder Mohan Singh (KMP)	**1.20**	–
Legal and Professional Fees		
Religare Securities Limited (owned/significantly influenced by KMP/their relatives)	**–**	0.02
Religare Enterprises Limited (owned/significantly influenced by KMP/their relatives)	**–**	112.38
Religare Technova IT Services Limited (Owned/significantly influenced by KMP/their relatives)	**9.88**	–
Dr. Mohan Keshavmurthy (KMP)	**0.92**	–
Dr. Lakshmi Narayan Raju (KMP)	**3.13**	–
Dr. Seetha Beladevi (relative of KMP)	**1.77**	–
Dr. V R Raju (relative of KMP)	**0.73**	–
Aarushi Lithotripsy Private Limited (owned/significantly influenced by KMP/their relatives)	**0.54**	–
Redemption of Preference Share Capital		
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**65.00**	–
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**45.00**	–
Fortis Healthcare Holdings Limited (Holding Company)	**6.00**	2,600.00

(Rs. in lacs)

Transactions details	Year ended March 31, 2009	Year ended March 31, 2008
Premium on Redemption of Preference Shares		
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**747.50**	–
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**517.50**	–
Fortis Healthcare Holdings Limited (Holding Company)	**70.05**	23,400.00
Corporate Guarantees Issued		
Hiranandani Healthcare Private Limited****	**4,500.00**	1,500.00
Corporate guarantee received for loans taken		
Malav Holdings Limited (Owned/significantly influenced by KMP/their relatives)	**981.94**	–
Investment Made		
Malar Hospitals Limited (Associate)	**1.14**	292.74
Hiranandani Healthcare Private Limited****	**800.00**	–
Sunrise Medicare Private Limited (Associate)	**–**	389.10
Investments Sold		
Fortis Healthcare Holdings Limited (Holding Company)	**60.00**	–
Subscription of Share Capital		
Fortis Healthcare Holdings Limited (Holding Company)	**–**	60.00
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**–**	650.00
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**–**	450.00
Securities Premium Received		
Fortis Healthcare Holdings Limited (Holding Company)	**–**	540.00
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**–**	5,850.00
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**–**	4,050.00
Personal Guarantee Received for Loans Taken		
Mr. Shivinder Mohan Singh (KMP)	**5,000.00**	7,500.00
License User Agreement fees		
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**1.00**	1.00
Balance outstanding at the year end	**As at March 31, 2009**	As at March 31, 2008
Loans / Advances Recoverable		
Super Religare Laboratories Limited (owned/significantly influenced by KMP/their relatives)**	**–**	113.11
Sunrise Medicare Private Limited (Associate)	**39.33**	15.29
Fortis Health Staff Limited (Fellow Subsidiary)	**0.10**	0.10
Religare Finvest Limited (owned/significantly influenced by KMP/their relatives)	**–**	8,675.00
Hiranandani Healthcare Private Limited****	**4,264.66**	–
Fortis Nursing and Education Society (owned/significantly influenced by KMP/their relatives)	**405.01**	250.00
Malar Hospitals Limited (Associate)	**164.38**	200.00
Religare Wellness Limited (owned/significantly influenced by KMP/their relatives)***	**7.19**	0.65
Religare Technova IT Services Limited (Owned/significantly influenced by KMP/their relatives)	**7.15**	–
Medsource Healthcare Private Limited (Fellow Subsidiary)	**23.08**	–
Balaji School of Nursing (Owned/significantly influenced by KMP/their relatives)	**0.44**	–
RMCRS Health Management (Owned/significantly influenced by KMP/their relatives)	**23.73**	–
R M Educational Trust (Owned/significantly influenced by KMP/their relatives)	**2.00**	–
Sreenivasa Educational Society (Owned/significantly influenced by KMP/their relatives)	**2.36**	–
Ranibennur College of Nursing (Owned/significantly influenced by KMP/their relatives)	**4.05**	–
Indira Priyadarshni School of Nursing (Owned/significantly influenced by KMP/their relatives)	**10.10**	–
RMCRS Shri Narasi Enterprises (Owned/significantly influenced by KMP/their relatives)	**0.16**	–
Other Current Assets		
Malar Hospitals Limited (Associate)	**25.66**	13.59
Fortis Nursing and Education Society (owned/significantly influenced by KMP/their relatives)	**120.42**	8.08
Religare Finvest Limited (owned/significantly influenced by KMP/their relatives)	**–**	413.60

(Rs. in lacs)

Balance outstanding at the year end	**As at March 31, 2009**	As at March 31, 2008
Sundry Debtors		
Sunrise Medicare Private Limited (Associate)	**219.18**	49.70
Medical and Surgical Centre Limited (Associate)	**7.34**	–
Religare Wellness Limited (owned/significantly influenced by KMP/their relatives)***	**–**	1.18
Fortis Nursing and Education Society (owned/significantly influenced by KMP/their relatives)	**16.49**	–
Fortis Health Staff Limited (Fellow Subsidiary)	**–**	0.02
Unsecured Loan		
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**1,335.00**	1,120.00
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**10,100.00**	1,100.00
Dr. Mohan Keshavmurthy (KMP)	**42.03**	–
Dr. Lakshmi Narayan Raju (KMP)	**95.29**	–
Dr. Seetha Beladevi (relative of KMP)	**2.70**	–
Sundry Creditors		
Ranbaxy Laboratories Limited (owned/significantly influenced by KMP/their relatives)	**42.49**	25.00
Religare Travels India Limited (owned/significantly influenced by KMP/their relatives)	**8.20**	5.66
Ran Air Services Limited (owned/significantly influenced by KMP/their relatives)	**1.10**	–
Oscar Investments Limited (owned/significantly influenced by KMP/their relatives)	**–**	1.60
Medsource Healthcare Private Limited (Fellow Subsidiary)	**164.78**	57.70
Religare Wellness Limited (owned/significantly influenced by KMP/their relatives)***	**4.68**	16.45
Super Religare Laboratories Limited (owned/significantly influenced by KMP/their relatives)**	**161.36**	38.54
Dr. N.K. Pandey (KMP)	**–**	25.35
Dr. Mohan Keshavmurthy (KMP)	**20.43**	–
Dr. Lakshmi Narayan Raju (KMP)	**14.72**	–
Dr. Seetha Beladevi (relative of KMP)	**3.12**	–
Dr. V R Raju (relative of KMP)	**0.87**	–
Investment		
Sunrise Medicare Private Limited (Associate)	**440.04**	440.04
Hiranandani Healthcare Private Limited****	**840.00**	–
Malar Hospitals Limited (Associate)	**2,928.58**	2,927.40
Interest Accrued and Due		
RHC Holding Private Limited (owned/significantly influenced by KMP/their relatives)*	**75.49**	22.05
Corporate Guarantee received for Loans Taken		
RHC Holding Private Limited [(excluding 2,323,000 shares of Ranbaxy Laboratories Limited pledged for loans taken by the Company] (owned/significantly influenced by KMP/their relatives)*	**750.00**	750.00
Malav Holdings Limited [excluding 445,000 shares of Religare Enterprises Limited pledged for loans taken by the Company] (owned/significantly influenced by KMP/their relatives)	**981.94**	–
Corporate Guarantee given for Loans Availed by Others		
Hiranandani Healthcare Private Limited****	**6,000.00**	1,500.00
Personal Guarantee received for Loans Taken		
Mr. Shivinder Mohan Singh (KMP)	**12,928.53**	9,000.00
Dr. Lakshmi Narayan Raju (KMP), Dr. Seetha Beladevi (relative of KMP), Dr. Mohan Keshavmurthy (KMP)	**1,114.04**	–
Dr. Lakshmi Narayan Raju (KMP), Dr. Mohan Keshavmurthy (KMP)	**153.24**	–

* Erstwhile Ranbaxy Holding Company

** Formerly SRL Ranbaxy Limited

*** Formerly Fortis Healthworld Limited

**** Associate of FHL with effect from April 1, 2008 (subsidiary in the previous year)

*****As an Associate for the period from August 4, 2008 to January 29, 2009, and Subsidiary with effect from January 30, 2009.

^ Amount for the year ended March 31, 2009 includes Rs. 623.24 lacs provided at the year end which is subject to Central Government approval.

Note:

Expenses incurred on behalf of / by related parties, and later reimbursed by / to them have not been considered above.

4. (a) Assets taken on Operating Lease

(i) In respect of the Company, hospital/ office premises are obtained on operating lease. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. For all cases, there are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature other than the one for Hospital premises at Mohali which is non–cancellable. The total lease payments in respect of such leases recognised in the profit and loss account for the year are Rs. 1,004.49 lacs (Previous Year Rs. 720.86 lacs).

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

(Rs. in lacs)

Particulars	**March 31, 2009**	March 31, 2008
Minimum lease payments :		
Not later than one year	**1,920.00**	–
Later than one year but not later than five years	**7,680.00**	–
Later than five years	**9,120.00**	–

(ii) The Company has also taken few Medical Equipments on non–cancellable operating leases for a period of 7 years. There is no escalation clause in the lease agreements. There is no restriction imposed by lease arrangements and the rent is not determined based on any contingency. The total lease payments in respect of such leases recognised in the profit and loss account for the year are Rs. 45.47 lacs (Previous Year Rs. 36.81 lacs).

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

(Rs. in lacs)

Particulars	**Year ended March 31, 2009**	Year ended March 31, 2008
Minimum lease payments :		
Not later than one year	**61.91**	45.47
Later than one year but not later than five years	**33.00**	94.91
Later than five years	**–**	–

(iii) In respect of few subsidiaries of the Company, certain premises/equipments have been taken on operating leases that are renewable on a periodic basis and are cancellable by either party by giving notice for the agreed period as specified in the respective lease agreements. There are no restrictions imposed by the respective lease arrangements and rent is not determined based on any contingency. The total lease rentals paid/ payable in respect of these leases recognised in profit and loss account for the year are Rs. 176.34 lacs (Previous Year Rs. 207.83 lacs).

(b) Assets given on Operating Lease

(i) The Company has sub–leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognised in the profit and loss account for the year are Rs. 32.65 lacs (Previous Year Rs. 25.53 lacs).

(ii) The Company has leased out certain capital assets on operating lease to a Trust managing hospital operations and one of its associate. The lease term is for 3 years and thereafter renewable at the option of the lessor. There are no restrictions imposed by the lease arrangements and the rent is not determined based on any contingency. There is no escalation clause in the lease agreements. The lease arrangement is non–cancellable in nature. Details of such capital assets given on non–cancellable operating lease are disclosed as under:

(Rs. in lacs)

Particulars	As at March 31, 2009			As at March 31, 2008		
	Gross Block	**Accumulated Depreciation**	**Net Block**	Gross Block	Accumulated Depreciation	Net Block
Software	**3.46**	**1.74**	**1.72**	1.60	1.48	0.12
Plant and Machinery	**96.66**	**27.23**	**69.43**	96.66	17.24	79.42
Medical Equipments	**2,996.93**	**778.74**	**2,218.19**	2,880.21	562.17	2,318.04
Furniture and Fittings	**177.06**	**70.27**	**106.79**	177.06	62.15	114.91
Computers	**119.92**	**53.68**	**66.24**	119.92	35.79	84.13
Office Equipments	**27.55**	**3.94**	**23.61**	27.55	2.67	24.88
Vehicles	**33.55**	**10.11**	**23.44**	33.55	6.32	27.23
Total	**3,455.13**	**945.71**	**2,509.42**	3,336.55	687.82	2,648.73

The total of future minimum lease income received / receivable under the non–cancellable operating leases are as under:

(Rs. in lacs)

Particulars	March 31, 2009	March 31, 2008
Lease payments received during the year	**671.52**	630.61
Minimum Lease Payments receivable–		
Not later than one year	**173.78**	652.57
Later than one year but not later than five years	**–**	163.14

(iii) Few subsidiaries of the Company have given hospital premises on operating leases that are renewable at the option of the subsidiaries. There is no escalation clause in the respective lease arrangements. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature except one lease which is non cancellable and has been terminated during the year by both parties. The total lease income received / receivable in respect of the above leases recognised in the profit and loss account for the year are to Rs. 79.60 lacs (Previous Year Rs. 65.07 lacs).

Future minimum lease payments under non–cancellable operating lease contracts are as under–

(Rs. in lacs)

	Year ended March 31, 2009	Year ended March 31, 2008
Minimum Lease Payments–		
Due Not later than one year	**–**	5.94

(iv) A subsidiary of the Company (EHIRCL) has leased out medical equipment on operating lease to another hospital. The lease term is for 3 to 5 years and thereafter renewable at the option of the lessor. There are no restrictions imposed by the lease arrangements and the rent is not determined based on any contingency. There is no escalation clause in the lease agreements. The lease arrangement is cancellable in nature and was terminated on August 31, 2008. The total lease income in respect of such leases recognised in the profit and loss account for the year is Rs. 12.62 lacs (Previous Year Rs. 31.33 lacs).

The detail of such capital asset given on cancellable operating lease is disclosed as under:

(Rs. in lacs)

	As at March 31, 2009	As at March 31, 2008
Medical Equipment:		
Gross Block	**–**	209.23
Accumulated Depreciation	**–**	144.62
Net Block	**–**	64.61

(v) A subsidiary of the Company (IHL) has leased out some portion of hospital premises for a period of 10 years from December 24, 2004. The agreement is further renewable at the option of the company. The rent has been increased by 7% after the end of 3rd year i.e. w.e.f. January 1, 2008 and is further to be increased by 20% after the end of 5th year i.e. w.e.f. January 1, 2010. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. The lease is cancellable in nature. The total lease income received / receivable in respect of the above leases recognised in the profit and loss account for the year is Rs. 178.14 lacs (Previous Year Rs. 168.91 lacs).

5. Deferred tax assets on account of unabsorbed depreciation and carried forward losses in the standalone financial statements of the respective group companies have been recognized only to the extent the company is of the opinion that there is virtual certainty supported by convincing evidence that such unabsorbed depreciation and carried forward losses can be realized against future taxable profits. In view of the same, deferred tax assets on unabsorbed depreciation and carried forward losses has not been recognized by some of the subsidiaries.

6. Capital Commitments

(Rs. in lacs)

Particulars	As at March 31, 2009	As at March 31, 2008
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances of Rs. 5,236.91 lacs (Previous Year Rs. 2,773.47 lacs))	**14,512.12**	15,232.22

7. Contingent Liabilities (not provided for) in respect of :

(Rs. in lacs)

S. No.	Particulars	As at March 31, 2009	As at March 31, 2008
(a)	Claims against the Group not acknowledged as debts (in respect of compensation demanded by the patients/ their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on the analysis of in house legal team, the management believes that the Fortis Group has a good chance of success in these cases. Hence, no provision there against is considered necessary.	2,844.84	4,589.18
(b)	Bank Guarantees executed by the Company in favour of lessor as security for hospital land and building taken on lease.	–	139.53
(c)	Bank Guarantee executed in favour of Bombay Stock Exchange by the Company towards listing of the shares of the Company with the exchange.	–	252.98
(d)	In respect of a subsidiary (EHIRCL), income tax litigations for various years are pending, as further explained in detail in note 9 below. This excludes demands aggregating to Rs. 828.42 lacs relating to A.Y. 2003–04 and 2004–05, which have been allowed by Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal in favour of the Company, but the Department has filed an appeal before Hon'ble High Court of Delhi against such orders and Rs. 8,148.85 lacs in respect of AY 2001–02 which has been referred back to the assessing officer for reassessment (Refer Note 9 below).	10,299.33	10,291.33
(e)	In respect of a subsidiary (EHIRCL), Customs duty/ Penalty for mis declaration of imported goods, case for which is pending with Central Excise and Service Tax Appellate Tribunal (refer note 10 below).	770.27	770.27
(f)	Corporate guarantee given to IDBI Bank in respect of financial assistance availed by an Associate of the Company	4,500.00	–
(g)	Corporate guarantee given to HDFC Bank by IHL in respect of financial assistance availed by an Associate of the Company.	1,000.00	–
(h)	Corporate guarantee given to ABN Amro Bank in respect of financial assistance availed by an Associate of the Company	1,500.00	1,500.00
(i)	Others	17.29	18.36

8. (a) A Civil suit ('Civil Suit') had been filed for declaration and permanent injunction against a subsidiary of the Company (EHIRCL) in the Hon'ble High Court of Delhi seeking amongst others:

(a) declaration that the amalgamation of Escorts Heart Institute and Research Centre, Delhi, a society registered under Societies Registration Act, 1860 (EHIRC Delhi) with Escorts Heart Institute and Research Centre, Chandigarh (EHIRC Chandigarh), a society registered under Societies Registration Act, 1860 and subsequent incorporation of EHIRC Chandigarh Society (post amalgamation) into a company under Part IX of Companies Act, 1956 (i.e. EHIRCL) is void,

(b) seeking a restoration of charitable status of EHIRC Delhi Society.

The Hon'ble High Court of Delhi, vide its order dated September 30, 2005, had ordered the parties to maintain status quo and thereafter on July 03'2008 dismissed the suit for want of cause of action on procedural grounds. On a regular first appeal preferred by the appellant, the Division Bench of Hon'ble High Court of Delhi vide its order dated January 16, 2009, has allowed the appeal and restored the suit. The matter is being duly defended in the Court by the Company and other co-defendants.

(b) Delhi Development Authority ('DDA') vide its Order dated October 6, 2005 ('DDA Order') had terminated the lease deeds and allotment letters of a subsidiary of the Company (EHIRCL). The company had filed an Original Miscellaneous Petition and Civil Suit in the Hon'ble High Court of Delhi seeking a declaration that the DDA Order is illegal and praying for a permanent injunction restraining DDA from dispossessing the company without the due process of law. The Hon'ble High Court of Delhi had granted a stay restraining DDA from recovering physical possession of the property and had made the interim order granted in the OMP absolute till the award is passed. The company also filed an application for appointment of sole Arbitrator and reference of disputes to Arbitration in the Hon'ble High Court of Delhi. The Civil Suit and Arbitration application is still pending with the Hon'ble High Court of Delhi.

(c) The Estate Officer of the DDA issued a show cause notice dated November 9, 2005 and initiated eviction proceedings against one of the subsidiaries of the Company (EHIRCL). The company filed a Civil Writ Petition in the Hon'ble High Court of Delhi challenging the show cause notice issued by the Estate Officer, which was dismissed by the Hon'ble Single Judge. The company thereafter had filed Letters Patent Appeal ('LPA') against the above order before the Hon'ble High Court of Delhi. The Division bench of the Hon'ble High Court of Delhi vide its order dated September 3, 2007 had dismissed the LPA. The Estate Officer thereafter had issued a notice under section 4(1) of Public Premises Act dated October 8, 2007 to the company for resuming the proceedings under the said Act. The company had filed an appeal by way of SLP in the Hon'ble Supreme Court against the judgement in the LPA matter. The Hon'ble Supreme Court vide its order dated November 16, 2007 had ordered that proceedings before the Estate Officer may continue but no final order to be passed. The matter is yet to come up for further hearing.

(d) The Delhi High Court in March 2004, amongst other hospitals, made EHIRCL a party to Public Interest Litigation ('PIL') filed in July 2002 (Social Jurist matter), concerning the applicability of certain free bed conditions on certain plots of land allotted to EHIRC by DDA. Subsequent to the judgement by the Hon'ble High Court on March 22, 2007, a separate Special Leave petition ('SLP') and applications for condonation of delay had been filed by EHIRC on November 28, 2007 against the Social Jurist judgement. In the hearing on January 4, 2008, the Hon'ble Supreme Court had issued a notice and directed the stay. The proceedings are pending with the court of law.

9. Income Tax Matters

(a) The Income Tax Authorities carried out a survey on August 21, 2003 (certain statutory records of a subsidiary of the Company (EHIRCL) were impounded, which are still in possession of the Authorities), regarding amalgamation of Escorts Heart Institute and Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society), and later on, registration of the amalgamated Society as a company.

Pursuant to the survey, the Income Tax Authorities have re–opened the assessments of Delhi and Chandigarh Societies. The Deputy Commissioner of Income Tax, Delhi has completed the reopened assessments of the Delhi Society for four assessment years i.e. assessment years 1997–98, 1998–99, 1999–00 and 2000–01 wherein, the exemption availed by the erstwhile Delhi Society by virtue of being an approved scientific research organization had been withdrawn in respect of these years. The past accumulated income upto March 31, 1996 had been brought to tax and the income of the respective years thereafter had been subjected to tax as normal business income, hence raising a cumulative demand of Rs. 10,101.11 lacs (including interest of Rs. 5,511.11 lacs). The Deputy Commissioner of Income Tax had also assessed the income for assessment year 2001–02, whereby the entire accumulations and allowances made in earlier years have again been brought to tax, raising a further demand of Rs. 12,437.00 lacs (including interest of Rs. 6,946.00 lacs). The company is of the view that the demand raised for the assessment year 2001–02 includes duplication on account of demands raised in the assessment years 1997–98 to 2000–01 and, further, the events taking place in the year 2000 cannot relate back to earlier years.

The company challenged the reopening of assessment for the assessment year 1997–98 before the Hon'ble High Court of Delhi in a Writ Petition filed on July 27, 2005. The Hon'ble Court in its interim order dated September 20, 2005 had directed the Assessing Officer to complete the assessments for all these years and had also directed that the operation of the assessment orders for assessment years 1997–98, 1998–99, 1999–00 and 2000–01 shall remain suspended till the matter is heard and decided by the Court. The company had filed appeals before the Commissioner of Income Tax (Appeals) for all these years.

Pursuant to the share purchase agreement, where company is a party, dated September 25, 2005, the abovementioned income–tax demands are the responsibility of one of the erstwhile promoters to the extent of Rs. 6,499.00 lacs, for which necessary funds have been deposited in an escrow account. Interest of Rs. 1,469.67 lacs upto March 31, 2009 has accrued in the escrow account and available for aforesaid set off. In the event these demands exceed this amount, one third of such excess would be borne by the said erstwhile promoters and the rest by the company, if any.

(b) The Additional Commissioner of Income Tax, Chandigarh, had also raised a demand of tax in respect of EHIRCL for the assessment year 2001–02 amounting to Rs. 5,233.05 lacs and interest thereon amounting to Rs. 2,915.80 lacs by treating the excess of assets over liabilities as short term capital gains on registration of Amalgamated Society as a company. The company feels that the above registration does not give rise to transfer of assets and consequent capital gains and, therefore, preferred an appeal before the Income Tax Appellate Tribunal, Chandigarh. The Tribunal, vide its Order dated March 18, 2008, had remanded the matter back to the Assessing Officer for fresh adjudication.

(c) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed for in respect of EHIRCL assessment years 2003–04 and 2004–05 whereby the assessing officer had raised demands of Rs. 424.20 lacs (including interest of Rs. 54.20 lacs) and Rs. 404.22 lacs (including interest of Rs. 97.55 lacs) by disallowing the claim of keyman insurance premium and holding software development charges as capital expenditure. The company filed an appeal with the Commissioner of Income Tax (Appeals) against the order of the assessing officer. The Commissioner of Income Tax (Appeals) and ITAT have allowed these claims in favour of the company. The Income Tax Department has filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which is pending disposal.

(d) Regular assessment under section 143 (3) of Income Tax Act, 1961, in respect of EHIRCL had been completed for assessment year 2005–06 whereby the assessing officer had raised a demand of Rs. 282.03 lacs (including interest of Rs. 56.80 lacs) on the company by disallowing the claim of keyman insurance premium and holding software development charges as capital expenditure. The company had filed an appeal with the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated October 31, 2008 had allowed partial relief to the company and had confirmed the balance amount of demand raised by assessing officer. The company has filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which is pending disposal.

(e) Regular assessment under section 143 (3) of Income Tax Act, 1961, in respect of EHIRCL had been completed for assessment year 2006–07 whereby the assessing officer had raised a demand of Rs. 305.00 lacs (including interest of Rs. 35.05 lacs) on the company by disallowing the claim of keyman insurance premium. Appeal has been filed with the Commissioner of Income Tax (Appeals), Delhi, against the disallowance made in the assessment order, which is pending disposal.

In view of the management, the eventual outcome of the above matters cannot presently be estimated.

10. The Commissioner of Customs (Import and General), Delhi had raised a demand on a subsidiary of the Company (EHIRCL) of Rs. 770.27 lacs (including Rs. 347.64 lacs as penalty for mis–declaration of the imported surgical machine with a redemption fine of Rs. 75.00 lacs for release of the said machine) on June 8, 2007. The mis–declaration refers to the classification of the underlying machine for customs duty purposes. The company had filed a stay application with the Central Excise and Service Tax Appellate Tribunal against the above order and deposited Rs. 347.64 lacs under protest. The matter is pending for decision with the Tribunal.

Based on discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the company, the management believes that the company has a good chance of success in the case and hence, no provision there against is considered necessary.

11. The Assistant Collector of Customs had issued an assessment order in earlier year on a subsidiary of the Company (EHIRCL), raising a demand of Rs. 330.39 lacs holding EHIRCL to be a commercial establishment in relation to the import of medical equipments, spares and consumables. The company had filed an appeal with the Collector of Customs (Appeals), against the order of the Assistant Collector of Customs, which has been rejected. The company filed a further appeal and an application for stay before the Central Excise and Service Tax Appellate Tribunal. The Tribunal had ordered for the stay and had asked the company to deposit a sum of Rs. 150.00 lacs with the customs authority. The company had deposited the amount with the customs authority and had also made a provision of Rs. 330.39 lacs in the books of accounts. The matter is still pending with the Tribunal.

12. Employee Stock Option Plan

The Company has provided share–based payment scheme to its employees. During the year ended March 31, 2008, 458,500 options (Lot I) were granted to the employees under Plan 'A'. Under the same plan, 33,500 options (Lot II) have been granted to the employees in the current year. As at March 31, 2009, the following scheme was in operation:

Particulars	**Lot I**	**Lot II**
Date of Grant	February 13, 2008	October 13, 2008
Date of Board Approval	July 30, 2007	July 30, 2007
Date of Shareholder's approval	September 27, 2007	September 27, 2007
Number of options granted	458,500	33,500
Vesting Period	February 13, 2009 to February 12, 2013	October 13, 2009 to October 12, 2013
Exercise Period up to	February 12, 2018	October 12, 2018

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

Particulars	March 31, 2009		March 31, 2008	
	Number of options	**Weighted Average Exercise Price(Rs.)**	Number of options	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the year	**458,500**	**71.00**	–	–
Granted during the year	**33,500**	**50.00**	458,500	71.00
Forfeited during the year	**111,500**	**70.34**	–	–
Exercised during the year	**–**	**–**	–	–
Expired during the year	**–**	**–**	–	–
Outstanding at the end of the year	**380,500**	**69.34**	458,500	71.00
Exercisable at the end of the year	**70,100**	**71.00**	–	–
Weighted average remaining contractual life (in years)	**8.93**	**–**	9.88	–
Weighted average fair value of options granted (in Rs.)	**25.86**	**–**	26.48	–

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	**March 31, 2009**	**March 31, 2008**
Range of exercise prices	Rs. 71.00 for 350,500 options and Rs. 50.00 for 30,000 options	Rs. 71.00
Number of options outstanding	380,500	458,500
Weighted average remaining contractual life of options (in years)	8.93	9.88
Weighted average exercise price (Rs.)	69.34	71.00

Stock Options granted

The weighted average fair value of stock options granted during the year is Rs. 18.65 (Previous Year: Rs. 26.48). The Black – Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	**March 31, 2009**	**March 31, 2008**
Exercise Price	Rs. 71.00 for 350,500 options and Rs. 50.00 for 30,000 options	Rs. 71.00
Expected Volatility	34%	34%
Life of the options granted (Vesting and exercise period) in years	6.5 years	6.5 years
Expected dividends	–	–
Average risk–free interest rate	7.95% for 350,500 options and 8.70% for 30,000 options	7.95%
Expected dividend rate	–	–

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

(Rs. in lacs)

Particulars	**March 31, 2009**	**March 31, 2008**
Profit/ (Loss) as reported	2,081.89	(5,548.35)
Add: Employee stock compensation under intrinsic value method	–	–
Less: Employee stock compensation under fair value method	(19.08)	3.13
Proforma profit/ (loss)	2,062.80	(5,551.48)
Earnings Per Share (In Rs.)		
Basic		
– As reported	0.92	(2.49)
– Pro forma	0.91	(2.49)
Diluted		
– As reported	0.92	(2.49)
– Pro forma	0.91	(2.49)

The fair value of total option outstanding at the year end is Rs. 98.41 lacs (Previous Year Rs. 121.40 lacs) and these shall vest over a period of 5 years. Accordingly, the charge for the current year in relation to employee stock compensation under fair value method would have been Rs. 19.08 lacs (Previous Year Rs. 3.13 lacs).

13. **a)** A subsidiary of the Company (FHML), has incurred losses of Rs. 28.24 lacs during the current year, which has resulted in complete erosion of FHML's net worth. In view of the fact that current year is the first year of incorporation of FHML and the commitment of continued financial support by the shareholders, the accounts of FHML have been continued to be prepared on a going concern basis.

b) A subsidiary of the Company (FHoML), has incurred losses of Rs. 12.88 lacs during the current year, which has resulted in complete erosion of FHoML's net worth. In view of the fact that current year is the first year of incorporation of FHoML and the commitment of continued financial support by the shareholders, the accounts of FHoML have been continued to be prepared on a going concern basis.

c) A subsidiary of the Company (EHCL), has earned profits of Rs. 104.50 lacs during the current year and has accumulated losses of Rs. 406.93 lacs as at March 31, 2009, which has resulted in complete erosion of EHCL's net worth. In view of EHCL's posting profits during the current year, commitment of continued financial support by the shareholders and the expected improvement in the financial results projected by the management, the accounts of EHCL have been continued to be prepared on going concern basis.

d) A subsidiary of the Company (EHSSIL) has earned profit of Rs. 408.02 lacs during the current year and has accumulated losses of Rs. 3,320.77 lacs, which has resulted in erosion of a substantial portion of EHSSIL's net worth. During the year, fresh equity has been infused by the holding company to the tune of Rs. 1,400.00 lacs. In view of the support of the holding company, profits posted by EHSSIL during the year and the expected improvement in the financial results projected by the management, the accounts of EHSSIL have been continued to be prepared on going concern basis.

e) A subsidiary of the Company (EHSSHL), has incurred losses of Rs. 1,392.88 lacs during the current year and has accumulated losses of Rs. 1,388.81 lacs, which has resulted in erosion of a portion of EHSSHL's net worth. During the year, fresh equity has been infused by the holding company to the tune of Rs. 100.00 lacs. In view of support by the holding company and the expected improvement in the financial results projected by the management, the accounts of EHSSHL have been continued to be prepared on a going concern basis.

f) A subsidiary of the Company (LHPL), has incurred losses of Rs. 400.35 lacs during the current year and has accumulated losses of Rs. 686.16 lacs, which has resulted in erosion of a substantial portion of LHPL's net worth. In view of the expected improvement in the financial results projected by the management and the commitment of continued financial support by the shareholders, the accounts of LHPL have been continued to be prepared on a going concern basis.

14. **Disclosures under Accounting Standard – 15 (Revised) on 'Employee Benefits' :**

(Rs. in lacs)

a.	**Defined Contribution Plan**	**Year ended March 31, 2009**	Year ended March 31, 2008
	Contribution to Provident fund	**613.70**	632.34

b. **Defined Benefit Plan**

The Group 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 Group also provides leave encashment benefit to its employees, which is unfunded.

The following table summaries the components of net employee benefit expenses recognised in the consolidated profit and loss account :

(Rs. in lacs)

Particulars	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**
	2008–2009	**2008–2009**	**2007–2008**	**2007–2008**
Profit and Loss account				
Net employee benefit expenses (recognized in Personnel Expenses / Expenditure during Construction Period)				
Current Service cost	165.59	15.32	175.18	13.23
Interest Cost on benefit obligation	59.86	9.65	65.80	9.19
Expected return on plan assets	–	(8.46)	–	(9.49)
Actuarial loss/(gain) recognised during the year	(145.71)	(9.69)	(22.65)	30.32
Past Service Cost	–	–	–	–
Net benefit expense	79.74	6.82	218.33	43.25
Actual return on plan assets	–	17.03	–	10.50
Balance sheet				
Details of Provision for Gratuity as at year end				
Present value of defined benefit obligation	794.98	117.93	800.08	163.34
Fair value of plan assets	–	109.96	–	113.33
Surplus/(deficit) of funds	(794.98)	(7.97)	(800.08)	(50.01)
Net asset/ (liability)	(794.98)	(7.97)	(800.08)	(50.01)
Changes in present value of the defined benefit obligation are as follows:				
Opening defined benefit obligation	800.08	163.34	822.60	122.48
Deletion on sale of subsidiary (refer note C (1) (n) above)	(1.37)	–	–	–
Current Service cost	165.59	15.32	175.18	13.23
Interest Cost on benefit obligation	59.86	9.65	65.80	9.19
Benefits paid	(83.47)	(69.26)	(240.85)	(12.88)
Actuarial (loss)/ gain recognised during the year	(145.71)	(1.12)	(22.65)	31.32
Closing defined benefit obligation	794.98	117.93	800.08	163.34
Changes in the fair value of plan assets are as follows:				
Opening fair value of plan assets	–	113.33	–	115.71
Expected return	–	8.46	–	9.49
Contributions by employer	–	48.86	–	–
Benefits paid	–	(69.26)	–	(12.88)
Actuarial gains / (losses)	–	8.57	–	1.01
Closing fair value of plan assets	–	109.96	–	113.33
Experience loss adjustment on plan assets/ liabilities	(54.63)	(6.33)	–	–

The Principal assumptions used in determining gratuity obligation for the Company's plan are shown below:
In case of FHL, FHTL and IHL

Discount rate	7.80%	8%
Expected rate of return on plan assets	–	–
Expected rate of salary increase	7.50%	10%
Mortality table referred	LIC (1994–96)	LIC (1994–96)
	duly modified	duly modified

Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18%	3%
From 31 to 44 years	6%	2%
Above 44 years	2%	1%
In case of EHIRCL and EHSSIL		
Discount rate	7.80%	8%
Expected rate of return on plan assets	–	–
Expected rate of salary increase	3.75%	5.50%
Mortality table referred	LIC (1994–96) duly modified	LIC (1994–96) duly modified
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	6%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
In case of EHRCL		
Discount rate	7.80%	7.50%
Expected rate of return on plan assets	9.25%	8.20%
Expected rate of salary increase	3.75%	5.50%
Mortality table referred	LIC (1994–96) duly modified	LIC (1994–96) duly modified
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	6%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
In case of EHSSHL		
Discount rate	7.80%	8%
Expected rate of return on plan assets	–	–
Expected rate of salary increase	7.50%	5.50%
Mortality table referred	LIC (1994–96) duly modified	LIC (1994–96) duly modified
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18%	3%
From 31 to 44 years	6%	2%
Above 44 years	2%	1%
In case of FHML and FHoML		
Discount rate	7.80%	
Expected rate of return on plan assets	–	
Expected rate of salary increase	7.50%	
Mortality table referred	LIC (1994–96) duly modified	

Withdrawal rate/ Employee Turnover Rate	
Upto 30 years	6%
From 31 to 44 years Above 44 years	2% 1%
In case of LHPL	
Discount rate	7.80%
Expected rate of return on plan assets	–
Expected rate of salary increase	7.50%
Mortality table referred	LIC (1994–96) duly modified
Withdrawal rate/ Employee Turnover Rate	
Upto 30 years	18%
From 31 to 44 years	6%
Above 44 years	2%

Notes:

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

b) The Fortis Group's expected contribution to the fund in the next year is not presently ascertainable and hence, the contributions expected to be paid to the plan during the annual period beginning after the balance sheet date as required by Para 120 (o) of the Accounting Standard 15 (Revised) on Employee Benefits are not disclosed.

15. The Company and few of its subsidiaries have entered into 'Operation and Management' agreements with entities which are into hospital operations, in terms of which, they are responsible for developing and providing generally maintenance support and related services necessary to support, manage and maintain the hospital as may be required. The management fee is generally based on gross billing of the hospital subject to certain conditions as per the underlying agreement. The gross billing of the hospital is considered based on the unaudited financial statements of the respective entity. The management does not anticipate any material changes in the amounts considered in financial statements.

16. Details of utilisation of proceeds raised through public issue

(Rs. in lacs)

S No.	Expenditure Program	Proposed expenditure out of IPO proceeds	Amount expended till March 31, 2009	Amount expended till March 31, 2008
1	Construction and development of the planned hospital to be located at Shalimar Bagh, New Delhi by one of its subsidiaries	10,000.00	7,302.11	3,113.00
2	Refinancing of funds availed for the acquisition of Escorts Heart Institute and Research Centre Limited	35,231.15	35,231.15	35,231.15
3	Issue Expenses	4,445.00	3,278.91	3,278.91
	Total	**49,676.15**	**45,812.17**	**41,623.06**

The Company is having unutilised funds of Rs. 3,863.98 lacs as on March 31, 2009 out of IPO proceeds. These funds have been invested as Fixed Deposit with a Scheduled Bank.

17. During the year, the Company has partly redeemed 100,000, Class 'C' Zero Percent Redeemable Preference Shares of Re. 1 each at a premium of Rs. 12.55 per share. The redemption premium of Rs. 12.55 lacs on these shares has been adjusted against the liability for premium on redemption of Redeemable Preference Shares.

18. During the year, the Company has partly redeemed 11,500,000, Class 'C' Zero Percent Redeemable Preference Shares of Rs. 1 each at a premium of Rs. 11.50 per share. The redemption premium of Rs. 1,322.50 lacs on these shares has been adjusted against the liability for premium on redemption of Redeemable Preference Shares.

19. During the year, the Company has issued 100, Zero Percent Unsecured Non– Convertible Debentures of Rs. 10,000,000 each which have been redeemed at a premium of Rs. 3.01 lacs per debenture. In terms of Section 78 of the Companies Act, 1956, the total redemption premium of Rs. 301.37 lacs has been adjusted against the Securities Premium.

20. During the year, the Company has issued 150,000, Class 'C' Zero Percent Redeemable Preference Shares of Rs. 10 each at a premium of Rs. 9,990 per share. These shares are to be redeemed at various dates between June 30, 2010 and June 30, 2014 at an aggregate premium of Rs. 25,305 lacs. The Company has accrued the redemption premium and debited the same to Securities Premium Account as permitted by Section 78 of the Companies Act, 1956.

21. During the year, the Company has issued 1,450,000, Class 'C' Zero Percent Redeemable Preference Shares of Rs. 10 each at a premium of Rs. 90 per share. These shares are to be redeemed on October 18, 2010 at a premium of Rs. 117.69 per share. The Company has accrued the redemption premium and debited the same to Securities Premium Account as permitted by Section 78 of the Companies Act, 1956.

22. Extra–ordinary item during the year ended March 31, 2009 amounting to Rs. 640.10 lacs represents the compensation received by a subsidiary from one of the erstwhile promoters against the claim for losses incurred by it.

23. Goodwill appearing in consolidated financial statements is after netting off Capital Reserve aggregating to Rs. 103.12 lacs arising on the acquisition of a subsidiary of the Company (FHTL).

24. Particulars of Unhedged Foreign Currency Exposure:

(Rs. in lacs)

Particulars	**As at March 31, 2009**	As at March 31, 2008
Import Creditors	**88.02**	229.62
ECB Loan		
– Principal	**490.97**	1,134.84
– Interest Accrued but not due	**9.18**	32.18

25. Few subsidiaries of the Company (EHIRCL, EHRCL and EHCL) are liable to pay Income tax for the period under the provisions of Section 115JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA of the Income Tax Act, 1961, MAT credit is available to these companies in subsequent assessment years in respect of the MAT paid in current year. Accordingly, MAT Credit Entitlement of Rs. 218.82 lacs, Rs. 119.34 lacs (including Rs. 56.59 lacs relating to MAT paid in earlier years) and Rs.11.90 lacs has been recognised by EHIRCL, EHRCL and EHCL respectively.

The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable these companies to utilize MAT credit entitlement.

26. Previous year figures have been regrouped / recasted wherever necessary to confirm to current year's classification. Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : June 30, 2009

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Chairman

Shivinder Mohan Singh
Managing Director

Ruchi Mahajan
Company Secretary

Yogesh Sareen
Chief Financial Officer

Place : New Delhi
Date : June 30, 2009

Fortis Healthcare Limited

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

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of Fortis Healthcare Limited will be held on **Friday, September 25, 2009** at **10.30 A.M.** at **Air Force Auditorium, Subroto Park, New Delhi-110010** to transact the following business:

AS AN ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Malvinder Mohan Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Gurcharan Das, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr. P.S. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s S.R. Batliboi & Co., Chartered Accountants, retiring Auditors, are eligible for re-appointment.

AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Sunil Godhwani, who was appointed as an Additional Director w.e.f. February 26, 2009 and who holds office pursuant to Section 260 of the Companies Act,1956 (hereinafter referred to as "the Act") upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act, from a member proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

   "RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, things as may be deemed necessary, to give effect to the foregoing resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Balinder Singh Dhillon, who was appointed as an Additional Director w.e.f. February 26, 2009 and who holds office pursuant to Section 260 of the Companies Act,1956 (hereinafter referred to as "the Act") upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act, from a member proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

   "RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, things as may be deemed necessary, to give effect to the foregoing resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule XIII to the Act and subject to further approval of the Central Government and all other applicable regulatory approval(s), consent(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by the authorities while granting such approval(s), consent(s) and permission(s) as may be agreed by the Board of Directors (which expression shall deemed to include any Committee thereof or any person(s) authorized by the Board in this behalf), the consent of the Company be and is hereby granted for increase in remuneration payable to Mr. Shivinder Mohan Singh, Managing Director (MD) of the Company, w.e.f. April 1, 2008, for his remaining tenure as MD i.e. till November 12, 2009, on the terms and conditions as set out below:

(a) Salary:

Minimum Rs. 60,00,000/- (Rupees Sixty Lacs) per annum subject to maximum of Rs. 1,00,00,000/- (Rupees One Crore) per annum with the liberty to the Board to review and set the level from time to time.

(b) Fixed / Variable Bonus: For each financial year:

(i) On quarterly basis, fixed bonus of Rs. 50,00,000/- (Rupees Fifty Lacs) aggregating to Rs. 2,00,00,000/- (Rupees Two Crores) per annum; and

(ii) On annual basis, performance linked variable bonus, in the range of Rs.1,50,00,000/- (Rupees One Crore Fifty Lacs) to Rs. 3,00,00,000/- (Rupees Three Crores), based on certain performance parameters including budgeted achievement, inorganic growth in revenue and total shareholders' returns (TSR) etc. as may be evaluated and recommended by the Remuneration Committee and approved by the Board.

(c) Perquisites, Allowances & other benefits:

1. Housing:
   - i) House Rent Allowance or Company owned/leased furnished house with actual upkeep and maintenance expenses.
   - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company.
   - iii) Company shall provide such furniture and furnishing as may be required by the Director.
2. Special Allowance: He will be entitled to special allowance on monthly basis.
3. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
4. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
5. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
6. Club Fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
7. Periodicals / Books Reimbursement: The expenses relating

to Periodicals / Books will be borne / reimbursed by the Company.

8. Conveyance - The Company shall provide fully insured cars with driver and reimbursement of the operational expenses.

9. Entertainment Reimbursement: Entertainment expenses will be borne / reimbursed by the Company.

10. Telephone, Telefax and other Communication Facilities - The Company shall provide/reimburse expenses in respect of cellular phone (s) (with handset) for his use, and Telephone connections with STD & ISD facilities, fax connection with fax machine, Cable Internet connection and other communication facilities at his residence.

11. ESOPs: Such number of options as may be granted to him under any ESOP Scheme of the Company for the time being in force.

12. Security: The Company shall provide / reimburse for round the clock security at his residence.

13. Mr. Shivinder Mohan Singh shall also be entitled to reimbursement of legitimate expenses incurred by him in performance of his duties and such reimbursement will not form part of his remuneration.

(d) Other terms:

1. The MD shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.

2. The MD shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.

3. Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the tenure of the MD, he shall be entitled to the above remuneration (inclusive of allowances, perquisites and commission, if any) by way of minimum remuneration irrespective of the limits specified under the provisions of Section 198, 309, Schedule XIII and all other applicable provisions of the Act.

4. Unless otherwise a shorter period is decided mutually between the MD and the Board of Directors, the office as MD may be terminated by either party by giving three months' notice in writing, of such termination.

5. If, at any time, Mr. Shivinder Mohan Singh ceases to be the director of the Company for any cause whatsoever, his office as MD shall forthwith be terminated."

"RESOLVED FURTHER THAT the monetary value of such perquisites / allowances will be limited to Rs. 5,40,00,000/- (Rupees Five Crore Forty Lacs) per annum, with authority granted to the Board of Directors to increase it from time to time upto an amount not exceeding Rs. 8,00,00,000/- (Rupees Eight Crores) per annum and that the perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, they shall be evaluated at actual cost."

"RESOLVED FURTHER THAT in addition to the above perquisites, the MD shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

i) Contribution to Provident Fund and Superannuation Fund or Annuity fund to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961;

ii) Gratuity payable at the rate not exceeding half months' salary for each completed year of service; and

iii) Encashment of unavailed leave at the end of tenure."

"RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the foregoing resolution."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule XIII to the Act and subject to further approval of the Central Government and all other applicable regulatory approvals, consent(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by the authorities while granting such approval(s), consent(s) and permission(s) as may be agreed by the Board of Directors (which expression shall deemed to include any Committee thereof and any person(s) authorized by the Board in this behalf), the consent of the Company be and is hereby granted for re-appointment of Mr. Shivinder Mohan Singh, Managing Director (MD) of the Company, for a period of 3 (three) years, w.e.f. November 13, 2009 on the terms & conditions as set out below:

(a) Salary:

In the range of Rs. 60,00,000/- (Rupees Sixty Lacs) per annum to Rs.1,00,00,000/- (Rupees One Crore) per annum with the discretion to the Board to review and set the levels thereof from time to time.

(b) Fixed / Variable Bonus: For each financial year:

(i) On quarterly basis, fixed bonus of Rs. 50,00,000/- (Rupees Fifty Lacs) aggregating to Rs. 2,00,00,000/- (Rupees Two Crores) per annum; and

(ii) On annual basis, performance linked variable bonus, in the range of Rs.1,50,00,000/- (Rupees One Crore Fifty Lacs) to Rs. 3,00,00,000/- (Rupees Three Crores), based on certain performance parameters including budgeted achievement, inorganic growth in revenue and total shareholders' returns (TSR) etc. as may be evaluated and recommended by the Remuneration Committee and approved by the Board.

(c) Perquisites, Allowances & other benefits:

In addition, Mr. Singh will be entitled to perquisites, including but not limited to, rent-free furnished accomodation, car, telephone, water, electricity, furnishings, medical reimbursement, club fees, personal accident insurance, leave travel for self and family, any other reimbursements, allowances or perquisites in accordance with the rules of the Company.

However, the monetary value of all perquisites / allowances / other benefits will be limited to Rs.5,40,00,000/- (Rupees Five Crore Forty Lacs) per annum, with authority granted to the Board of Directors to increase it from time to time upto an amount not exceeding Rs. 8,00,00,000/- (Rupees Eight Crores) per annum. However, the perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, they shall be evaluated at actual cost.

In addition to the above perquisites, the MD shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

i) Contribution to Provident Fund and Superannuation Fund or Annuity fund to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961;

ii) Gratuity payable at the rate not exceeding half months' salary for each completed year of service;

iii) Encashment of unavailed leave at the end of tenure.

(d) Other terms:

1. The MD shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
2. The MD shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.
3. Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the tenure of the MD, he shall be entitled to the above remuneration (inclusive of allowances, perquisites and commission, if any) by way of minimum remuneration irrespective of the limits specified under the provisions of Section 198, 309, Schedule XIII and all other applicable provisions of the Act.
4. Unless otherwise a shorter period is decided mutually between the MD and the Board of Directors, the office as MD may be terminated by either party by giving three months' notice in writing, of such termination.
5. If, at any time, Mr. Shivinder Mohan Singh ceases to be the director of the Company for any cause whatsoever, his office as MD shall forthwith be terminated.
6. Reimbursement of legitimate expenses incurred by Mr. Shivinder Mohan Singh in performance of his duties, shall not form part of his remuneration.

"RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the foregoing resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") and other applicable rules, regulations, notifications and circulars, if any, of SEBI and/or other concerned and relevant authorities and other applicable laws, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), relevant provisions of Memorandum & Articles of Association as amended from time to time and the Listing Agreements, entered into by the Company with Stock Exchanges where the Company's shares are listed, the consent of the Company be and is hereby accorded for the ratification of all the actions taken for the implementation of "Employee Stock Option Plan - 2007" of the Company, framed in terms of the Guidelines, as provided hereinbelow:

– Requirement of vesting and period of vesting and maximum period within which the options shall be vested

The options would vest upto five years from the grant date. The exact proportion in which and the exact period over which the options would vest would be determined by the Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of option.

The Vesting period for grant shall be as follows:

- 20% of the options shall vest on the completion of 12 months from the grant date.
- 20% of the options shall vest on the completion of 24 months from the grant date.
- 20% of the options shall vest on the completion of 36 months from the grant date.
- 20% of the options shall vest on the completion of 48 months from the grant date.
- 20% of the options shall vest on the completion of 60 months from the grant date.

The aforesaid options shall vest so long as the employee continues to be in employment of the Company or its subsidiaries.

Notwithstanding anything to the contrary in this plan, the Remuneration Committee may be entitled to in its absolute discretion, to vary or alter the vesting date from employee to employee or class there as it may deem fit.

– Exercise Period and process of exercise

The exercise period would commence from the date of vesting and will expire on completion of 10 years from the date of grant of options. The employee can exercise the vested options on payment of exercise price alongwith applicable taxes and get the shares transferred to his / her name.

– Appraisal Process

Appraisal Process for determining the eligibility of the employees shall be specified by the Remuneration Committee of the Company and will generally be based on the criterias such as role / level of employee, past performance, future potential of employees, etc.

– Maximum Number of options to be issued per employee and in aggregate is 1% of the issued Capital (excluding outstanding warrants and conversion) of the Company at the time of grant of option.

– Accounting Policies and Method of valuation

The accounting policies prescribed under Clause 13.1 of SEBI Guidelines and all other disclosure requirements and accounting policies prescribed as per the SEBI Guidelines and other applicable laws and regulations have been complied with and to calculate the employee compensation cost for valuation of the options granted, the Company has used the Intrinsic Value Method. The difference between the employee compensation cost so computed using Intrinsic Value and the cost that shall have been recognized if it had used the Fair value of the options, and also the impact of this difference on profits and on EPS of the Company shall be disclosed in the Directors' Report."

"RESOLVED FURTHER THAT for the purpose of implementing the said scheme and to give effect to the above resolution, the Board of Directors be and is hereby authorized to do all such other acts, deeds, matters and things as it may in its discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in this regard."

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

Date: July 24, 2009
Place: New Delhi

Ruchi Mahajan
Company Secretary

NOTES:

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE SHALL BE DULY FILLED, STAMPED, SIGNED AND DEPOSITED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AT THE REGISTERED OFFICE OF THE COMPANY AT ESCORTS HEART INSTITUTE AND RESEARCH CENTRE, OKHLA ROAD, NEW DELHI- 110025.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed herewith which forms part of this Notice.
3. The additional information on directors seeking appointment/ re-appointment at this Annual General Meeting has been provided in the Report on Corporate Governance forming part of Directors' Report attached to the Annual Report, except that of Mr. Shivinder Mohan Singh, which is given in the notice itself. Further, in terms of Clause 49 of the Listing Agreement, it may please be noted that except Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh, who are brothers and Mr. Harpal Singh who is father-in-law of Mr. Malvinder Mohan Singh, none of other Directors are related to each other.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from September 22, 2009 to September 25, 2009 (both days inclusive).
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall. The members who hold shares in dematerialized form are requested to bring their Client Master List/Depository Participant Statement/ Delivery Instruction Slip, reflecting their Client Id. and DP Id. Nos for easier identification of attendance at the meeting.
7. Members who hold shares in electronic form are requested to notify any change in their particulars like change in address, etc., to their respective Depository Participants immediately and Members who hold shares in physical form are requested to notify any change in their particulars like change in address, etc., to the Registrar & Transfer Agent.
8. Corporate members are requested to send a duly certified copy of the Board Resolution /Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name shall be entitled to vote.
10. For security reasons, no article / baggage will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article/baggage, etc. at the venue.
11. Those members who have not yet got their Equity Shares dematerialized, are requested to contact any of the Depository Participants in their vicinity for getting their shares dematerialized. In case of any clarifications, undersigned may be contacted in person or by communication addressed at the Registered Office of the Company.
12. Consequent upon the introduction of Section 109A of the Companies Act,1956, shareholders are entitled to make nomination in respect of shares held by them. The Shareholders holding shares in physical form and desirous of making nominations may send their nomination request in prescribed form 2B of Companies (General Rules & Forms), 1956 which can be obtained from the Company's Registrar, LINK INTIME INDIA PRIVATE LIMITED at A-40, 2ND FLOOR, NARAINA INDUSTRIAL AREA, PHASE-II, NEAR BATRA BANQUET HALL, NEW DELHI-110028 or download from the Company's website.
13. Members desiring any information on the Accounts are required to write to the Company at its Registered Office, giving at least 7 days' notice prior to the date of Annual General Meeting to enable the Management to compile and keep the information ready.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6

The Board of Directors of your Company had co-opted Mr. Sunil Godhwani having rich experience in various business functions, as an additional director of the Company w.e.f. February 26, 2009, pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Article of Associations of the Company. The brief details of his qualification, experience etc. are given in Corporate Governance Report forming part of Annual Report of the Company.

As per Section 260 of the Companies Act, 1956, he will hold office upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a shareholder of the Company proposing his candidature for office of Director under Section 257 of the Companies Act, 1956.

Your Directors believe that with his appointment as a Non-Executive Director of the Company, the Company would be benefitted from his experience and knowledge. Hence, the resolution as set out at item No.6 of the notice is recommended for your approval.

A copy of the resolution passed by the Board of Directors on February 26, 2009 is open for inspection by the members at the Registered Office of the Company during working hours between 11.00 A.M. to 1.00 P.M. on all working days upto the date of this Annual General Meeting.

None of the Directors except Mr. Sunil Godhwani himself, is interested in the said resolution.

Item No. 7

The Board of Directors of your Company had co-opted Mr. Balinder Singh Dhillon having rich experience in corporate laws, governance, strategic planning and implementation as an additional director of the Company w.e.f. February 26, 2009, pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Article of Associations of the Company. The brief details of his qualification, experience etc. are given in Corporate Governance Report forming part of the Annual Report of the Company.

As per Section 260 of the Companies Act, 1956, he will hold office upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a shareholder of the Company proposing his candidature for office of Director under Section 257 of the Companies Act, 1956.

Your Directors believe that with his appointment as a Non-Executive Director of the Company, the Company would be benefitted from the experience and knowledge of the above said director. Hence, the resolution as set out at item No.7 of the notice is recommended for your approval.

A copy of the resolution passed by the Board of Directors on February 26, 2009 is open for inspection by the members at the Registered Office of the Company during working hours between 11.00 A.M. to 1.00 P.M. on all working days upto the date of this Annual General Meeting.

None of the Directors except Mr. Balinder Singh Dhillon himself, is interested in the said resolution.

Item No. 8 and 9

Mr. Shivinder Mohan Singh, one of the promoter Directors of the Company, was appointed as the CEO & Managing Director of the Company for a period of 3 years w.e.f. November 13, 2006, subject to the approval of the Central Government pursuant to the provisions of Section 269 of the Companies Act, 1956. Subsequently, Central Government has also conferred its approval for the appointment of Mr. Singh as the Managing Director of the Company vide its Letter No. 12/427/2007-CL-VII dated November 7, 2007.

Keeping in view the consistent progress made by the Company under the leadership and guidance of Mr Shivinder Mohan Singh, who has successfully established Fortis brand as a synonymous with quality healthcare and service excellence, the Remuneration Committee of the Board of Directors, in its meeting held on October 13, 2008, recommended to the Board of Directors an increase in the remuneration of Mr. Shivinder Mohan Singh w.e.f April 1, 2008. Further, the Board of Directors of the Company, in its meeting held on October 29, 2008, approved the aforementioned increase in remuneration, subject to the approval of the shareholders of the Company and the Central Government under Sections 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956.

Further, on recommendation of the Remuneration Committee, in recognition of the valuable services rendered by Mr. Singh, the Board of Directors had, in its meeting held on July 24, 2009, re-appointed him as Managing Director for further period of 3 years w.e.f. November 13, 2009, on terms and conditions as referred in Resolution No. 9, subject to the approval of shareholders of the Company and Central Government.

The Board of Directors recommends the resolution(s) at Item No. 8 and 9 for approval of shareholders.

None of the Directors except Mr. Malvinder Mohan Singh (being related to Mr. Shivinder Mohan Singh) and Mr. Shivinder Mohan Singh himself, is interested in the proposed resolution(s).

This may be treated as an abstract under Section 302 of the Companies Act, 1956.

The following additional information as required by Schedule XIII to the Companies Act, 1956 is given below:

I. General Information

(i) Nature of Industry: Business of providing healthcare services and running multi-specialty hospitals.

(ii) Date or expected date of commencement of commercial production: The Company was incorporated on February 28, 1996.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NOT APPLICABLE

(iv) Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2009:

(Rs. in Lacs)

Particulars	**For the year ended 31.03.2009**
Turnover and other income	19,345.22
Net profit/(loss) as per Profit & Loss A/c	(714.97)

(v) Export Performance and net foreign exchange collaborations: NOT APPLICABLE

(vi) Foreign investments or collaborations, if any: NOT APPLICABLE.

II. Information about the appointee

(i) **Background details:**

Mr. Shivinder Mohan Singh is an alumnus of Doon School, graduated with a B.A. (Hons.) Degree in Mathematics from St. Stephen's College, Delhi and holds an MBA degree with specialization in Health Sector Management from the Fuqua School of Business, Duke University, U.S.A.

Mr. Singh is also the CEO & Managing Director of Escorts Heart Institute And Research Centre Limited (EHIRCL) which offers one of the highest Standards of cardiac care to patients. Acquisition of EHIRCL was one of his crowning achievements that apart from being the largest acquisition in the history of healthcare in India, also catapulted the Company to the position of second largest private healthcare companies in India. In addition to this, he is the Chairman of Malar Hospitals Limited, a Company listed at Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

(ii) **Past remuneration drawn:**

In terms of Central Government approval dated November 7, 2007, Mr. Shivinder Mohan Singh is entitled to a total remuneration in the range of minmum of Rs. 192.96 Lacs to a maximum of Rs. 270.14 Lacs per annum.

During the financial year ended March 31, 2009, Rs. 192.96 Lacs was paid to Mr. Shivinder Mohan Singh, comprising of Salary, allowances, monetary value of perquisites.

(iii) **Recognition and Awards/Achievements**:

Mr. Shivinder's significant contribution to Indian Healthcare is widely acknowledged. His aggressive strategy for Fortis and its execution has been recognized by Harvard Business School in the form of a case study. He has been playing an important and active role in shaping the private healthcare space in India. He was awarded LMA Trident-Young Entrepreneur Award and was a nominee for E&Y's Young Global Leader Awards. He is the Chairperson of Health Services Committee of Federation of Indian Chambers of Commerce and Industry (FICCI), Board member of Indo British Partnership Network (IBPN), Board Members of National Accreditation Board for Hospital and Healthcare Providers (NABH) and chair of the healthcare committee of UKTI (UK Trade & Investment). He is also on the National Board of Advisors of AIESEC, a global, non-political, independent, not-for-profit organization run by students and recent graduates of institutions of higher education. He is also on the board of visitors of Fuqua School of Business; Duke University, U.S. and a fellow of Aspens India Leadership Initiative. Mr. Shivinder is also keenly involved in various CSR initiatives focused on the Girl Child, HIV education, providing quality healthcare to Rural India to name a few.

(iv) **Job profile and suitability**

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

Mr. Singh has been instrumental in conceptualizing the healthcare delivery strategy and implementing the plans to make the Company a major player in the healthcare sector in a short span of time. Under the able guidance of Mr. Singh, the Company has grown from 1 hospital in Mohali in 2001 to a network of 28 healthcare delivery facilities including Company's first international foray in Mauritius.

(v) **Remuneration proposed:**

Salary, Performance Bonus and other perquisites and allowances as fully set out in the Resolution Nos. 8 and 9 of the Notice.

(vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

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

(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Shivinder Mohan Singh is related to Mr. Malvinder Mohan Singh, Non-Executive Chairman. Besides proposed remuneration as stated above, Mr. Shivinder Mohan Singh does not have any pecuniary relationship with the Company and its managerial personnel.

III. Other information:

(i) **Reasons for loss or inadequate profits:**

The profitability of the Company (FHL) has been adversely affected on account of the following factors:

1. Business of the Company is largely dependent on professionals and with rising competition in the field of healthcare, the demand for professional doctors/nurses/ paramedical staff has gone up and the supply is limited. Due to the same, the industry observes high attrition ratio and to retain the staff or get the same people back, the company needs to keep offering suitable remuneration to these professionals.
2. FHL plans to grow aggressively through organic and inorganic route, which further puts pressure to the existing low profit margins.
3. New Hospital projects in Healthcare industry involve substantial capital investment and are characterized by long gestation periods, resulting into losses in the initial years and gradual growth of business/ revenue.
4. The company faces stiff competition from leading/ charitable hospitals and medical centers in the region.

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

1. Subject to necessary approvals, the Company plans to raise upto Rs 1000 Cr through Rights Issue. This will enable the Company to add critical mass, lower the burden of interest costs and improve its financial performance
2. The various hospitals owned by the Company and its subsidiaries are in different stages of evolution. The Company has instituted Tactical Revenue Management programs across these hospitals to increase the footfalls and ramp up occupancies.
3. The Company has also undertaken measures to improve the productivity of workforce deployed in the hospitals and also using innovate methods of financing investment in technologies to reduce risks and increase return on the capital employed.
4. The Company with the recent success of its O & M model, is aggressively looking for more and more of such targets which shall generate additional income without considerable investment and expenditure on the part of the Company.
5. With the Company's subsidiaries making significant progress during the last fiscal, the Company expect to generate returns on the investments and cash deployed in such subsidiaries in the ensuing and coming years.
6. The Company is in expansion mode since commencement of operations and cash flows were being utilized to fund upcoming projects. The operations are now being stabilized and a continuous improvement can be seen. Our occupancies have grown from 65% to 70% and we expect the growth in business to continue and stabilize.
7. The Company has acquired Greenfield sites for hospitals, including two in the state of Maharastra in West India which will generate additional income for the Company once it becomes operational.
8. With growing number of Lifestyle diseases like Cardiac, Neuro-sciences and Orthopedics etc., there is a huge demand for Multi Speciality and Super Speciality hospitals. FHL has been servicing these areas for some time now and expects the patient confidence to remain and expand to the communities.

In terms of Clause 49 of the Listing Aggrement, the information or details pertaining to re-appointment of Mr. Singh as Managing Director of the

Company, are furnished herein below:

As on June 30, 2009, he holds 6,394 Equity Shares of Rs. 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Mr. Shivinder Mohan Singh is a Director and member of Committees of Boards of the following other companies:

S. No.	Name of the Companies in which interested	Designation and Committee Memberships
1.	Malar Hospitals Limited	· Chairman · Chairman-Committee under Clause 41 of the Listing Agreement
2.	Escorts Heart Institute And Research Centre Limited	· CEO & Managing Director
3.	Fortis Healthcare Holdings Limited	· Director
4.	Religare Enterprises Limited	· Director · Member – Issue Committee
5.	Religare Voyages Limited	· Director
6.	Oscar Investments Limited	· Director · Member- Risk Management Committee
7.	Super Religare Laboratories Limited	· Director · Member – Audit Committee
8.	Fortis Clinical Research Limited	· Director
9.	Religare General Insurance Company Limited	· Director · Member-Audit Committee
10.	AEGON Religare Life Insurance Company Limited	· Director · Chairman–Investment Committee
11.	Religare Technova Limited	· Director
12.	A-1 Book Company Private Limited	· Director
13.	Chetak Pharmaceuticals Private Limited	· Director
14.	Greenview Buildtech Private Limited	· Director
15.	R.C.Nursery Private Limited	· Director
16.	Religare AEGON Asset Management Company Private Limited	· Director
17.	Shivi Holdings Private Limited	· Director
18.	RHC Holding Private Limited	· Director
19.	Fortis Hospitals Limited	· Director

Item No. 10

The “Employee Stock Option Plan - 2007” (hereafter referred to as "the Scheme") of the Company was approved by the shareholders of the Company in their Eleventh Annual General Meeting held on September 27, 2007. The shareholders have granted the authority to the Board of Directors of the Company (including any committee thereof) to implement the scheme and decide the matter arising therefrom. Now, it is proposed that the necessary actions taken for implementing the said scheme be put before the shareholders for their approval and ratification.

The Board of Directors recommends the Resolution as set out in Item No.10 for the approval of the Shareholders.

None of the Directors of the Company is interested in the said resolution.

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

Date: July 24, 2009
Place: New Delhi

Ruchi Mahajan
Company Secretary

FORTIS HEALTHCARE LIMITED

Registered Office : Escorts Heart Institute And Research Centre, Okhla Road, New Delhi - 110 025

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company/Depositories.

DP Id	*Folio No.
Client Id	No. of Shares

Name(s) in Full | Father's/Husband's Name | Address as Regd. with the Company/Depositories

1. ____________________ ____________________ ____________________
2. ____________________ ____________________ ____________________
3. ____________________ ____________________ ____________________

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE THIRTEENTH ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON 25TH DAY OF SEPTEMBER, 2009 AT 10.30 A.M. AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI - 110 010

Please (✓) in the box

❑ MEMBER ❑ PROXY

Member's Signature

*Applicable for investors holding shares in physical form

Proxy's Signature

FORTIS HEALTHCARE LIMITED

Registered Office : Escorts Heart Institute And Research Centre, Okhla Road, New Delhi - 110 025

PROXY FORM

DP Id	*Folio No.
Client Id	No. of Shares

Name(s) in Full | Father's/Husband's Name | Address as Regd. with the Company/Depositories

1. ____________________ ____________________ ____________________
2. ____________________ ____________________ ____________________
3. ____________________ ____________________ ____________________

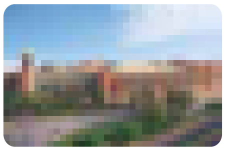
being member(s) of Fortis Healthcare Limited, hereby appoint .... of ....in the district of...............................or failling him ....of.......................................in the district of..as my/our Proxy to attend and vote for me/us on my/our behalf at the Thirteenth Annual General Meeting of the Company scheduled to be held on 25th day of September, 2009 at 10.30 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110 010 and/or at any adjournment thereof.

Signature .... Affix a Re.1/- Revenue Stamp ....

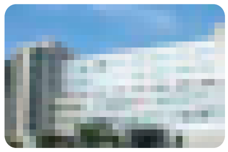
*Applicable for investors holding shares in physical form

Note: The Proxy Form duly completed and signed should be deposited at the Registered Office of the Company situated at Escorts Heart Institute And Research Centre, Okhla Road, New Delhi - 110 025 not later than 48 hours before the commencement of the Annual General Meeting.

FORTIS HOSPITAL NETWORK



Fortis Hospital, **Mohali**
Tel: 91-172-469-2222



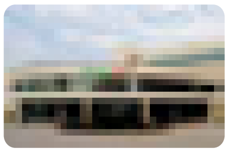
Escorts Heart Institute &
Research Centre Ltd., **New Delhi**
Tel: 91-11-2682-5000

Fortis Hospital,
Noida
Tel: 91-120-240-0222

Fortis
Flt. Lt. Rajan Dhall Hospital,
Vasant Kunj, **New Delhi**
Tel: 91-11-4277-6222

Fortis Escorts Hospital,
Jaipur
Tel: 91-141-254-7000

Fortis La Femme,
New Delhi
Tel: 91-11-4057-9400

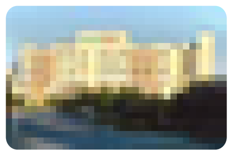


Fortis Escorts Hospital,
Faridabad
Tel: 91-129-241-6096

Hiranandani Hospital,
Vashi, **Navi Mumbai**
Tel: 91-22-3919-9222

Malar Hospital,
Chennai
Tel: 91-44-2491-4023

Escorts Heart Centre,
Raipur
Tel: 91-771-288-1200



Fortis Escorts Hospital,
Amritsar
Tel: 91-183-257-3900

Fortis Jessa Ram Hospital,
New Delhi
Tel: 91-11-4150-3222

Fortis Hospital Seshadripuram,
Bengaluru
Tel: 91-080-4020-0000

Fortis Modi Hospital,
Kota, Rajasthan
Tel: 91-744-247-3501

Fortis Clinique Darne',
Mauritius
Tel: 230-601-2300

Fortis

FORTIS HEALTHCARE LIMITED

Regd. Office: Escorts Heart Institute And Research Centre, Okhla Road, New Delhi-110 025 (India)
E-mail: contactus@fortishealthcare.com **Visit us at** www.fortishealthcare.com