Escorts Heart Institute and Research Centre Limited
Balance Sheet as at March 31, 2015

	Notes	March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4 (i)	24,020,790	24,020,790
Reserves and surplus	4 (ii)	7,371,104,918	7,128,329,991
		7,395,125,708	**7,152,350,781**
Non-current liabilities			
Long-term borrowings	4 (iii)	400,000,000	480,000,000
Other long-term liabilities	4 (iv)	784,050	817,290
Long-term provisions	4 (v)	120,545,532	132,299,532
		521,329,582	**613,116,822**
Current liabilities			
Short-term borrowings	4 (vi)	953,000,000	972,996,447
Trade payables	4 (vii)	484,740,202	563,979,000
Other current liabilities	4 (viii)	2,377,785,860	1,750,959,179
Short-term provisions	4 (ix)	78,678,837	73,820,390
		3,894,204,899	**3,361,755,016**
TOTAL		**11,810,660,189**	**11,127,222,619**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	4 (x) a	782,606,271	794,271,566
Intangible assets	4 (x) b	62,763,246	13,043,226
Capital work-in-progress		12,532,852	39,557,261
Non-current investments	4 (xi)	1,272,051,805	1,631,861,805
Deferred tax assets (net)	4 (xii)	221,576,760	193,529,548
Long-term loans and advances	4 (xiii)	677,899,939	673,294,933
Other non-current assets	4 (xiv)	47,893,398	8,046,375
		3,077,324,271	**3,353,604,714**
Current assets			
Current investments	4 (xv)	345,410,000	-
Inventories	4 (xvi)	52,483,655	58,979,129
Trade receivables	4 (xvii)	378,764,245	483,758,974
Cash and bank balances	4 (xviii)	38,515,909	36,924,586
Short-term loans and advances	4 (xix)	6,574,644,440	6,326,208,700
Other current assets	4 (xx)	1,343,517,669	867,746,516
		8,733,335,918	**7,773,617,905**
TOTAL		**11,810,660,189**	**11,127,222,619**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration Number: 301003E
Chartered Accountants

For and on behalf of the Board of Directors of
Escorts Heart Institute and Research Centre Limited

per Sandeep Sharma
Partner
Membership No.: 93577

Somesh Kumar Mittal
Whole-time Director
DIN: 07049789

Jasbir Singh Grewal
Director
DIN: 01113910

Place : Gurgaon
Date : May 27, 2015

Place : Gurgaon
Date : May 27, 2015

Escorts Heart Institute and Research Centre Limited
Statement of Profit and loss for the year ended March 31, 2015

	Notes	March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
INCOME			
Revenue from operations	4 (xxi)	3,578,401,123	3,738,444,174
Other income	4 (xxii)	726,202,829	1,211,622,505
Total revenue		**4,304,603,952**	**4,950,066,679**
EXPENSES			
Purchase of medical consumables and drugs		1,001,702,807	1,143,155,284
Decrease in inventories of medical consumables and drugs	4 (xxiii)	3,457,053	202,558
Employee benefits expense	4 (xxiv)	1,019,519,870	1,041,183,040
Other expenses	4 (xxv)	1,334,346,481	1,402,853,817
Total expenses		**3,359,026,211**	**3,587,394,699**
Earning before interest, tax, depreciation and amortization (EBITDA)		**945,577,741**	**1,362,671,980**
Finance costs	4 (xxvi)	406,253,978	520,299,255
Profit before tax, depreciation and amortization		**539,323,763**	**842,372,725**
Depreciation and amortization expense	4 (xxvii)	118,872,270	174,061,902
Profit before tax		**420,451,493**	**668,310,823**
Tax expenses:			
Current tax:			
Pertaining to profit for the current year [including foreign taxes of Nil (Previous year ₹ 28,098,831)]		197,458,231	303,480,611
Adjustment of tax relating to earlier years		(6,296,248)	19,513,249
Deferred tax credit		(23,195,418)	(53,519,623)
Total tax expenses		**167,966,565**	**269,474,237**
Profit for the year		**252,484,928**	**398,836,586**
Earnings per share [(Nominal value of shares ₹ 10/- each (Previous year ₹ 10 each)]	4 (xxviii)		
Basic		**126.22**	199.39
Diluted		**105.11**	166.04

Summary of significant accounting policies	3

The accompanying notes are an integral part of the financial statements

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DIN: 01113910

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Date : May 27, 2015

Escorts Heart Institute and Research Centre Limited
Cash Flow Statement for the year ended March 31, 2015

Particulars	March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
Cash flow from operating activities		
Profit before tax	420,451,493	668,310,823
Adjustments for :		
Depreciation and amortization expense	118,872,270	174,061,902
Provision for diminution in investments	14,400,000	-
Loss on sale of assets (net)	3,868,644	664,752
Provision for doubtful receivables	87,467,263	106,058,334
Provision for doubtful advances	120,962,738	5,438,777
Provision for contingencies	5,445,679	283,114
Bad debts and sundry balances written off	31,102,593	141,388,147
Amortization of finance charges	1,971,547	857,834
Foreign exchange fluctuation gain (net)	(85,271,459)	(372,369,211)
Forward cover premium amortisation	(142,980,571)	(589,033,005)
Unclaimed balances and excess provisions written back	(9,713,912)	(1,028,249)
Wealth tax	1,200,000	1,121,970
Interest income	(496,331,405)	(621,117,210)
Interest expense	399,052,248	507,080,607
Operating profit before working capital changes	**470,497,128**	**21,718,585**
Movements in working capital :		
Increase in trade receivables	(13,575,127)	(25,898,225)
Decrease/ (increase) in inventories	6,495,474	(2,804,716)
Decrease/ (increase) in loans and advances	71,732,689	(60,099,856)
Increase in other assets	(5,174,681)	(4,217,837)
Decrease in trade payables, other liabilities and provisions	(75,851,312)	(73,651,390)
Cash generated from/ (used in) operations	**454,124,171**	**(144,953,439)**
Direct taxes paid (net of refunds)	(188,034,761)	(613,930,776)
Net cash flows from/ (used in) operating activities (A)	**266,089,410**	**(758,884,215)**
Cash flows from investing activities		
Purchase of fixed assets	(153,806,593)	(139,048,221)
Proceeds from sale of fixed assets	3,278,141	1,804,808
Investment in bank deposits	(23,224,349)	(1,615,025)
Loans to body corporates and others (given)/ repayments received (net)	(9,748,062)	73,416,384
Loans to a subsidiary company (given)/ repayments received (net)	(306,341,333)	1,220,782,416
Interest received	129,280,769	249,913,858
Net cash flows from/ (used in) investing activities (B)	**(360,561,427)**	**1,405,254,220**
Cash flows from financing activities		
Proceeds of long-term borrowings	731,741,232	10,441,758
Repayments of long-term borrowings	(40,000,000)	-
Repayments of short-term borrowings (net)	(56,190,743)	(292,750,733)
Loan arrangement fees paid	-	(957,569)
Interest paid	(522,876,815)	(367,674,034)
Net cash flows from/ (used in) financing activities (C)	**112,673,674**	**(650,940,578)**
Net decrease/ (increase) in cash and cash equivalents (A + B + C)	**18,201,657**	**(4,570,573)**
Total cash and cash equivalents at the beginning of the year	18,688,121	23,258,694
Cash and cash equivalents at the end of the year	**36,889,778**	**18,688,121**
Components of cash and cash equivalents:		
Cash in hand	7,035,940	3,174,098
Cheques in hand	67,658	-
Balances with banks on current accounts	29,786,180	15,514,023
	36,889,778	**18,688,121**

Summary of significant accounting policies 3

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration Number: 301003E
Chartered Accountants

per Sandeep Sharma
Partner
Membership No.: 93577

Place : Gurgaon
Date : May 27, 2015

For and on behalf of the Board of Directors of
Escorts Heart Institute and Research Centre Limited

Somesh Kumar Mittal
Whole-time Director
DIN: 07049789

Jasbir Singh Grewal
Director
DIN: 01113910

Place : Gurgaon
Date : May 27, 2015

1. **Nature of Operations**

Escorts Heart Institute and Research Centre Limited ('EHIRCL' or the 'Company') is incorporated to provide the highest standards of cardiac care to patients. The Company has also set up various Heart Command Centers/ Satellite Centers in different parts of the country.

2. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policies explained below.

3. **Summary of Significant Accounting Policies**

a) Use of estimates

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

Change in estimate

Till the year ended March 31, 2014, depreciation was being provided as per rates prescribed under Schedule XIV of the Companies Act, 1956. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Where the asset has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 1, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of surplus in the statement of profit and loss, as a result an amount of ₹ 9,710,001 (net of deferred tax credit amounting to ₹ 4,851,794) has been charged to the opening balance of surplus in the statement of profit and loss. The carrying amount of other assets, i.e., assets whose remaining useful life is not nil on April 1, 2014, is depreciated over their remaining useful life.

Had the company continued to depreciate the assets at the earlier rates, depreciation would have been higher by ₹ 28,290,399 and profit after tax for the year would have been lower by ₹ 28,290,399.

b) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

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

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

c) Depreciation on tangible fixed assets

i. Depreciation on fixed assets is calculated on a written down value method using the rates arrived at based on the useful lives estimated by the management. The company has used the following lives to provide depreciation on its fixed assets.

S.No.	Assets	Useful Lives
1	Plant and machinery	15 years
2	Medical equipments	13 years
3	Furniture and fittings	10 years
4	Computers	3 years
5	Office equipments	5 years
6	Vehicles	8 years
7	Buildings	30 years

ii. No amortization is being made in respect of lease hold land, since it has been taken on a perpetual lease.

iii. Tools and instruments are depreciated fully in the year of purchase.

Change in Accounting Policies

i. Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciation of assets costing less than ₹ 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on financial statements of the company for the current year.

ii. The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, the company has changed the manner of depreciation for its fixed assets. Now, the company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. This change in accounting policy did not have any material impact on financial statements of the company for the current year.

d) Intangible assets

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

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

Software

Cost of Software is amortised over a period of 5 years, being the estimated useful life as per the management's estimate.

e) Impairment of tangible and intangible assets

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 using a pre tax discount rate that reflects current market assessment of the time value of money and risk specific to asset. This rate is estimated from the rate implicit in current market transactions for similar assets or from the weighted average cost of capital of the Company. Impairment losses are recognised in the statement of profit and loss.

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

iii) An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

f) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of the acquisition of such investments are made, 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 the long term investments.
On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) Inventories

Inventory of Medical Consumables, Drugs, Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on Weighted Average basis.

Other consumables, being immaterial in value terms, are being charged to consumption in the year of purchase.

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

h) Revenue Recognition

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

Operating income

Operating income is recognised as and when the services are rendered / pharmacy items are sold. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Management fee from hospitals and income from medical services is recognised as when the contractual obligations arising out of the contractual arrangements with respective hospitals are fulfilled.

Income from satellite centres

Income from satellite centres is recognised on accrual basis in accordance with the terms of respective agreements entered into in respect thereof.

Income from clinical research

Income from clinical research is recognised as and when the services are rendered in accordance with the terms of the respective agreements

Equipment lease rentals and income from rent

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

Export benefits

Income from 'Served from India Scheme' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Income *from rehabilitation centre and sponsorships*

Revenue is recognised as and when the services are rendered at the rehabilitation centre. Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

i) Leases

Where the Company is the lessee

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

Where the Company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

j) Foreign currency transactions and balances

i) **Initial recognition**

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

ii) **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) **Exchange differences**

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

a. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

b. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

c. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

d. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of b and c above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of the forward exchange contract is amortized as an income/expense over the life of contract. Exchange difference on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items are recognized in accordance with paragraph (iii) (b) and (iii) (c).

k) Unamortized finance charges

Costs incurred in raising funds are amortised on straight line basis over the period for which the funds have been obtained, using time proportionate basis.

l) Retirement and other employee benefits:

a. Contribution 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 benefit scheme the contribution of which is being deposited with "Escorts Heart Institute and Research Centre Limited Provident Fund Trust" managed by the Company; such contribution to the trust additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date.

b. Gratuity

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

c. Compensated absences

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

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

d. Actuarial gains/ losses

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

m) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
Borrowing costs directly attributable the acquisition, construction or production of an asset that necessarily take substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

n) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

o) Earnings per Share

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

p) 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 its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

q) Contingent liabilities

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

r) Cash and cash equivalents

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

s) Derivative instruments

In terms of the announcement made by the Institute of Chartered Accountants of India, the accounting for derivative contracts (other than those covered under AS-11) is done based on the “marked to market” principle. If there is a mark to market loss then same is charged to the statement of profit and loss. Net gains are ignored as a matter of prudence.

t) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, (now Schedule III to the Companies Act, 2013), the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company includes interest income included under other income, but does not include depreciation and amortization expense, finance costs and tax expense.

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (i)	**Share capital**		
a	**Authorised Shares (Nos)**		
	2,050,000 (Previous year 2,050,000) Equity Shares of ₹10 each	20,500,000	20,500,000
	450,000 (Previous year 450,000) 0.01% Compulsory Convertible Preference Shares ("CCPS") of ₹10 each	4,500,000	4,500,000
	Total authorised share capital	**25,000,000**	**25,000,000**
b	**Issued, subscribed and fully paid up shares (Nos)**		
	2,000,310 (Previous year 2,000,310) Equity Shares of ₹10 each	20,003,100	20,003,100
	401,769 (Previous year 401,769) 0.01% CCPS of ₹10 each	4,017,690	4,017,690
	Total issued, subscribed and fully paid up share capital	**24,020,790**	**24,020,790**

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

Equity Shares

Particulars	March 31, 2015		March 31, 2014	
	Number	Value ₹	Number	Value ₹
At the beginning of the year	2,000,310	20,003,100	2,000,310	20,003,100
Outstanding at the end of the year	**2,000,310**	**20,003,100**	**2,000,310**	**20,003,100**

Preference Shares

Particulars	March 31, 2015		March 31, 2014	
	Number	Value ₹	Number	Value ₹
At the beginning of the year	401,769	4,017,690	401,769	4,017,690
Outstanding at the end of the year	**401,769**	**4,017,690**	**401,769**	**4,017,690**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of redemption of preference shares

During the year ended March 31, 2013, the Company issued 401,769 0.01% Compulsory Convertible Preference shares of ₹ 10 each at a premium of ₹ 7,456.98 per share. These shares are convertible into equal number of equity shares, provided price for conversion of Investor CCPS into equity share shall not be less than the investment valuation. The holders of each CCPS shall be entitled to receive dividends in respect of the par value of the Investor CCPS at a rate of 0.01%, payable at the end of period of 15 years from the closing date. Holder of CCPS shall have voting rights relating to liquidation or a resolution or any other matter which directly affects or varies the right of the holders (refer note 13 for put call option embebbed in above mentioned CCPS agreement).

(d) Shares held by holding/ ultimate holding company and/ or their subsidiaries

Equity Shares

Name of Shareholder	March 31, 2015		March 31, 2014	
	Number	Value ₹	Number	Value ₹
Fortis Healthcare Limited*, the holding company	2,000,310	20,003,100	2,000,310	20,003,100

*including 50 equity shares held by it's nominees.

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

Equity Shares

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited*, the holding company	2,000,310	100%	2,000,310	100%

*including 50 equity shares held by it's nominees.

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

Preference Shares

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
International Hospital Limited*	401,769	100%	401,769	100%

*preference shares were originally issued to Kanishka Healthcare Limited, however currently held by International Hospital Limited due to merger of Kanishka Healthcare Limited with International Hospital Limited w.e.f. January 1, 2013.

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (ii)	**Reserves and surplus**		
i	**Capital reserve**		
	Balance as per last financial statements	1,068,374,405	1,068,374,405
	Closing balance	**1,068,374,405**	**1,068,374,405**
ii	**Securities premium account**		
	Balance as per last financial statements	2,996,014,710	2,996,014,710
	Closing balance	**2,996,014,710**	**2,996,014,710**
iii	**General reserve**		
	Balance as per last financial statements	84,820,483	84,820,483
	Closing balance	**84,820,483**	**84,820,483**
iv	**Surplus in the statement of profit and loss**		
	Balance as per last financial statements	2,979,120,393	2,580,283,807
	Add: profit for the year	252,484,928	398,836,586
	Less: Depreciation [refer note 3 (a) (net of deferred tax ₹ 4,851,794)]	(9,710,001)	-
	Net surplus in the statement of profit and loss	**3,221,895,320**	**2,979,120,393**
		7,371,104,918	**7,128,329,991**

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (iii)	**Long-term borrowings**		
	Secured		
	Term loans from banks*	400,000,000	480,000,000
		400,000,000	**480,000,000**

*The term loan has been taken from ICICI Bank @12% p.a. secured against first pari passu charge over movable assets and the second pari passu charge over the current assets of the company. Same is further secured by irrevocable and unconditional corporate guarantee from Fortis Healthcare Limited. The above term loan is to mature on March 27, 2019. The same is at a minimum effective rate of 11.50%, the interest is payable monthly. The Loan is repayable in 18 structured quarterly installments beginning at the end of seven quarters (December 31, 2014) from first draw down date i.e. March 28, 2013.

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (iv)	**Other long-term liabilities**		
	Lease equalisation reserve	784,050	817,290
		784,050	**817,290**
4 (v)	**Long-term provisions**		
	Provision for employees' benefits		
	Provision for gratuity (refer note 14)	87,507,000	99,261,000
	Others		
	Provision for litigation (refer note 11)	33,038,532	33,038,532
		120,545,532	**132,299,532**

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (vi)	**Short-term borrowings**		
a	**Secured**		
	Bank overdraft*	-	18,496,447
		-	**18,496,447**

* The bank overdraft facility limit of ₹ 150,000,000 has been taken from Royal Bank of Scotland ("RBS") at the interest rate of 11.45%, secured against the first charges on current assets and the second charge on the Corporate Guarantee given by Fortis Healthcare Limited. The same is repayable on demand.

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
b	**Unsecured**		
i	Loan from a holding company**	340,000,000	340,000,000
ii	Loan from a fellow subsidiary***	613,000,000	614,500,000
		953,000,000	**954,500,000**
		953,000,000	**972,996,447**

** The loan from Fortis Healthcare Limited has been taken on an interest rate of 14% and repayable on or before March 31, 2016.
*** The loan from Malar Star Medicare Limited has been taken on an interest rate of 10.50% and repayable on or before March 31, 2016.

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (vii)	**Trade payables**		
	Trade payables (refer note 15 for details of dues to micro and small enterprises)	484,740,202	563,979,000
		484,740,202	**563,979,000**

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (viii)	**Other current liabilities**		
	Secured		
	Current maturities of long-term borrowings (refer note 4(iii))	60,000,000	20,000,000
	Unsecured		
	Current maturities of long-term borrowings#	1,831,748,958	1,100,007,726
	Interest accrued but not due on borrowings	262,977,115	386,801,682
	Payable to related parties	18,037,577	-
	Advances from patients	56,010,329	66,118,687
	Capital creditors	24,810,116	15,831,879
	Security deposits	3,152,617	4,054,617
	Statutory payables	66,447,639	65,375,114
	Book overdrafts	53,815,912	90,010,208
	Lease equalisation reserve	393,009	443,587
	Others	392,588	2,315,679
		2,377,785,860	**1,750,959,179**

[#] A facility was taken from Siemens Financial Services for Oracle licenses during the previous year. The loan was repayable in 8 structured payments starting from August 2013 and ending in March 2015. Balance payable as at March 31, 2015 is Nil (Previous year ₹ 10,441,758). Further, it includes loan of ₹ 1,831,748,959 (Previous rear ₹ 1,089,565,968) from holding company at the rate of 14% and repayable by March 31, 2016.

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (ix)	**Short-term provisions**		
	Provision for employees' benefits		
	Provision for gratuity (refer note 14)	25,406,000	6,157,000
	Provision for leave encashment	46,896,000	64,541,000
	Others		
	Provision for contingencies	5,176,837	2,000,420
	Provision for wealth tax	1,200,000	1,121,970
		78,678,837	**73,820,390**
	Provision for contingencies :		
	Opening balance	2,000,420	8,115,792
	Add: provision made during the year	5,445,679	283,114
	Less: utilized during the year	2,269,262	6,398,486
	Closing balance	**5,176,837**	**2,000,420**

Escorts Heart Institute and Research Centre Limited
Notes to financial statements for the year ended March 31, 2015

Note 4(x)(a): Tangible assets

Amount (in ₹)

Particulars	Leasehold land*	Building	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Vehicles	Total
Gross Block									
At April 1, 2013	**39,822,370**	**512,803,922**	**374,973,854**	**1,310,403,537**	**41,271,061**	**63,645,243**	**2,392,049**	**126,373,400**	**2,471,685,436**
Additions	-	28,521,727	22,312,922	63,262,635	8,041,415	4,768,673	-	16,178,847	**143,086,219**
Disposals	-	-	6,513,394	52,859	99,099	-	-	8,410,419	**15,075,771**
At March 31, 2014	**39,822,370**	**541,325,649**	**390,773,382**	**1,373,613,313**	**49,213,377**	**68,413,916**	**2,392,049**	**134,141,828**	**2,599,695,884**
Additions	-	25,267,322	11,804,328	72,225,345	3,905,274	2,214,072	492,431	5,368,707	**121,277,479**
Disposals	-	-	5,674,026	125,299,832	3,561,207	11,622,243	-	16,979,482	**163,136,790**
At March 31, 2015	**39,822,370**	**566,592,971**	**396,903,684**	**1,320,538,826**	**49,557,444**	**59,005,745**	**2,884,480**	**122,531,053**	**2,557,836,573**
Depreciation									
At April 1, 2013	**-**	**318,117,821**	**263,504,831**	**925,778,762**	**34,590,162**	**44,303,279**	**1,810,825**	**61,459,845**	**1,649,565,525**
Charge for the year	-	24,655,024	16,954,514	95,098,813	4,371,582	8,272,183	68,661	19,044,227	**168,465,004**
Disposals	-	-	5,815,081	49,145	98,629	-	-	6,643,356	**12,606,211**
At March 31, 2014	**-**	**342,772,845**	**274,644,264**	**1,020,828,430**	**38,863,115**	**52,575,462**	**1,879,486**	**73,860,716**	**1,805,424,318**
Charge for the year	-	12,678,961	19,686,467	67,732,241	1,820,203	11,592,557	938,176	11,347,384	**125,795,989**
Disposals		-	5,186,131	123,670,800	3,451,703	11,591,339	-	12,090,032	**155,990,005**
At March 31, 2015	**-**	**355,451,806**	**289,144,600**	**964,889,871**	**37,231,615**	**52,576,680**	**2,817,662**	**73,118,068**	**1,775,230,302**
Net Block									
At March 31, 2014	**39,822,370**	**198,552,804**	**116,129,118**	**352,784,883**	**10,350,262**	**15,838,454**	**512,563**	**60,281,112**	**794,271,566**
At March 31, 2015	**39,822,370**	**211,141,165**	**107,759,084**	**355,648,955**	**12,325,829**	**6,429,065**	**66,818**	**49,412,985**	**782,606,271**

*During the financial year 2005-06, Delhi Development Authority has terminated all the allotment letter lease/ deeds for which the Company has filed appeal in the Delhi High Court. Repossession of land has been stayed by an interim stay order passed by Delhi High Court (refer note 12 (a) and (b)).

Note 4(x)(b): Intangible assets

Amount (in ₹)

Particulars	Software	Total
Gross Block		
At April 1, 2013	**40,260,492**	**40,260,492**
Additions	6,180,494	**6,180,494**
At March 31, 2014	**46,440,986**	**46,440,986**
Additions	57,358,096	**57,358,096**
At March 31, 2015	**103,799,082**	**103,799,082**
Amortization		
At April 1, 2013	**27,800,862**	**27,800,862**
Charge for the year	5,596,898	**5,596,898**
At March 31, 2014	**33,397,760**	**33,397,760**
Charge for the year	7,638,076	**7,638,076**
At March 31, 2015	**41,035,836**	**41,035,836**
Net Block		
At March 31, 2014	**13,043,226**	**13,043,226**
At March 31, 2015	**62,763,246**	**62,763,246**

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (xi)	**Non-current investments**		
	Trade investments (valued at cost unless stated otherwise)		
a	**Unquoted equity instruments**		
	Investment in subsidiaries		
	Fortis Asia Healthcare Pte Limited	1,272,051,805	1,272,051,805
	32,722,596 (Previous year 32,722,596) ordinary shares of SGD 1/- each		
	Fortis Healthstaff Limited	14,400,000	14,400,000
	1,440,000 (Previous year 1,440,000) equity shares of ₹10/- each		
	Less: Provision for diminution in value other than temporary	(14,400,000)	-
b	**Investments in Preference shares (unquoted)**		
	Investment in subsidiaries		
	Fortis Asia Healthcare Pte Limited	-	345,410,000
	Nil (Previous year 10,000,000) preference shares of SGD 1/- each redeemable on expiry of 5 years from date of allotment at a premium of 5%*		
	* The Company has subscribed to the preference shares of Fortis Asia Healthcare Pte. Limited on December 14, 2010. The shares were allotted on December 15, 2010 and redeemable on December 15, 2015.		
		1,272,051,805	**1,631,861,805**
	Aggregate amount of unquoted investments	1,272,051,805	1,631,861,805
	Aggregate value in diminution in the value of long term investments	14,400,000	-
4 (xii)	**Deferred tax assets (net)**		
	Deferred tax asset arising on account of :		
	Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	46,833,142	54,791,797
	Provision for doubtful debts and advances	118,264,850	79,860,172
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	56,078,686	57,769,064
	Others	400,082	1,108,515
		221,576,760	**193,529,548**
4 (xiii)	**Long-term loans and advances**		
	Unsecured, considered good		
	Capital advances	13,362,167	2,188,503
	Security deposits	12,003,471	11,767,471
	Advance income tax (net of provision for taxation)	83,211,867	87,461,060
	Balances with customs, excise and other authorities	49,764,302	49,764,301
	Deposits with income tax authorities (refer note 9)	513,961,510	513,961,510
	Advances recoverable in cash or in kind or for value to be received	5,596,622	8,152,088
		677,899,939	**673,294,933**
4 (xiv)	**Other non-current assets**		
	Unsecured, considered good		
	Interest accrued but not due on loans and bank deposits	1,643,048	695,444
	Unamortised finance charges	2,800,667	3,735,931
	Bank deposits with original maturity for more than 12 months	43,449,683	3,615,000
		47,893,398	**8,046,375**

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (xv)	**Current investments**		
	Current portion of long-term investments (valued at cost)		
	Investment in Preference shares (unquoted)		
	Investment in subsidiaries		
	Fortis Asia Healthcare Pte Limited		
	10,000,000 (Previous year Nil) preference shares of SGD 1/- each redeemable on December 15, 2015 at a premium of 5% [refer note 4 (xi) (b)]	345,410,000	-
		345,410,000	**-**
4 (xvi)	**Inventories (valued at lower of cost and net realisable value)**		
	Medical consumables and drugs	44,289,687	47,746,740
	Stores and spares	8,193,968	11,232,389
		52,483,655	**58,979,129**
4 (xvii)	**Trade receivables**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	32,770,696	145,550,099
	Doubtful	313,947,164	226,479,901
	Other receivables		
	Unsecured, considered good	345,993,549	338,208,875
		692,711,409	**710,238,875**
	Less: Provision for doubtful receivables	313,947,164	226,479,901
		378,764,245	**483,758,974**
4 (xviii)	**Cash and bank balances**		
	Cash and cash equivalents		
	Balances with banks		
	- on current accounts	29,786,180	15,514,023
	Cash in hand	7,035,940	3,174,098
	Cheques in hand	67,658	-
	Other bank balances		
	Deposit with original maturity for more than 3 months but less than 12 months	1,176,188	2,632,345
	Deposit with original maturity for more than 12 months	449,943	15,604,120
		38,515,909	**36,924,586**
4 (xix)	**Short-term loans and advances**		
	Unsecured, considered good		
	Balances with customs, excise and other authorities	2,734,449	8,724,423
	Advances recoverable in cash or in kind or for value to be received	115,598,391	204,542,547
	Loans to a subsidiary company (refer note 16)	6,116,311,600	5,687,247,960
	Loans to body corporates and others	340,000,000	425,693,770
		6,574,644,440	**6,326,208,700**
	Unsecured, doubtful		
	Balances with customs, excise and other authorities	7,865,336	6,516,438
	Advances recoverable in cash or in kind or for value to be received	26,127,630	1,955,622
	Loans to body corporates and others	95,441,832	-
		129,434,798	**8,472,060**
	Less: Provision for doubtful advances	129,434,798	8,472,060
		6,574,644,440	**6,326,208,700**
4 (xx)	**Other current assets**		
	Unsecured, considered good		
	Interest accrued on loans and bank deposits	1,174,805,084	789,811,417
	Unamortised premium on forward contracts (net)	86,639,088	-
	Unamortised finance charges	935,264	1,971,547
	Accrued operating income	81,138,233	75,963,552
		1,343,517,669	**867,746,516**

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (xxi)	**Revenue from operations**		
	Sale of services		
	In patient	3,563,345,135	3,707,625,019
	Out patient	176,099,747	156,592,993
	Income from medical services	75,206,880	80,063,761
	Income from satellite centers	38,592,592	57,545,484
	Income from clinical research	19,097,520	9,054,501
		3,872,341,874	**4,010,881,758**
	Less: Trade discounts	340,171,145	342,283,855
		3,532,170,729	**3,668,597,903**
	Other operating income		
	Income from rent	14,609,436	16,877,074
	Export benefits (net of prior period reversal of ₹ 2,716,167, previous year Nil and includes prior period item of Nil , previous year ₹ 2,204,630)	9,193,403	18,635,162
	Sponsorship income	9,079,082	27,985,164
	Scrap sale	1,209,836	1,939,895
	Sale of plasma	1,064,294	1,531,502
	Excess provisions written back	9,713,912	1,028,249
	Miscellaneous income	1,360,431	1,849,225
		46,230,394	**69,846,271**
		3,578,401,123	**3,738,444,174**
4 (xxii)	**Other income**		
	Interest on bank deposits	2,736,789	1,937,577
	Interest on loan - others [includes prior period income of Nil (previous year ₹ 58,832,841)]	493,594,616	619,179,633
	Foreign exchange fluctuation gain (net)	85,271,459	-
	Forward cover premium amortisation	142,980,571	589,033,005
	Miscellaneous income	1,619,394	1,472,290
		726,202,829	**1,211,622,505**

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (xxiii)	**Decrease in inventories of medical consumables and drugs**		
	Inventory at the beginning of the year	47,746,740	47,949,298
	Inventory at the end of the year	44,289,687	47,746,740
		3,457,053	**202,558**
4 (xxiv)	**Employee benefits expense**		
	Salaries, wages and bonus	928,711,224	948,992,280
	Gratuity expense (refer note 14)	31,645,000	10,022,000
	Leave encashment	13,847,272	12,741,150
	Contribution to provident and other funds	42,082,961	42,543,847
	Staff welfare expenses	2,498,997	25,824,093
	Recruitment and training	734,416	1,059,670
		1,019,519,870	**1,041,183,040**
4 (xxv)	**Other expenses**		
	Contractual manpower	112,585,065	108,291,873
	Power, fuel and water	131,879,521	141,361,764
	Housekeeping expenses including consumables	16,021,876	13,840,277
	Patient food and beverages	54,824,893	50,688,887
	Pathology laboratory expenses	127,507,606	97,051,305
	Radiology expenses	23,481,000	27,713,010
	Consultation fees to doctors	60,633,326	70,865,085
	Professional charges to doctors	163,487,528	165,150,787
	Cost of medical services	-	1,663,005
	Repairs and maintenance		
	- Building	4,108,068	10,705,179
	- Plant and machinery	54,956,665	41,987,382
	- Others	23,553,611	23,679,210
	Rent		
	- Equipments	38,791,750	36,245,912
	- Others	14,476,097	16,754,096
	Legal and professional fee	24,315,280	13,298,241
	Travel and conveyance	30,428,318	23,684,659
	Rates and taxes	6,992,086	13,170,228
	Printing and stationary	19,878,400	32,343,252
	Communication expenses	7,563,405	10,251,249
	Insurance	20,289,989	21,264,786
	Ground rent	615,996	427,560
	Marketing and business promotion	125,439,379	155,729,744
	Wealth tax	1,200,000	1,121,970
	Loss on sale of assets	3,868,644	664,752
	Payment to auditor		
	As auditor:		
	- Audit Fee	1,432,590	1,432,590
	- Limited review	926,970	926,970
	- Tax audit fee	337,080	337,080
	- Certification	56,180	298,767
	- Out of pocket expenses	322,715	424,640
	Foreign exchange fluctuation loss (net)	-	61,344,843
	Bad debts and sundry balances written off	31,102,593	141,388,147
	Provision for doubtful receivables	87,467,263	106,058,334
	Provision for doubtful advances	120,962,738	5,438,777
	Provision for contingencies	5,445,679	283,114
	Provision for diminution in investments	14,400,000	-
	Miscellaneous expenses	4,994,170	6,966,342
		1,334,346,481	**1,402,853,817**

		March 31, 2015 Amount (in ₹)	March 31, 2014 Amount (in ₹)
4 (xxvi)	**Finance costs**		
	Interest expenses		
	- on term loans	58,119,040	58,253,425
	- on cash credit	230,164	2,404,134
	- on loan from holding company	276,325,965	414,073,412
	- on loan from fellow subsidiary	64,377,079	32,349,636
		399,052,248	**507,080,607**
	Bank charges	5,230,183	12,360,814
	Amortization of finance charges	1,971,547	857,834
		406,253,978	**520,299,255**
4 (xxvii)	**Depreciation and amortization expense**		
	Depreciation of tangible assets	125,795,989	168,465,004
	Amortization of intangible assets	7,638,076	5,596,898
		133,434,065	**174,061,902**
	Less: Adjusted with surplus in the statement of profit and loss (includes deferred tax ₹ 4,851,794) [refer note 3(a)]	14,561,795	-
		118,872,270	**174,061,902**
4 (xxviii)	**Earnings per share (EPS)**		
	Profit as per statement of profit and loss	252,484,928	398,836,586
	Weighted average number of equity shares in calculating Basic EPS	2,000,310	2,000,310
	Add: Weighted average number of Compulsory convertible preference shares which would be issued on conversion	401,769	401,769
	Weighted average number of equity shares in calculating Diluted EPS	2,402,079	2,402,079
	Basic EPS	126	199
	Diluted EPS	105	166

5. Related party disclosures

Names of Related Parties and related party relationship

Ultimate Holding Company	RHC Holding Private Limited (holding company of Fortis Healthcare Holdings Private Limited)
	Fortis Healthcare Holdings Private Limited (holding company of Fortis Healthcare Limited)
Holding Company	Fortis Healthcare Limited ('FHL')
Subsidiary Companies	Fortis Asia Healthcare Pte Limited ('FAHPL')
	Fortis Health Staff Limited ('FHSL')
Fellow Subsidiaries (parties with whom transactions have taken place)	RWL Healthworld Limited (formerly known as Religare Wellness Limited)
	Fortis Emergency Services Limited ("FESL")
	SRL Limited
	Fortis Hospitals Limited ('FHsL')
	Fortis C-Doc Healthcare Limited ('C-DOC')
	Medsource Healthcare Private Limited ('MHPL')
	Malar Stars Medicare Limited ("MSML")
Key Management Personnel	Mr. Ashish Bhatia (Whole time Director) upto June 20, 2013
	Dr. Raajiv Singhal (Whole time Director) upto February 1, 2014
	Dr. Ashok Seth (Whole time Director) upto June 20, 2013
	Mr. Sunil Kapoor (Whole time Director) from February 01, 2014 upto December 22, 2014
	Dr. Somesh Kumar Mittal (Whole time Director) w.e.f. December 22, 2014
Individuals having control over voting power	Mr. Shivinder Mohan Singh
	Mr. Malvinder Mohan Singh
Enterprises owned or significantly influenced by key management personnel or their relatives	Religare Technova IT Services Limited
	Oscar Investments Limited
	Religare Technologies Limited
	Escorts Heart Centre Limited
	Fortis Hospital Management Limited

The schedule of related party transactions is as under:-

Escorts Heart Institute and Research Centre Limited
Notes to financial statements for the year ended March 31, 2015
Related Party Transactions Schedule

	2014-2015						2013-2014					
Particulars	**Holding**	**Subsidiaries**	**Fellow Subsidiaries**	**Associates**	**Key management personnel (KMP)**	**Enterprises owned/significantly influenced by KMP/their relatives**	**Holding**	**Subsidiaries**	**Fellow Subsidiaries**	**Associates**	**Key management personnel (KMP)**	**Enterprises owned/significantly influenced by KMP/their relatives**
Transactions made during the year:												
Interest income												
Escorts Heart Centre Limited	-	-	-	-	-	-	-	-	-	-	-	11,566,503
Fortis Asia Healthcare Pte Limited	-	446,006,155	-	-	-	-	-	544,947,167	-	-	-	-
Fortis Hospitals Limited	-	-	-	-	-	-	-	-	4,634,525	-	-	-
Rent income												
RWL Healthworld Limited (formerly known as Religare	-	-	8,763,377	-	-	-	-	-	9,376,433	-	-	-
Interest expense												
Fortis Healthcare Limited	276,325,965	-	-	-	-	-	413,869,987	-	-	-	-	-
RHC Holding Private Limited	-	-	-	-	-	-	203,425	-	-	-	-	-
Malar Stars Medicare Limited	-	-	64,377,079	-	-	-	-	-	32,349,636	-	-	-
Pathology laboratory expenses												
SRL Limited	-	-	115,946,629	-	-	-	-	-	81,186,856	-	-	-
Fortis Hospitals Limited	-	-	-	-	-	-	-	-	192,866	-	-	-
Travel and conveyance												
Fortis Emergency Services Limited	-	-	10,193,372	-	-	-	-	-	5,468,760	-	-	-
Income from Medical Services												
Fortis Healthcare Limited	10,801,757	-	-	-	-	-	10,315,551	-	-	-	-	-
Fortis Health Staff Limited	-	25,975,602	-	-	-	-	-	35,629,777	-	-	-	-
Escorts Heart Centre Limited	-	-	-	-	-	6,660,387	-	-	-	-	-	8,868,966
Fortis Hospitals Limited	-	-	7,397,379	-	-	-	-	-	14,987,595	-	-	-
Fortis Hospital Management Limited	-	-	-	-	-	1,032,228	-	-	-	-	-	1,225,140
Fortis C-Doc Healthcare Limited			2,254,427									
Employee benefits												
Fortis Health Staff Limited	-	446,069	-	-	-	-	-	717,019	-	-	-	-
Income from satellite centres												
Fortis Hospitals Limited	-	-	33,402,670	-	-	-	-	-	32,050,580	-	-	-
Fortis C-Doc Healthcare Limited	-	-	-	-	-	-	-	-	78,103	-	-	-
Consultation fees to doctors												
Fortis Hospitals Limited	-	-	2,580,292	-	-	-	-	-	931,468	-	-	-
Marketing expenses												
Fortis C-Doc Healthcare Limited	-	-	-	-	-	-	-	-	216,145	-	-	-
Purchase/ transfer of fixed assets												
Fortis Hospitals Limited	-	-	75,191	-	-	-	-	-	-	-	-	-
Fortis Healthcare Limited	30,386,480	-	-	-	-	-	-	-	-	-	-	-
IPD/ OPD revenue												
Fortis C-Doc Healthcare Limited	-	-	38,995	-	-	-	-	-	156,565	-	-	-
Fortis Hospitals Limited	-	-	378,064	-	-	-	-	-	765,827	-	-	-
Fortis Hospital Management Limited	-	-	-	-	-	-	-	-	-	-	-	25,370
Purchase of medical consumables and drugs												
RWL Healthworld Limited (formerly known as Religare Wellness Limited)	-	-	4,444,947	-	-	-	-	-	3,618,724	-	-	-
Medsource Healthcare Private Limited	-	-	62,005,597	-	-	-	-	-	13,817,318	-	-	-

Escorts Heart Institute and Research Centre Limited
Notes to financial statements for the year ended March 31, 2015
Related Party Transactions Schedule

Particulars	2014-2015						2013-2014					
	Holding	Subsidiaries	Fellow Subsidiaries	Associates	Key management personnel (KMP)	Enterprises owned/significantly influenced by KMP/their relatives	Holding	Subsidiaries	Fellow Subsidiaries	Associates	Key management personnel (KMP)	Enterprises owned/significantly influenced by KMP/their relatives
Managerial remuneration												
Dr. Raajiv Singhal	-	-	-	-	-	-	-	-	-	-	4,518,407	-
Dr. Ashok Seth	-	-	-	-	-	-	-	-	-	-	11,346,944	-
Mr. Sunil Kapoor	-	-	-	-	6,309,969	-	-	-	-	-	1,171,729	-
Dr. Somesh Kumar Mittal	-	-	-	-	1,121,484	-	-	-	-	-	-	-
Loan/Advances given												
Fortis Asia Healthcare Pte Limited	-	307,819,406	-	-	-	-	-	3,492,441,370	-	-	-	-
Fortis Hospitals Limited	-	-	-	-	-	-	-	-	37,523,100	-	-	-
Escorts Heart Centre Limited	-	-	-	-	-	-	-	-	-	-	-	9,792,080
Loan/Advances received back												
Escorts Heart Centre Limited	-	-	-	-	-	-	-	-	-	-	-	92,259,034
Fortis Asia Healthcare Pte Limited	-	-	-	-	-	-	-	3,665,716,270	-	-	-	-
Fortis Hospitals Limited	-	-	-	-	-	-	-	-	114,644,868	-	-	-
Loans/Advances taken												
RHC Holding Private Limited	-	-	-	-	-	-	550,000,000	-	-	-	-	-
Fortis Healthcare Limited	843,000,000	-	-	-	-	-	4,612,295,113	-	-	-	-	-
Malar Stars Medicare Limited	-	-	-	-	-	-	-	-	614,500,000	-	-	-
Loans/Advances paid back												
RHC Holding Private Limited	-	-	-	-	-	-	550,000,000	-	-	-	-	-
Fortis Healthcare Limited	473,300,000	-	-	-	-	-	5,476,900,000	-	-	-	-	-
Corporate guarantees withdrawn												
Guarantee given to Standard Chartered Bank*	-	-	-	-	-	-	-	21,714,000,000	-	-	-	-
Guarantee given to DBS Bank Limited**	-	-	-	-	-	-	-	6,785,625,000	-	-	-	-
Expenses incurred on behalf of												
Escorts Heart Centre Limited	-	-	-	-	-	896,081	-	-	-	-	-	372,529
Fortis Healthcare Limited	7,217,726	-	-	-	-	-	7,087,805	-	-	-	-	-
Fortis Emergency Services Limited	-	-	986,510	-	-	-	-	-	2,377,370	-	-	-
Fortis Health staff Limited	-	2,671,904	-	-	-	-	-	2,605,187	-	-	-	-
Fortis Hospital Management Limited	-	-	-	-	-	99,000	-	-	-	-	-	1,313,478
Fortis Hospitals Limited	-	-	260,826	-	-	-	-	-	3,368,864	-	-	-
SRL Limited	-	-	10,568,918	-	-	-	-	-	15,268,754	-	-	-
Expenses incurred on behalf of the Company by												
Fortis Healthcare Limited	5,828,817	-	-	-	-	-	602,888	-	-	-	-	-
Fortis Hospital Limited	-	-	45,150	-	-	-	-	-	4,069,004	-	-	-
Fortis Emergency Services Limited	-	-	-	-	-	-	-	-	205,953	-	-	-
Collection by company on behalf of												
Fortis Healthcare Limited	8,801,781	-	-	-	-	-	-	-	-	-	-	-
Fortis Hospitals Limited	-	-	1,166,757	-	-	-	-	-	5,042,000	-	-	-
Collection on behalf of company by												
Fortis Healthcare Limited	48,037,001	-	-	-	-	-	-	-	109,588,000	-	-	
Fortis Hospitals Limited	-	-	2,300,974	-	-	-	-	-	797,000	-	-	-

Escorts Heart Institute and Research Centre Limited
Notes to financial statements for the year ended March 31, 2015
Related Party Transactions Schedule

Particulars	2014-2015						2013-2014					
	Holding	**Subsidiaries**	**Fellow Subsidiaries**	**Associates**	**Key management personnel (KMP)**	**Enterprises owned/significantly influenced by KMP/their relatives**	**Holding**	**Subsidiaries**	**Fellow Subsidiaries**	**Associates**	**Key management personnel (KMP)**	**Enterprises owned/significantly influenced by KMP/their relatives**
Balances Outstanding at Year End:												
Loans / Advances recoverable												
Fortis Asia Healthcare Pte Limited	-	6,116,311,600	-	-	-	-	-	5,687,247,960	-	-	-	-
Escorts Heart Centre Limited	-	-	-	-	-	-	-	-	-	-	-	7,319,199
Fortis Healthcare Limited	-	-	-	-	-	-	89,331,713	-	-	-	-	-
Fortis Health staff Limited	-	12,687,899	-	-	-	-	-	20,312,804	-	-	-	-
Fortis Hospitals Limited	-	-	-	-	-	-	-		17,593,921	-	-	-
Fortis Hospital Management Limited	-	-	-	-	-	17,164,552	-	-	-	-	-	16,711,363
Fortis Emergency Services Limited	-	-	3,012,455	-	-	-	-	-	9,192,689	-	-	-
Loans / Advances repayable												
Fortis Emergency Services Limited	-	-	-	-	-	-	-	-	379,655	-	-	-
Fortis Hospitals Limited	-	-	33,267,208	-	-	-	-	-	-	-	-	-
Fortis Malar Hospitals Limited	-	-	-	-	-	-	-	-	8,128,800	-	-	-
Unsecured loans												
Fortis Healthcare Limited	2,195,423,504	-	-	-	-	-	1,429,565,971	-	-	-	-	-
Malar Stars Medicare Limited	-	-	613,000,000	-	-	-	-	-	614,500,000	-	-	-
Interest accrued but not due-payable												
Fortis Healthcare Limited	248,693,369	-	-	-	-	-	372,482,987	-	-	-	-	-
Malar Stars Medicare Limited	-	-	14,283,739	-	-	-	-	-	14,318,691	-	-	-
Interest accrued but not due-receivable												
Fortis Asia Healthcare Pte Limited	-	1,174,047,453	-	-	-	-	-	776,106,774	-	-	-	-
Fortis Hospitals Limited	-	-	-	-	-	-	-	-	-	-	-	-
Escorts Heart Centre Limited	-	-	-	-	-	-	-	-	-	-	-	1,715,232
Trade payables												
RWL Healthworld Limited (formerly known as Religare	-	-	-	-	-	-	-	-	5,896,003	-	-	-
Fortis Healthcare Limited	952,790	-	-	-	-	-	-	-	-	-	-	-
Medsource Healthcare Private Limited	-	-	15,570,845	-	-	-	-	-	2,963,567	-	-	-
Fortis Hospitals Limited	-	-	799,994	-	-	-	-	-	128,171,538	-	-	-
SRL Limited	-	-	24,201,000	-	-	-	-	-	5,564,159	-	-	-
Trade receivables												
Fortis Healthcare Limited	2,578,080	-	-	-	-	-	-	-	-	-	-	-
Fortis Hospitals Limited	-	-	33,163,208	-	-	-	-	-	5,411,804	-	-	-
Fortis C-Doc Healthcare Limited	-	-	2,083,160	-	-	-	-	-	15,884	-	-	-
RWL Healthworld Limited (formerly known as Religare	-	-	981,623	-	-	-	-	-	11,359,196	-	-	-
Investments												
Fortis Asia Healthcare Pte Limited	-	1,617,461,805	-	-	-	-	-	1,617,461,805	-	-	-	-
Fortis Healthstaff Limited	-	14,400,000	-	-	-	-	-	14,400,000	-	-	-	-

Notes:
* includes guarantee given by FHL, FHIPL, FHsL and the Company to Standard Chartered Bank for loan availed by FAHPL, a wholly owned subsidiary of the Company
** includes guarantee given by Company to DBS Bank Limited for loan availed by FHIPL, a wholly owned subsidiary of the Company

6. Leases

a) Assets taken on Operating Lease

i) The Company has taken certain residential premises on operating lease. In all the cases, the agreements are renewable at the option of the Company. 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 payments in respect of such leases recognised in the statement of profit and loss for the year are ₹ 14,476,097 (Previous year ₹ 16,754,096).

ii) The Company has taken medical equipment on operating lease. The agreement is renewable at the option of the Company. There is no restriction imposed by lease arrangement and the rent is not determined based on any contingency. The lease is cancellable in nature. The total lease payments in respect of such lease recognised in the statement of profit and loss for the year is ₹ 38,791,750 (Previous year ₹ 36,245,912).

b) Assets given on Operating Lease

The Company has leased out some portion of hospital premises on operating lease. The agreements are further renewable at the option of the Company. There are no restrictions imposed by lease agreements 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 statement of profit and loss for the year are ₹ 14,609,436 (Previous year ₹ 16,877,074).

7. Commitments

(Amount in ₹)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances of ₹13,362,167 (Previous year ₹ 2,188,503)]	25,673,557	18,151,495

For commitments relating to lease arrangements, refer note 6.

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

(Amount in ₹)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.	361,712,141	317,801,285
In respect of the Company, Customs duty/ Penalty for mis declaration of imported goods, case for which is pending with Central Excise and Service Tax Appellate Tribunal	77,027,062	77,027,062

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Income tax litigations for various years are pending, as further explained in detail in note 9 below. The amount is after adjusting ₹ 1,509,869,375 (Previous year ₹ 1,439,802,117) for which the company has a legal right to claim from erstwhile promoters (refer note 9 below).	1,005,990,497	1,067,672,765

9. Income Tax Matters

(a) The Income Tax Authorities carried out a survey on August 21, 2003 (certain statutory records of the Company 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 Society and Chandigarh Society. The Assessing Officer, Delhi completed the reopened assessments of the Delhi Society for four assessment years i.e. assessment years 1997-98, 1998-99, 1999-00 and 2000-01 wherein, the exemption availed by the erstwhile Delhi Society by virtue of being an approved scientific research organization had been withdrawn in respect of these years. The past accumulated income up to March 31, 1996 had been brought to tax and the income of the subsequent years had been subjected to tax as normal business income, hence raising a cumulative demand of ₹ 1,010,204,349 (Previous year ₹ 1,010,204,349) [including interest of ₹ 601,257,151 (Previous year ₹ 601,257,151)].

The Company challenged the reopening of assessment for those assessment years before the Hon'ble High Court of Delhi in a Writ Petition. The Writ Petition for assessment year 1997-98 had been decided in favour of the Company vide order dated January 25, 2012. Further, Hon'ble Delhi High Court in its order dated December 10, 2012 directed that all proceedings for the assessment years 1998-99 to 2000-01 are liable to be quashed. The appeals filed by the assessee before the CIT (A)-IV, New Delhi against the aforesaid orders for assessment years 1997-98 to 2000-01 have also been allowed in light of the orders passed by Delhi High Court. Department further, filed SLP before the Supreme Court, which has been dismissed.

The Assessing Officer had also assessed the income for assessment year 2001-02, whereby the entire accumulations and allowances made in earlier years have again been brought to tax, thereby raising a demand of ₹ 1,243,690,089 (Previous year ₹ 1,243,690,089) [including interest of ₹ 694,599,542 (Previous year ₹ 694,599,542)]. The Company has filed an appeal before the Commissioner of Income Tax (Appeals) Delhi against this order, which has been decided in favour of the Company during the current year.

(b) The Additional Commissioner of Income Tax, Chandigarh, had also raised a demand of tax in respect of the Company for the assessment year 2001-02 amounting to ₹ 523,304,899 (Previous year ₹ 523,304,899) and interest thereon amounting to ₹ 291,579,615 (Previous year ₹ 291,579,615) 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 (ITAT), Chandigarh. The Tribunal, vide its Order dated March 18, 2008, had remanded the matter back to the Assessing Officer for fresh adjudication. The Assessing Officer, Delhi completed the assessment vide order dated March 31, 2010 and raised a fresh demand of ₹ 1,053,215,991 (Previous year ₹ 1,053,215,991) [including interest of ₹546,526,580 (Previous year ₹ 546,526,580)]. The Company filed an appeal before the Commissioner of Income Tax (Appeals), Delhi against the said assessment order of the Assessing Officer, which has been decided in favour of the Company during the current year.

Pursuant to the share purchase agreement dated September 25, 2005, wherein the Company is a party , the above mentioned income-tax demands, in respect of (a) and (b) above, are the responsibility of one of the erstwhile promoters to the extent of ₹ 1,116,351,023 (Previous year ₹ 1,011,250,135) [including interest of ₹ 448,270,942 (Previous year ₹ 361,347,621)], for which necessary funds were deposited in an escrow account. Further, as per the share purchase agreement, one third of any excess of these demands after adjusting the recovery from escrow account would be borne by the said erstwhile promoters and the rest by the Company, if any. On account of the same, the Company has reduced the contingent liabilities by ₹ 393,518,352 (Previous year ₹ 428,551,982). During the year 2012-13, Income tax department has recovered the said amount deposited in the escrow account and has adjusted the amount against the aforesaid tax liability relating to Delhi Society. However, Delhi High Court vide order dated July 24, 2013 has held the adjustment to be erroneous and asked the revenue authorities to restore the amount so adjusted back to the escrow account and revenue authorities restored the same along with interest to the escrow account for relevant assessment year. Further, during the previous year, the Company has deposited ₹ 300,000,000 under protest against this demand.

(c) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2003-04 whereby the Assessing Officer had raised demands of ₹ 42,416,576 (Previous year ₹ 42,416,576) [including interest of ₹ 3,510,030 (Previous year ₹ 3,510,030)] by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Further, the Assistant Commissioner of Income Tax, Delhi has passed an order dated March 31, 2010 under sections 154/ 250/ 143(3) of Income Tax Act, 1961 for the assessment year 2003-04 whereby a demand of ₹ 2,277,125 (Previous year ₹ 2,277,125) [including interest of ₹ 395,181 (Previous year ₹ 395,181)] has been raised on the Company by disallowing partial depreciation on electrical installation and transformers, UPS etc. Appeal filed with the Commissioner of Income Tax (Appeals), Delhi, against the disallowances made in the assessment order has been dismissed and the company has filed appeal before the ITAT, New Delhi, which is pending disposal.

(d) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2004-05 whereby the Assessing Officer had raised demands of ₹ 40,422,107 (Previous year ₹ 40,422,107) [including interest of ₹ 9,755,207 (Previous year ₹ 9,755,207) by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2004-05 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 21,467,273 (Previous year ₹ 21,467,273) was raised by disallowing depreciation amounting to ₹ 34,930,124 (Previous year ₹ 34,930,124) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as ‘profit’ on sale of such assets and working out capital gain amounting to ₹ 1,385,019 (Previous year ₹ 1,385,019) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. Company filed further appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the current year.

(e) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2005-06 whereby the Assessing Officer had raised a demand of ₹ 28,202,603 (Previous year ₹ 28,202,603) [including interest of ₹ 5,679,410 (Previous year ₹ 5,679,410)] on the Company by disallowing the claim of key man 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 filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of the Company and both the disallowances were deleted. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department has filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of the Company. The department has filed further appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2005-06 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 8,315,581 (Previous year ₹ 8,315,581) was raised by disallowing depreciation amounting to ₹ 27,039,706 (Previous year ₹ 27,039,706) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 640,100 (Previous year ₹ 640,100) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. Company filed further appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the current year.

(f) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2006-07 whereby the Assessing Officer had raised a demand of ₹ 30,516,136 (Previous year ₹ 30,516,136) [including interest of ₹ 44,22,826 (Previous year ₹ 44,22,826)] on the Company by disallowing the claim of key man insurance premium. The Company had filed an appeal with the Commissioner of Income Tax (Appeals), Delhi against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated July 23, 2009 had allowed partial relief to the Company and had confirmed the balance amount of demand raised by Assessing Officer. The Company filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of the Company. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department had filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of the Company. Department has filed further appeal before the Supreme Court against the said orders of Delhi High Court which is yet to be fixed.

Assessment for the A.Y. 2006-07 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 9,932,626 (Previous year ₹ 9,932,626) was raised by disallowing depreciation amounting to ₹ 13,643,475 (Previous year ₹ 13,643,475) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 1,878,994 (Previous year ₹ 1,878,994) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. Company filed further appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the current year.

(g) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2007-08 vide order dated December 24, 2009, whereby the Assessing Officer had raised a demand of ₹ 9,689,985 (Previous year ₹ 9,689,985) [including interest of ₹ 75,710 (Previous year ₹ 75,710) on the Company by disallowing the claim of key man insurance premium and software development charges. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of the Company. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2007-08 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 5,648,320 (Previous year ₹ 5,648,320) was raised by disallowing depreciation amounting to ₹ 11,596,347 (Previous year ₹ 11,596,347) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 1,031,190 (Previous year ₹ 1,031,190) and including the same in income. An appeal has been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. Company filed further appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of the Company during the current year.

(h) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2008-09 vide order dated December 31, 2010, whereby the Assessing Officer had made additions of ₹ 40,793,695 (Previous year ₹ 40,793,695) including a sum of ₹ 30,763,223 (Previous year ₹ 30,763,223) out of interest expenses holding that outstanding against group companies/subsidiaries were not for business purposes and a sum of ₹ 10,030,472 (Previous year ₹ 10,030,472) out of the depreciation claimed by the Company on its assets. Thus, reducing the loss from ₹ 295,528,056 (Previous year ₹ 295,528,056) to ₹ 254,734,361 (Previous year ₹ 254,734,361). The appeal had been filed with the Commissioner of Income Tax (Appeals), Delhi which has been decided in favour of the company. Income Tax Department has further filed an appeal before ITAT which is yet to be fixed for hearing.

(i) The Assessing Officer (TDS) - Jaipur had passed an order dated February 10, 2010, in respect of the Company for the assessment years 2008-09 and 2009-10, thereby raising the following demands:

a) A.Y. 2008-09 - ₹ 1,673,906 (Previous year ₹ 1,673,906) on account of non-deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), payments to retainer doctors (alleging that TDS was deductible u/s 192 instead of 194J) and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) – Jaipur and was decided vide order dated January 4, 2011 thereby giving partial relief to the company and the demand raised has been brought down from ₹ 1,673,906 (Previous year ₹ 1,673,906) to ₹ 560,837 (Previous year ₹ 560,837) as per order dated December 7, 2011. The Company on protest had paid a sum of ₹ 836,593 (Previous year ₹ 836,593) and subsequent to appeal effect order dated December 7, 2011, a refund has been received amounting to ₹ 336,200 (Previous year ₹ 336,200).

b) A.Y. 2009-10 - ₹ 37,393 (Previous year ₹ 37,393) on account of non-deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), and payment to Fortis Health world Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) – Jaipur which was allowed vide order dated August 30, 2011. The Company on protest had paid a sum of ₹ 18,697 (Previous year ₹ 18,697) and subsequent to appeal effect order dated December 7, 2011, a refund of ₹ 42,376/- (Previous year ₹ 42,376) is receivable.

The company filed an appeal before the Income-tax Appellate Tribunal, Jaipur against balance issues confirmed vide said orders of CIT (A). Department also filed appeal before ITAT against said orders of CIT (A). As per order dated December 16, 2013, appeal has been decided partially in favour of the Company through Third member reference, the Company has filed appeal before the Hon'ble High Court - Jaipur on the issue of tax deducted u/s 194J by the Company on payments made to retainer doctors as against u/s 192 held to be deductible by the department which is pending disposal.

(j) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of the Company for assessment year 2009-10, whereby the Assessing Officer had raised a demand of ₹ 10,902,887 (Previous year ₹ 10,902,887) [including interest of ₹ 2,324,486 (Previous year ₹ 2,324,486)] by making (i) disallowance u/s 36(1)(iii) ₹ 30,788,812 (Previous year ₹ 30,788,812), (ii) disallowance of depreciation - ₹ 6,969,512 (Previous year ₹ 6,969,512), (iii) adding profit on sale of assets - ₹ 2,078,051 (Previous year ₹ 2,078,051), (iv) disallowance u/s 14A - ₹ 5,468,660 (Previous year ₹ 5,468,660), (v) disallowance of short term capital loss - ₹ 59,280,158 (Previous year ₹ 59,280,158) and (vi) addition of exempt income ₹ 64,009,600 (Previous year ₹ 64,009,600). An appeal was filed with the Commissioner of Income Tax (Appeals), Chandigarh, against the disallowances made in the assessment order, which was dismissed. Company filed further appeal before ITAT, which vide its orders dated August 23, 2013, has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which is pending disposal.

(k) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of the Company for assessment year 2010-11, whereby the Assessing Officer has raised a demand of ₹ 8,325,180 (Previous year ₹ 8,325,180) by making i) disallowance u/s 36(1)(iii) ₹ 3,367,349 (Previous year ₹ 3,367,349), ii) disallowance of depreciation ₹ 59,13,664 (Previous year ₹ 59,13,664) and iii) adding profit on sale of assets ₹ 630,720 (Previous year ₹ 630,720). An appeal has been filed before the Commissioner of Income-tax (Appeals) – XIII, New Delhi, which is pending disposal.

(l) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of the Company for assessment year 2011-12, whereby the Assessing Officer has raised a demand of ₹ 800,000 (Previous year ₹ 800,000) by making i) disallowance u/s 36(1)(iii) ₹ 10,500,000 (Previous year ₹ 10,500,000), ii) disallowance of interest on Capital work in progress for ₹ 2,686,443 (Previous year ₹ 2,686,443), iii) disallowance of depreciation of ₹ 5,068,167 (Previous year ₹ 5,068,167), iv) adding profit on sale of assets ₹ 420,415 (Previous year ₹ 420,415). An appeal has been filed before the Commissioner of Income-tax (Appeals) – XIII, New Delhi, which is pending disposal.

10. The Commissioner of Customs (Import and General), Delhi had raised a demand on the Company of ₹ 77,027,062 (Previous year ₹ 77,027,062) [including ₹ 34,763,531 (Previous year ₹ 34,763,531) as penalty for mis-declaration of the imported surgical machine with a redemption fine of ₹ 7,500,000 (Previous year ₹ 7,500,000) 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 ₹ 34,763,531 (Previous year ₹ 34,763,531) 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 raising a demand of ₹ 33,038,532 (Previous year ₹ 33,038,532) holding the Company 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 ₹ 15,000,000 (Previous year ₹ 15,000,000) with the customs authority. The Company had deposited the amount with the customs authority and has also made a provision of ₹ 33,038,532 (Previous year ₹ 33,038,532) in the books of accounts. The matter is still pending with the Tribunal.

12. (a) Delhi Development Authority ('DDA') vide its Order dated October 6, 2005 ('DDA Order') had terminated the lease deeds and allotment letters of the Company. The Company had filed an Original Miscellaneous Petition ('OMP') and Civil Suit in the Hon'ble High Court of Delhi seeking a declaration that the DDA Order is illegal and praying for a permanent injunction restraining DDA from dispossessing 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 arbitration application has been dismissed during the previous year. The Civil Suit is still pending with the Hon'ble High Court of Delhi.

(b) The Estate Officer of the DDA issued a show cause notice dated November 9, 2005 and initiated eviction proceedings against the Company. 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.

(c) In relation to the order of Hon'ble High Court of Delhi relating to provision of free treatment/beds to poor, Directorate of Health Services, Government of NCT of Delhi ('DHS') appointed a firm to calculate "unwarranted profits" arising to it due to non-compliance. The special committee of DHS stated that before giving a formal hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed firm, which as per their method of calculations amounts to ₹ 7,326,615,183, seeking hospital's comments and inputs if any. The company has responded to such intimation explaining errors and objections to the calculations and is awaiting a formal hearing in the matter with the DHS. Based on its internal assessment as regards this unascertained liability and advice from its external legal counsels on the basis of the documents available, management of the group believes that it is in compliance of conditions of free treatment and free beds to the poor and does not anticipate any liability after proper hearing with DHS. No notice of hearing has since been received till date.

13. Put-Call Options on Compulsory Convertible Preference Shares ("CCPS") issued to Kanishka Healthcare Limited ('KHL') for ₹ 30,000 lacs during the previous year:

During the year ended on March 31, 2013, the Company has issued 401,769 CCPS of face value of ₹10 each at a premium of ₹ 7,456.98 per CCPS to KHL with a maturity period of 15 years aggregating to ₹ 30,000 lacs. The holder of CCPS shall be entitled to receive, only out of fund legally available for the payment of dividends, dividends in respect of the par value of the invested CCPS at a per annum rate of 0.01%. The fixed dividend shall be payable on a cumulative basis at the end of a period of 15 years. On conversion date, each CCPS will be convertible into one equity share, provided that the price for conversion shall not at any instance be lesser than the investment valuation. Other key terms of CCPS agreement are:-

a) CCPS Put Option – KHL is entitled to exercise an unconditional and irrevocable right to require FHL or its nominee to buy all of CCPS held by KHL in the Company upon occurrence of KHL having exercised Fortis Hospotel Limited ('FHTL') Put Option or FHTL Call Option under shareholders agreement entered between FHL, FHTL and FHML. The considerations payable by FHL to KHL is as follows :-

-In case of FHTL call option -FHL is required to pay sum equal to the fair valuation of Equity Shares of the Company as per DCF Method to KHL.

-In case of FHTL put option -FHL is required to purchase, subject to due compliance with law, all CCPS at consideration equal to KHL's contribution along with coupon rate agreed.

b) CCPS Call Option - If KHL becomes entitled to exercise the CCPS Put Option, but does not exercise the CCPS Put Option within 90 business days thereof, then FHL shall at any time after the expiry of such 90 business days, be entitled to require KHL to sell all of the CCPS to the FHL for a consideration equal to the CCPS Subscription amount along with the coupon of 0.01% accrued thereon as of such date.

During the previous year, the above said CCPS were issued to International Hospital Limited due to merger of Kanishka Healthcare Limited with International Hospital Limited.

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

Defined Benefit Plan

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

The following table summarizes the components of net benefit expenses recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

(Amount in ₹)

Particulars	**Gratuity (Unfunded)**	**Gratuity (Unfunded)**
	2014-2015	**2013-2014**
Statement of profit and loss		
Net employee benefit expenses		
Current service cost	9,603,000	10,169,000
Interest cost on benefit obligation	8,634,000	7,684,000
Expected return on plan assets	-	-
Net actuarial loss/ (gain) recognised during the year	13,408,000	7,831,000
Net benefit expense	31,645,000	10,022,000
Balance Sheet		
Details of Provision for Gratuity as at year end		
Present value of defined benefit obligation	112,913,000	105,418,000
Fair value of plan assets	-	-
Net asset/ (liability)	(112,913,000)	(105,418,000)
Changes in present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	105,418,000	96,693,000
Current Service Cost	9,603,000	10,169,000
Interest Cost on benefit obligation	8,634,000	7,684,000
Benefits Paid	(24,150,000)	(1,297,000)
Actuarial loss/ (gain) recognised in the year	13,408,000	7,831,000
Closing defined benefit obligation	**112,913,000**	**105,418,000**

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

(Amount in ₹)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Discount rate	7.75%	9.25%
Expected rate of salary increase	3.75%	3.75%
Mortality table referred	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal / Employee Turnover Rate		
Age up to 30 years	6%	6%
Age from 31 to 44 years	2%	2%
Age above 44 years	1%	1%
Experience gain/(loss) adjustments on plan liabilities	13,408,000	7,831,000

Experience history for the current and previous four years are as follows:

(Amount in ₹)

Particulars	**Year ending**				
	31-Mar-15	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Defined benefit obligation at the end of the period	(112,913,000)	(105,418,000)	(96,693,000)	(73,744,000)	(69,609,000)
Plan assets at the end of the period	-	-	-	-	-
Surplus/(deficit)	(112,913,000)	(105,418,000)	(96,693,000)	(73,744,000)	(69,609,000)
Experience gain/ (loss) adjustment on plan liabilities	(5,932,000)	1,354,000	(6,712,000)	2,592,000	(2,051,000)
Experience gain/ (loss) adjustment on plan assets	-	-	-	-	-
Actuarial gain/ (loss) due to change on assumptions	(7,476,000)	64,77,000	(3,503,000)	2,575,000	-

Note:

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.

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

During the period ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

16. Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested

(Amount in ₹)

Particulars	**Maximum amount outstanding during the year**		**Closing balance**	
	31-Mar-15	**31-Mar-14**	**31-Mar-15**	**31-Mar-14**
Subsidiaries/ Fellow Subsidiaries				
Fortis Asia Healthcare Pte. Limited	6,116,311,600	8,492,227,321	6,116,311,600	5,687,247,960
Fortis Hospitals Limited	-	114,644,868	-	-

The particulars of loans given as required to be disclosed by Section 186(4) of Companies Act are as below:

(Amount in ₹)

Particulars	**Rate of Interest**	**Due date**	**Secured/ unsecured**	**31-Mar-15**	**31-Mar-14**
Fortis Asia Healthcare Pte. Limited	5.5% & 8% p.a	March 31, 2016	Unsecured	6,116,311,600	5,687,247,960
Total				**6,116,311,600**	**5,687,247,960**

The above loan has been given for further investment in foreign subsidiaries, working capital and capital requirements.

17. Derivative instruments and unhedged foreign currency exposure

a) **Derivatives outstanding as at the balance sheet date**

(Amount in ₹/USD)

Particulars	**Purpose**
Forward Contracts to sell USD : USD 30,100,000 (Previous year Nil) ₹ 1,876,298,550 (Previous year Nil)	Foreign currency loans given

b) **Particulars of un-hedged foreign currency exposure as at the reporting date**

(Amount in ₹/USD/SGD)

Particulars	Amount
Import trade payables (USD)	USD 27,111 (March 31, 2014 : USD 28,324) ₹ 1,680,938 (March 31, 2014: ₹ 1,701,115)
Foreign currency loans given	
- Loans given (SGD)	SGD 23,900,000 (March 31, 2014: SGD 23,900,000) ₹ 1,085,836,750 (March 31, 2014: ₹ 1,140,758,950)
- Loans given (USD)	USD 50,600,000 (March 31,2014 : USD 75,700,000) ₹ 3,154,176,300 (March 31, 2014 : ₹ 4,546,489,010)

18. **Expenditure in Foreign Currency (on accrual basis)**

(Amount in₹)

Particulars	2014-15	2013-14
Travel and conveyance	3,205,827	4,312,859
Marketing and business promotion	3,993,683	3,759,502
Printing and stationary	-	29,898
Rates and taxes	2,702,559	5,361,698
Recruitment and training	-	750,360
Legal and professional fee	1,553,812	1,474,455
Total	**11,455,881**	**15,688,772**

19. Earnings in Foreign Currency (on accrual basis)

(Amount in ₹)

Particulars	2014-15	2013-14
In patient and Out patient revenue	94,326,708	164,396,025
Income from medical services	2,767,770	6,018,828
Income from satellite centres	5,099,469	5,674,318
Interest income	446,006,155	544,947,167
Total	**548,200,102**	**721,036,338**

20. Value of imports calculated on CIF basis

(Amount in ₹)

Particulars	2014-15	2013-14
Capital goods (including tools and instrument)	40,653,111	5,714,943
Total	**40,653,111**	**5,714,943**

21. Materials consumed (including consumables)

Particulars	**% of Total consumption**		**Value (₹)**	
	2014-15	**2013-14**	**2014-15**	**2013-14**
Indigenous*	100	100	1,049,984,751	1,202,956,418
Imported	-	-	-	-
Total	**100**	**100**	**1,049,984,751**	**1,202,956,418**

* Including consumables of ₹ 44,824,891 (Previous year ₹ 59,598,576) debited to other 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.

22. Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures are as follows:

Particulars	**Value (₹)**
Gross amount required to be spent	12,971,015
Spent during the year	-
Balance unspent during the year	12,971,015

23. Previous year figures

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

As per our report of even date

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

per Sandeep Sharma
Partner
Membership No: 93577

Place: Gurgaon
Date: May 27, 2015

For and on behalf of the Board of Directors of
Escorts Heart Institute and Research Centre Limited

Somesh Kumar Mittal
Whole-time Director
DIN: 07049789

Jasbir Singh Grewal
Director
DIN: 01113910

Place: Gurgaon
Date: May 27, 2015