

Artemis Medicare Services Limited
Financial Statement for the year ended
31st March, 2014

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
ARTEMIS MEDICARE SERVICES LIMITED**

Report on the financial statements

We have audited the accompanying financial statements of **ARTEMIS MEDICARE SERVICES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

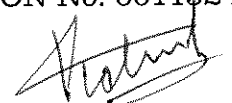
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in Paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
 - v. On the basis of written representations received from the directors of the Company as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For S. P. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 001152 N



(VIDUR PURI)
PARTNER

MEMBERSHIP NO. 090163

PLACE: GURGAON
DATED: May 2, 2014

The Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re : ARTEMIS MEDICARE SERVICES LIMITED ('the Company')

On the basis of such checks as we considered appropriate, we further report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets verification has been conducted by the management during the year. All the fixed assets of the Company have not been physically verified by the management during the year but there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, fixed assets disposals during the year were not substantial and therefore do not affect the going concern assumption.
- ii. (a) Physical verification of inventory has been conducted by the management at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of examination of records of the inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records, which in our opinion were not material, have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has neither granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the paragraphs 4 iii(b), 4 iii(c), 4 iii(d), 4 iii(f) and 4 iii(g) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system in respect of these areas.
- v. (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301 have been so entered.

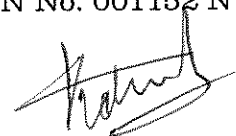
- (b) In our opinion and according to the information and explanation given to us the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable, having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public covered under section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- vii. The Company has an adequate internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.
- viii. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess were outstanding, as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and on the basis of our examination of the books of account, there are no dues of sales tax, customs duty, wealth-tax, service tax, excise duty and cess which have not been deposited on account of any dispute. According to the information and explanations given to us, the following dues of income-tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	202.55	2010-11	Commissioner of Income Tax (Appeals), Faridabad
Income Tax Act, 1961	TDS	747.34	2011-12	Commissioner of Income Tax (Appeals), Faridabad

- x. *The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth.* The Company has not incurred cash loss during the year and in the immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a banks or debenture holders. The Company did not have any outstanding due to a financial institution or debenture holders at the year end.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii. The Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xiv. According to information and explanations given to us, the Company is not dealing or trading in Shares, Securities, Debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for any loan taken by others from a bank or financial institution.
- xvi. Based on our audit procedures and on the information and explanations given by the management, the term loans have been applied for the purpose for which they were raised.
- xvii. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we are of the opinion that no funds raised on short term basis have been used for long term investment by the Company.
- xviii. The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under section 301 of the Act.
- xix. The Company has no outstanding debentures during the year.
- xx. The Company has not raised any money by public issue during the year.
- xxi. Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. P. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 001152 N



(VIDUR PURI)
PARTNER
MEMBERSHIP NO. 090163

PLACE: GURGAON
DATED: May 2, 2014

Artemis Medicare Services Limited
Balance Sheet as at 31st March, 2014

Particulars	Note No.	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
Equity and Liabilities			
Shareholder's Funds			
Share Capital	2	2,103.50	2,103.50
Reserves & Surplus	3	11,605.88	10,935.22
		13,709.38	13,038.72
Non-Current Liabilities			
Long Term Borrowings	4	8,504.03	9,169.96
Other Long Term Liabilities	5	276.38	174.67
Long Term Provisions	6	70.97	64.37
		8,851.38	9,409.00
Current Liabilities			
Short Term Borrowings	7	0.86	417.96
Trade Payables	8	4,650.52	2,432.84
Other Current Liabilities	9	4,089.66	3,402.31
Short Term Provisions	6	27.92	25.47
		8,768.96	6,278.58
Total		31,329.72	28,726.30
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10.1	23,391.57	23,630.75
Intangible Assets	10.2	196.64	117.89
Capital Work-in-progress		0.00	2.92
Long Term Loans & Advances	11	1,800.05	1,365.70
Other Non-Current Assets	12	18.57	1.00
		25,406.83	25,118.26
Current Assets			
Inventories	13	507.08	441.15
Trade Receivables	14	2,906.22	2,360.51
Cash and Bank Balances	15	2,127.82	503.19
Short Term Loans & Advances	16	119.91	98.13
Other Current Assets	17	261.86	205.06
		5,922.89	3,608.04
Total		31,329.72	28,726.30

Significant accounting policies &
Notes on Financial Statements

1 to 39

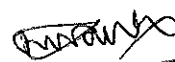
As per our report of even date
For S. P. Puri & Co.
Chartered Accountants
Firm Registration Number 001152N

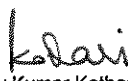
For and on behalf of the Board of Directors
of Artemis Medicare Services Limited


(Vidur Puri)
Partner
Membership No. 090163




Onkar S. Kanwar
[Chairman & Director]


P. N. Wahel
[Director]


Sanjiv Kumar Kothari
[Manager and Chief Financial Officer]


Navneet Goel
[Company Secretary]

Place: GURGAON
Dated: 2nd May, 2014

Artemis Medicare Services Limited
Statement of Profit & Loss for the year ended 31st March, 2014

Particulars	Note No.	Year Ended 31st March, 2014 Rs. in Lacs	Year Ended 31st March, 2013 Rs. in Lacs
Income			
Revenue from Operations	18	26,116.29	21,708.24
Other Income	19	140.75	222.29
Total Revenue (I)		26,257.04	21,930.53
Expenses			
Purchase of Pharmacy Drugs & Medical Consumables	-	7,216.87	6,095.38
Purchase of Stock in Trade	-	16.28	-
(Increase) / Decrease in Inventories of Pharmacy Drugs, Medical Consumables & Stock in Trade	20	(68.79)	88.46
Employee Benefits Expenses	21	4,720.90	4,251.00
Finance Costs	22	1,331.63	1,508.52
Depreciation and Amortization Expenses	23	886.32	939.34
Other Expenses	24	11,483.18	9,010.57
Total Expenses (II)		25,586.39	21,893.26
Profit before Tax (I - II)		670.65	37.27
Tax Expense:			
Current year Tax		-	-
Profit for the year		670.65	37.27
Earning Per Equity Share (Face Value of Rs. 10/- each)			
- Basic	30	3.19	0.18
- Diluted		3.19	0.18

Significant accounting policies &
Notes on Financial Statements

1 to 39

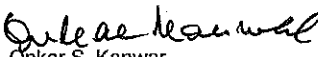
As per our report of even date
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Chartered Accountants
Firm Registration Number 001152N

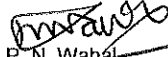
For and on behalf of the Board of Directors
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(Vidur Puri)
Partner

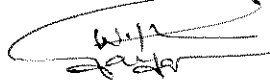
Membership No. 090163




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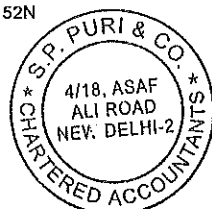
Place : GURGAON
Dated: 2nd May, 2014

Artemis Medicare Services Limited
Cash Flow Statement for the year ended 31st March, 2014

Particulars	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
A. Cash flow from operating activities		
Net profit / (loss) before tax	670.65	37.27
Adjustments for:		
Depreciation and amortisation	886.32	939.34
(Profit)/Loss on sale of Fixed Assets	0.33	-
Interest expense	1,255.63	1,441.91
Interest income	(36.30)	(36.12)
Unclaimed Credit balances/ excess provision written back	(6.50)	(64.22)
Wealth Tax	0.08	0.13
Lease Rent Equalisation Adjustment	101.72	66.33
Provision for Doubtful debts	2.86	17.45
Operating profit before working capital changes	2,874.79	2,402.10
Movements in working capital :		
(Increase)/Decrease in trade receivables	(592.92)	(63.74)
(Increase)/Decrease in inventories	(65.93)	74.74
(Increase)/Decrease in short & long term loans and advances	(915.08)	(764.11)
(Increase)/Decrease in other current & non- current assets	(23.21)	(30.70)
Increase/(Decrease) in current & non current liabilities	2,663.62	410.33
Increase/(Decrease) in short & long term provisions	48.86	34.05
Cash generated from operations	3,990.13	2,062.67
Direct Tax Paid / Receivable	475.07	158.11
A. Net cash (used)/raised from operating activities	4,465.20	2,220.78
B. Cash flows from investing activities		
Purchase of fixed assets (including CWIP)	(723.91)	(670.05)
Proceeds from sale of fixed assets	0.60	-
Investment in Bank Deposits	(560.82)	(137.00)
Redemption/ Maturity of fixed deposits	-	235.00
Interest received	36.30	36.12
B. Net cash (used)/raised from investing activities	(1,247.83)	(535.93)
C. Cash flows from financing activities		
Proceeds from long-term borrowings	1,850.00	3,342.98
Repayment of long-term borrowings - PTL	(50.00)	(1,245.00)
Repayment of Bank long-term borrowings	(2,263.28)	(2,153.81)
Repayment of Short-term borrowings	(417.10)	(255.26)
Interest paid	(1,255.63)	(1,441.91)
C. Net cash (used)/raised from financing activities	(2,136.01)	(1,753.00)
Net increase in cash and cash equivalents (A+B+C)	1,081.36	(68.14)
Cash and cash equivalents as at 31.03.2013	352.09	420.23
Cash and cash equivalents as at 31.03.2014	1,433.45	352.09
Components of cash and cash equivalents		
Cash on hand	70.34	46.28
Balances with scheduled banks:		
On current accounts	763.11	305.81
On deposit accounts	1,312.92	152.10
Less: Fixed deposits not considered as cash equivalents	(712.92)	(152.10)
	1,433.45	352.09

As per our report of even date
For S. P. Puri & Co.
Chartered Accountants
Firm Registration Number 001152N

(Vidur Puri)
Partner
Membership No. 090163



For and on behalf of the Board of Directors
of Artemis Medicare Services Limited

Onkar S. Kanwar
Onkar S. Kanwar
[Chairman & Director]

Sanjiv Kumar Kothari
Sanjiv Kumar Kothari
[Manager and Chief Financial Officer]

P. N. Wahal
P. N. Wahal
[Director]

Navneet Goel
Navneet Goel
[Company Secretary]

Place: GURGAON
Dated: 2nd May, 2014

Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
2	Share Capital:		
	Authorised Shares (In nos.)	2,500.00	2,500.00
	25,000,000 (Previous Year 25,000,000)		
	Equity Shares of Rs.10/- Each		
	Issued, Subscribed & Paid Up Shares (in nos.)		
	21,035,000 (Previous Year 21,035,000)		
	Equity Shares of Rs.10/- each fully paid up	2,103.50	2,103.50
	Total issued, subscribed and fully paid up capital	2,103.50	2,103.50

a. Reconciliation of the equity shares at the beginning and at the end of the year

Reconciliation	As At 31st March, 2014		As At 31st March, 2013	
	Nos.	Rs. in Lacs	Nos.	Rs. in Lacs
Shares outstanding at the beginning of the year	21,035,000	2,103.50	21,035,000	2,103.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	21,035,000	2,103.50	21,035,000	2,103.50

b. Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share, where voting is held by show of hands. In case of Poll each holder of equity share is entitled to Number of votes against Number of shares held.

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

c. Equity Shares held by holding / ultimate holding company and / or their subsidiaries :

Name of the Shareholder	As At 31st March, 2014		As At 31st March, 2013	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
Artemis Health Sciences Limited - holding company	18,009,994	1,801.00	18,009,994	1,801.00
PTL Enterprises Limited - ultimate holding company	3,025,000	302.50	3,025,000	302.50

d. Details of Shareholders holding more than 5% Equity Shares in the Company:

Name of the Shareholder	As At 31st March, 2014		As At 31st March, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Artemis Health Sciences Limited - holding company	18,009,994	85.62%	18,009,994	85.62%
PTL Enterprises Limited - ultimate holding company	3,025,000	14.38%	3,025,000	14.38%



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
3	Reserve & Surplus:		
	<u>GENERAL RESERVE</u>		
	Securities Premium Account		
	Balance as per last financial statements	11,132.50	11,132.50
	Add: Premium on issue of Equity Shares	-	-
	Closing Balance	11,132.50	11,132.50
	Revaluation Reserve		
	Balance as per last financial statements	7,186.99	7,186.99
	Closing Balance	7,186.99	7,186.99
	Surplus / (deficit) in the statement of profit and loss		
	Balance as per last financial statements	(7,384.26)	(7,421.53)
	Profit / (Loss) for the year	670.65	37.27
	Net deficit in the statement of profit and loss	(6,713.61)	(7,384.26)
	Total Reserve and Surplus	11,605.88	10,935.22



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs		As At 31st March, 2013 Rs. in Lacs	
		Non-Current Portion	Current Maturity	Non-Current Portion	Current Maturity
4	Long Term Borrowings				
	Term Loans				
	<u>From Banks</u>				
	- Indian Rupee loans from Banks (secured)	4,442.24	2,167.98	6,643.81	2,167.77
	<u>From Others</u>				
	- Indian Rupee loan from NBFC (Secured)	2,113.24	331.37	1,339.87	66.67
	Unsecured Loan from Related Party	1,886.28	-	1,186.28	-
		8,441.76	2,499.35	9,169.96	2,234.44
	Deferred Payment Liabilities (Unsecured)	62.27	26.69	-	-
		8,504.03	2,526.04	9,169.96	2,234.44
	Amount disclosed under the head "Other Current Liabilities" (Refer Note 9)	-	(2,526.04)	-	(2,234.44)
	Total	8,504.03	-	9,169.96	-

1. Indian Rupee Loans from Banks include :

- a) Term loan of Rs. 6601.82 Lacs (Previous year Rs. 8801.42 Lacs) from State B of bank. The loan is secured by the entire fixed assets (movable & immovable) of the company both present & future. Further it is secured by collateral security charge over the entire fixed assets of M/s PTL Enterprises Limited, the ultimate holding company.
- b) Vehicle Loan of Rs. 8.40 Lacs (Previous year Rs. 10.16 Lacs) from HDFC Bank Limited, secured by way of exclusive charge on the vehicles financed out of the said term loan. The rate of interest on aforesaid loan is linked to Bank's Prime Lending Rate (PLR).

2. Indian Rupee loan from NBFC include :

Term loan of Rs. 2444.61 Lacs (Previous year Rs. 1406.54 Lacs) from GE Money Financial Services Pvt. Ltd. carries interest as linked with base rates of State Bank of India, from time to time. The loan is secured by the entire fixed assets (movable & immovable) of the company both present & future.

3. Deferred Payment Liability :

Deferred payment liability is on account of Purchase of Oracle Specialised Software, payable in 10 equal quarterly installments.



4 Long Term Borrowings

a. Terms of Repayment

(Rs. in Lacs)

Bank	Loan Amount	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total Amount
State Bank of India - Loan No. I	5,000.00	1,000.00	1,000.00				5,000.00
State Bank of India - Loan No. II	700.00	100.00	100.00	100.00	100.00		700.00
State Bank of Mysore - Loan No. I	5,000.00	1,000.00	1,000.00	1,000.00	1,000.00		5,000.00
State Bank of Mysore - Loan No. II	1,400.00	66.00	66.00	66.00	70.00		1,400.00
Total	12,100.00	2,166.00	2,166.00	1,166.00	1,170.00	-	12,100.00

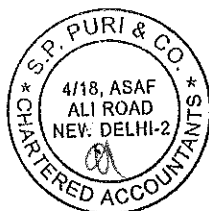
NBFC	Loan Amount	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total Amount
GE Money Financial Services Pvt. Ltd.	550.00	104.76	104.76	104.76	104.76	104.76	550.00
GE Money Financial Services Pvt. Ltd.	850.00	161.90	161.90	161.90	161.90	161.90	850.00
GE Money Financial Services Pvt. Ltd.	1,100.00	64.71	258.82	258.82	258.82	258.82	1,100.00
Total	2,500.00	331.37	525.48	525.48	525.48	525.48	2,500.00

Bank	Loan Amount	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total Amount
HDFC Bank Limited - Vehicle I	3.57	0.66	0.73	0.82	0.60		3.57
HDFC Bank Limited - Vehicle II	3.57	0.66	0.73	0.82	0.60		3.57
HDFC Bank Limited - Vehicle III	3.57	0.66	0.73	0.82	0.60		3.57
Total	10.71	1.98	2.19	2.46	1.80	-	10.71



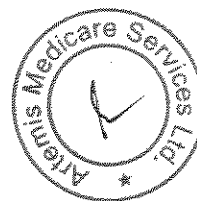
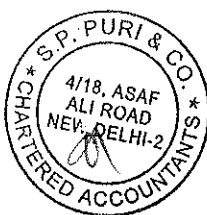
Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs		As At 31st March, 2013 Rs. in Lacs	
		Long Term	Short Term	Long Term	Short Term
5	Other Long Term Liabilities				
	Lease Rent Equalisation Reserve	276.38	-	174.67	-
	Total	<u>276.38</u>	<u>-</u>	<u>174.67</u>	<u>-</u>



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

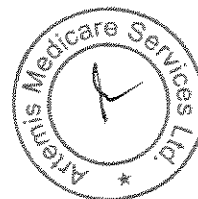
Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs		As At 31st March, 2013 Rs. in Lacs	
		Long Term	Short Term	Long Term	Short Term
6	Provision for Employees Benefits				
	Leave Encashment	34.44	17.56	29.17	15.41
	Gratuity (Refer Note 33)	36.53	10.28	35.20	9.93
	Other Provisions				
	Wealth Tax	-	0.08	-	0.13
	Total	70.97	27.92	64.37	25.47



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
7	Short Term Borrowings		
	Cash Credit Loans repayable on demand from banks (secured)	0.86	417.96
	Total	<u>0.86</u>	<u>417.96</u>

- i) Cash Credit Bank Loan of **Rs.0.86 Lacs** (Previous year **Rs.417.96 Lacs**) from Yes Bank carries interest as linked with BPLR of bank. The loan is secured by first pari passu charge on all current assets of the company both present & future.



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs		As At 31st March, 2013 Rs. in Lacs	
		Non-Current	Current	Non-Current	Current
8	Trade payables (Refer Note 31 for details of dues to micro and small enterprises)	-	4,650.52	-	2,432.84
	Total	-	4,650.52	-	2,432.84

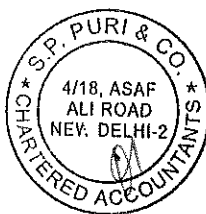


Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
9	Other Current Liabilities		
	Current Maturities of Long Term Borrowings (Refer Note 4)	2,499.35	2,234.44
	Current Maturity of Deferred Payment Liabilities (Refer Note 4)	26.69	-
	Advance from Patients	591.06	300.52
	Security Deposits	212.03	199.48
	Taxes payable *	218.38	137.95
	Other Payable **	542.15	529.92
	Total	4,089.66	3,402.31

* Taxes payable includes Withholding Tax, Sales Tax and WCT Tax.

** Other payable includes payments due to employees, due on account of capital items, contribution to PF, ESI etc.



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No. 10.1

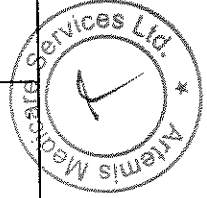
Rs. in Lacs

TANGIBLE ASSETS										
Particulars	Gross block			Accumulated Depreciation			Net block			
	Opening as at April 1, 2013	Additions	Sales / Disposal	Closing as at 31st March, 2014	Opening as at April 1, 2013	For the Year	Deletions / Adjustments	Closing as at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Land	8,900.00	-	-	8,900.00	-	-	-	-	8,900.00	8,900.00
Buildings *	9,192.94	371.88	-	9,564.82	835.89	153.32	-	989.21	8,575.62	8,357.06
Leasehold Improvement	341.09	-	-	341.09	58.94	19.71	-	78.65	262.44	282.15
Computers	494.65	19.35	-	514.00	385.40	48.25	-	433.65	80.35	109.26
Furniture & Fixture	845.73	46.33	-	892.06	339.15	50.88	-	390.03	502.04	506.58
Office Equipment	190.09	34.52	1.21	223.40	42.00	9.79	0.04	51.75	171.65	148.09
Plant and Equipment	8,166.74	169.48	7.04	8,329.17	2,922.58	579.54	0.31	3,501.81	4,827.36	5,244.16
Vehicles	119.36	-	-	119.36	35.90	11.34	-	47.24	72.12	83.46
Total (A)	28,250.61	641.56	8.25	28,883.90	4,619.85	872.83	0.35	5,492.34	23,391.57	23,630.75
Previous Year	27,495.33	772.12	16.84	28,250.61	3,708.47	921.17	9.79	4,619.85	23,630.75	

* Includes part of the building given on operating lease whose cost, depreciation for the year and WDV at the end of the year is not segregated.

Note No. 10.2

INTANGIBLES									
Particulars	Gross block			Accumulated Amortization				Net block	
	Opening as at April 1, 2013	Additions	Sales / Disposal	Closing as at 31st March, 2014	Opening as at April 1, 2013	For the Year	Deletions / Adjustments	Closing as at 31st March, 2014	As at 31st March, 2013
Computer Software	333.83	92.24	-	426.07	215.94	13.49	-	229.43	117.89
Total (B)	333.83	92.24	-	426.07	215.94	13.49	-	229.43	117.89
Previous Year	307.92	25.91	-	333.83	197.78	18.17	-	215.94	117.89



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
11	Long Term Loans and Advances (Non Current)		
	Capital Advances (Unsecured, Considered good)	11.98	76.01
	Security Deposits (Unsecured, Considered good)	110.35	102.15
	Other Loans & Advances (Unsecured, Considered good)		
	Income Tax	338.27	338.27
	TDS Recoverable (Net of Provisions)	1,328.66	849.25
	Prepaid Expenses (Refer Note 17)	10.79	0.02
	Total	<u>1,800.05</u>	<u>1,365.70</u>



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

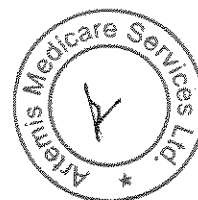
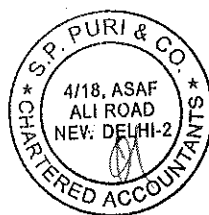
Note No.	Particulars	As At	As At
		31st March, 2014	31st March, 2013
		Rs. in Lacs	Rs. in Lacs
		Non-Current	Non-Current
12	Other Non-Current Assets		
	(Unsecured, Considered good)		
	Fixed Deposit with Banks having original maturity of more than 12 months (Refer Note 15)	18.57	1.00
	Total	<u>18.57</u>	<u>1.00</u>



Artemis Medicare Services Limited

Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
13	Inventories		
	(Valued at lower of cost and net realisable value)		
	Stock of Pharmacy Drugs & Medical Cosumables	480.72	418.58
	Stock in Trade (Pharmacy and Other Items)	6.66	-
	Stores & Spares	19.70	22.57
	Total	507.08	441.15



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs		As At 31st March, 2013 Rs. in Lacs	
		Non-Current	Current	Non-Current	Current
14	Trade Receivables				
	Outstanding for a period exceeding six months from the date they are due for payment				
	Unsecured, Considered good	-	481.52	-	317.54
	Doubtful	-	3.95	-	28.30
		-	485.47	-	345.84
	Provision for doubtful receivables	-	(3.95)	-	(28.30)
	(A)	-	481.52	-	317.54
	Other Receivables				
	Unsecured, Considered good	-	2,424.70	-	2,042.97
	Doubtful	-	27.21	-	-
		-	2,451.91	-	2,042.97
	Provision for doubtful receivables	-	(27.21)	-	-
	(B)	-	2,424.70	-	2,042.97
	Total (A + B)	-	2,906.22	-	2,360.51



Artemis Medicare Services Limited

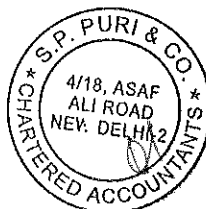
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs		As At 31st March, 2013 Rs. in Lacs	
		Non-Current	Current	Non-Current	Current
15	Cash & Bank Balances				
	Cash & Cash Equivalents				
	Balance with Banks:				
	In Current Accounts	-	530.71	-	256.31
	In Earmarked Current Account	-	16.29	-	49.50
	Cash on hand	-	70.34	-	46.28
	Remittances in Transit	-	216.12	-	-
	Fixed Deposits in banks having original maturity of less than 3 months	-	600.00	-	-
		-	1,433.46	-	352.09
	Other Bank Balances				
	Fixed Deposit in banks having original maturity for more than 3 months but less than 12 months *	-	500.00	-	120.00
	Fixed Deposit in banks having original maturity of more than 12 months **	18.57	194.36	1.00	31.10
	Amount disclosed under Other Non-Current Assets (Refer Note 12)	(18.57)	-	(1.00)	-
		-	694.36	-	151.10
	Total	-	2,127.82	-	503.19

* Includes deposit of Nil (Previous Year Rs. 120.00 Lacs) against Employees Security Deposits.

** 1 - Deposits given as security of Rs. 37.58 Lacs (Previous Year Rs. 32.10 Lacs) to secure bank guarantee issued to Customers.

** 2 - Include deposits of Rs. 175.34 Lacs (Previous Year Nil) against Employees Security Deposits.



Artemis Medicare Services Limited

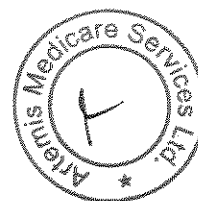
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs	As At 31st March, 2013 Rs. in Lacs
16	Short Term Loans & Advances (Current)		
	Security Deposits	5.38	19.43
	(Unsecured, Considered good)		
	Advance recoverable in cash or kind	54.64	23.80
	(Unsecured, Considered good)		
	Other Loans & Advances		
	(Unsecured, Considered good)		
	Loans & advances to Employees	20.65	13.56
	Services Tax Credit (Input) Receivable	19.42	24.36
	VAT Credit (Input) Receivable	19.82	16.98
	Total	119.91	98.13



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	As At 31st March, 2014 Rs. in Lacs		As At 31st March, 2013 Rs. in Lacs	
		Non-Current	Current	Non-Current	Current
17	Other Current Assets (Unsecured, Considered good)				
	Prepaid Expenses	10.79	49.09	0.02	41.90
	Amount Disclosed under Other Non-Current Assets (Refer Note 11)	(10.79)	-	(0.02)	-
		-	49.09	-	41.90
	Accrued Income from Operations	-	195.94	-	151.58
	Interest accrued but not due	-	16.83	-	11.58
	Total	-	261.86	-	205.06



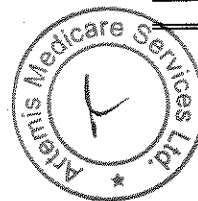
Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	Year Ended 31st March, 2014 Rs. in Lacs	Year Ended 31st March, 2013 Rs. in Lacs
18.	<u>Revenue from Operations</u>		
	Sale of Services		
	Revenue from Health Care Services	16,925.19	13,886.28
	Sale of Goods		
	Sale of Pharmacy Drugs & Medical Consumables	9,123.34	7,746.39
	Sale of Stock in Trade (Pharmacy and Other Items)	11.71	-
	<u>Other Operating Income</u>		
	Income from Nursing Hostel	19.23	15.17
	Income from Sponsorship, Education & Training	36.82	60.40
	Total	26,116.29	21,708.24



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	Year Ended 31st March, 2014 Rs. in Lacs	Year Ended 31st March, 2013 Rs. in Lacs
19	Other Income		
	Interest Income	36.30	36.12
	- From Banks	36.30	25.37
	- From Others	-	10.75
	Income from outsource activities (Cafeteria, Parking etc.)	80.74	76.03
	Unclaimed credit balances / provisions no longer required written back	6.50	64.22
	Other Non-Operating Income	17.21	45.71
	Foreign Exchange Gain (Net)	-	0.21
	Total	140.75	222.29



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	Year Ended 31st March, 2014 Rs. in Lacs	Year Ended 31st March, 2013 Rs. in Lacs
20	(Increase) / Decrease in Inventories of Pharmacy Drugs, Medical Consumables & Stock in Trade		
	Inventories at the beginning of the year	418.58	507.04
	Inventories at the end of the year	<u>487.37</u>	<u>418.58</u>
		(68.79)	88.46
Total		<u>(68.79)</u>	<u>88.46</u>



Artemis Medicare Services Limited

Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	Year Ended 31st March, 2014 Rs. in Lacs	Year Ended 31st March, 2013 Rs. in Lacs
21	Employee Benefits Expenses		
	Salary, Wages and Allowances	4,492.44	4,029.82
	Contribution to Provident and Other Funds	125.32	108.37
	Gratuity Expenses	12.46	22.79
	Employees Welfare Expenses	90.68	90.02
	Total	4,720.90	4,251.00



Artemis Medicare Services Limited

Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	Year Ended 31st March, 2014 Rs. in Lacs	Year Ended 31st March, 2013 Rs. in Lacs
22	Financial Costs		
	Interest Expenses		
	- On Loans	1,244.92	1,437.15
	- Others including the delay in deposit of Statutory Dues	10.71	4.75
	Bank Charges	76.00	66.62
	Total	1,331.63	1,508.52



Artemis Medicare Services Limited

Notes to Financial Statements for the year ended 31st March, 2014

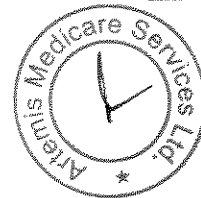
Note No.	Particulars	Year Ended 31st March, 2014 Rs. in Lacs	Year Ended 31st March, 2013 Rs. in Lacs
23	Depreciation and Amortization Expense		
	Depreciation of Tangible Assets	872.83	921.17
	Amortization of Intangible Assets	13.49	18.17
	Total	<u>886.32</u>	<u>939.34</u>



Artemis Medicare Services Limited

Notes to Financial Statements for the year ended 31st March, 2014

Note No.	Particulars	Year Ended 31st March, 2014 Rs. in Lacs	Year Ended 31st March, 2013 Rs. in Lacs
24	Other Expenses		
	Consumption of stores & spare	184.50	203.83
	Power & Fuel	1,094.81	808.14
	Rent	567.00	324.98
	Equipment Hire Charges	106.54	130.35
	Repairs and Maintenance		
	- Machinery	536.64	438.92
	- Buildings	345.83	32.97
	- Others	140.49	83.43
	Rates & Taxes	29.26	52.35
	Professional & consultation fees to doctors	5,451.19	4,302.73
	Legal & Professional Charges	140.55	102.42
	Printing & Stationery	151.13	159.69
	Patient Facility Maintenance	394.70	408.91
	Patient Food & Beverages Expenses	403.46	314.66
	Outsource Lab Test Charges	198.56	167.82
	Security Charges	137.95	106.08
	Professional Medical Consultancy	752.76	763.16
	Travelling & Conveyance	358.99	270.49
	Advertisement & Business Promotion	183.29	207.77
	Patients Amenities	96.32	7.94
	Communication Expenses	63.42	48.14
	Foreign Exchange Loss (Net)	40.29	-
	Charity & Donation	25.00	0.11
	Insurance	24.80	24.01
	Guest House Expenses	19.48	2.10
	<u>Auditors Remuneration</u>		
	- Audit Fee	6.74	5.62
	- Tax Audit Fee	1.91	1.46
	- Others Services	1.35	2.34
	Directors Sitting Fees	5.83	4.93
	Provision for Doubtful Debts	2.86	17.45
	Loss on Sale of Fixed Assets	0.33	-
	Miscellaneous Expenses	17.20	17.77
	Total	11,483.18	9,010.57



Artemis Medicare Services Limited
Notes to Financial Statements for the year ended 31st March, 2014

Note
No.

1 Nature of operations

Artemis Medicare Services Ltd. ("The Company") was incorporated on 18th May, 2004. The Company is engaged in the business of managing and operating of multi specialty hospital and commenced its commercial operation by setting up the Artemis Health Institute-Gurgaon on July 16, 2007. Pursuant to the provisions of Section 24 & 31 read with Section 44 of the Companies Act, 1956, the company has been converted into a Public Limited Company w.e.f. October 5, 2009 and consequently the name of the Company has been changed from 'Artemis Medicare Services Private Limited' to 'Artemis Medicare Services Limited'.

1 Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements of the company has 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 respect, with the Notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimate

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

c) Tangible Fixed assets

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

d) Depreciation on Tangible Fixed Assets

Depreciation on all Fixed assets is provided using the straight line method as per the useful life of the fixed assets estimated by the management, or at the rates prescribed by Schedule XIV of the Companies Act, 1956 whichever is higher.

Assets	Rates (SLM)	Schedule XIV Rates (SLM)
Buildings	1.63%	1.63%
Plant & Machinery other than Medical equipments and Chiller	4.75%	4.75%
Medical Equipments (Plant & Machinery)	7.07%	7.07%
Chillers (Plant & Machinery)	10.34%	4.75%
Furniture & Fixtures	6.33%	6.33%
Computers	16.21%	16.21%
Vehicles	9.50%	9.50%

Leasehold improvement have been depreciated as per the useful life ascertained or over the primary period of lease, whichever is shorter. Individual fixed assets costing less than Rs. 5,000 individually have been fully depreciated in the year of purchase.

e) Intangible Assets

Intangible Assets comprise of software is stated at cost of acquisition and includes all attributable costs of bringing the software to its working condition for its indented use. Cost of Software is amortized over a period of Six years, being the estimated useful life as per the management estimate.

f) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

g) Impairment

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

h) Leases

Where the Company is the lessee

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

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit & Loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit & Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit & Loss.



i) Inventories

Inventories of Pharmacy Drugs & Other Items, Medical Consumables and Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

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

j) Revenue recognition

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

Sale of Pharmacy Drugs and Medical Supplies

Revenue is recognized as and when Pharmacy Drugs and Medical Supplies are sold. Sales are net of Returns, Discounts and Sales tax and Value Added Tax.

Income from Operations

Income from operations is recognized as and when the services are rendered. The income is stated net of discount and price differences, as per terms of contract.

Interest

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

Income from Nursing Hostel

Revenue is recognized as per contractual arrangement with nursing staff using the hostel facilities.

Income from Lease Rentals & Outsourced Facilities

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

k) Foreign currency transactions

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

l) Retirement benefits

(i) Retirement benefits in the form of Provident Fund Scheme is a defined contribution scheme and the contribution is charged to the Statement of Profit & Loss for the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to authorities

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

(iii) Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

(iv) Actuarial gains / losses are immediately taken to Statement of Profit & Loss and are not deferred.

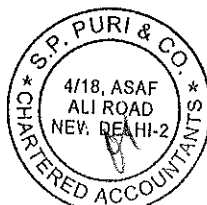
m) Income taxes

Tax expense comprises of 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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. Deferred tax assets are recognized 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 balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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



n) Expenditure on new projects

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit & Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

o) Earnings Per share

Basic earnings per share are calculated by dividing the net profit or loss for the year (including prior period items, if any) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

p) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 its existence in the financial statements. The company does not recognize the contingent liability but disclosed its existence in financial statements.

r) Cash and Cash Equivalents

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

1 Operational Outlook

The Company had started its commercial operations during the Financial Year 2007-08. Further, the management also started their IPD in Dwarka, in the last financial year. A major part of the initial losses were envisaged for development of the Company's brand. The Company has reported a profit of Rs.670.65 Lacs for the year ended March 31, 2014. The total Accumulated Loss stand at Rs.6713.61 Lacs as on the Balance Sheet date.

The Company has positive cash flow from the operations and has positive working capital as at March 31, 2014. The management is confident of its ability to secure funding for its future operations and continue to generate profits in future. The Company has assurance of financial support from its ultimate parent to infuse the funds in the Company as equity and unsecured loans respectively on as and when required basis. In the opinion of the management, fundamental assumption of going concern assumption holds good and financial statement continue to be prepared on a going concern basis.

25 Segmental Reporting

Business segments

The Company business activity primarily falls within a single business segment i.e. Hospital business.

Geographical segments

The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.

26 Capital and Other Commitments

- a) Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances)

(Rs. In Lacs)	
As at 31st March, 2014	As at 31st March, 2013
48.77	287.31

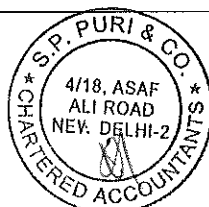
- b) For commitments relating to lease arrangement, please refer Note 29

27 Taxes on Income

The company has recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the timing difference on depreciation of Rs. 2382.31 Lacs as at March 31, 2014 (Previous year Rs. 2098.22 Lacs).

In accordance with the Accounting Standard-22 "Accounting for Taxes on Income", the Company would have net deferred tax assets, primarily consisting of unabsorbed depreciation and carried forward losses. However, the subsequent realization of such amount is not virtually certain in near future, the management is of the view that it is prudent to recognize the deferred tax asset only to the extent of deferred tax liability.

(Rs. In Lacs)		
Particulars	2013-14	2012-13
Deferred Tax Liability on impact of difference between Depreciation & Depreciation / Amortization charged for the Financial Reporting	2,382.31	2,098.22
Deferred Tax Assets on Expenditure charged to Statement of Profit & Loss Account in the current year but allowed for tax purposes on payment basis / Deduction of TDS	369.22	78.56
Deferred Tax Assets on Carried Forward Losses & Unabsorbed Depreciation	3,973.98	4,059.76
Net Deferred Tax Assets	1,960.88	2,040.10



28 Related party disclosure

a) Name of related parties

Parties where control exists irrespective of whether transactions have occurred or not	
Ultimate Parent Company	PTL Enterprises Limited
Holding Company	Artemis Health Sciences Limited

Names of other related parties with whom transactions have taken place during the year

Key Management Personnel	Mr. Onkar Singh Kanwar (Chairman & Director) Dr. Devlina Chakravarty (Chief Operating Officer) Mr. Vinod Kalra (Head of Finance and Manager) till Sept 9, 2013 Mr. Rajnish Handa (Head HR & Operations) till Sept 30, 2013 Mr. Sanjiv Kumar Kothari (Manager and Chief Financial Officer) w.e.f. Nov 8, 2013 onwards
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Relative of Key Management Personnel	Mr. Neeraj Kanwar (Son of Mr. Onkar Singh Kanwar)
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Enterprises owned or significantly influenced by key management personnel or their relatives	Apollo Tyres Ltd. Apollo International Ltd. Travel Tracks Limited Bespoke Tours & Travels Ltd.
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b) Transactions during the year

Particulars	Parent Company		Holding Company		Key Management Personnel and their relatives		(Rs. In Lacs)	
							Enterprises owned or significantly influenced by key management personnel or their relatives	
	2014	2013	2014	2013	2014	2013	2014	2013
Loan Taken								
PTL Enterprises Ltd.	750.00	1,926.28	-	-	-	-	-	-
Loan Repaid								
PTL Enterprises Ltd.	50.00	1,245.00	-	-	-	-	-	-
Reimbursement of Expense incurred on behalf of the Company								
Artemis Health Sciences Ltd.	-	-	0.21	0.16	-	-	-	-
Lease Expenses								
PTL Enterprises Ltd.	61.83	35.75	-	-	-	-	-	-
Sale of Services								
Apollo Tyres Ltd.	-	-	-	-	-	-	103.90	43.97
Apollo International Ltd.	-	-	-	-	-	-	10.85	3.64
Travel Tracks Limited	-	-	-	-	-	-	-	9.56
Purchase of services								
Apollo Tyres Ltd.	-	-	-	-	-	-	6.74	-
Travel Tracks Limited	-	-	-	-	-	-	-	33.77
Bespoke Tours & Travels Ltd.	-	-	-	-	-	-	45.75	-
Directors' Sitting Fees paid								
Onkar Singh Kanwar	-	-	-	-	0.80	0.80	-	-
Neeraj Kanwar	-	-	-	-	0.30	0.70	-	-
Remuneration paid								
Devlina Chakravarty	-	-	-	-	185.49	146.10	-	-
Vinod Kalra	-	-	-	-	25.42	38.26	-	-
Sanjiv Sharma	-	-	-	-	-	19.04	-	-
Sanjiv Kumar Kothari	-	-	-	-	18.52	-	-	-
Col. Rajnish Handa	-	-	-	-	12.42	4.44	-	-
Balance Payable								
PTL Enterprises Ltd.	1,901.43	1,221.32	-	-	-	-	-	-
Bespoke Tours & Travels Ltd.	-	-	-	-	-	-	0.40	-
Key Management Persons	-	-	-	-	16.70	24.75	-	-
Balance Recoverable								
Apollo Tyres Ltd.	-	-	-	-	-	-	1.37	0.13
Apollo International Ltd.	-	-	-	-	-	-	4.78	0.02

29 Operating Leases

a) Assets taken on lease (Cancellable)

The Company has taken cancellable lease for 4 buildings (2 for Nursing Hostels, 1 for Record Rooms (MRD) and 1 for Pharmacy Store). Moreover, company has 1 Guest Houses, 1 Poly Clinic Rewari and 1 Dwarka Hospital Building under operating lease. All the premises taken on operating lease are on cancellable terms as per each respective lease and thereafter may be renewed by mutual consent on mutually agreed terms.

Total lease payments recognized in the Statement of Profit & Loss for the year is Rs. 567 Lacs (previous year Rs. 324.98 Lacs).

Minimum Lease Rentals Payable for lock in period	(Rs. In Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Not later than one year	-	4.40

b) Assets given on Lease

The Company has leased out some portion of hospital premises as outsourced activities for a period of 1 to 9 years. The returns are fixed as well as based on a certain percentage of net sales of the lessee from the leased premises.

Total lease amount received / receivable in respect of above leases recognised in the Statement of Profit & Loss for the year are Rs. 80.74 Lacs (Previous year Rs. 76.03 Lacs).



	(Rs. In Lacs)	
Minimum Lease Rentals Receivable during lock in period	As at 31st March, 2014	As at 31st March, 2013
Not later than one year	3.30	3.14
Later than one year but not later than five years	19.15	18.24
Later than five years	4.61	8.82

Note: The lease payment recognized in the statement of profit & loss under non-cancellable operating lease represent only the fixed component / minimum recoverable of the leases as variable component receivable based on the net sales from the lease premises cannot be determined.

30 Earning Per Share (EPS)

	(Rs. In Lacs)	
Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Net profit after Tax		
Profit / (Loss) attributable to the Equity Shareholders	670.65	37.27
Basic / Weighted Average Number of Equity Shares Outstanding during the year	210.35	210.35
Earning Per Share (in Rupees)		
- Basic	3.19	0.18
- Diluted	3.19	0.18
Nominal value of Equity Shares	10.00	10.00

31 Information in terms of Section 22 of the Micro, Small and Medium Enterprises

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	31st March, 2014	31st March, 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

32 Supplementary Statutory Information

a) Expenditure in Foreign Currency (On accrual basis)

	(Rs. In Lacs)	
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Foreign Travel	45.55	49.78
Fee & Subscription	-	39.60
Others	47.01	8.66
Total	92.56	98.04

b) Earnings in Foreign Currency (On accrual basis)

	(Rs. In Lacs)	
Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Income towards services rendered	2,029.08	205.80
Total	2,029.08	205.80

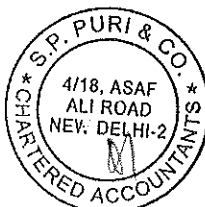
33 Defined Benefit Plans

i) The company has recognized, in the statement of Profit & Loss for the year ended March 31, 2014 an amount of Rs. 125.32 Lacs (Previous year Rs. 108.37 Lacs) under defined contribution plans.

	(Rs. In Lacs)	
Expense under defined contribution plans include:	31st March, 2014	31st March, 2013
a) Employer's contribution to provident fund	97.46	80.41
b) Employer's contribution to Employee State Insurance Corporation	27.86	27.96
	125.32	108.37

The expense is disclosed in the line item - contribution to provident fund and other funds in Note 21

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



	Gratuity (unfunded)		Leaves (unfunded)	
	31st March, 2014 (Rs. In Lacs)	31st March, 2013 (Rs. In Lacs)	31st March, 2014 (Rs. In Lacs)	31st March, 2013 (Rs. In Lacs)
(i) Reconciliation of opening and closing balances of obligations:				
a) Obligation at the beginning	45.13	24.92	44.57	29.45
b) Current Service Cost	14.01	13.85	23.17	22.45
c) Interest Cost	3.61	2.14	3.57	2.53
d) Curtailment Cost	-	-	-	-
e) Actuarial (Gain) / Loss	(5.16)	6.80	12.00	1.43
f) Benefits paid	(10.78)	(2.58)	(31.30)	(11.30)
g) Obligation at the year end	46.81	45.13	52.01	44.57
(ii) Change in Plan Assets (Reconciliation of opening and closing balances):				
a) Fair Value of Plan Assets at beginning	-	-	-	-
b) Prior Period Adjustment	-	-	-	-
c) Expected return on Plan Asset	-	-	-	-
d) Contributions	-	-	-	-
e) Benefits paid	-	-	-	-
f) Actuarial Gain / (Loss) on Plan Assets	-	-	-	-
g) Fair Value of Plan Assets at year end	-	-	-	-
(iii) Reconciliation of fair value of assets and obligations:				
a) Present value of obligation at year end	46.81	45.13	52.01	44.57
b) Fair Value of Plan Assets at year end	-	-	-	-
c) Asset / Liability recognized in the Balance Sheet	46.81	45.13	52.01	44.57
(iv) Expense recognized during the year				
a) Current Service Cost	14.01	13.85	23.17	22.45
b) Interest Cost	3.61	2.14	3.57	2.53
c) Curtailment Cost (Credit)	-	-	-	-
d) Expected return on Plan Assets	-	-	-	-
e) Actuarial (Gain) / Loss	(5.16)	6.80	12.00	1.43
f) Expenses recognized during the year	12.46	22.79	38.74	26.42
(v) Assumptions:				
a) Discount Rate (per annum)	8.80%	8.00%	8.80%	8.00%
b) Expected rate of return on Plan Assets (per annum)	NA	NA	NA	NA
c) Rate of increase in compensation level (per annum)	6.50%	6.50%	6.50%	6.50%

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

The above information is certified by the actuarial valuer.

The discount rate is based on prevailing market yield of Govt. Bonds as at the date of valuation.

	31st March 2012		31st March 2011		31st March 2010	
	Gratuity	Leaves	Gratuity	Leaves	Gratuity	Leaves
Reconciliation of fair value of assets and obligations for the past years						
a) Present value of obligation as at year end	24.92	29.45	15.09	25.77	19.60	42.17
b) Fair Value of Plan Assets as at year end	-	-	-	-	-	-
c) Unfunded (assets) / liability recognized in the balance sheet	24.92	29.45	15.09	25.77	19.60	42.17
d) Experience adjustments on plan liabilities - (loss) / gain	-	-	10.47	18.27	0.33	19.09
e) Experience adjustments on plan assets - (loss) / gain	-	-	-	-	-	-

Note:

Disclosure included are Limited to the extent of disclosure provided by the actuary.

34 Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	(Rs. In Lacs)		(Rs. In Lacs)	
	31st March, 2014		31st March, 2013	
	USD	Amount in INR	USD	Amount in INR
Trade Payables	-	-	0.72	39.60
Trade Receivables	5.11	305.49	-	-

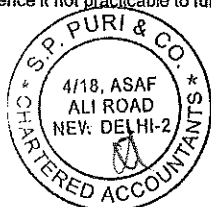
35 CIF Value of Imports

Particulars	(Rs. In Lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Medical Consumables	9.87	6.81
	9.87	6.81

36 Materials Consumed

Particulars	(Rs. In Lacs)			
	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Percentage	Value	Percentage	Value
Imported	0.14%	9.87	0.11%	6.81
Indigenous	99.86%	7,154.49	99.89%	6,177.03
		7,164.36		6,183.84

Note: Material consumption consists of items of various natures in specification and includes medical consumables and pharmaceuticals drugs etc. Hence it not practicable to furnish item wise details.



Stock in Trade			(Rs. In Lacs)	
Description of Goods	Opening Stock	Purchase	Sales	Closing Stock
Pharmacy Items	-	16.28	11.71	6.66

37 Contingent Liabilities

(Rs. In Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
-------------	------------------------	------------------------

A Claims against the company not acknowledged as debts

In respect of compensation demanded by the patient / their relatives, for negligence in treatment and are pending with various consumers disputes redressal forums. The company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly, no provision for liability has been recognized in the financial statements on account of insurance cover taken by the company and the doctors, the company is adequately insured to mitigate the possibility of any loss.	463.35	-
The DCIT (TDS), Gurgaon has passed order on account of deduction of tax under section 194J of Income Tax Act, 1961, instead of section 192 on payments made to retainer's doctors. Subsequently the company has filed the appeal before the Commissioner of Income Tax (Appeal) Faridabad, which are pending for disposal. Based on expert opinion obtained the management believes that the company has the good chance of success in these cases.	1,279.89	723.45
	1,743.24	723.45

- B Haryana Urban Development Authority has issued notices in relation to demand and show cause for penalty thereon, against the enhanced compensation on the company's land in Sector 51, Gurgaon. According to conditions of land allotment letter enhanced compensation announced by the court and payable to original land owners of this Sector are to be borne by the allottee. The company has represented and is of the opinion that as per the terms of the original allotment letter and the background papers attached with the notice, the enhanced compensation is not payable on the hospital land in layout plan.

38 Other Non-Operating Income includes prior period income of Rs. Nil (Previous Year Rs. 35.82 Lacs).

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

As per our report of even date.

Signature to Note 1 to 39

For S. P. Puri & Co.
Chartered Accountants
Firm Registration Number 001152N

For and on behalf of the Board of Directors
of Artemis Medicare Services Limited

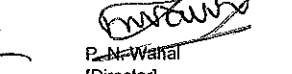
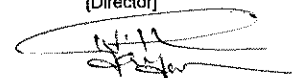


(Vidur Puri)
Partner
Membership No. 090163




Onkar S. Kanwar
[Chairman & Director]


Sanjiv Kumar Kothari
[Manager and Chief Financial Officer]


P. N. Wahi
[Director]

Navneet Goel
[Company Secretary]

Place: GURGAON
Dated: 2nd May, 2014