THE MEDICAL AND SURGICAL CENTRE LIMITED AND ITS SUBSIDIARY

Fortis CLINIQUE DARNÉ

For a Healthier Future

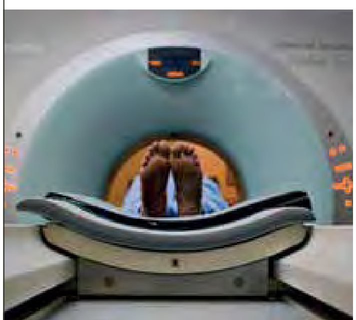
History of Clinique Darné - 1953 to 2013

The first steps towards medical excellence…

Founded in 1953 by Dr. François Darné, a highly respected surgeon, the Clinique initially had a capacity of 12 rooms and one operating theatre. Dr. François Darné completed his studies at the Royal College of Curepipe in 1934, and went to pursue his medical studies at University College Hospital, London. He set up upon his return what was to become one of the largest and most modern healthcare provider in Mauritius - Clinique Darné. In 1972, following Dr. Darné's appointment by the Mauritian Government as Ambassador of Mauritius to France, the Clinique was taken over by a private company owned by a group of leading sugar industry estates and other business interests and changed its name to 'The Medical & Surgical Centre Ltd'. New operating theatres, consulting rooms as well as a Maternity and Day Care Centre were gradually introduced and the services were upgraded.

In 1996, significant renovation work was carried out and the facility reverted to its former name 'Clinique Darné'.

A major development then occured in 2009 …



Compassionate Patient Care…

In January 2009, 'Clinique Darné' was renamed Fortis Clinique Darné (FCD), when Fortis Healthcare Ltd., India's fastest growing private healthcare provider, joined hands with CIEL Group to acquire a controlling stake in the largest private hospital in Mauritius.

Backed by Fortis Healthcare Ltd., a network of 75 hospitals, FCD currently offers over 25 medical and paramedical services under one roof. The hospital also boasts one of the finest Department of Cardiac Sciences and Critical Care, Renal Sciences and a first of its kind facility called "The Nest", dedicated to the well-being of mother and child.

Along with the Maternity and Paediatric wings, the Emergency Department was revamped into a round the clock department in 2009. The services were further improved with the creation of an in-house Cardiac Surgery team. 2010 also saw the implementation of a Patient Welfare Department and the setting up of an Arrhythmia Clinic.

Over and above, in 2012, several services were added and improved, namely through a new Physiotherapy and Rehabilitation Centre, a Dental Clinic and a Preventive Health Check-up Lounge with a focus on preventive medicine. Last year also witnessed the accreditation of an International Vaccination Centre for the travelling public, within the hospital. FCD continues to undertake numerous projects in its endeavour to provide improved healthcare services and enhance patient experience. *In our next advertorial, meet some of our longstanding employees who experienced both the old and the new Clinique!*

Dear Shareholder,

The Board of Directors ("the Board") of The Medical & Surgical Centre Limited ("the Company") is pleased to present the Annual Report of the Company and its subsidiary for the year ended 31 March 2014. The audited financial statements of the Company and its subsidiary have been approved by the Board on 4 June 2014.

On behalf of the Board, I invite you to go through the Annual Report and look forward to seeing you at the Annual Meeting of the Company which will be held:

Date	24 September 2014
Time	15.00 hours
Venue	Fortis Clinique Darné Conference Room Georges Guibert Street Floréal

Yours sincerely,

Mr. Ashish BHATIA

Chairman

Fortis Clinique Darné

now open at Grand Baie La Croisette

Fortis Clinique Darné has always been at the forefront in bringing world class healthcare to Mauritians. With the recent opening of its Centre in the north of the island, it has further strengthened its leadership position. **Its 24/7 Emergency Department backed by an Advanced Cardiac Life Support Ambulance (ACLS) ensures that all medical emergencies are catered for.**

The new Centre offers a wide range of services which includes:

- *Doctor consultations across various specialties mainly Cardiology, General Surgery, Orthopaedics, Obstetrics & Gynaecology, Endocrinology, Psychiatry, Plastic & Reconstructive Surgery, Internal Medicine and Gastroenterology*
- *Radiology (X-Ray, ultrasound)*
- *Medical Laboratory*
- *Non-interventional cardiology (stress test & echography)*
- *Preventive health check-ups*
- *Endoscopy (gastroscopy & colonoscopy)*

Support Services at the Centre include Physiotherapy and Rehabilitation, along with a Lifestyle Consultant for proper nutrition and well-being.

THE MEDICAL & SURGICAL CENTRE LTD

HEAD OFFICE: Georges Guibert Street, Floréal, Mauritius

Tel: (230) 601 2300 | Fax: (230) 696 3612 (Administration) / (230) 696 1209 (Medical)

FCD NORTH: Office C, C0 – 05A & C2 – 204, La Croisette Mall, Grand Bay, Mauritius

Tel: (230) 601 2300 | Fax: (230) 269 6224

Email: clinique@cliniquedarne.com | www.fortiscliniquedarne.com | www.fortishealthcare.com

24/7 Emergency and Ambulance Services: Dial 118

Fortis CLINIQUE DARNÉ

For a Healthier Future

THE MEDICAL AND SURGICAL CENTRE LIMITED AND ITS SUBSIDIARY

Notice of Annual Meeting to Shareholders

Notice is hereby given that the Annual Meeting ("the Meeting") of the shareholders of THE MEDICAL AND SURGICAL CENTRE LIMITED ("the Company") will be held at the Company's Registered Office, C/o Fortis Clinique Darné, Georges Guibert Street, Floréal on 24 September 2014 at 15.00 hours, to transact the following business:

1. To receive, consider and approve the Group's and the Company's Financial Statements for the year ended 31 March 2014, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.
2. To appoint Mr. Rajiv Puri* as Director of the Company.
3. To appoint Mrs. Christine Marie Isabelle Sauzier* as Director of the Company.
4. To re-elect, as Directors of the Company and by way of separate resolutions, to hold office until the next Annual Meeting, the following persons who offer themselves for re-election:
   - 4.1 Ashish Bhatia*
   - 4.2 Guy Adam*
   - 4.3 Jean-Pierre Dalais*
   - 4.4 Michel Thomas*
5. To take note of the automatic re-appointment of Messrs. Ernst & Young as auditors of the Company in accordance with section 200 of the Companies Act 2001 for the ensuing year and to authorise the Directors to fix their remuneration.
6. To ratify the remuneration paid to the auditors for the year ended 31 March 2014.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

22 August 2014

Notes:

i. *A shareholder of the Company entitled to attend and vote at the Meeting may appoint a proxy, whether a member or not, to attend and vote in his/ her stead.*

ii. *Proxy forms should be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Limited, 2nd Floor, MCB Centre, Sir William Newton Street, Port Louis, not less than twenty-four hours before the start of the Meeting, and in default, the instrument of proxy shall not be treated as valid.*

iii. *A proxy form is included in this Annual Report and is also available at the following address: 5th Floor, Ebène Skies, Rue de l'Institut, Ebène.*

iv. *For the purpose of this Annual Meeting, the Directors have resolved, in compliance with section 120 (3) of the Companies Act 2001, that the shareholders who are entitled to receive notice and vote at the Meeting, shall be those shareholders whose names are registered in the share register of the Company as at 29 August 2014.*

v. *The minutes of proceedings of the Annual Meeting of the shareholders held on 23 September 2013 are available for inspection at the following address, Attention: The Secretary, 5th Floor, Ebène Skies, Rue de l'Institut, Ebène, during normal trading office hours.*

* The profiles and categories of the Directors are set out on pages 24 to 26 of the Annual Report 2014.


1953-2013
Il était une fois…
un ACTEUR, un TEMOIN
A living witness of its time
Fortis CLINIQUE DARNÉ

n article
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urbaines.

eux
tion

Juin 2013 – Jean Pierre Dalais, CEO de CIEL Investment, et Ashish Bhatia, Chairman de FCD, annonçant à la presse les développements futurs de la Clinique

Mars 2009 – Shivinder Mohan Singh, Executive Vice Chairman de Fortis Healthcare Limited, en compagnie du Premier ministre, le Dr Navin Ramgoolam, lors de la cérémonie marquant la conclusion du partenariat CIEL – Fortis

Partners for life

Fortis Healthcare opened its first hospital in Punjab, India, in 2001. The group then created or acquired medical centres in India, including hospitals specializing in cardiac sciences. Today, the group operates in six countries in addition to India – Dubai UAE, Hong Kong, Singapore, Sri Lanka, Nepal and Mauritius –, managing 70 hospitals, 180 laboratories, 140 pharmacies, 61 medical centres and 137 dental surgeries. It employs 23,000 skilled personnel across the entire range of healthcare. Fortis Healthcare joined forces with the Mauritius's CIEL Group to create Fortis Clinique Darné. To mark the clinic's 60th anniversary, it was reemphasized that this successful partnership would be strengthened, inter alia, in the form of increased investment, allowing for further expansion and the creation of a new facility in the north.

IN THE NEWS


BRÈVE
SOIXANTE BOUGIES POUR FORTIS DARNÉ !
Les célébrations ont eu lieu, hier soir, au Château de Labourdonnais, à Mapou. Plusieurs dignitaires étaient présents pour fêter les 60 ans de la clinique Fortis Darné, notamment l'invité d'honneur Navin Ramgoolam. On en a aussi profité pour rappeler l'ouverture de la branche du nord de la clinique à La Croisette et parler du projet de Fortis Darné d'ouvrir, à l'avenir, d'autres branches dans différentes parties de l'île.
business files
CLINIQUES PRIVÉES
Les opérateurs jouent à fond la carte h
Avec la sophistication des prestations de santé, les cl dans de nouveaux appareils de haute technologie af d'aligner leurs services sur les offres du marché. De récupérés que dans quelques années.
Trop de médecins généralistes : quelles solutions ?
LES DERNIÈRES TECHNOLOGIES
Rs 35 M
INTER
"Mauritius can attract a larger chunk of the African clientele in healthcare sector"
FORTIS DARNÉ
Un laboratoire d'imagerie interventionnelle
Le Mauricien News Service
Port-Louis, 11 octobre
« Un grand pas a été accompli dans la chirurgie cardiaque »
Le premier stent intracoronaire biodégradable implanté à Maurice
Fortis Clinique Darné
Constantly innovating ... care services
IndianOil (Mauritius) Ltd
Servicing 23.5% of the local petroleum market
maintenant Grand Baie La Croisette
binet de ra ir en aide a
un patient âgé de

Contents

Corporate Information

BOARD OF DIRECTORS

DIRECTORS

Ashish Bhatia, *Chairman*
Marie Marc Guy Adam
Jean-Pierre Dalais
Louis Marie Bruno Jullienne (*up to 4 June 2014*)
Daphne Hsu Chin Khoo (*up to 7 May 2014*)
Rajiv Puri (*as from 4 June 2014*)
Christine Marie Isabelle Sauzier (*as from 4 June 2014*)
Antoine Michel Thomas

ALTERNATE DIRECTOR

Jérôme De Chasteauneuf, *Alternate of Jean-Pierre Dalais*

BOARD COMMITTEES

CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Dr. Marie Marc Guy Adam, *Chairman*
Ashish Bhatia (*as from 4 June 2014*)
Louis Marie Bruno Jullienne (*up to 4 June 2014*)
Daphne Hsu Chin Khoo (*up to 7 May 2014*)
Christine Marie Isabelle Sauzier (*as from 4 June 2014*)

AUDIT & RISK COMMITTEE

Jérôme De Chasteauneuf, *Chairman*
Rajiv Puri
Antoine Michel Thomas

CHIEF OPERATING OFFICER

Dr. Simmardeep Singh Gill

COMPANY SECRETARY

CIEL Corporate Services Ltd
5th Floor, Ebène Skies
Rue de l'Institut, Ebène
Mauritius
Tel : +230 404 2200
Fax: +230 404 2201

SHARE REGISTRY AND TRANSFER OFFICE

If you are a shareholder and have inquiries regarding your account, wish to change your name and address, or have questions about lost certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:

MCB Registry & Securities Limited
2nd Floor, MCB Centre
Sir William Newton Street, Port Louis
Mauritius
Tel: +230 202 5397
Fax: +230 208 1167

REGISTERED OFFICE

C/o Fortis Clinique Darné
Georges Guibert Street, Floréal
Mauritius
Telephone: +230 601 2300
Fax: +230 696 3612
Email: clinique@cliniquedarne.com

BANKERS

The Mauritius Commercial Bank Limited
Bank One Limited

EXTERNAL AUDITORS

Ernst & Young

INTERNAL AUDITORS

BDO & Co

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Group's Annual Report for the financial year ended 31 March 2014.

The Group has recorded a revenue of Rs 599M (31 March 2013 - Rs 564M) and profits after taxation of Rs 56.5M (31 March 2013 - Rs 53.9M). Interim dividend of Rs 0.01 were paid during the year and a final dividend of Rs 0.03 paid in July 2014, resulting in a total of Rs 0.04, the highest ever dividend pay-out for a financial year. These results reflect the continuous good performance of the Group in line with its vision of providing improved and new services.

Healthcare is a very dynamic and competitive sector where achieving strong financial results requires one to be at the forefront of technology and continuously improve the delivery of care. The Group embraces its role full heartedly and is committed to provide the best healthcare in the country.

Investment in medical equipment and infrastructure has been maintained and during this year, the main projects have been:

The launch of a new Catheterisation Laboratory (Cath Lab) and a CT Scan in replacement of existing ones,

The creation of an executive suite and four single rooms.

Reaching patients on time is a key challenge in healthcare, and in our endeavour to be closer to our patients, we have opened a satellite centre in Grand Bay La Croisette complex in January 2014.

I feel specially honoured to be the Chairman in a year when the Clinique celebrated its diamond jubilee, an accomplishment in itself. I wish to thank the shareholders, doctors, nurses, paramedics, staff and all other stakeholders who have worked and contributed in this long journey.

I am confident that the Group will pursue its performance trend and continue to be the quality healthcare provider in Mauritius.

I express my sincere appreciation to all the Directors, the Management team and all members of the Clinique's staff and deeply thank them for their dedication and efforts.

Mr. Ashish BHATIA

Chairman

4 June 2014

Key Personnel

Standing from left to right

- Mr Vikram Dookayka
- Dr Ashish Sharma
- Mr Ramkumarsing Emrith

Sitting from left to right

- Mr Krisnen Armoogum
- Mrs Dora Ramsamy
- Dr Simmardeep Singh Gill

Board of Directors

1


2


3


4


5


6


7


1 ASHISH BHATIA
Chairman
Executive Director

2 JEAN-PIERRE DALAIS
Non-Executive Director

3 CHRISTINE SAUZIER
Non-Executive Director

4 RAJIV PURI
Non-Executive Director

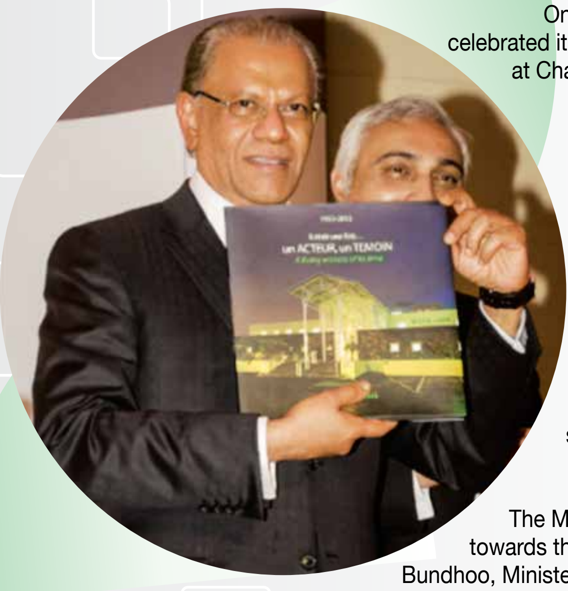
5 MICHEL THOMAS
Independent Director

6 DR MARIE MARC GUY ADAM
Independent Director

7 JÉRÔME DE CHASTEAUNEUF
Non-Executive Director
Alternate to Jean-Pierre Dalais

Operations Review

60 YEARS AND BEYOND…CELEBRATING 60 YEARS OF GOOD HEALTH



On 11 of November 2013, Fortis Clinic Darné celebrated its Diamond Jubilee - 60 years of existence at Chateau de Labourdonnais. The Prime Minister of Mauritius, Dr. Navinchandra Ramgoolam graced the ceremony as Chief Guest with the Vice President of Mauritius, Mrs. Bellepeau as the Guest of Honour. Other guests who attended include Ambassadors, CEOs of large corporates, financial institutions & media houses, key decision makers, internationally renowned specialists and our doctors and nurses from FCD.

The Ministry of Health showed their support towards this event with the presence of Hon. Lormus Bundhoo, Minister of Health and Quality of Life. During the function, the Prime Minister launched our Coffee Table Book which honours Dr. Darné for his invaluable contribution and which captures the evolution of healthcare in Mauritius since 1953. A celebration was also organised for FCD employees to mark the 60 years of their organisation. Advertorials were published in the press congratulating employees who had dedicated most of their professional career to the company and a token of appreciation was given to each employee.

60 years
& beyond

CONTINUOUS GROWTH & EXPANSION

Fortis Clinique Darné has seen constant growth for the 12 months ended 31 March 2014 (FY 2013 – 2014). In line with its expansion plans so as to ensure that quality healthcare is made accessible to all, the hospital launched a new outpatient medical facility in the north of the island on 27 January 2014. The Group reported a turnover of Rs 599 Mn (2013: Rs 564 Mn) and Profits after Tax of Rs 56.48 Mn compared to Rs 53.90 Mn in 2012-2013 despite a write off of pre-operational expenses of Rs 4.73m arising from the setting up of the Satellite Centre. The Centre at Grand-Bay La Croisette which operates a 24/7 Emergency Department backed by an Advanced Life Support Ambulance, offers a panoply of services including: Outpatient Services (Doctor Consultations) across various specialties, Radiology (XRay, Ultrasound), Laboratory services, Non-interventional Cardiology (Stress Test & Echography), Preventive health check-ups, Endoscopy – Gastroscopy and Colonoscopy, Physiotherapy & Rehabilitation Department.

Fortis Clinique Darné will continue to work towards improving the facility and its services for the benefit of the patient.

CLINICAL EXCELLENCE

With a view to enhancing patient satisfaction and staff efficiency, Fortis Clinique Darné made further investment in terms of infrastructure, introduction and modernization of equipments, as well as development of medical facilities. The Dialysis Centre, which had been part of Level 4 for 17 years, was shifted to the Ground Floor for improved accessibility to patients. Furthermore, to respond to the demand in the market, 4 new rooms were added on level 2 in February 2013 and 4 new rooms on Level 4 in May 2013.

The team at Fortis Clinique Darné recognises that little details make all the difference. A VIP Suite was launched on 16 December 2013 in order to improve patient comfort whilst providing value-added patient conveniences and personalized service which is a Fortis hallmark.

Continuous Medical Education (CMEs) remains an important aspect of Clinical Excellence at FCD. We held the FCD Health Summit in November 2013 where 3 international speakers from Fortis Network and from South Africa shared their knowledge and expertise on latest trends in high end surgeries – Spinal Surgery, Shoulder Arthroscopy and Interventional Cardiology. The hospital believes in a healthier future for all and ensures that the FCD Health Summit is accessible to the Mauritian medical fraternity at large to provide access to the latest knowledge in the medical field to all Mauritian doctors. A workshop was also held on General Ostomy Care and Stoma Complication as well as CME on 'New Insights in the treatment of Type II Diabetes' was also organized.

Operations Review

LEADING THROUGH INNOVATION

Fortis Clinique Darné sets itself apart from other healthcare providers through continuous innovation, commitment to enhancing quality of life, diagnostic and treatment options. The Biodegradable Vascular Scaffold (BVS) implant, which is a first of its kind procedure on the island, carried out by Dr. Aniff Yearoo,and the recent investment in a state-of-the-art Catherization Lab are both testament to this.

This year was also marked by a major achievement where Fortis Clinique Darné was awarded in the Area of Leadership at the Mauritius Business Excellence Awards 2012, held in June 2013 – A leadership with a vision and core values. This recognition validates our transformation as an institute of excellence and reinforces our commitment not only to our patients but also to our employees and shareholders. Fortis Clinique Darné was amongst the four nominations out of 32 participants in the "Large Business Category" segment of the Mauritius Business Excellence Awards 2012. This is yet another defining step in our continuous efforts to raise the level of our service.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is considered an intrinsic part of Fortis Clinique Darné and numerous activities are organized on a regular basis to demonstrate our support and commitment to the community. For the second year in a row, a free health screening was organized for 65 women at the Convent Bon Secours on the International Nurses' Day which is held on 12 of May. Furthermore, a mobile blood collection was organized on Thursday 19 September 2013 in collaboration with Blood Donors Association and Blood Bank with a view to save more lives. FCD also joined hands with the Ministry of Environment, AIESEC and Municipal Council of Curepipe to participate in the "Clean – UP Mauritius Campaign". The main aim of this campaign was to support the Government of the Republic of Mauritius in cleaning up and preserving the environment and to contribute to the "Maurice Ile Durable" project. Fortis Clinique Darné continuously supports the Muscular Dystrophy Association, the Haemophilia Association of Mauritius, S.A.C.I.M and Thalassemia Society.

PROMOTING GOOD HEALTH

FCD is closely involved in organizing events around Mauritius to increase people's awareness on good health and quality of life. On 11 of May 2013, it was designated as the official health partner and sponsor of the Royal Raid for the fourth consecutive year. To ensure active participation and success of the event, our team of doctors and nursing staffs were on site throughout the event to ensure that proper medical care is being given to the participants. Fortis Clinique Darné in collaboration with CIEL Group has sponsored the 6th edition of Ferney Trail in order to support Vallée de Ferney Conservation. FCD also recognizes that promoting health and wellness also starts with its internal employees. The FCD football team was launched on 11 May 2013. It helped boost team spirit that lead to increased efficiency both in professional and personal life.

HUMAN RESOURCES

At Fortis Clinique Darné, the recruitment, development and retention of its staff is essential to provide the best service to its patients. With the setting up of its new satellite centre in Grand Bay, an effective screening process was put in place by the HR Department to select qualified employees so as to offer same quality service as that of FCD Floreal. In line of this, training sessions were provided to prospective staffs at the vicinity of FCD Floreal. Altogether, 169 staffs were recruited for both Fortis Clinique Darné Floreal and Grand Bay in 2013.

To motivate and retain its personnel, the HR Department devised a new calculation method whereby salary increments are currently being determined by performance appraisal exercises twice a year. Extra duties are being paid at an overtime rate based on hourly basic instead of fixed allowances.

To ensure that there is always adequate staff, close monitoring procedures have been implemented. Monthly reports are submitted between Manpower CTC and Human Resource Budget, while the finger print system has been improved and upgraded for better security coverage.

New recruits are being coached and trained during 2 days of HR induction followed by 10 days of departmental induction. This new program has been introduced in July 2013. Constantly, trainings for nursing and non-nursing employees are provided in various fields mainly to enhance their knowledge and capabilities, and to keep them up to date with both medical and non medical information. In September 2013, Front Liner employees were trained on Telephone Techniques in house with the main aim being the upgradation of our employees' telephone skills and customer care service. The HR department has also organized the End of Year party on Saturday 14 December 2013 at Domaine Anna, Flic-en-Flac where employees were rewarded for their dedication. And the Annual End of Year Mass was held on Wednesday 11 December 2013 at La Chapelle St Jean Bosco, Floreal.

Building

Early **prostate screening** can spare you major unwanted complications later.

SYMPTOMS
Prostate problems are usually asymptomatic and can only be detected by early screening. However, some of the most common symptoms include the following:

Urinary symptoms
- **Frequency**: urinating much more often than normal
- **Urgency**: a sensation that you need to urinate immediately
- **Nocturia**: getting up to urinate multiple times during the night
- **Hesitancy**: difficulty in starting the urine stream
- **Dysuria**: any discomfort or burning sensation when passing urine

Other symptoms
- Unexplained bone pain (especially in the lower back, hips or ribs)
- Loss of weight and loss of appetite

PROSTATE SCREENING
Prostate screening can help early detection of serious problems like cancer. Any disease is easier to treat and more likely to be cured if diagnosed at an early stage. If you are over 45 or have a family history of prostate problem, it is recommended that you go for a screening.

Any of the above symptoms may require immediate medical attention.
Get yourself diagnosed from 01 to 30 September 2013.

PROSTATE SCREENING PACKAGE

Investigations
• Prostate Specific Antigen (PSA) • Echography KUB with prostate • Urea • Creatinine • Urine Microscopic • Urine Culture • CONSULTATION WITH UROLOGIST

ONLY Rs 2,500 all inclusive

Please call the Preventive Health Check Lounge on 601 2300 between 09 00hrs and 17 00hrs from Monday to Friday for an appointment.

Fortis Clinique Darné | Georges Guibert Street, Floréal, Mauritius
Tel: (230) 601 2300 | Fax: 696 3612 (Admin) / 696 1209 (Medical)
Email: clinique@cliniquedarne.com | www.fortiscliniquedarne.com | www.fortishealthcare.com
24/7 Emergency and Ambulance Services: Dial 118

For a Healthier Future
60 years & beyond

When only closeness
could make the world look brighter,
we were there...

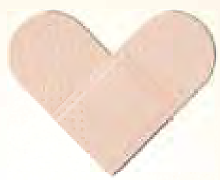
…and for the years to come, Fortis Clinique Darné will, more than ever, be there, not only as the centre of medical excellence, but above all, as the dedicated, caring healthcare partner to the people of Mauritius.

As it responds to the aspirations of the nation with a focus on quality at all levels - patient care, infrastructure, state-of-the-art technology, and medical expertise, Fortis Clinique Darné's vision is to continue to build upon the strong service foundation that was created and set new approaches for the way in which both illness and health are managed, with healing at its core.

Looking beyond our 60 years' anniversary, we'll always be there to make you feel better.

www.fortiscliniquedarne.com

For a Healthier Future
60 years & beyond



Prendre soin de vos soucis de santé mineurs
peut vous éviter des problèmes cardiaques majeurs

Chez Fortis Clinique Darné, nous nous engageons à promouvoir les soins de santé préventifs en offrant des programmes de check-ups médicaux accessibles à tous. Le *Healthy Heart Package* permet de prévenir et de dépister à temps les signes associés aux risques de maladies cardiaques.

La Clinique offre l'excellence en matière de cardiologie. Doté de technologies de pointe, notre *Department of Cardiac Sciences and Critical Care* est soutenu par le *Intensive & Coronary Care Unit (ICCU)* avec une équipe de spécialistes et de personnel paramédical hautement expérimentés. Nous proposons divers services allant de tests de routine jusqu'au pontage cardiaque en passant par l'angiographie, l'angioplastie et les études électrophysiologiques.

Tout sous un même toit afin d'assurer que chaque personne ait un cœur en bonne santé.

Fortis Clinique Darné | Georges Guibert Street, Floréal, Mauritius
Tel: (230) 601 2300 | Fax: 696 3612 (Admin) / 696 1209 (Medical)
Email: clinique@cliniquedarne.com | www.fortiscliniquedarne.com | www.fortishealthcare.com
24/7 Emergency and Ambulance Services: Dial 118

For a Healthier Future

the Brand

Caring is the essence of nursing
To all our Nurses at Fortis Clinique Darné - your dedication, hard work, and caring ways touch many lives every day. We would like to say thank you for your devotion to this challenging profession and your ability to make a difference in people's life every day of the year!
Wishing you a happy Nurses' Day, filled with all the gratitude you deserve.
Fortis CLINIQUE DARNÉ
Fortis Clinique Darné | Georges Guibert Street, Floréal, Mauritius
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Email: clinique@cliniquedarne.com | www.fortiscliniquedarne.com | www.fortishealthcare.com
24/7 Emergency and Ambulance Services: Dial 118

FCD ENDOCRINOLOGY CLINIC
world diabetes day
act
before it gets alarming
SPECIAL DIABETIC PACKAGE
Rs 2,380 ONLY
Full Blood Count • Urine Routine and Microscopic
Fasting Blood Sugar • HbA1c
Complete Lipid Profile • Blood Urea
Serum Creatinine • Liver Function Tests
Consultation with Endocrinologist/Diabetologist
Offer valid until 20 December 2013
Mauritius counts over 120,000* diabetics and for every newly diagnosed diabetic, one remains undiagnosed. Diabetes is a silent killer and if left unattended, it could lead to a host of complications – heart disease, blindness, kidney disease, and even limb amputation. Do not wait for the symptoms to show. Diabetes can easily be managed with proper medical care, changes in diet and general lifestyle.
On the occasion of World Diabetes Day this 14 November 2013, we urge you to adopt a healthy lifestyle.
For appointments, call the PHC Lounge from Monday to Friday, between 09 00hrs and 17 00hrs.
*Source: www.gov.mu
Fortis Clinique Darné | Georges Guibert Street, Floréal, Mauritius
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Email: clinique@cliniquedarne.com | www.fortiscliniquedarne.com | www.fortishealthcare.com
24/7 Emergency and Ambulance Services: Dial 118
Fortis CLINIQUE DARNÉ
For a Healthier Future
60 years & beyond

Offering Mothers a healthier future
with this special present
Happy Mother's Day
• 25% DISCOUNT ON ALL WOMEN PACKAGES •

WORLD HEART DAY
Don't bank on luck
for your heart health.
Check your heart. Save your life.
PREVENTIVE HEART CHECK PACKAGE
Rs 5,000 ONLY
Consultation with Cardiologist & Nutritionist

Corporate Governance Report 2014

1955 2015

Sixty years of medical excellence

and Fortis Clinique Darné continues to innovate in its management of care

Corporate Governance Report 2014

The Board of Directors of The Medical and Surgical Centre Limited ("MSCL" or the "Company") is pleased to submit the Company's report on the corporate governance as follows:

1. INTRODUCTION

Incorporated on 17 July 1972, MSCL is a public company listed on the Development & Enterprise Market ("DEM") of the Stock Exchange of Mauritius Ltd ("SEM"). The Company is also registered as a Reporting Issuer with the Financial Services Commission ("FSC") in line with the Securities Act 2005.

MSCL, operating under the name of Fortis Clinique Darné ("FCD"), is one of the oldest but yet the most modern private hospitals in Mauritius. With a 110-bedded capacity and being fully equipped with 4 Operating Theatres, a Cardiac Catheterisation Lab, a 12-bedded Critical Care Unit, a 10-bedded Neonatal Intensive Care Unit and 15 day care beds, the clinic offers medical and paramedical services across 25 key specialties, all under one roof.

In its aim of upholding the tradition of providing personal and dedicated care coupled with state-of-the-art medical technology in a caring and friendly environment, FCD recently launched its brand-new Day Care Centre in the North at Grand Bay La Croisette. The new outpatient medical facility offers a wide range of services in the primary healthcare which includes mainly:

- Outpatient Services (Doctor Consultations) across various specialties
- Radiology (XRay, Ultrasound)
- Laboratory services
- 24/7 Emergency Department backed by an Advanced Cardiac Life Support Ambulance (ACLS)
- Non-interventional Cardiology (Stress Test & Echography)
- Preventive health check-ups
- Endoscopy
- Physiotherapy and Rehabilitation
- Lifestyle Consultant for proper nutrition and well-being

2. STATEMENT OF COMPLIANCE

MSCL is committed to delivering high quality health care services and ensuring long-term, sustainable shareholder returns. The Board of Directors of MSCL recognises the importance of good governance in achieving these corporate objectives, in discharging its responsibilities to all stakeholders and in addressing the broader role of the Company as a good corporate citizen.

The Company's governance framework is designed to ensure that the Company is effectively managed; that statutory obligations are met; and that the motto of the Company "***To provide professional health services in a caring and friendly environment***" is reinforced.

MSCL is fully committed to the best principles of corporate governance emphasising on discipline, integrity, transparency, independence, accountability, fairness, professionalism and social responsibility.

This report outlines the Company's governance framework, policies and procedures in accordance with the following principles and recommendations:

- its Constitution
- the terms of reference of the Board Committees
- the disclosures required under the Code of Corporate Governance for Mauritius (the "Code")
- the Companies Act 2001
- the Securities Act 2005
- DEM Rules and Securities (Disclosure Obligations of Reporting Issuers) Rules 2007

Corporate Governance Report 2014

3. CONSTITUTION

The Constitution of the Company is in conformity with the provisions of the Companies Act 2001 and the DEM Rules. A copy is available upon written request to the Company Secretary at the following address: 5th Floor, Ebène Skies, rue de l'Institut, Ebène.

Its salient features are:

- There shall be no restrictions on the transfer of fully paid up shares in the Company;
- Subject to the provisions of Section 61 of the Companies Act 2001 and the other requirements thereof, the Board may, without the need for an approval of the shareholders by Ordinary Resolution, authorise a distribution by the Company;
- A quorum for a meeting of shareholders shall be present where three shareholders holding shares of the Company carrying voting rights at the meeting are present and/or represented and/or participating by means of audio, or audio and visual or any communication by which all shareholders can simultaneously hear each other throughout the meeting;
- In case of an equality of votes, the Chairman of a shareholders' meeting shall not be entitled to a casting vote;
- The minimum number of directors shall be three (3) and the maximum number shall be twelve (12);
- A quorum for a meeting of the Board shall be fixed by the Board and if not so fixed shall be a majority of the directors.

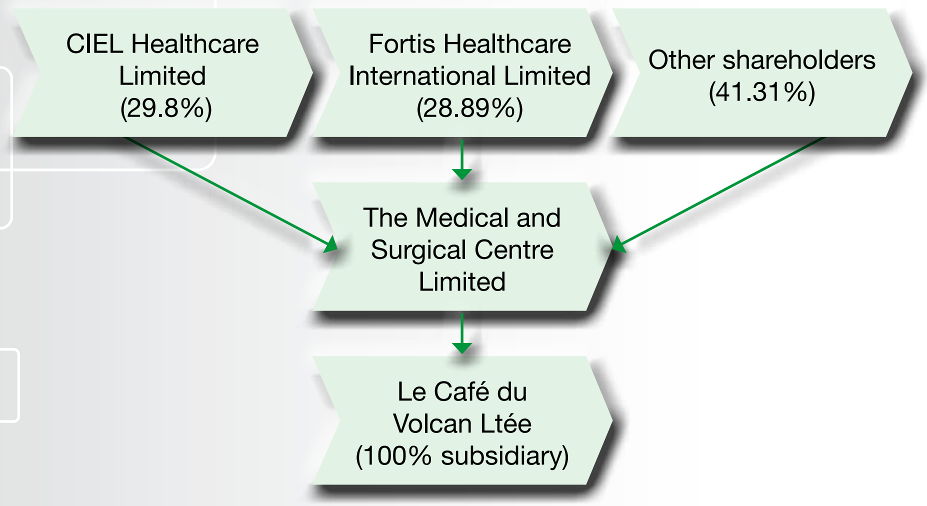
4. SHAREHOLDING

a) Stated Capital

Register Date	:	31 March 2014
Issued Share Capital	:	569,940,822 no par value ordinary shares worth in total Rs 289, 801,318/-

b) Holding Structure

The holding structure of MSCL as at 31 March 2014 was as follows:



Corporate Governance Report 2014

4. SHAREHOLDING (CONT'D)

c) Common Directors

The common Directors within the holding structure of the Company, for the year ended 31 March 2014, were as follows:

Name of Directors of MSCL	CIEL Healthcare Limited
Jean-Pierre Dalais	√
Jérôme De Chasteauneuf (*Alternate Director*)	√

d) Substantial Shareholders

As at 31 March 2014, the shareholders holding more than 5% of the issued share capital of the Company were:

Shareholders	Number of shares owned	% Holding
CIEL Healthcare Limited*	169,829,501	29.80%
Fortis Healthcare International Limited	164,670,801	28.89%

* On 11 November 2013, CIEL Healthcare Limited acquired 7,350,000 additional shares of MSCL bringing to a total of 169,829,501 shares.

e) Share Ownership

The share ownership and a breakdown of the category of shareholders at 31 March 2014 was as follows:

Number of shareholders	Size of shareholding (No. of shares)	Number of shares owned	% Holding
92	1 - 500	8,133	0.0014
17	501 - 1,000	15,600	0.0027
39	1,001 - 5,000	123,060	0.0216
24	5,001 - 10,000	195,700	0.0343
30	10,001 - 50,000	748,096	0.1313
5	50,001 - 100,000	364,000	0.0639
11	100,001 - 250,000	1,731,650	0.3038
3	250,001 - 500,000	1,017,820	0.1786
41	Over 500,000	565,736,763	99.2624
262*		**569,940,822**	**100**

Number of shareholders	Category of shareholders	Number of shares owned	% Holding
193	Individuals	4,093,476	0.72
2	Insurance and Assurance Companies	30,000,000	5.26
2	Pensions and Provident Funds	14,182,260	2.49
4	Investment and Trust Companies	4,825,400	0.85
61	Other Corporate Bodies	516,839,686	90.68
262*		**569,940,822**	**100.00**

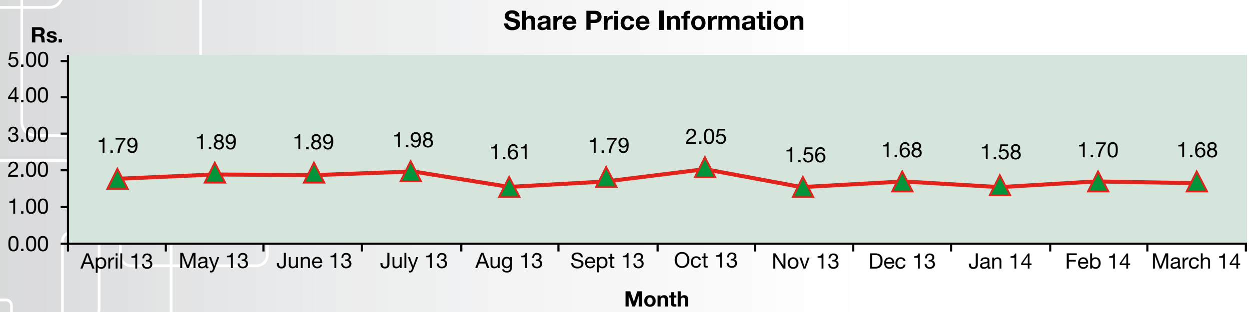
** The above number of shareholders is indicative, due to consolidation of multi portfolios for reporting purposes. The total number of active-shareholders as at 31 March 2014 was 271.*

Corporate Governance Report 2014

4. SHAREHOLDING (CONT'D)

f) Share Price Information

The chart below shows the price movement of MSCL's shares on the stock market during the financial year ended 31 March 2014.



g) Shareholders' Information and Communication

The Company is always mindful of the importance of communicating effectively with its shareholders.

The Company has the following mechanisms in place designed to ensure that shareholders are kept fully informed and able to participate at general meetings:

- Disclosures in yearly Annual Report
- Publication of unaudited quarterly and audited financial statements; dividend declaration; and other press announcements in line with the DEM Rules and the Securities Act 2005
- Updated website, hosted at http://www.fortiscliniquedarne.com
- Annual Meeting of the Shareholders ("AMS")

In addition, shareholders are encouraged to attend the AMS to ensure a high level of accountability and to stay abreast of the Company's strategies and goals. The AMS is the principal forum for dialogue with shareholders.

The Board welcomes questions from shareholders who have an opportunity to raise issues at the AMS. Management team and the statutory auditors are also present to attend to any queries pertaining to the Company and its performance.

In line with the Constitution of the Company, the notice of the AMS is despatched to shareholders, together with a copy of the Annual Report, at least 14 days before the meeting. Voting at the AMS is usually by way of voice or a show of hands unless a poll is demanded.

h) Key Dates for 2014/2015 (indicative)

June	**2014**	Publication of audited accounts for the year ended 31 March 2014; and Declaration of Final Dividend*
July	**2014**	Payment of Final Dividend*
August	**2014**	Publication of unaudited accounts for the quarter ending 30 June 2014
September	**2014**	Annual Meeting of Shareholders
November	**2014**	Publication of unaudited accounts for the six months ending 30 September 2014
December	**2014**	Declaration of Interim Dividend*
January	**2015**	Payment of Interim Dividend*
February	**2015**	Publication of unaudited accounts for the nine months ending 31 December 2014

** Subject to the approval of the Board of Directors.*

Corporate Governance Report 2014

4. SHAREHOLDING (CONT'D)

i) Dividend Policy

MSCL has no formal dividend policy. Payment of dividends is subject to the profitability of the Company, its foreseeable investment, capital expenditure and its working capital requirements.

For the year under review, the following dividend was declared:

- 16 December 2013, : Declaration of an interim dividend of Rs 0.01 (1 cent) per share and paid on 24 January 2014.

j) Events after the reporting date

- On 10 June 2014, the Board declared a final dividend of Rs 0.03 (3 cents) per share in respect of the financial year ended 31 March 2014 which was paid on 11 July 2014.

k) Share Registry and Transfer Office

The Share Registry and Transfer Office of MSCL is overseen by MCB Registry and Securities Limited.

For any queries regarding an account and/or change in name or address, and/or questions about lost share certificates, share transfers or dividends, shareholders are kindly invited to contact the MCB Registry and Securities Limited as per the details below:

MCB Registry & Securities
2nd Floor, MCB Centre
9-11 Sir William Newton Street
Port Louis
Tel: +230 202 5397
Fax: +230 208 1167

l) Shares in Public Hands

In accordance with the DEM Rules of the SEM, more than 10% of the shareholding of MSCL is in the hands of the public.

5. BOARD OF DIRECTORS

a) Role of the Board

The Company's Board is committed to effectively representing and promoting the Company and thereby adding long-term value to all shareholders. The Board is accountable to shareholders for the management of the Company's business and affairs and as such is responsible for the overall strategy, governance and performance of the Company.

To clarify the roles and responsibilities of directors and management and to assist the Board in discharging its responsibilities, the Company has established a governance framework which sets out the functions reserved to the Board and also provides for the delegation of certain functions to Board Committees and to senior management.

The governance framework in place ensures accountability, both of the Board and senior management, to the Company and its shareholders.

Corporate Governance Report 2014

5. BOARD OF DIRECTORS (CONT'D)

b) Governance Framework

The diagram below summarises the Company's governance framework, including the functions reserved for the Board and those carried out by the standing Board Committees.

BOARD

Formally delegates certain functions to Board Committees and to management via formal Board Committee charters.

Directly retains responsibility for a range of matters including:

- Overseeing the Company's strategic direction;
- Monitoring the effectiveness of and compliance with policies governing the operation of the Company;
- Monitoring strategic risk management systems and the integrity of internal control and reporting systems;
- Reviewing and approving the annual budget and business plans;
- Approving dividends;
- Reviewing and approving interim and audited financial statements of the Company and its subsidiary;
- Reporting to shareholders.

DELEGATION

ACCOUNTABILITY

Audit and Risk Committee

Key functions:
To oversee and review:

- the interim and audited financial statements
- the existence and maintenance of internal controls, accounting systems and risk management systems
- the scope and effectiveness of the external/internal audit
- the appointment, performance and remuneration of internal/external auditors

Corporate Governance, Nomination and Remuneration Committee

Key functions:
To review and make recommendations on:

- Board structure, size and composition
- the Company's and Group's general policies and strategies on corporate governance

DELEGATION

ACCOUNTABILITY

Chief Operating Officer and other Senior Executives

Corporate Governance Report 2014

5. BOARD OF DIRECTORS (CONT'D)

c) Composition of the Board

The Board of MSCL consists of one executive, three non-executive and two independent directors. The recommendation of the Code is to have at least two executive directors. The Board is of view that the recommendation of the Code is met through the attendance and participation of the Chief Operating Officer and of other Senior Executives during Board deliberations.

The Company aims at maintaining a Board that comprises of directors with a broad range of skills, expertise and experience who are able to effectively understand and manage the issues arising in the Company's business, review and challenge the performance of management and optimise the Company's performance.

In accordance with the Company's Constitution, a director appointed by the Board holds office until the conclusion of the next AMS when he or she will be eligible for re-election at that meeting.

d) Chairman / Chief Operating Officer

MSCL believes that there should be a clear division of responsibilities at the top of the Company – the working of the Board and the executive responsibility of the Company's business to ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Mr. Ashish Bhatia ensures the role of Chairman of MSCL whilst Dr. Simmardeep Singh Gill is the Chief Operating Officer.

Mr. Bhatia, the Executive Chairman, is involved in the day-to-day operations of the Company by virtue of the management contract between MSCL and Fortis Healthcare International Limited, and makes his best endeavour to bring independence of mind and honesty to his role.

e) Board Charter

The Board of MSCL is of the view that the responsibilities of the directors should not be confined in a board charter and has consequently resolved not to adopt a charter.

f) Board Induction and Access to Information and Advice

On appointment to the Board and/or its Committees, directors/members are introduced to the Company's operations and business environment through an induction process from the Company Secretary.

Directors have unrestricted access to the Company's records and information and receive financial and related reports from Management so that they are equipped to play their roles in an independent and unfettered manner during the Board Meetings.

Directors are also entitled to seek independent legal and other professional advice, at the expense of the Company, as required in the furtherance of their duties and in relation to their functions (including their Board Committee functions).

g) Board Appraisal

No board appraisal has been conducted during the year under review. The Directors feel that the composition of the Board is stable and efficient in monitoring the affairs of the Company.

Corporate Governance Report 2014

5. BOARD OF DIRECTORS (CONT'D)

h) Change in Directorship

The following changes were noted across the Board of Directors of the Company:-

- Resignation of Daphne Hsu Chin Khoo as Director on 7 May 2014;
- Resignation of Louis Marie Bruno Jullienne as Director on 4 June 2014; and
- Appointment of Rajiv Puri and Christine Marie Isabelle Sauzier as the new Directors on 4 June 2014.

i) Directors' Profiles

The names of the Directors, their categories, their profiles and the list of their directorships in other listed companies are as follows:

Ashish Bhatia, *Chairman*
Executive Director – Appointed Director on 27 September 2011 and Chairperson as from 12 June 2013

Ashish Bhatia, born in 1962, currently holds the position of Chief Operating Officer with Fortis Healthcare Limited, India. He has been associated with Fortis Healthcare Limited since its inception and has held many key positions within the Fortis Group during the past twelve years. From being appointed Director Administration of Fortis Hospital Mohali in 2002, with his zeal and dedication towards his responsibilities and astute knowledge of the region and its people, he was promoted to Chief Operating Officer of the said hospital within a short span of four years. Under his leadership, among other achievements, Fortis Hospital Mohali became the first hospital of the network to receive the prestigious international "Joint Commission International" ("JCI") accreditation. As from November 2007, Ashish Bhatia assumed responsibility as Chief Operating Officer of Fortis Escorts Heart Institute, India – one of the world's largest stand-alone cardiac institutions and has helped to create a valuable enterprise with his vision, innovative skills and commitment towards quality healthcare delivery. Ashish Bhatia held the position of Regional Director for three years and was responsible for the management of three Fortis hospitals in New Delhi, namely Fortis Escorts Heart Institute, Fortis La Femme and Fortis Hospital Vasant Kunj in addition to Fortis Hospital Mohali and Fortis Escorts Hospital Amritsar. His aspiration is to lead the large and dynamic teams of Fortis Hospitals to continuously provide world-class healthcare with patient centricity as its goal.

Directorships in other companies listed on the Official Market of the SEM:
- None

Marie Marc Guy Adam
Independent Director – Appointed Director on 25 May 2009

Guy Adam, born in 1950, is a Fellow of the Association of Surgeons of Great Britain & Ireland and has been practicing as a General Surgeon in Mauritius since 1988. For most of his medical career in Mauritius, he has been closely associated with MSCL. Dr. Adam is also a Medical Advisor to Swan Health Insurance and a member of the Board of Directors of Rogers and Company Limited since 1994.

Directorships in other companies listed on the Official Market of the SEM:
- Rogers and Company Limited

Corporate Governance Report 2014

5. BOARD OF DIRECTORS (CONT'D)

i) Directors' Profiles (Cont'd)

Jean-Pierre Dalais
Non-Executive Director
Appointed Director on 25 May 2009 and Chairman as from 11 May 2011, till 12 June 2013

Jean-Pierre Dalais, born in 1964, is the Executive Director of CIEL Limited, formerly known as Deep River Investment Limited, the merged entity with and into which CIEL Investment Limited has been amalgamated. With an MBA from The International University of America, Jean-Pierre Dalais acquired some working experience from Arthur Andersen (Mauritius and France) before joining the CIEL Group. He played and continues to play an active role in the development of the Group's operations both in Mauritius and internationally.

Directorships in other companies listed on the Official Market of the SEM:
- CIEL Limited
- IPRO Growth Fund Ltd
- Phoenix Beverages Limited (*Alternate Director*)
- Sun Resorts Limited

Rajiv Puri
Non-Executive Director – Appointed Director on 4 June 2014

Rajiv Puri, born in 1970, is currently the Head of Risk & Audit function at Fortis Healthcare Limited, India. He is an Accounting Professional with over 22 years of experience in advising clients across industries on Governance, Risk Management, Audit and Control practices. Before joining Fortis Group, Rajiv Puri was working as Associate Director in Advisory Services with EY, India assisting clients across geographies in Risk Management and IA function.

Directorships in other companies listed on the Official Market of the SEM:
- None

Christine Marie Isabelle Sauzier
Non-Executive Director – Appointed Director on 4 June 2014

Christine Sauzier, born in 1966, is an Attorney-at-Law and holds an LLB (Hons) from the University of Mauritius and a *Licence en droit privé* from the Faculté des Sciences Juridiques, Université de Rennes, France. She practised as an Attorney-at-Law from 1995 to 2006. She then joined the CIEL Group where she served first as Senior Executive, Legal Affairs being part of the CIEL Group's investment management team and since 2010 as the Head of Legal of the said group. She specialises in M&A work but also acts as in-house corporate lawyer to advise Management on law compliance and many other issues as deal structuring and shareholder matters, while also liaising with international and local lawyers and drafting and reviewing commercial contracts and other legal documents.

Directorships in other companies listed on the Official Market of the SEM:
- None

Corporate Governance Report 2014

5. BOARD OF DIRECTORS (CONT'D)

i) Directors' Profiles (Cont'd)

Antoine Michel Thomas
Independent Director – Appointed Director on 25 May 2009

Michel Thomas, born in 1959, holds a Master of Laws (UK) and is a Fellow of the Chartered Insurance Institute (UK) as well as an Associate member of the Chartered Institute of Arbitrators. He is also a Chartered Insurer (UK) and a member of the British Insurance Law Association. He was appointed Operations Executive in 2005 and is responsible for the Short-Term Operations of the Swan Group. He is also a board member of Swan Insurance Company Limited since January 2008.

His principal areas of specialisation are insurance and reinsurance contract law including policy drafting. He has extensive experience and skill in the handling of complex liability claims including medical negligence/malpractice claims. He has worked with international law firms and barristers on a variety of high value casualty and engineering claims as well as on reinsurance conflict of laws and coverage issues. He has also been specialising in arbitration law and alternative dispute resolution (ADR) procedures.

Directorships in other companies listed on the Official Market of the SEM:

- Swan Insurance Company Limited

Jérôme De Chasteauneuf
Non-Executive Director – Appointed Alternate Director to Jean-Pierre Dalais on 1 February 2011

Jérôme De Chasteauneuf, born in 1966, is a Chartered Accountant of England and Wales and holds a BSC honours in Economics from the London School of Economics and Political Science. He joined the CIEL Group in 1993 as Corporate Finance Advisor and became Head of Finance of the CIEL Group in 2000 where he effectively acts as Group Treasurer. Jérôme De Chasteauneuf is also the Managing Director of CIEL Corporate Services Ltd and Executive Director of CIEL Limited, formerly known as Deep River Investment Limited, the merged entity with and into which CIEL Investment Limited has been amalgamated.

Directorships in other companies listed on the Official Market of the SEM:

- Alteo Limited
- CIEL Limited
- Harel Mallac & Co. Ltd
- IPRO Growth Fund Ltd

Corporate Governance Report 2014

5. BOARD OF DIRECTORS (CONT'D)

j) Board Meetings

The Board has four scheduled meetings each year. Other meetings may nevertheless be called from time to time as may be determined and required; and decisions are also taken by way of written resolutions, signed by all the Directors in accordance with Clause 7 of the Eighth Schedule of the Companies Act 2001.

Upon the approval of the Chairman and the Chief Operating Officer, the Company Secretary is responsible to convene Board meetings by giving appropriate notice. Detailed agenda together with relevant board papers are prepared and circulated for each meeting of the Board to the Directors. These include sufficient information from Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at the Board Meetings.

Board Meetings provide a forum for challenging and constructive debates and Directors are expected to attend each Board Meeting and each meeting of the Committees of which they are members, unless there are exceptional circumstances that prevent them from so doing.

The Constitution of the Company provides that:

- A quorum for a meeting of the Board shall be fixed by the Board and if not so fixed shall be a majority of the directors;
- Every Director has one vote; and
- The Chairman shall not have a casting vote.

k) Board Committees

The Board has established two standing Board Committees which assist the Board in the execution of its responsibilities. Each Committee operates independently under a specific charter as approved by the Board of Directors.

➢ <u>Audit and Risk Committee</u>

The Audit and Risk Committee is responsible for assisting the Board in discharging its responsibilities to safeguard the integrity of the Company's and the Group's financial reporting and the system of internal control. A key component of the Committee's role is to provide appropriate advice and recommendations to the Board to assist the Board in fulfilling its corporate governance responsibilities as to financial reporting, the internal control environment and the audit and risk management across the Group.

An updated Audit and Risk Committee Charter was approved by the Board on 27 September 2011, taking into account the current roles and responsibilities of the Audit and Risk Committee.

The current membership of the said committee is composed of

- Jérôme De Chasteauneuf (*Chairman*)
- Rajiv Puri
- Michel Thomas

In line with its terms of reference, during the year under review, the Audit and Risk Committee confirms that it has discharged its responsibilities which were on:

- Reviewing the Company's interim and audited financial statements and any formal announcements relating to the Company's financial performance, before submission to the Board for approval;
- Recommending dividend declarations;
- Reviewing the effectiveness of the Company's internal control and risk management systems;

Corporate Governance Report 2014

5. BOARD OF DIRECTORS (CONT'D)

k) Board Committees (Cont'd)

➢ Audit and Risk Committee (Contd)

- Monitoring and reviewing the effectiveness of the Company's internal audit function; approving the appointment or termination of the internal auditor;
- Approving the remuneration and terms of engagement of the external auditors; and
- Maintaining lines of communication between the Board and the internal/external auditors.

➢ Corporate Governance, Nomination and Remuneration Committee

The members of the Corporate Governance, Nomination and Remuneration Committee are namely:

- Guy Adam (*Chairman*)
- Bruno Jullienne
- Daphne Khoo

The Corporate Governance, Nomination and Remuneration Committee ensures that the Company's reporting requirements on corporate governance are in accordance with the principles enunciated in the Code and also guides the Board on the adoption of other governance policies and best practices.

The Corporate Governance, Nomination and Remuneration Committee confirms that it has met its responsibilities for the year under review, in compliance with its terms of reference which was updated and thereafter approved by the Board on 2 April 2014.

Some of the key duties of the Corporate Governance, Nomination and Remuneration Committee are to:

- Determine, agree and develop the Company's and Group's general policies and strategies on corporate governance in accordance with the recommendations of the Code;
- Ensure that disclosures on corporate governance, whether in the annual report or on an on-going basis, are made in accordance with the principles of the Code;
- Review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- Ensure that the right balance of skills, expertise and independence is maintained;
- Determine specific remuneration packages for the medical and non-medical staff of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentive pensions and other benefits; and
- Determine any criteria necessary to measure the performance of the medical and non-medical staff in discharging their functions and responsibilities.

Corporate Governance Report 2014

5. BOARD OF DIRECTORS (CONT'D)

l) Attendance at Board and Committee meetings

The number of Board and Board Committee meetings held during the year, and the number of meetings that were attended by each of the directors is set out in the table below:

Directors/Members	Board	Audit and Risk Committee	Corporate Governance, Nomination and Remuneration Committee
	Attended (Held)	Attended (Held)	Attended (Held)
Ashish Bhatia[1]	4 (4)	1(4)	-
Guy Adam	3 (4)	-	2(2)
Jean-Pierre Dalais	4 (4)	-	-
Bruno Jullienne	3 (4)	-	2(2)
Daphne Khoo	1 (4)	-	2(2)
Michel Thomas	3 (4)	3(4)	-
Jérôme De Chasteauneuf	-	4(4)	-
Ranjan Lath[2]	-	1(4)	-
Rajiv Puri[3]	-	2(4)	-

1: *Ashish Bhatia resigned as member of the Audit and Risk Committee on 12 June 2013 upon his nomination as Chairman of the Board of Directors.*
2: *Ranjan Lath was appointed as member of the Audit and Risk Committee on 31 July 2013.*
3: *Rajiv Puri was appointed as member of the Audit and Risk Committee on 8 November 2013, in replacement of Ranjan Lath who resigned accordingly.*

m) Interests of Directors

The Directors of MSCL have been made aware of their responsibilities in disclosing to the Company any acquisition or disposal in the Company's shares as per the Securities Act 2005 and DEM Rules.

As at 31 March 2014, none of the Directors had any direct or indirect interest in the shares of the Company.

6. SENIOR EXECUTIVES

The Board delegates responsibility for the day-to-day management of the Company to the Chief Operating Officer, who is assisted by the senior executives who report to him.

The Chief Operating Officer consults the Chairman on any matters which he considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board, regardless of value.

Below are the profiles of the key management team of MSCL composed of professionals with different background and experience from the world of medical, finance, marketing, consulting and human resources.

Corporate Governance Report 2014

6. SENIOR EXECUTIVES (CONT'D)

Simmardeep Singh Gill
Chief Operating Officer

Dr. Simmar Gill is a medical doctor who holds a Post-graduation in Healthcare and Hospital Management. He has 14 years of experience in the healthcare industry, of which almost 13 years have been at Fortis Healthcare Limited. Before taking over as the chief of Fortis Clinique Darné, he was heading a unit of Fortis Hospital at Bangalore, India. During the earlier years of his career, Dr. Simmar successfully led Fortis Hospital Mohali to achieve a JCI and "National Accreditation Board for Hospitals & Healthcare Providers" ("NABH") accreditation, making it the first hospital in India to do so. During the course of his career, he has attended various prestigious programs linked to healthcare management and quality accreditations in the US and renowned management institutes in India. Dr. Simmar is passionate about running Fortis Hospitals with an aim to deliver top quality healthcare and world class services that Fortis is synonymous with. Dr. Simmar is regularly invited for International Health conferences in Africa as a guest speaker to share experiences and learnings of his exciting journey in the world of healthcare.

Ashish Sharma
Deputy Medical Superintendent

Dr. Ashish Sharma joined MSCL as Deputy Medical Superintendent in July 2011. He completed his Diploma in Healthcare Management from Symbiosis, Pune and also holds an M.D from the Higher Medical Institute, Pleven, Bulgaria. Dr. Sharma brings with him 6 years of experience whereby he has worked as a Medical Officer providing inpatient care in Hematology, Oncology, Cardiology as well as Renal department. He was also Ward in Charge at Fortis Hospital, Mohali and House Surgeon at the Government Multispeciality Hospital, Chandigarh, India. Dr. Sharma also held the position of Assistant Manager- Materials at Fortis Hospital, Mohali and has a rich experience in Clinical Patient Care, material management and profit margin achievement with Fortis Healthcare Limited.

Ramkumarsing Emrith
Finance Manager

Mr. Ramkumarsing Emrith joined MSCL in 2007 as Head of the Finance Department of the clinic. Mr. Emrith studied and acquired part of his training in London for his professional degree and is a Fellow of the Association of Chartered Certified Accountants (FCCA). He also holds a Master in Business Administration (MBA) from Oxford Brookes University, Oxford, England. He is registered as a Professional Accountant and Public Accountant in Practice with the Mauritius Institute of Professional Accountants (MIPA). Before joining the Company, Mr. Emrith has worked in a reputed Audit firm and was formerly Group Financial Controller of a group of companies in the manufacturing sector and fast-moving consumer goods ("FMCG") distribution sector of internationally well-known brands.

Corporate Governance Report 2014

6. SENIOR EXECUTIVES (CONT'D)

Vikram Dookayka
Head Marketing & Patient Care Services

Mr. Vikram Dookayka joined MSCL in 2011 as Head of International Sales and in 2012 he was appointed as Head of Sales and Marketing and as Head Marketing and Patient Care Services in 2014 where his remit is to help Fortis Clinique Darné in delivering excellent services to exceed customer expectations at all time. The early years of his career were focused on the application of technology to the Medical sector. Being highly trained by Global firms such as ABBOTT Laboratories helped him in implementing cutting edge technology in both public and private hospitals. He successfully managed the Mauritian arm of a South African Medical company from 2004 to 2009. His business and management acumen was recognized when he was appointed as the Business Development Manager by Apollo Bramwell Hospital in 2009. Within two years in this role, Mr. Dookayka developed the facility start up from scratch to a fully operational private hospital.

Dora Ramsamy
Human Resources Manager

Mrs. Dora Ramsamy joined MSCL in 2005 and is responsible of the Human Resources of the clinic. She is holder of a Diploma in Human Resource Management (Mauritius) and a Diploma in Management Training (France) as well as holder of a 'Brevet Commercial'. For her continued professional development, she has attended several training courses in Human Resource Management and Industrial Relations. She has also been President of the Association of Human Resource Professionals of Mauritius, in 2005 and an Executive member of the same. Mrs. Ramsamy previously worked as a teacher before spending more than 20 years of her career in the field of Human Resources and training at management level in some manufacturing companies of the country.

Krisnen Armoogum
Head of Support Services

Mr. Krisnen Armoogum joined MSCL in June 2013 as Head of Support Services. He is holder of a Diploma in Hotel Management from The International Institute of Tourism of Morocco. He brings with him 20 years of experience from the Hotel Industry. Mr. Armoogum has worked as Reservation Manager for Pullman Grand Bay (now known as Le Mauricia) and also as Front Office Manager at Berjaya Le Morne Hotel. He was Rooms Division Manager at La Plantation and Hotel Manager of Le Bougainville Hotel as well as Resident Manager of Ambre Hotel. He has also occupied the post of Acting General Manager for Indian Resorts, Le Morne. Mr. Armoogum was the Assistant General Manager of Paradise Cove Hotel before joining MSCL.

Corporate Governance Report 2014

7. COMPANY SECRETARY

The secretarial services of MSCL are provided by CIEL Corporate Services Ltd.

All Directors have access to the advice and services of the Company Secretary who is responsible for providing guidance to Directors as to their duties, responsibilities and powers.

The Company Secretary attends all Board meetings, Committee meetings and Shareholder meetings and prepares the minutes accordingly. Other than ensuring that Board procedures are followed and that applicable rules and regulations, as well as required principles of good governance are complied with, the Company Secretary also assists the Board in implementing and strengthening good governance practices and processes to maximize shareholder value.

The Company Secretary is the primary channel of communication between the Company and the regulatory bodies.

8. AGREEMENTS

MSCL holds the following agreements with:

- CIEL Corporate Services Ltd for the provision of secretarial, legal and communication services;
- MCB Registry & Securities Ltd for the administration of the Company's Share Registry and Transfer department; and
- Fortis Healthcare International Limited for the management of the day-to-day operational activities of the Company.

No major agreements, other than those in the ordinary course of business, were contracted by the Company during the year under review.

Save for the above, the Company is not aware of any agreement which affects the governance of the Company by the Board.

9. INTERNAL AUDIT

The Company has an internal audit function that is independent of the activities it audits. The internal auditor, represented by Messrs. BDO & Co, reports to the Chairman of the Audit and Risk Committee functionally and to the Chief Operating Officer administratively.

The internal auditor adopts a risk-based audit methodology to develop its audit plans which align its activities to key risks across the Company. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities and material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities.

The internal audit plans are reviewed and approved by the Audit and Risk Committee which ensures that the internal auditor has unrestricted access to the Company's records and information, as well as to employees and the management team to perform its function effectively.

The Audit and Risk Committee is responsible for assessing the effectiveness of the internal auditor by examining:

- the scope of the internal auditor's work;
- the quality of the auditor's report; and
- the auditor's independence of the areas reviewed.

Corporate Governance Report 2014

10. RISK MANAGEMENT AND INTERNAL CONTROL

Management acknowledges that it is responsible for the overall internal control framework. It recognises that no internal control system is fool proof as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives and to safeguard the shareholders' investments and the Company's assets.

The Company has in place a Risk Management Framework to enhance its risk management capabilities. Key risks, control measures and management actions are regularly identified, reviewed and monitored as part of the risk management procedures.

Some of the prominent risks to which the Company is exposed are:

- *Financial*: The Company is exposed to a wide range of financial risks, market risks (including currency risks and price risks), credit risks and liquidity risks as reported on note 26 of the Financial Statements.
- *Operational*: Operational risks are risks of loss and/or opportunity foregone resulting from inadequate or failed internal processes, people and systems or from external events.
- *Compliance*: Compliance or non-conformance risks are those risks to which the Company is exposed for not complying with laws, regulations and policies.
- *Reputational*: Reputational risks refer to risks of losses due to unintentional or negligent failure to meet a professional obligation to stakeholders.

The Board, through the Audit and Risk Committee, has the overall responsibility for the Company's system of internal control and risk management and for reviewing their effectiveness.

With the support of the Board, management is striving further to monitor and mitigate its exposure to risk. In that respect, several mechanisms are being implemented such as:

- Engagement of Messrs. BDO & Co to carry out a risk assessment exercise across the Company through a questionnaire of an international level, tailor-made as per the operations of the Company and forwarded to a circle of persons of medical and non-medical expertise. The purpose of this questionnaire was to identify the potential strategic risks presenting a material business risk to the Company and to assess the effectiveness of existing control systems in managing the risks identified.

- Implementation of an Advisory Committee to look into the ethics of the operations of the Company, for onward reporting to the Board on any anomalies identified and the corrective actions taken/to be taken.

11. STATEMENT OF REMUNERATION PHILOSOPHY

The Company's underlying philosophy is to set remuneration as a fair reward for efforts and merits in order to attract, retain and motivate personnel. Remuneration is determined by factors such as industry benchmarks, the individual's performance and other market conditions.

The Board has delegated to the Corporate Governance, Nomination and Remuneration Committee of the Company the responsibility of reviewing the remuneration packages of the medical and non-medical staff of FCD, the Senior Executives as well as the Directors.

Through the Management Agreement with Fortis Healthcare International Limited, the remuneration packages of the top personnel, namely the Chief Operating Officer, are determined and reviewed at the level of the Fortis Group.

No particular criteria have been used to determine the remuneration of the Executive Director as he is not approaching retirement.

Corporate Governance Report 2014

12. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in details in note 23 of the Financial Statements. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company and its subsidiary.

13. RETIREMENT BENEFIT OBLIGATION

The details of the amount of provisions booked or otherwise recognised by the Company for payment of pensions are provided under note 13 of the Financial Statements.

14. SOCIAL, ETHICAL, SAFETY, HEALTH AND ENVIRONMENT

As a healthcare service provider, MSCL takes its social and moral responsibility at heart.

During the year under review, MSCL contributed Rs1,538,078 to Fondation CIEL Nouveau Regard (previously known as Fondation Nouveau Regard), the Corporate Social Responsibility vehicle of the CIEL Group. The aim of Fondation CIEL Nouveau Regard is to promote universal values such as tolerance, non-discrimination and equal opportunity across the Mauritian community. It has over the years supported and partnered with several NGOs in community development, social housing, education, environmental, sports and health initiatives.

Believing that proper healthcare should be accessible to the society at large, the Company continuously evaluates and improves its services to meet the needs of its patients and the community it serves. During the year under review, much emphasis has been on the enhancement of the hospital infrastructure with the creation of additional rooms, a new cardiac catheterisation lab as well as on promotional check-up packages, awareness programs/campaigns and free screening camps such as prostate screening, healthy heart, food handlers and diabetes with the aim of informing and educating the public on growing diseases.

MSCL places the highest value on ethical and responsible behavior and has established a Code of Conduct for all directors, officers, employees and any individual who is seen as representing or being associated with the Company as to:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account their legal obligations from time to time and the reasonable expectations of the shareholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Employees are encouraged to report any concerns regarding serious misbehaviour including theft, fraud, breach of policies, dishonesty, harassment, unethical or negligent behavior, workplace safety hazards and medical negligence through the Advisory Committee which has been implemented to look into those anonymous disclosures.

The Company's commitment to environmental sustainability is central to FCD business culture and underpins all activities of the Company and its subsidiary. In line with the Health and Safety legislation, the Company has in place a set of processes and practices designed to enable it to reduce its environmental impacts and increase its operating efficiency.

CIEL Corporate Services Ltd
Company Secretary

4 June 2014

Other Statutory Disclosures

(Pursuant to Section 221 of the Companies Act 2001)

1. NATURE OF BUSINESS

The Medical & Surgical Centre Limited is a public company incorporated and domiciled in Mauritius. The registered office of the Company is Georges Guibert Street, Floréal. The Company is engaged in the provision of the best healthcare services across Mauritius. It combines sophisticated state-of-the-art technology with personalized, patient-centered care to create a healing environment where patients feel safe, secure and supported.

2. DIRECTORS' EMOLUMENTS

As recommended by the Corporate Governance, Remuneration and Nomination Committee of MSCL and approved by the Board, the fees received by the Directors from the Company for the financial year ended 31 March 2014 were as follows:

➢ Independent Directors

- Fixed fee per year: Rs 200,000; and
- Board Committees: Rs 25,000 per attendance.

➢ Executive/Non-Executive Directors

- Fortis Directors[1]: Rs 25,000 per board meeting; and
- CIEL Healthcare Limited Directors[2]: Rs 50,000 per board meeting.

1. Fortis Directors: Ashish Bhatia and Daphne Khoo; and
2. CIEL Healthcare Limited Directors: Jean-Pierre Dalais and Bruno Jullienne.

During the year under review, none of the Independent, Executive and Non-Executive Directors who served as directors of the subsidiary company received any emolument from MSCL or its subsidiary.

3. DIRECTORSHIP OF SUBSIDIARY COMPANY

Le Café du Volcan Ltée is wholly owned by the Company. It is responsible for the catering needs of the visitors and the staff in general of the Company.

Mr. Jean-Pierre Dalais and Dr. Simmardeep Singh Gill are the Directors of Le Café du Volcan Ltée.

4. DIRECTORS' SERVICE CONTRACTS

There was no service contract between the Company and its subsidiary and any of its Directors during the year under review.

5. CONTRACT OF SIGNIFICANCE

There was no contract of significance subsisting during the year to which MSCL or its subsidiary was a party and in which a Director of MSCL was materially interested, either directly or indirectly.

Other Statutory Disclosures

(Pursuant to Section 221 of the Companies Act 2001)

6. EMPLOYEE SHARE OPTION PLAN

The Company has no employee share option plan.

7. INDEMNITIES AND INSURANCE

A directors' and officers' liability insurance policy has been subscribed to by the Company. The policy provides cover for the risks arising out of the acts or omissions of the directors and officers of the Company. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

The total annual cover for the year ended 31 March 2014 amounted to Rs 25m.

8. DONATIONS

No donation was made by the Company during the year under review save for Rs 1,538,078 which has been channelled to Fondation CIEL Nouveau Regard, registered as a special purpose vehicle accredited to receive CSR contributions.

9. AUDITORS' FEES

- External audit fees

External audit fees payable during the year was as follows:

	Company (Rs)		***Subsidiary (Rs)***	
	2014	***2013***	***2014***	***2013***
Audit fees to: Ernst & Young	**900,000**	720,000	**25,000**	25,000
Fees paid for other services provided by: Ernst & Young	**420,000**	315,000	**25,000**	10,000
Note: Fees are exclusive of VAT				

The non-audit services refer to review of tax computation and quarterly reviews.

- Internal audit fees

Audit fees payable by the Company in respect of the internal audit for the year under review were as per table below:

	Company (Rs)		***Subsidiary (Rs)***	
	2014	***2013***	***2014***	***2013***
Internal Audit fees to: BDO & Co	**900,000**	720,000	**-**	-
Note: Fees are exclusive of VAT				

Other Statutory Disclosures

(Pursuant to Section 221 of the Companies Act 2001)

10. APPRECIATION

The Board expresses its appreciation and thanks to all those involved for their contribution during the year.

ON BEHALF OF THE BOARD

....
Director
Michel Thomas

....
Director
Jean-Pierre Dalais

4 June 2014

Statement of Directors' Responsibilities

Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for the year end and which comply with International Financial Reporting Standard (IFRS) and Companies Act 2001;

(iii) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified.

(iv) the Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

ON BEHALF OF THE BOARD

Director
Michel Thomas

Director
Jean-Pierre Dalais

4 June 2014

Certificate from the Company Secretary
as at 31 March 2014

I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 in terms of Section 166(d).

CIEL Corporate Services Ltd
Company Secretary

4 June 2014

Independent Auditors' Report

1953

Sixty years of medical excellence

and Fortis Clinique Darné continues to innovate in its management of care

Independent Auditors' Report

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of The Medical and Surgical Centre Limited (the "Company") and its subsidiary (the "Group") on pages 46 to 86 which comprise the statements of financial position as at 31 March 2014 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, 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 auditors consider 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 Company's and Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

Opinion

In our opinion, the financial statements on pages 46 to 86 give a true and fair view of the financial position of the Group and the Company as at 31 March 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Independent Auditors' Report

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Other matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Group and the Company other than in our capacities as auditors, tax advisors, and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report and making disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius (the "Code"). Our responsibility is to report on these disclosures. In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

ANDRE LAI WAN LOONG, A.C.A.
Licensed by FRC

4 June 2014

60

1953 - 2013

Sixty years of medical excellence

and Fortis Clinique Darné continues to innovate in its management of care

Since its foundation in 1953 by Dr. Francois Darné, Clinique Darné has been revered as the centre for first class medical care in the country, with the latest in medical technology coupled with high profile practitioners, ensuring second-to-none patient treatment.

Its new identity as Fortis Clinique Darné in 2009 has strengthen its leadership position on the island. With a relentless passion for medical progress, the hospital has helped ensure a better quality of life for numerous Mauritians. Backed by a network of 75 hospitals, Fortis Clinique Darné continues to set itself apart through its diagnostic and treatment options, pioneering procedures that aim to take healthcare delivery in Mauritius to the next level, and this, with the same dedication to each patient's personal needs, as it has always been since the very beginning.

Fortis Clinique Darné | Georges Guibert Street, Floréal, Mauritius
Tel: (230) 601 2300 | Fax: 696 3612 (Admin) / 696 1209 (Medical)
Email: clinique@cliniquedarne.com | www.fortiscliniquedarne.com | www.fortishealthcare.com
24/7 Emergency and Ambulance Services: Dial 118

Fortis CLINIQUE DARNÉ

For a Healthier Future

Financial Statements 2014

Sixty years of medical excellence

and Fortis Clinique Darné continues to innovate in its management of care

Statements of Financial Position

as at 31 March 2014

	Notes	THE GROUP		THE COMPANY	
		2014	2013	**2014**	2013
ASSETS		**Rs.**	Rs.	**Rs.**	Rs.
Non-current assets					
Property, plant and equipment	4	**517,334,071**	475,396,675	**517,215,262**	475,227,002
Intangible assets	5	**7,518,155**	7,549,907	**7,507,975**	7,507,975
Investment in subsidiary	6	**-**	-	**25,000**	25,000
		524,852,226	482,946,582	**524,748,237**	482,759,977
Current assets					
Inventories	7	**27,134,042**	23,966,876	**26,958,234**	23,787,080
Trade and other receivables	8	**69,398,608**	72,543,424	**72,016,070**	75,210,761
Income tax receivable	21(c)	**658,267**	-	**658,267**	-
Bank deposits	9(a)	**10,000,000**	50,850,000	**10,000,000**	50,850,000
Cash in hand and at banks	9(b)	**23,867,372**	59,560,491	**23,308,465**	59,442,350
		131,058,289	206,920,791	**132,941,036**	209,290,191
Total assets		**655,910,515**	689,867,373	**657,689,273**	692,050,168
EQUITY AND LIABILITIES					
Equity					
Issued capital	10	**289,801,318**	289,801,318	**289,801,318**	289,801,318
Revaluation reserve	11	**128,932,218**	128,932,218	**128,932,218**	128,932,218
Merger reserve	11	**-**	5,792,244	**-**	5,792,244
Retained earnings		**124,520,304**	78,012,596	**126,955,068**	80,968,311
Total equity		**543,253,840**	502,538,376	**545,688,604**	505,494,091
Non-current liabilities					
Interest bearing loan and borrowings	12	**660,725**	24,605,015	**660,725**	24,605,015
Employee benefit liability	13	**23,017,422**	24,489,463	**23,017,422**	24,489,463
Deferred tax liability	14	**14,950,834**	12,649,423	**14,950,834**	12,649,423
		38,628,981	61,743,901	**38,628,981**	61,743,901
Current liabilities					
Trade and other payables	15	**63,910,504**	74,676,412	**63,254,498**	73,903,492
Income tax liability	21(c)	**1,065,789**	11,140,622	**1,065,789**	11,140,622
Interest bearing loan and borrowings	12	**9,051,401**	39,768,062	**9,051,401**	39,768,062
		74,027,694	125,585,096	**73,371,688**	124,812,176
Total equity and liabilities		**655,910,515**	689,867,373	**657,689,273**	692,050,168

These financial statements were approved by the Board of Directors on : 4 June 2014

Director
Michel Thomas

Director
Jean-Pierre Dalais

The notes on pages 51 to 86 form an integral part of these financial statements.

Statements of Comprehensive Income

for the year ended 31 March 2014

	Notes	THE GROUP		THE COMPANY	
		2014	2013	**2014**	2013
		Rs.	Rs.	**Rs.**	Rs.
Revenue	16	**598,886,824**	564,185,522	**589,477,284**	554,154,682
Cost of sales		**(332,985,864)**	(300,968,028)	**(328,561,272)**	(296,251,249)
Gross profit		**265,900,960**	263,217,494	**260,916,012**	257,903,433
Other operating income	17	**2,499,596**	2,827,108	**3,234,983**	3,537,029
Administrative expenses		**(199,983,376)**	(199,489,646)	**(196,254,766)**	(195,661,732)
Operating profit	18	**68,417,180**	66,554,956	**67,896,229**	65,778,730
Finance income	19	**1,766,655**	2,807,882	**1,766,655**	2,807,882
Finance costs	20	**(2,639,263)**	(4,026,603)	**(2,639,263)**	(4,026,603)
		67,544,572	65,336,235	**67,023,621**	64,560,009
Profit before tax		**67,544,572**	65,336,235	**67,023,621**	64,560,009
Income tax expense	21	**(11,065,637)**	(11,433,429)	**(11,065,637)**	(11,433,429)
Profit for the year		**56,478,935**	53,902,806	**55,957,984**	53,126,580
Other comprehensive Income: ***Other comprehensive Income not to be reclassified to profit or loss in subsequent periods:***					
Re-measurement gain on defined benefit obligations		**1,570,303**	-	**1,570,303**	-
Tax effect of re-measurement gain on defined benefit obligations		**(235,549)**		**(235,549)**	
		1,334,754	-	**1,334,754**	-
Total comprehensive income for the year, attributable to equity holders		**57,813,689**	53,902,806	**57,292,738**	53,126,580
Basic and diluted earnings per share (Rs)	22	**0.10**	0.09	**0.10**	0.09

The notes on pages 51 to 86 form an integral part of these financial statements.

Statements of changes in Equity
for the year ended 31 March 2014

	Issued Capital (Note 10)	Revaluation reserve (Note 11)	Merger reserve (Note 11)	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
THE GROUP					
As at 1 April 2012	289,801,318	128,932,218	5,792,244	35,508,606	460,034,386
Profit for the year	-	-	-	53,902,806	53,902,806
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	53,902,806	53,902,806
Dividend paid (Note 28)	-	-	-	(11,398,816)	(11,398,816)
As at 31 March 2013	289,801,318	128,932,218	5,792,244	78,012,596	502,538,376
As at 1 April 2013	**289,801,318**	**128,932,218**	**5,792,244**	**78,012,596**	**502,538,376**
Profit for the year	**-**	**-**	**-**	**56,478,935**	**56,478,935**
Other comprehensive income	**-**	**-**	**-**	**1,334,754**	**1,334,754**
Total comprehensive income	**-**	**-**	**-**	**57,813,689**	**57,813,689**
Transfer to retained earnings (note 11)	**-**	**-**	**(5,792,244)**	**5,792,244**	**-**
Dividend paid (Note 28)	**-**	**-**	**-**	**(17,098,225)**	**(17,098,225)**
As at 31 March 2014	**289,801,318**	**128,932,218**	**-**	**124,520,304**	**543,253,840**

The notes on pages 51 to 86 form an integral part of these financial statements.

Statements of changes in Equity
for the year ended 31 March 2014

	Issued Capital (Note 10)	Revaluation reserve (Note 11)	Merger reserve (Note 11)	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
THE COMPANY					
As at 1 April 2012	289,801,318	128,932,218	5,792,244	39,240,547	463,766,327
Profit for the year	-	-	-	53,126,580	53,126,580
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	53,126,580	53,126,580
Dividend paid (Note 28)	-	-	-	(11,398,816)	(11,398,816)
As at 31 March 2013	289,801,318	128,932,218	5,792,244	80,968,311	505,494,091
As at 1 April 2013	**289,801,318**	**128,932,218**	**5,792,244**	**80,968,311**	**505,494,091**
Profit for the year	**-**	**-**	**-**	**55,957,984**	**55,957,984**
Other comprehensive income	**-**	**-**	**-**	**1,334,754**	**1,334,754**
Total comprehensive income	**-**	**-**	**-**	**57,292,738**	**57,292,738**
Transfer to retained earnings (note 11)	**-**	**-**	**(5,792,244)**	**5,792,244**	**-**
Dividend paid (Note 28)	**-**	**-**	**-**	**(17,098,225)**	**(17,098,225)**
As at 31 March 2014	**289,801,318**	**128,932,218**	**-**	**126,955,068**	**545,688,604**

The notes on pages 51 to 86 form an integral part of these financial statements.

Statements of Cash Flows
for the year ended 31 March 2014

	Notes	THE GROUP		THE COMPANY	
		2014	2013	**2014**	2013
Operating activities		**Rs.**	Rs.	**Rs.**	Rs.
Profit before tax		**67,544,572**	65,336,235	**67,023,621**	64,560,009
Non-cash adjustment to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	4	**32,998,216**	32,989,653	**32,932,032**	32,920,353
Amortisation of intangible assets	5	**31,752**	31,752	**-**	-
Loss/(gain) on disposal of plant and equipment	18/17	**5,243,565**	(138,646)	**5,243,565**	(138,646)
Scrapped items		**-**	262,512	**-**	262,512
Movement in employee benefit liability	13(d)	**603,717**	4,565,245	**603,717**	4,565,245
Impairment of receivables	8	**4,023,688**	8,402,656	**4,023,688**	8,402,656
Finance income	19	**(1,766,655)**	(2,807,882)	**(1,766,655)**	(2,807,882)
Finance costs	20	**2,639,263**	4,026,603	**2,639,263**	4,026,603
Working capital adjustments					
- Inventories		**(3,167,166)**	(244,567)	**(3,171,154)**	(244,044)
- Trade and other receivables		**(774,077)**	(16,884,536)	**(724,202)**	(15,826,036)
- Trade and other payables		**(10,765,908)**	(2,554,300)	**(10,648,994)**	(2,608,675)
		96,610,967	92,984,725	**96,154,881**	93,112,095
Defined benefits paid	13(c)	**(505,455)**	(1,076,567)	**(505,455)**	(1,076,567)
Tax paid	21(c)	**(19,732,875)**	(4,534,116)	**(19,732,875)**	(4,534,116)
Net cash flows from operating activities		**76,372,637**	87,374,042	**75,916,551**	87,501,412
Investing activities					
Interest received		**1,661,860**	1,837,157	**1,661,860**	1,837,157
Purchase of property, plant and equipment	9	**(80,889,177)**	(24,176,122)	**(80,873,857)**	(24,142,316)
Proceeds from disposal of property, plant and equipment		**710,000**	310,000	**710,000**	310,000
Deposits		**40,850,000**	(50,850,000)	**40,850,000**	(50,850,000)
Net cash flows used in investing activities		**(37,667,317)**	(72,878,965)	**(37,651,997)**	(72,845,159)
Financing activities					
Repayment of borrowings		**(32,540,491)**	(8,237,753)	**(32,540,491)**	(8,237,753)
Payment of finance lease liabilities		**(2,390,789)**	(4,445,070)	**(2,390,789)**	(4,445,070)
Dividends paid	28	**(17,098,225)**	(11,398,816)	**(17,098,225)**	(11,398,816)
Interest paid		**(2,639,263)**	(3,548,927)	**(2,639,263)**	(3,548,927)
Net cash used in financing activities		**(54,668,768)**	(27,630,566)	**(54,668,768)**	(27,630,566)
Net increase/(decrease) in cash and cash equivalents		**(15,963,448)**	(13,135,489)	**(16,404,214)**	(12,974,313)
Cash and cash equivalents at 1 April		**31,254,967**	44,390,456	**31,136,826**	44,111,139
Cash and cash equivalents at 31 March	9	**15,291,519**	31,254,967	**14,732,612**	31,136,826

The notes on pages 51 to 86 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2014

1. CORPORATE INFORMATION

The financial statements of The Medical and Surgical Centre Limited (the "Company") and its subsidiary (the "Group") for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Directors on 8 June 2014. The Medical and Surgical Centre Limited is a limited liability company incorporated and domiciled in Mauritius, whose shares are publicly traded on the Stock Exchange of Mauritius. The address of its registered office is George Guibert Street, Curepipe.

The activities of the Group are to provide healthcare services and cafeteria sale.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of The Medical and Surgical Centre Limited (the "Company") and its subsidiary (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for land and buildings that have been measured at fair value. The consolidated financial statements are presented in Mauritian Rupees ('Rs'), and all values are rounded to the nearest rupee, except where otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of The Medical and Surgical Centre Limited and its subsidiary as at 31 March 2014.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group's re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

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

2. ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

Basis of consolidation (Cont'd)

- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 April 2013:

	Effective for accounting period beginning on or after
NEW OR REVISED STANDARDS	
IFRS 10 Consolidated Financial Statements	01–Jan–13
IFRS 11 Joint Arrangements	01–Jan–13
IFRS 12 Disclosure of Interests in Other Entities	01–Jan–13
IFRS 13 Fair Value Measurement	01–Jan–13
IAS 19 Employee Benefits	01–Jan–13
IAS 27 Separate Financial Statements (2011)	01–Jan–13
IAS 28 Investments in Associates and Joint Ventures (2011)	01–Jan–13
AMENDMENTS	
Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)	01–Jul–12
Disclosures—Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	01–Jan–13
Government Loans (Amendments to IFRS 1)	01–Jan–13
Annual Improvements 2009–2011 Cycle	01–Jan–13
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	01–Jan–13
INTERPRETATIONS	
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	01–Jan–13

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Group, its impact is described below.

IFRS 10 *Consolidated Financial Statements*

IFRS 10 Consolidated Financial Statements requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.

The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities'). Under IFRS 10, control is based on whether an investor has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the returns.

The Group re-assessed its control conclusion over its investee companies at 1 April 2013 and determined that there has been no change.

IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 include quantitative and qualitative disclosure and are more comprehensive than the previously existing disclosure requirements. The Group has provided the relevant disclosures in the relevant notes to the financial statements.

Notes to the Financial Statements

for the year ended 31 March 2014

2. ACCOUNTING POLICIES (CONT'D)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

IAS 19 *Employee Benefits (Revised 2011)*

IAS 19 (Revised 2011) changes, amongst other things, the accounting for defined benefit plans. Some of the key changes include the following:

- All past service costs are recognised at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognised. As a result, unvested past service costs can no longer be deferred and recognised over the future vesting period.
- The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under IAS 19 (Revised 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

In view of the above, the impact on the retirement benefit obligations for the year ended 31 March 2013 is Rs 172,467. Given that the impact is not material, IAS 19 has not been applied retrospectively. The impact of Rs 172,467 was recorded in other comprehensive income in this current financial year.

IAS 27 *Separate Financial Statements (2011)*

This is an amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 Consolidated and Separate Financial Statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements.

The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments / IAS 39 Financial Instruments: Recognition and Measurement. The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements. The Standard does not impact on the performance of the Group.

IAS 1 *Presentation of Items of Other Comprehensive Income – Amendments*

The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g., net loss or gain on AFS financial assets) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

2.3 STANDARD ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of these financial statements are listed below. The Group intends to adopt those standards, if applicable, when they become effective.

IFRS 9 *Financial Instruments*

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 moved the mandatory effective date to 1 January 2015. In November 2013, the IASB issued IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) amending IFRS 9 to include the new general hedge accounting model and to allow adoption of the treatment of fair value changes due to own credit on liabilities designated at fair value through profit or loss. Accordingly, the current version of IFRS 9 does not include an effective date but is available for adoption (subject to local endorsement requirements). An effective date will be added once the standard is complete with a new impairment model and finalisation of any limited amendments to classification and measurement.

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are effective for annual periods beginning on or after 1 January 2014.

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

2. ACCOUNTING POLICIES (CONT'D)

2.3 STANDARD ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The application guidance to IFRS 10 clarifies that an entity must consider all facts and circumstances when assessing whether it is an investment entity, including its purpose and design. An entity must meet all three elements of the definition to be an investment entity to obtain exemption from preparing consolidated financial statements. In other words, it does not consolidate its subsidiaries and does not apply IFRS 3 Business Combinations when it obtains control of an entity. Instead, an investment entity is required to measure subsidiaries at fair value through profit or loss in accordance with IFRS 9. However, if an investment entity has a subsidiary that provides investment-related services, such as investment management services, to the entity or other parties, then the investment entity must consolidate its subsidiary. The amendment applies for annual periods beginning on or after 1 January 2014, with earlier application permitted.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective 1 January 2014

IAS 36 Impairment of Assets was amended to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective 1 January 2014

The amendments to IAS 39 Financial Instruments: Recognition and Measurement were made to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) - effective 1 July 2014

This amendment to IAS 19 Employee Benefits clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

The annual improvements 2010-2012 Cycle make amendments to the following standards:

- **IFRS 2** — Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition';
- **IFRS 3** — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date;
- **IFRS 8** — Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly;
- **IFRS 13** — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only);
- **IAS 16 and IAS 38** — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount; and
- **IAS 24 —** Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements 2011-2013 Cycle - effective 1 July 2014

The annual improvements 2011-2013 Cycle make amendments to the following standards:

- **IFRS 1** — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only);

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

2. ACCOUNTING POLICIES (CONT'D)

2.3 STANDARD ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Annual Improvements 2011-2013 Cycle - effective 1 July 2014 (cont'd)

- **IFRS 3** — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- **IFRS 13** — Clarify the scope of the portfolio exception in paragraph 52; and
- **IAS 40** — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

IFRIC 21 Levies - effective 1 January 2014

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time; and
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

IFRS 14 Regulatory Deferral Accounts - effective 1 January 2016

The IASB recently issued IFRS 14 Regulatory Deferral Accounts to provide first-time adopters of IFRS with relief from derecognizing rate-regulated assets and liabilities until a comprehensive project on accounting for such assets and liabilities is completed by the IASB. This interim standard is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with entities that already apply IFRS, but do not recognize regulatory deferral accounts.

This interim standard is effective from 1 January 2016, with early application permitted.

The Group has not yet fully assessed the impact of these new standards and amendments on its financial statements. No early adoption is intended by the board of directors.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currencies

The consolidated financial statements are presented in Mauritian Rupee, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency, which is the Mauritian Rupee.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

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

2. ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed maximum five years or shorter to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight line basis over the useful life of the assets as follows:

Freehold Buildings	-	2%		
Furniture and fittings	-	10%	-	33.33%
Equipment	-	10%	-	25%
Motor vehicles	-	12.5%	-	25%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(c) Investment in subsidiary

Investment in subsidiary company is carried at cost which is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The carrying amount is reduced to recognise any impairment in the value of individual investment. The impairment loss is taken to profit or loss.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset

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

2. ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Intangible assets (Cont'd)

The estimated useful lives of intangible assets with finite useful lives are as follows:

Computer software - 4 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(e) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalent, deposits and trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the statement of comprehensive income. The losses arising from impairment are recognised in profit or loss.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Financial Statements

for the year ended 31 March 2014

2. ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (Cont'd)

(i) Financial assets (Cont'd)

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Trade and other receivables

For amounts due from customers carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are individually not significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference *between* the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method ("EIR") amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Trade payables

Trade payables are stated at their nominal value which approximates fair value.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Notes to the Financial Statements

for the year ended 31 March 2014

2. ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (Cont'd)

(iii) Financial liabilities (Cont'd)

Where an existing financial liability is replaced by another from the same lender on substantially different terms, the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External valuers are involved for valuation of significant assets, such as land and buildings. Involvement of external valuers is decided upon every 3 years. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with their external valuers, which valuation techniques and inputs to use for each case

(f) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of diposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

2. ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of non-financial assets (Cont'd)

Impairment losses of continuing operations, including impairment on inventories are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, Group estimates the asset's or cash–generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. 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 recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following asset has specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment, annually (as at 31 March) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for on a weighted average cost basis.

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

(h) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are measured at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

(j) Retirement Benefit Obligations

The Group operates both a defined contribution plan and a defined benefit plan.

Defined benefits schemes

The Group participates in the United Mutual Fund, a pension plan registered under the Employer Super Annuation Fund Act, the assets of which are held independently. The pension plan is funded by payments from the employees and the Group, taking into account the recommendations of independent qualified actuaries.

Notes to the Financial Statements

for the year ended 31 March 2014

2. ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Retirement Benefit Obligations (Cont'd)

Defined benefits schemes (Cont'd)

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'administration expenses' in consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income.

Other retirement benefits

The present value of other retirement benefits in respect of the Employments Rights Act 2008 is recognized in the statement of financial position as a non current liability. Actuarial gain or losses are recognized using the same policy as described above.

Defined contributions schemes

Payments to defined contribution retirement plans are charged as an expense as they fall due.

(k) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or in other comprehensive income is recognised directly in equity or in other comprehensive income and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided using the liability method on taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

Notes to the Financial Statements

for the year ended 31 March 2014

2. ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Taxes (Cont'd)

Deferred tax (Cont'd)

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the Statement of Comprehensive Income and the income tax liability on the Statement of Financial Position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

(l) Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases which does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

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

2. ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue recognition (Cont'd)

(i) Sale of goods and services

Revenue from sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from rendering of services is recognised by reference to the stage of completion. In the healthcare industry, the service is only considered complete once the patient is discharged, and hence revenue from services is only recognised once the patient is discharged. The Group turnover reflects the invoiced values derived from healthcare services.

(ii) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature.

(iii) Interest income

Interest income is recognized as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

(n) Borrowing costs

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 capitalised as part of the cost of the respective assets. 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.

(o) Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision-maker. The Group presents segmental information using business segments as its primary reporting format.

(p) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group is subject to common control or common significant influence. Related parties may be individuals or other entities.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast doubt upon the Group's ability to continue as a going concern. Therefore the financial statements are prepared on a going concern basis.

Notes to the Financial Statements

for the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Deferred tax assets

Uncertainties exist with respect to the interpretation of complex tax regulation, changes in tax laws and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes in assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions based on reasonable estimates.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Retirement benefits obligations

The cost of defined benefit pension plans and related provision, as disclosed in Note 13 to the financial statements requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimate in respect of inter-alia, discount rate, future salary increases, mortality rate and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability at March 31, 2014 is Rs. 23.0M (2013: Rs. 24.5 M). Further details are set out in Note 13.

Goodwill impairment test

In determining the carrying amount of goodwill, the Group carries out the test on impairment of goodwill on an annual basis. This exercise requires estimation of the "value in use" of the cash generating units to which goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cashflows from the cash generating unit and also to choose a suitable discount rate in order to compute the present value of future cashflows. The carrying amount of goodwill as at 31 March 2014 amounts to Rs 7.5M (2013: Rs 7.5M). Further details are set in Note 5.

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customer's financial conditions. Also, specific provisions for individual accounts are recorded when the Group becomes aware of the customer's inability to meet its financial obligations.

Revaluation of property, plant and equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value. The valuations are strictly based on the definition of the open market value, taking into full cognizance transactions taking place in the locality. No valuation has been performed during the year.

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

4. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP	Freehold Land	Freehold Buildings	Furniture & fittings	Equipment	Motor Vehicles	Total
COST or VALUATION	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 April 2012	**68,340,000**	**279,725,000**	**15,411,781**	**323,149,706**	**17,747,489**	**704,373,976**
Additions	-	2,076,215	932,858	20,841,549	325,500	24,176,122
Disposal	-	-	-	-	(748,510)	(748,510)
Scrapped	-	-	-	(2,235,825)	-	(2,235,825)
At 31 March 2013	68,340,000	281,801,215	16,344,639	341,755,430	17,324,479	725,565,763
At 1 April 2013	68,340,000	281,801,215	16,344,639	341,755,430	17,324,479	725,565,763
Additions	-	3,319,180	1,228,190	83,185,007	-	87,732,377
Disposal	-	-	-	(48,052,923)	(2,479,436)	(50,532,359)
At 31 March 2014	**68,340,000**	**285,120,395**	**17,572,829**	**376,887,514**	**14,845,043**	**762,765,781**
DEPRECIATION						
At 1 April 2012	-	-	10,368,706	198,660,332	10,700,866	219,729,904
Charge for the year	-	5,624,760	854,514	24,104,696	2,405,683	32,989,653
Disposal	-	-	-	-	(577,156)	(577,156)
Scrapped	-	-	-	(1,973,313)	-	(1,973,313)
At 31 March 2013	-	5,624,760	11,223,220	220,791,715	12,529,393	250,169,088
At 1 April 2013	-	5,624,760	11,223,220	220,791,715	12,529,393	250,169,088
Charge for the year	-	5,744,612	882,441	25,100,950	1,270,213	32,998,216
Disposal	-	-	-	(35,256,158)	(2,479,436)	(37,735,594)
At 31 March 2014	**-**	**11,369,372**	**12,105,661**	**210,636,507**	**11,320,170**	**245,431,710**
NET BOOK VALUES						
At 31 March 2014	**68,340,000**	**273,751,023**	**5,467,168**	**166,251,007**	**3,524,873**	**517,334,071**
At 31 March 2013	68,340,000	276,176,455	5,121,419	120,963,715	4,795,086	475,396,675

Notes to the Financial Statements

for the year ended 31 March 2014

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE COMPANY	Freehold Land	Freehold Buildings	Furniture & fittings	Equipment	Motor Vehicles	Total
COST or VALUATION	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At April 1, 2012	68,340,000	279,725,000	15,390,382	322,633,895	17,747,489	703,836,766
Additions	-	2,076,215	932,858	20,807,743	325,500	24,142,316
Disposal	-	-	-	-	(748,510)	(748,510)
Scrapped	-	-	-	(2,235,825)	-	(2,235,825)
At 31 March 2013	**68,340,000**	**281,801,215**	**16,323,240**	**341,205,813**	**17,324,479**	**724,994,747**
At April 1, 2013	68,340,000	281,801,215	16,323,240	341,205,813	17,324,479	724,994,747
Additions	-	3,319,180	1,228,190	83,169,687	-	87,717,057
Disposal	-	-	-	(48,052,923)	(2,479,436)	(50,532,359)
At 31 March 2014	**68,340,000**	**285,120,395**	**17,551,430**	**376,322,577**	**14,845,043**	**762,179,445**
DEPRECIATION						
At 1 April 2012	-	-	10,350,142	198,346,853	10,700,866	219,397,861
Charge for the year	-	5,624,760	853,614	24,036,296	2,405,683	32,920,353
Disposal	-	-	-	-	(577,156)	(577,156)
Scrapped	-	-	-	(1,973,313)	-	(1,973,313)
At 31 March 2013	**-**	**5,624,760**	**11,203,756**	**220,409,836**	**12,529,393**	**249,767,745**
At 1 April 2013	-	5,624,760	11,203,756	220,409,836	12,529,393	249,767,745
Charge for the year	-	5,744,612	881,541	25,035,666	1,270,213	32,932,032
Disposal	-	-	-	(35,256,158)	(2,479,436)	(37,735,594)
At 31 March 2014	**-**	**11,369,372**	**12,085,297**	**210,189,344**	**11,320,170**	**244,964,183**
NET BOOK VALUES						
At 31 March 2014	**68,340,000**	**273,751,023**	**5,466,133**	**166,133,233**	**3,524,873**	**517,215,262**
At 31 March 2013	68,340,000	276,176,455	5,119,484	120,795,977	4,795,086	475,227,002

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

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) The carrying amount of equipment and motor vehicles held under finance leases as at 31 March 2014 and 31 March 2013 were as follows:

	THE GROUP AND THE COMPANY	
	2014	
	Motor Vehicles	Total
	Rs	Rs
Cost	**5,174,392**	**5,174,392**
Accumulated depreciation	**(4,801,996)**	**(4,801,996)**
Net book value	**372,396**	**372,396**

		2013	
	Equipment	Motor Vehicles	Total
	Rs	Rs	Rs
Cost	12,998,703	5,753,742	18,752,445
Accumulated depreciation	(8,021,241)	(4,936,691)	(12,957,932)
Net book value	4,977,462	817,051	5,794,513

Lease assets are pledged as security for the related finance leases (Note 12).

There has been no addition during the year of assets held under finance leases (2013 - nil). All equipment under finance leases have been fully repaid during the year.

(d) Revaluation of land and buildings

The revalued land and buildings consist of office, clinic premises and the outbuilding. Management determined that these constitute one class of assets under IFRS 13, based on the nature, characteristics and risks of the property.

The Group engaged Noor Dilmohamed & Associates, Certified Practising Valuer, to perform the fair value of its freehold land and buildings. Valuation is performed by the valuer using on-market comparable method, i.e it is based on latest available market prices, significantly adjusted for difference in nature, location or condition of the specific property. On March 2012, the Group has revalued its land and building. The Directors have considered the valuation report provided and have decided to adopt a conservative approach by applying a downward revision of 33% on the fair values arrived at by the valuer. No revaluation was performed during the year. The Directors are of opinion that the carrying value as at 31 March 2014 approximates the fair value.

Significant unobservable valuation input:	Range (Rs)
Price per metre square	14,000 - 15,000

Significant increase/(decrease) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

The Group has assesed that the highest and best use of its properties approximates its current use.

Below is the fair value measurement hierarchy for assets as at 31 March

	Fair value measurement using:		
THE GROUP AND THE COMPANY	Level 1	Level 2	Level 3
	Rs	Rs	Rs
2014 Revalued land and buildings	**-**	**-**	**344,516,455**
2013 Revalued land and buildings	-	-	342,091,023

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

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

If land and buildings were stated at historical cost, the carrying amount would have been as follows:

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs	Rs
Cost	**282,437,305**	279,118,124
Accumulated depreciation	**(65,343,260)**	(65,812,878)
Net carrying amount	**217,094,045**	213,305,246

5. INTANGIBLE ASSETS

(a)

	THE GROUP			THE COMPANY
	Goodwill	**Computer software**	**Total**	**Goodwill**
COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At 1 April 2013 and 31 March 2014	**7,507,975**	**127,000**	**7,634,975**	**7,507,975**
AMORTISATION				
At 1 April 2012	-	53,316	53,316	-
Charge for the year	-	31,752	31,752	-
At 31 March 2013	**-**	**85,068**	**85,068**	**-**
At 1 April 2013	-	85,068	85,068	-
Charge for the year	-	31,752	31,752	-
At 31 March 2014	**-**	**116,820**	**116,820**	**-**
NET BOOK VALUES				
At 31 March 2014	**7,507,975**	**10,180**	**7,518,155**	**7,507,975**
At 31 March 2013	7,507,975	41,932	7,549,907	7,507,975

(b) Impairment testing of goodwill

Goodwill represents the surplus of purchase consideration over the fair value of the assets acquired as at the date of acquisition. Goodwill has been assessed as having an indefinite life and has been allocated to the following cash generating unit for impairment testing:

- Centre de Cardiologie des Mascareignes Limitée, its former subsidiary (referred below as "Department of Cardiac Sciences and Critical Care Cash Generating Unit").

Carrying amount of goodwill:	THE GROUP AND THE COMPANY	
	2014	2013
	Rs	Rs
Department of Cardiac Sciences and Critical Care	**7,507,975**	7,507,975

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

5. INTANGIBLE ASSETS (CONT'D)

The recoverable amount of Department of Cardiac Sciences and Critical Care Cash Generating Unit has been determined based on value in use. These calculations use cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projections is 8.0% (2013: 7.5%). Management has used its past experience in determining the value of each assumption. As a result of the analysis, management did not identify any impairment.

(c) Key assumptions used in value in use calculation

The calculation of value in use of the cash generating unit is most sensitive to the following assumptions:

Operating profit margin Operating profit margin is based on average values achieved in the year preceeding the start of the budget period.

Discount rate Discount rate reflects management's estimate of the risks specific to the unit. In determining appropriate discount rate, regard has been given to the equity factor of the cash generating unit.

Growth rate estimates Rates are based on management's best estimates of the Group's and industry's growth rate. Management has used a growth rate of 3%.

(d) Sensitivity to changes in assumptions

With regards to the assessment of the value in use of Department of Cardiac Sciences and Critical Care cash generating unit, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed its recoverable amount.

6. INVESTMENT IN SUBSIDIARY

	THE COMPANY	
	2014	2013
	Rs.	Rs.
At 31 March	**25,000**	25,000

Details of the subsidiary company included in the Group financial statements are as follows:

Name	Class of shares held	Issued capital	Country of incorporation	Main business
		Rs.		
Le Café du Volcan Ltée	Ordinary	25,000	Mauritius	Sale of food and beverages

The directors have reviewed the financial position and performance of the investee company. They are of opinion that the estimated recoverable amount of the investment is not less than its carrying amount.

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

7. INVENTORIES

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
At cost	**Rs.**	Rs.	**Rs.**	Rs.
Drugs	**22,237,626**	20,514,404	**22,237,626**	20,514,404
Laboratory consumables	**2,249,749**	1,386,926	**2,249,749**	1,386,926
Chemicals and X-ray films	**668,760**	498,704	**668,760**	498,704
Stationery	**1,093,914**	780,940	**1,093,914**	780,940
Other consumables	**883,993**	785,902	**708,185**	606,106
	27,134,042	23,966,876	**26,958,234**	23,787,080

There is no amount of written down inventories recognised as an expense in the cost of sales (2013: nil).

8. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables	**67,034,467**	65,204,320	**67,034,467**	65,204,320
Other receivables and prepayments	**2,364,141**	7,339,104	**2,255,036**	7,254,949
Amount receivable from related party	-	-	**2,726,567**	2,751,492
	69,398,608	72,543,424	**72,016,070**	75,210,761

For terms and conditions relating to related party, refer to Note 23.

Trade receivables are unsecured, non - interest bearing and are generally on 60-day terms.

As at 31 March 2014, trade receivables of **Rs 24,426,344** (2013: Rs 20,402,656) were impaired and fully provided for

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs.	Rs.
At 1 April	**20,402,656**	12,000,000
Charge for the year	**4,362,955**	11,789,143
Utilised	**(339,267)**	(3,386,487)
At 31 March	**24,426,344**	20,402,656

As at 31 March, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	30-90 days	90-180 days	180-365 days	>1year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
THE GROUP AND THE COMPANY						
2014	**67,034,467**	**26,923,964**	**20,632,643**	**5,836,830**	**6,437,238**	**7,203,792**
2013	65,204,320	22,143,042	20,712,768	11,441,889	**8,483,134**	2,423,487

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

9. CASH AND DEPOSITS

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
(a) : Deposits	**Rs.**	Rs.	**Rs.**	Rs.
Deposits	**10,000,000**	50,850,000	**10,000,000**	50,850,000

The deposit of Rs 10,000,000 (2013: Rs 50,850,000) bears an interest rate of 4.25% (2013: 4.50% - 5.00%) and has a maturity of more than three months.

(b) : Cash in hand and at banks	**Rs.**	Rs.	**Rs.**	Rs.
Cash in hand and at banks	**23,867,372**	59,560,491	**23,308,465**	59,442,350

Cash at banks earn interest at floating rates based on daily bank deposit rates.

(c) : For the purpose of the statement of cash flow, cash and cash equivalents comprise the following as at 31 March:

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
Cash in hand and at banks	**23,867,372**	59,560,491	**23,308,465**	59,442,350
Bank overdrafts (Note 12)	**(8,575,853)**	(28,305,524)	**(8,575,853)**	(28,305,524)
	15,291,519	31,254,967	**14,732,612**	31,136,826

NON-CASH TRANSACTIONS

Part of the acquisition of property, plant and equipment was financed by trade-in value from equipment disposed as follows:

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
Total amount acquired *(Note 4)*	**87,732,377**	24,176,122	**87,717,057**	24,142,316
Amount financed by trade-in-value	**(6,843,200)**	-	**(6,843,200)**	-
Financed by cash	**80,889,177**	24,176,122	**80,873,857**	24,142,316

10. ISSUED CAPITAL

	THE GROUP AND THE COMPANY			
Authorized, Issued and fully paid	**2014**	2013	**2014**	2013
Ordinary shares	**Number**	Number	**Rs.**	Rs.
At 31 March	**569,940,822**	569,940,822	**289,801,318**	289,801,318

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

11. RESERVES

REVALUATION RESERVE

The revaluation reserve is principally used to record changes in fair value of freehold land and buildings following revaluation exercises performed by an independent valuer. It is also used to record impairment losses to the extent that such losses relate to increase on the same asset previously recognised in revaluation reserve.

MERGER RESERVE

The merger reserve arose on the merger of the Company with its former subsidiary, Centre de Cardiologie des Mascareignes Limitée, on 1 July 2009. The merger reserve was transferred to retained earnings as from 1 July 2013.

12. INTEREST BEARING LOAN AND BORROWINGS

				THE GROUP AND THE COMPANY	
		Effective interest rate (%)	Maturity	**2014**	2013
Current				**Rs.**	Rs.
Bank overdraft	(e)			**8,575,853**	28,305,524
Bank loan	(a)	*see below*	*see below*	**-**	9,084,051
Obligations under finance leases	(d)	9.75%-10.00%	2015	**475,548**	2,378,487
				9,051,401	39,768,062
Non-current					
Bank loan	(a)	*see below*	*see below*	**-**	23,456,440
3% unsecured loan	(b)	-	*see below*	**22,000**	22,000
Interest free unsecured loans	(b)	-	*see below*	**205,000**	205,000
Redeemable debentures	(c)	*see below*	*see below*	**333,000**	333,000
Obligations under finance leases	(d)	9.75%-10.00%	2015	**100,725**	588,575
				660,725	24,605,015
Total borrowings				**9,712,126**	64,373,077

			THE GROUP AND COMPANY	
			2014	2013
(a) Bank loans can be analysed as follows:-			**Rs**	Rs
Within one year			**-**	9,084,051
After one year and before five years			**-**	23,456,440
			-	32,540,491
MUR	**PLR+2%**	April 2016	**-**	-

The bank loan was fully repaid before its maturity date in July 2013.

(b) There are no fixed repayment terms for the unsecured loans.

(c) Redeemable debentures bear interest of 4% per annum and are redeemable by annual instalments of Rs. 11,000 starting 30 June 1976. No repayment of capital has been effected since 30 June 2008. Management has thereby classified this balance as non current.

Notes to the Financial Statements

for the year ended 31 March 2014

12. INTEREST BEARING LOAN AND BORROWINGS (CONT'D)

(d) Finance lease liabilities - minimum lease payments

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs.	Rs.
Within one year	**505,745**	2,546,507
After one year and before five years	**102,475**	621,034
Total minimum lease payments	**608,220**	3,167,541
Future finance charges on finance leases	**(31,947)**	(200,479)
Present value of minimum lease payments	**576,273**	2,967,062

The present value of minimum lease payments may be analysed as follows:

Within one year	**475,548**	2,378,487
After one year and before five years	**100,725**	588,575
	576,273	2,967,062

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. The rates of interest on the leases vary between 9.75% - 10.00%.

(e) Bank overdraft

The bank overdraft arose mainly on cheques drawn at year end that are subsequently cleared by the bank.

13. EMPLOYEE BENEFIT LIABILITY

(a) Pension scheme

The Group participates in the United Mutual Pension Fund, a pension plan registered under the Employees Super Annuation Fund Act, the assets of which are held independently. The pension plan is funded by payments from the employees and the Group, taking into account the recommendations of an independent actuary, Feber Associates Limited. After 31 December 2007, the Group shifted from a defined benefit plan to a defined contribution plan, with a residual defined benefit top up arrangement for those employees who were members of the previous defined benefit scheme.

The unfunded obligation relates to retirement gratuity in accordance with employees right act. It entitles the employee at retirement to 15/26 of the monthly benefit for each year of service.

The Group's obligations under the defined benefit plan are only for employees under the scheme up to 31 December 2007.

	THE GROUP AND THE COMPANY	
	2014	2013
(b) The amounts recognised in the statement of financial position are as follows:	**Rs.**	**Rs.**
Defined benefit obligation	**7,516,270**	8,318,973
Fair value of plan assets	**(7,441,137)**	(7,469,293)
	75,133	849,680
Present value of unfunded obligation	**22,942,289**	23,467,316
Unrecognised actuarial gain	**-**	172,467
Benefit liability	**23,017,422**	24,489,463

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

13. EMPLOYEE BENEFIT LIABILITY (CONT'D)

	THE GROUP AND	THE COMPANY
	2014	2013
(c) Movement in the liability recognised in the statement of financial position	**Rs.**	Rs.
At 1 April,	**24,489,463**	21,000,785
Amount recognised in profit or loss (note d)	**603,717**	4,565,245
Amount recognised in other comprehensive income (note e)	**(1,570,303)**	-
Direct benefits paid	**(505,455)**	(1,076,567)
At 31 March,	**23,017,422**	24,489,463
(d) The amounts recognised in profit or loss are as follows:		
Current service cost	**2,597,619**	2,673,775
Past service Cost	**(3,799,065)**	-
Net interest cost	**1,805,163**	1,891,470
Net benefit expense	**603,717**	4,565,245
(e) The amounts recognised in other comprehensive are as follows:		
Actuarial gains/(losses) on obligation arising from financial assumptions	**1,184,742**	-
Actuarial gains/(losses) on plan assets arising from financial assumptions	**213,094**	-
Net impact on prior years' adjustment in other comprehensive income (note (i))	**172,467**	-
	1,570,303	-

(i) The net impact of adopting the revised IAS 19 on the retirement benefit obligations for the year ended 31 March 2013 is Rs 172,467. The impact of Rs 172,467 was recorded in other comprehensive income in this current financial year.

(f) Movement in the fair value of plan assets are as follows:

	THE GROUP AND	THE COMPANY
	2014	2013
	Rs.	Rs.
At 1 April,	**7,469,293**	8,508,451
Return on plan assets	**531,734**	719,490
Benefits paid out of plan assets	**(772,984)**	(1,913,140)
Actuarial gain on plan assets	**213,094**	154,492
At 31 March,	**7,441,137**	7,469,293
(g) Changes in present value of funded and unfunded obligation are as follows:		
At 1 April,	**29,175,329**	28,944,738
Current service cost	**2,597,619**	2,673,775
Past service cost	**(3,799,065)**	-
Interest cost	**2,336,897**	-
Benefits paid	**(1,278,439)**	(2,989,707)
Actuarial (gain)/loss on obligation	**(1,184,742)**	546,523
At 31 March,	**27,847,599**	29,175,329

Notes to the Financial Statements

for the year ended 31 March 2014

13. EMPLOYEE BENEFIT LIABILITY (CONT'D)

(h) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2014	2013
Investments quoted in active markets:		
Local equities	**33%**	33%
Unquoted investments:		
Local equities	**3%**	2%
Overseas equities		
Real estate funds	**1%**	2%
Other funds	**19%**	13%
Local debt >= 12 months		
Government debts	**10%**	9%
Corporate debts	**27%**	30%
Overseas debt >= 12 months	**4%**	5%
Local cash and debt maturity < 12 months	**3%**	6%
Total market value of assets	**100%**	100%

	2014	2013
(i) The principal actuarial assumptions used for accounting purposes were:	%	%
Discount rate	**8.0%**	7.5%
Rate of return on plan assets	**8.0%**	7.5%
Future salary increases	**6.5%**	6.0%
Actuarial table for employee mortality	**PMA 92-PFA**	

(j) A quantitative sensitivity analysis for signifcant assumption as at 31 March 2014 is shown as follows below:

			Rate of return on plan assets		Future salary	increase
Assumptions	**Discount rate**					
	1%	**1%**	**1%**	**1%**	**1%**	**1%**
Sensitivty Level	**increase**	**decrease**	**increase**	**decrease**	**increase**	**decrease**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Impact on defined benefit obligation	(19,772,828)	26,755,953	602,708	(460,778)	**28,703,993**	(34,102,388)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

No contributions are expected to be paid to the defined benefit plan obligation in future years.

The average duration of the defined benefit plan obligation at the end of the reporting period is 13.2 years (2013: 14.6 yrs)

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. Management assessment of the expected returns is based on historical returns trends and analysts' predictions of the market for the asset in the next twelve months.

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

14. DEFERRED TAX LIABILITIES

Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2013: 15%).

Deferred income tax at 31 March relates to the following:

THE GROUP AND COMPANY

		Statement of financial position		Statement of comprehensive income	
		2014	2013	**2014**	2013
		Rs.	Rs.	**Rs.**	Rs.
Deferred tax liability					
Accelerated depreciation		**22,307,393**	19,623,239	**2,684,154**	(68,912)
		22,307,393	19,623,239	**2,684,154**	(68,912)
Deferred tax assets					
Retirement benefit obligation	(a)	**(3,452,613)**	(3,673,419)	**(14,743)**	(523,301)
Provision for fidelity discounts		**(239,999)**	(239,999)	**-**	-
Provision for doubtful debts		**(3,663,947)**	(3,060,398)	**(603,549)**	(1,260,398)
		(7,356,559)	(6,973,816)	**(618,292)**	(1,783,699)
Net deferred tax liabilities		**14,950,834**	12,649,423		
Deferred income tax raised/released				**2,065,862**	**(1,852,611)**

(a) Part of the deferred tax effect of the movement for retirement benefit obligation amounting to Rs 235,539 has been recognised in other comprehensive income.

(b) Deferred tax asset amounting to Rs 722,509 (2013: Rs 1,243,461) has not been recognised in respect of unused tax losses for the subsidiary as it is in the opinion of Directors that it is not probable that future taxable profits will be available against which the temporary differences can be utilised.

15. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
Trade payables	**22,738,688**	33,976,235	**22,512,842**	33,793,888
Other payables and accruals	**29,383,886**	29,668,417	**28,947,431**	29,070,434
Amounts payable to related party	**11,787,930**	11,031,760	**11,794,225**	11,039,170
	63,910,504	74,676,412	**63,254,498**	73,903,492

Trade payables are non-interest bearing and are normally settled on 60 days terms.

Other payables are non-interest bearing.

For terms and conditions relating to related party, refer to Note 23.

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

16. REVENUE

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
Healthcare services	**557,001,143**	528,143,218	**557,001,143**	528,143,218
Pharmacy - out patient	**29,372,503**	23,171,784	**29,372,548**	23,171,784
Sales of food and beverages	**12,513,178**	12,870,520	**3,103,593**	2,839,680
	598,886,824	564,185,522	**589,477,284**	554,154,682

17. OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
Rental income	**2,020,508**	2,068,879	**2,020,508**	2,068,879
Gain on disposal of plant and equipment	**-**	138,646	**-**	138,646
Miscellaneous items	**479,088**	619,583	**1,214,475**	1,329,504
	2,499,596	2,827,108	**3,234,983**	3,537,029

18. OPERATING PROFIT

		THE GROUP		THE COMPANY	
		2014	2013	**2014**	2013
		Rs.	Rs.	**Rs.**	Rs.
Included in cost of sales:					
Costs of inventories recognised as an expense		**184,449,667**	169,256,663	**181,811,346**	166,453,078
Staff costs	(a)	**110,542,083**	98,884,879	**110,542,083**	98,884,879
Included in administrative expenses:					
Staff costs	(a)	**51,550,599**	48,382,822	**49,979,275**	46,587,158
Depreciation on property, plant and equipment	4	**32,998,216**	32,989,653	**32,932,032**	32,920,353
Amortisation of intangible assets	5	**31,752**	31,752	**-**	-
Loss on disposal of plant and equipment		**5,243,565**	-	**5,243,565**	-

(a) Staff costs

	THE GROUP		THE COMPANY	
Wages and salaries	**155,242,938**	140,888,169	**153,769,840**	139,189,632
Social security cost	**5,462,740**	4,666,267	**5,385,601**	4,588,412
Pension cost	**1,387,004**	1,713,265	**1,365,917**	1,693,993
	162,092,682	147,267,701	**160,521,358**	145,472,037

Notes to the Financial Statements

for the year ended 31 March 2014

19. FINANCE INCOME

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs.	Rs.
Interest on deposits	**1,766,655**	2,807,882

20. FINANCE COSTS

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs.	Rs.
Interest on loan and borrowings	**2,509,835**	3,414,790
Finance charges paid under finance leases	**129,428**	611,813
	2,639,263	4,026,603

21. TAXATION

The major components of income tax expense for the year ended 31 March 2014 and 2013 are:

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
(a) Statement of comprehensive income				
Current income tax				
Current income tax charge	**7,993,420**	11,604,306	**7,993,420**	11,604,306
Adjustments in respect of income tax in previous year	**(59,434)**	82,225	**(59,434)**	82,225
Corporate social responsibility	**1,065,789**	1,599,509	**1,065,789**	1,599,509
Deferred tax:				
Relating to origination and reversal of temporary differences	**2,065,862**	(1,852,611)	**2,065,862**	(1,852,611)
Income tax expense	**11,065,637**	11,433,429	**11,065,637**	11,433,429
(b) Accounting profit before income tax	**67,544,572**	65,336,235	**67,023,621**	64,560,009
At statutory income tax rate of 15% (2013: 15%)	**10,131,686**	9,800,435	**10,053,543**	9,684,001
Expenses not deductible for tax purposes	**5,739**	67,694	**5,739**	67,694
Tax loss utilised (note 14(b))	**(78,143)**	(116,434)	**-**	-
Corporate social responsibility	**1,065,789**	1,599,509	**1,065,789**	1,599,509
Adjustment in respect of income tax in previous year	**(59,434)**	82,225	**(59,434)**	82,225
At the effective income tax rate	**11,065,637**	11,433,429	**11,065,637**	11,433,429

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

21. TAXATION (CONT'D)

(c) Income tax payable

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs.	Rs.
At 1 April,	**11,140,622**	2,388,698
Tax charge for the year	**7,993,420**	11,604,306
Underprovision/(overprovision) of income tax	**(59,434)**	82,225
Corporate social responsibility	**1,065,789**	1,599,509
Paid during the year	**(19,732,875)**	(4,534,116)
At 31 March,	**407,522**	11,140,622
Disclosed as follows:		
Income tax receivable	**(658,267)**	-
Income tax payable	**1,065,789**	11,140,622
	407,522	11,140,622

22. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
Profit attributable to equity holders	**56,478,935**	53,902,806	**55,957,984**	53,126,580
Average number of ordinary shares in issue	**569,940,822**	569,940,822	**569,940,822**	569,940,822
Earnings per share (Basic and Diluted)	**0.10**	0.09	**0.10**	0.09

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares in issue. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and date of authorisation of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2014

23. RELATED PARTY TRANSACTIONS

THE GROUP

	Sales/(Purchases) of goods or services	Management fees expenses	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.
2014				
Entity with significant influence over the Group: Fortis Healthcare International Limited	**-**	**47,036,102**	**11,682,898**	**-**
Fellow related party: Ciel Corporate Services Ltd	**(558,645)**	**-**	**105,032**	**-**
	(558,645)	**47,036,102**	**11,787,930**	**-**
2013				
Entity with significant influence over the Group: Fortis Healthcare International Limited	-	44,471,614	10,959,542	-
Fellow related party: Ciel Corporate Services Ltd	(462,068)	-	72,218	-
	(462,068)	44,471,614	11,031,760	-

THE COMPANY

	Sales/(Purchases) of goods or services	Management fees expenses	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.
2014				
Entity with significant influence over the Group: Fortis Healthcare International Limited	**-**	**47,036,102**	**11,682,898**	**-**
Fellow related party: Ciel Corporate Services Ltd	**(558,645)**	**-**	**105,032**	**-**
Subsidiary: Café du Volcan	**3,840,964**	**1,800,000**	**6,295**	**2,726,567**
	3,282,319	**48,836,102**	**11,794,225**	**2,726,567**
2013				
Entity with significant influence over the Group: Fortis Healthcare International Limited	-	44,471,614	10,959,542	-
Fellow related party: Ciel Corporate Services Ltd	(462,068)	-	72,218	-
Subsidiary: Café du Volcan	3,550,155	1,800,000	7,410	2,751,492
	3,088,087	46,271,614	11,039,170	2,751,492

Notes to the Financial Statements

for the year ended 31 March 2014

23. RELATED PARTY TRANSACTIONS CONT'D)

The transactions between related parties have been made on normal commercial terms and in the normal course of business. Outstanding balances at the end of reporting date are unsecured, interest free and settlement occurs in cash.

There has been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2014, the Group has not recorded any impairment of receivables relating to amount owed by related parties (2013: nil). The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(a) Key Management personnel compensation

	2014	2013
	Rs	Rs
Salaries and short term employee benefits	**20,771,636**	27,998,585
Post retirement benefits	**145,489**	463,880
	20,917,125	28,462,465

24. COMMITMENTS AND CONTIGENCIES

CAPITAL COMMITMENTS

The Group has no capital commitments at end of reporting date (2013: Rs. 19.8M).

CONTINGENT LIABILITY

At 31 March 2014, the Group has contingent liabilities in respect of bank and other guarantees of Rs 3,519,764. (2013: Rs.1,060,000).

There are pending litigations in respect of claims lodged by the Group of which the outcomes are unknown as at financial statement date.

25. FINANCIAL INSTRUMENTS

Financial assets and liabilities, which are accounted for at historical cost, approximate their fair values due to their short term nature. All loans and borrowings have market interest rates and therefore cost approximates fair value.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal liabilities comprise of bank loans and overdrafts, finance leases and trade payables and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loan, trade and other receivables, and cash and deposits that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Notes to the Financial Statements

for the year ended 31 March 2014

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk.

(ii) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before taxation (through the impact of variable rate borrowing) and on equity. There is no tax impact on equity.

The Group And the Company	**Increase/ (decrease) basis points**	**Increase / (decrease) on profit before tax and on equity**
		Rs
2014		
Interest-bearing loans and borrowings	**+50**	**2,425**
	-50	**(123,045)**
2013	+50	(63,546)
Interest-bearing loans and borrowings	-50	136,297

(iii) Foreign exchange risk

The Group has transactions mainly in Mauritian Rupee. All financial assets and liabilities are in Rupee except for cash balance of Rs 2,554,657 (2013 : Rs 1,728,452) and trade receivable balance of Rs 3,400,085 which are denominated in EURO. Consequently, the Group's exposure to the risk that foreign exchange rate to Mauritian Rupee changes by 5%, assuming all other variable held constant, will have an effect of Rs 304,123 on profit before tax and equity (2013: Rs 86,423).

(iv) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for credit losses, estimated by the Group's management based on prior experience and the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

With respect to credit risk arising from deposit and cash at bank, investment is made only with reputable financial institutions. The Group has a dedicated debtors recovery team that monitors its debtors balances. Where applicable, the Group takes necessary legal actions in order to recover its balances from the debtors. The Group's maximum exposure is the carrying amount of the financial assets as presented on the statement of financial position. As for financial guarantee, the maximum exposure is noted in note 24.

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

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(v) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

The table below summarises the maturity profile of the Group and the Company's financial liabilities based on contractual undiscounted payment.

	On demand	< 3 months	3 to 12 months	>1 yr < 5 yrs	> 5 yrs	Total
GROUP	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
2014						
Trade and other payables	**-**	**63,910,504**	**-**	**-**	**-**	**63,910,504**
Interest-bearing loans and borrowings	**8,575,853**	**218,990**	**286,755**	**662,475**	**-**	**9,744,073**
	8,575,853	**64,129,494**	**286,755**	**662,475**	**-**	**73,654,577**
2013						
Trade and other payables	-	74,676,412	-	-	-	74,676,412
Interest-bearing loans and borrowings	28,305,524	4,132,561	10,597,791	27,077,542	-	70,113,418
	28,305,524	78,808,973	10,597,791	27,077,542	-	144,789,8 30

	On demand	< 3 months	3 to 12 months	>1 yr < 5 yrs	> 5 yrs	Total
COMPANY	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
2014						
Trade and other payables	**-**	**63,254,498**	**-**	**-**	**-**	**63,254,498**
Interest-bearing loans and borrowings	**8,575,853**	**218,990**	**286,755**	**662,475**	**-**	**9,744,073**
	8,575,853	**63,473,488**	**286,755**	**662,475**	**-**	**72,998,571**
2013						
Trade and other payables	-	73,903,492	-	-	-	73,903,492
Interest-bearing loans and borrowings	28,305,524	4,132,561	10,597,791	27,077,542	-	70,113,418
	28,305,524	78,036,053	10,597,791	27,077,542	-	144,016,910

Notes to the Financial Statements

for the year ended 31 March 2014

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(vi) Capital Management

The primary objective of the Group, when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or sell assets to reduce debt.

The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Total capital is calculated as ''equity" as shown in the statement of financial position. The gearing ratios at March 31, 2014 and March 31, 2013 were as follows:

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs.	Rs.	**Rs.**	Rs.
Interest-bearing loans and borrowings	**9,712,126**	64,373,077	**9,712,126**	64,373,077
Less cash in hand and at bank	**(23,867,372)**	(59,560,491)	**(23,308,465)**	(59,442,350)
Less bank deposits	**(10,000,000)**	(50,850,000)	**(10,000,000)**	(50,850,000)
Net debt	**(24,155,246)**	(46,037,414)	**(23,596,339)**	(45,919,273)
Equity attributable to equity holders	**543,253,840**	502,538,376	**545,688,604**	505,494,091
Total capital and net debt	**519,098,594**	456,500,962	**522,092,265**	459,574,818
Gearing ratio	**5%**	10%	**5%**	10%

27. SEGMENT INFORMATION

31 March 2014	**Cafeteria**	**Pharmacy Out Patient**	**Healthcare**	**Total**
	Rs.	Rs.	**Rs.**	Rs.
Revenue	**12,513,178**	**29,372,503**	**557,001,143**	**598,886,824**
Operating (loss)/profit	**520,951**		**67,896,229**	**68,417,180**
Finance income	-	-	**1,766,655**	**1,766,655**
Finance cost	-	-	**(2,639,263)**	**(2,639,263)**
Segment assets				
Total assets	**972,809**	-	**654,937,706**	**655,910,515**
Segment liabilities				
Total liabilities	**662,301**	-	**111,994,374**	**112,656,675**
Other segment items				
Capital expenditure	**15,320**	-	**87,717,057**	**87,732,377**
Depreciation	**(66,184)**	-	**(32,932,032)**	**(32,998,216)**

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

27. SEGMENT INFORMATION (CONT'D)

31 March 2013	Cafeteria	Pharmacy Out Patient	Healthcare	Total
	Rs.	Rs.	Rs.	Rs.
Revenue	12,870,520	23,171,784	528,143,218	564,185,522
Operating (loss)/profit	776,227		65,778,729	66,554,956
Finance income	-	-	2,807,882	2,807,882
Finance cost	-	-	(4,026,603)	(4,026,603)
Segment assets				
Total assets	593,698	-	689,273,675	689,867,373
Segment liabilities				
Total liabilities	780,330	-	186,548,667	187,328,997
Other segment items				
Capital expenditure	33,806	-	24,142,316	24,176,122
Depreciation	(69,300)	-	(32,920,353)	(32,989,653)

The Group has determined its operating segments based on reports reviewed by the Chief Operating officer that are used to make strategic decisions. An operating segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other operating segments. Management monitors segment performance mainly on the revenue generated per segment. The Group has identified the following operating segments:-

(i) Cafeteria sales
(ii) Pharmacy-out patient
(iii) Healthcare services

Cafeteria sales relate to revenue generated by the subsidiary, Le Café du Volcan, only. It represents the only difference between Group and Company's segment.

Segment assets consist primarily of property, plant and equipment, inventories, trade and receivables and prepayments and include cash and cash equivalents. All non current assets are located in the country of domicile.

Segment liabilities comprise operating liabilities and include items such as taxation. Capital expenditure comprises additions to property, plant and equipment.

All revenues from external customers are attributable to the country of domicile. There is no single customer who generates more than 10% of the revenues of the Group and the Company. There is no foreign revenue.

Notes to the Financial Statements

for the year ended 31 March 2014

28. DIVIDENDS

Dividends paid and proposed

	THE GROUP AND THE COMPANY	
	2014	2013
Declared and paid during the year:		
Dividends on ordinary shares:		
Dividends: 3 cents per share (2013: 2 cts)	**17,098,225**	11,398,816
	17,098,225	11,398,816

The Board of Directors declared and paid a dividend of Rs. 0.03 (3 cents) per share to all shareholders during the financial year ended 31 March 2014.

29. EVENTS AFTER THE REPORTING DATE

On 10 June 2014, the Board declared a final dividend of Rs 0.03 (3 cents) per share in respect of the financial year ended 31 March 2014 which was paid on 11 July 2014.

Other than the above, there were no events after the reporting date which require disclosures in or amendments to these financial statements.

Proxy Form

I/We

of

being a shareholder of THE MEDICAL AND SURGICAL CENTRE LIMITED ("the Company") hereby appoint

of

or, failing him/her

of

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the shareholders of the Company ("the Meeting") to be held at the Company's Registered Office, C/o Fortis Clinique Darné, Georges Guibert Street, Floréal on 24 September 2014 at 15.00 hours and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (Please vote with a tick).

RESOLUTIONS	FOR	AGAINST
1		
2		
3		
4.1		
4.2		
4.3		
4.4		
5		
6		

Signed this day of 2014

Signature/s

Notes:

i. *Any member of the Company entitled to attend and vote at the Meeting, may appoint a proxy, whether a member or not, to attend and vote in his/her stead.*

ii. *If the instrument appointing the proxy is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy will exercise his discretion as to whether, and, if so, how he/she votes. Proxy forms should be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Limited, 2nd Floor, MCB Centre, Sir William Newton Street, Port-Louis not less than twenty-four hours before the start of the Meeting, and in default, the instrument of proxy shall not be treated as valid.*

ADVERTORIAL

Our Staff... an intrinsic part of our history

Putting employees at the heart of the organisation is how Fortis Clinique Darné (FCD) believes it can offer an excellent service to its patients. Employees are their most valuable asset as they are the ones to determine any patient's experience with the hospital. Patient centricity remains at the core of the service process with the primary concern of the team being to restore patients to good health in the shortest possible time.

Meet some of the longstanding employees who have been at the hospital for 30 years or more!

Mrs. Silvie Gaspard
Nurse in Charge - Emergency Department

Like Sylvie puts it, the place has changed, the people have changed, but our memories haven't! Silvie started her journey at FCD in the Operating Theatre where she worked as a scrub nurse for 15 years. In 2000, she is promoted Nurse in Charge in the Emergency Department which has now become a 24/7 Emergency and Ambulance Service. Telling us about her job, Sylvie states that one of the first things she tries to do is to comfort any patient who enters the Emergency Department. She rightly adds that *"there is no question of working for the money when you are a nurse… the life of a person is priceless... in my field if I make a mistake, I cannot go back…"*

Even if she tells us about the old Clinique with nostalgia, today Silvie witnesses the progress of the hospital with pride…

Mrs. Mala Naiken
In Charge of the Operation Theatre (OT)

With 36 years of service at FCD, Mala is a crucial element of the Operating Theatre! The Mother of the OT as she is known, joined us in 1977 where she worked with renowned doctors including Moossun, Rivalland and Espitalier-Noel. *"Gone are the days when we needed to boil the surgical instruments! We have now progressed a long way."*

"The most important aspect of my job is the human touch – this is the only way to heal. Our patients count on us and we do everything we can to save lives."

Mr. Beehary
The FCD Gardener

"Where flowers bloom, so does hope… to plant a garden is to believe in tomorrow". With the lovely flowers he plants, Mr. Beehary has been hoping for a quick recovery in his own way for all patients for over 35 years! He joined FCD in 1976 when the Clinique was an 'ancient building!' Hands in the dirt, head in the sun and his heart with nature, he recalls how he has seen, and actively participated in the changing landscape of FCD.

Mrs. Arlette Hung
Laboratory Assistant

Arlette joined FCD in 1975 to try out the job and has since then stayed for 37 years with us! Handling the administrative tasks of the laboratory, she tells us how she looks forward to helping patients everyday. *"Our laboratory offers an extensive range of investigations and I do my best to ensure a quick service". Arlette reminisces: "We still remember how the old Clinique was pulled down in 1996 in phases to pave the way for a new hospital with a grand colonial façade".*

True to its philosophy, the hospital will continue to uphold its traditions of providing personal and dedicated care coupled with state-of-the-art medical technology in a caring and friendly environment ***beyond its 60 years…***

www.fortiscliniquedarne.com | Tel: 601 2300
24/7 Emergency and Ambulance Services: Dial 118

60 years & beyond

Fortis CLINIQUE DARNÉ
For a Healthier Future

Fortis CLINIQUE DARNÉ

For a Healthier Future

THE MEDICAL & SURGICAL CENTRE LTD

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24/7 Emergency and Ambulance Services: Dial 118