

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 1) Corporate information

Fortis Healthcare Limited (the 'Company' or 'FHL'), a public limited company, was incorporated on February 28, 1996. Its equity shares are listed on both Bombay Stock Exchange Limited and National Stock Exchange of India Limited and registered office is located at Fortis Hospital Sector-62 Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is located at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41, Gurugram 122001, Haryana.

As part of its business activities, the Company holds interests in its subsidiaries which includes the Company's interest in its associates and joint ventures through which it manages and operates a network of multi-specialty hospitals and diagnostic centers.

On November 13, 2019, IHH Healthcare Berhad, Malaysia acquired 31.10% stake in the Company, thereby becoming the controlling shareholder of the Company.

### 2) Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements ('financial statements'). The accounting policies adopted are consistent with those of the previous financial year except for changes in revenue recognition and accounting for foreign currency transactions due to amendment in applicable accounting guidance (also refer to respective policies for these two captions).

#### (a) Basis of preparation

##### (i) *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The financial statements have been authorized for issue by the Company's Board of Directors on May 24, 2019.

##### (ii) *Functional and presentation currency*

These financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts are in Indian Rupees lacs except share data and per share data, unless otherwise stated.

##### (iii) *Historical cost convention*

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

#### (b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

### (c) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### (d) Business combinations

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the statements of profit or loss and other comprehensive income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved, and they appear in the financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

### (e) Property, plant and equipment (PPE) and intangible assets

#### (i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

#### (ii) Intangible assets

- For business combination, refer to accounting policy thereon above.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of profit and loss as incurred.
  - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/ or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired (including goodwill recognized for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 01 April 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the intangible assets.

### (iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for certain classes of fixed assets which are depreciated based on the internal technical assessment of the management. The details of useful life are as under:

| Category of assets     | Management estimate of useful life | Useful life as per Schedule II |
|------------------------|------------------------------------|--------------------------------|
| Plant and Machinery    | Upto 15 years                      | 15 years                       |
| Medical Equipments     | Upto 13 years                      | 13 years                       |
| Computers              | Upto 3 years                       | 3 years                        |
| Furniture and fittings | Upto 10 years                      | 10 years                       |
| Office equipments      | Upto 5 years                       | 5 years                        |
| Vehicles               | Upto 8 years                       | 4-8 years                      |

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date/month of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### (iv) Derecognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

### (f) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### (g) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial assets*

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

##### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

### *Debt instrument at FVOCI*

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### *Debt instrument at FVPL*

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### *Equity investments*

Equity investments in subsidiaries, jointly controlled entities and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments in scope of Ind AS 109, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### *Impairment of financial assets*

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

### *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company has retained.

### *Financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

### *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### *Derivative financial instruments*

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### (h) Inventories

Inventories are valued at lower of cost and net realisable value except scrap, which is valued at net estimated realisable value.

The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

### (i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

### (j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

### (k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### (I) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 “Revenue” and Ind AS 11 “Construction Contracts”. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the consolidated statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 3.4 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as sales tax, excise duty, value added tax and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognized as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue (“contract liability”) is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises of revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, clinical research activities, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognized as and when services are performed.

Income from ‘Service Export from India Scheme’ (SEIS), included in other operating revenue, is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Company.

Interest income on financial assets (including deposits with banks) is recognized using the effective interest rate method on a time proportionate basis.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

### (m) Employee benefits

#### *Short-term employee benefits*

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

#### *Post-employment benefits*

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

#### a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.

#### b) Superannuation

Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to statement of profit and loss.

#### c) Provident fund

The Company makes contribution to the recognised provident fund - " Fortis Healthcare Limited Provident Fund Trust " for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

The Company's contribution to the provident fund is charged to statement of profit and loss.

#### *Other long-term employee benefits:*

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### *Actuarial valuation*

The liability in respect of all defined benefit plans and other long-term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long-term benefits are recognised in the statement of profit and loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the statement of profit and loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

### **(n) Share-based payments**

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share-based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of a share-based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Fortis Healthcare Limited Provident Fund Trust, which has purchased share from the secondary market.

### **(o) Finance costs**

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

### (p) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

#### *Current taxes*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### *Deferred taxes*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

For operations carried out in under tax holiday facilities, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### (q) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

The Company accounts for assets taken under lease arrangement in the following manner:

#### *Finance leases*

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### *Operating leases*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The Company accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

### (r) Foreign currency translation

The Company has adopted Appendix B, "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" effective from 1 April 2018 prospectively to all assets, expenses and income in the scope of the said Appendix. The adoption of the above Standard/Appendix does not have any significant impact on the financial position or performance of the Company.

#### (i) *Functional and presentation currency*

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

### (s) **Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregate. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### (t) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Chief Financing Officer of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

### (u) **Earnings per share**

#### (i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit/ (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

### 3) **Critical estimates and judgements**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 7
- Financial instruments - Note 15
- Fair value measurement – Note 16
- Estimated impairment of financial assets and non-financial assets – Note 5 (xxix)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 11 and 12
- Recognition and estimation of tax expense including deferred tax– Note 5(xxx) and 5(ix)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(f)(iii)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 14
- Share-based payments – Note 13

#### 4) **Applicable standards issued but not yet effective**

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

##### **Ind AS 116 – Leases (Ind AS 116)**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases (Ind AS 17) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019 using the modified retrospective approach and elected to measure the right-of -use assets at an amount equal to the lease liability as at the date of initial application.

For nature of lease arrangement as lessee refer note 7 of the financial statements. The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

##### **Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

### ***Ind AS 109 – Prepayment Features with Negative Compensation***

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

### ***Ind AS 19 – Plan Amendment, Curtailment or Settlement***

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

### ***Ind AS 23 – Borrowing Costs***

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

### ***Ind AS 28 – Long-term Interests in Associates and Joint Ventures***

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any impact from this amendment.

### ***Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements***

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, its re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not currently have joint control of a business that is a joint operation.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 5(i)(a) Property, plant and equipment

| Particulars                                  | (₹ in Lacs)   |                        |                   |                    |                      |               |                   |                 |       |                  |
|--|---------------|------------------------|-------------------|--------------------|----------------------|---------------|-------------------|-----------------|-------|------------------|
|  | Freehold land | Leasehold improvements | Plant & machinery | Medical equipments | Furniture & fittings | Computers     | Office equipments | Vehicles        | Total |                  |
| <b>Gross carrying amount</b>                 |               |                        |                   |                    |                      |               |                   |                 |       |                  |
| As at April 01, 2017                         | 10.09         | 91.64                  | 601.07            | 14,716.84          | 465.65               | 435.13        | 181.07            | 1,621.96        |       | 18,123.45        |
| Additions                                    | -             | -                      | 82.76             | 4,819.36           | 66.25                | 68.67         | 47.74             | 11.98           |       | 5,096.76         |
| Disposals                                    | -             | -                      | -                 | (15.56)            | (3.15)               | (1.95)        | -                 | (207.68)        |       | (228.34)         |
| <b>As at March 31, 2018</b>                  | <b>10.09</b>  | <b>91.64</b>           | <b>683.83</b>     | <b>19,520.64</b>   | <b>528.75</b>        | <b>501.85</b> | <b>228.81</b>     | <b>1,426.26</b> |       | <b>22,991.87</b> |
| Additions                                    | -             | -                      | 60.58             | 494.14             | 13.34                | 44.94         | 2.96              | 32.81           |       | 648.77           |
| Disposals                                    | -             | -                      | (30.77)           | (372.11)           | (27.83)              | (42.26)       | (14.57)           | (863.72)        |       | (1,351.26)       |
| <b>As at March 31, 2019</b>                  | <b>10.09</b>  | <b>91.64</b>           | <b>713.64</b>     | <b>19,642.67</b>   | <b>514.26</b>        | <b>504.53</b> | <b>217.20</b>     | <b>595.35</b>   |       | <b>22,289.38</b> |
| <b>Accumulated depreciation</b>              |               |                        |                   |                    |                      |               |                   |                 |       |                  |
| As at April 01, 2017                         | -             | 35.98                  | 167.12            | 2,660.10           | 141.13               | 216.46        | 88.13             | 632.28          |       | 3,941.20         |
| Charge for the year                          | -             | 16.75                  | 85.63             | 1,705.53           | 70.82                | 136.44        | 39.63             | 311.36          |       | 2,366.16         |
| Disposals                                    | -             | -                      | -                 | (6.19)             | (2.35)               | (1.95)        | -                 | (127.21)        |       | (137.70)         |
| <b>As at March 31, 2018</b>                  | <b>-</b>      | <b>52.73</b>           | <b>252.75</b>     | <b>4,359.44</b>    | <b>209.60</b>        | <b>350.95</b> | <b>127.76</b>     | <b>816.43</b>   |       | <b>6,169.66</b>  |
| Charge for the year                          | -             | 14.72                  | 78.72             | 1,865.18           | 62.11                | 106.14        | 36.43             | 188.60          |       | 2,351.90         |
| Disposals                                    | -             | -                      | (17.78)           | (350.54)           | (27.21)              | (36.78)       | (14.55)           | (581.50)        |       | (1,028.36)       |
| <b>As at March 31, 2019</b>                  | <b>-</b>      | <b>67.45</b>           | <b>313.69</b>     | <b>5,874.08</b>    | <b>244.50</b>        | <b>420.31</b> | <b>149.64</b>     | <b>423.53</b>   |       | <b>7,493.20</b>  |
| <b>Carrying value (As at March 31, 2018)</b> | <b>10.09</b>  | <b>38.91</b>           | <b>431.08</b>     | <b>15,161.20</b>   | <b>319.15</b>        | <b>150.90</b> | <b>101.05</b>     | <b>609.83</b>   |       | <b>16,822.21</b> |
| <b>Carrying value (As at March 31, 2019)</b> | <b>10.09</b>  | <b>24.19</b>           | <b>399.95</b>     | <b>13,768.59</b>   | <b>269.76</b>        | <b>84.22</b>  | <b>67.56</b>      | <b>171.82</b>   |       | <b>14,796.18</b> |

#### Notes:

- (a) Certain assets owned and belonging to the Company, including but not limited to vehicles having WDV of ₹ 214.63 lacs as at March 31, 2018, computers and other IT related equipments, were in possession of the erstwhile Chairman, Mr. Malvinder Mohan Singh. The Company has fully depreciated such assets during the year ended March 31, 2019.
- (b) Certain assets owned and belonging to the Company, including vehicle having WDV of Rupees 52.92 lacs as at March 31, 2018 and computer were in possession of the erstwhile Vice Chairman, Mr. Shivinder Mohan Singh. The Company fully depreciated such assets during the year ended March 31, 2019.

### 5(i)(b) Capital work-in-progress

The Company accounts for all capitalization of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment and impairment of capital work in progress. Capital work in progress as at March 31, 2019 is ₹ 15,778.16 lacs (net of provision for impairment Rupees 2,569.90 lacs [refer note 18(b) and 25]) [as at March 31, 2018 is ₹ 15,934.49 lacs (net of provision for impairment ₹ 2,569.90 lacs [refer note 18(b) and 25])].

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| 5(ii)   | Goodwill | (₹ in Lacs) |
|---|----------|-------------|
| Particulars                                   | Goodwill |             |
| <b>Gross carrying amount</b>                  |          |             |
| As at April 1, 2017                           |          | 3,292.57    |
| As at March 31, 2018                          |          | 3,292.57    |
| As at March 31, 2019                          |          | 3,292.57    |
| <b>Amortisation and impairment</b>            |          |             |
| As at April 1, 2017                           |          | -           |
| Impairment during the year [refer note 18(d)] |          | (570.80)    |
| As at April 1, 2018                           |          | (570.80)    |
| Impairment during the year [refer note 18(d)] |          | -           |
| Deletions                                     |          | -           |
| As at March 31, 2019                          |          | (570.80)    |
| <b>Carrying Value</b>                         |          |             |
| As at March 31, 2018                          |          | 2,721.77    |
| As at March 31, 2019                          |          | 2,721.77    |

At cash generating unit (CGUs) level, the goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired. The entire goodwill balance is allocated to Fortis Hospitals Shalimar Bagh.

The Company made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management. Cash flow projections were developed covering a seven-year period as at March 31, 2019 and March 31, 2018 which reflects a more appropriate indication/trend of future track of business of the Company. Cash flows beyond the seven-year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

**Key Assumptions used for value in use calculations are as follows:**

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Compound average net sales growth rate for seven-year period   | 10% - 21%               | 6% - 11%                |
| Growth rate used for extrapolation of cash flow projections beyond seven-year/ten-year period (refer note below) | 4.00%                   | 4.00%                   |
| Discount rate  | 12.70%                  | 13% - 15%               |

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

**Discount rates** - Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

**Growth rates** - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

| 5(iii)(a) Other intangible assets |                   | (₹ in Lacs) |  |
|-----------------------------------|-------------------|-------------|--|
| Particulars                       | Computer Software | Total       |  |
| <b>Gross carrying amount</b>      |                   |             |  |
| As at April 1, 2017               | 2,026.17          | 2,026.17    |  |
| Additions                         | 183.49            | 183.49      |  |
| As at March 31, 2018              | 2,209.66          | 2,209.66    |  |
| Additions                         | 94.55             | 94.55       |  |
| As at March 31, 2019              | 2,304.21          | 2,304.21    |  |
| <b>Accumulated amortisation</b>   |                   |             |  |
| As at April 1, 2017               | 936.99            | 936.99      |  |
| Charge for the year               | 521.48            | 521.48      |  |
| As at April 1, 2018               | 1,458.47          | 1,458.47    |  |
| Charge for the year               | 362.37            | 362.37      |  |
| As at March 31, 2019              | 1,820.84          | 1,820.84    |  |
| <b>Carrying value</b>             |                   |             |  |
| As at March 31, 2018              | 751.19            | 751.19      |  |
| As at March 31, 2019              | 483.37            | 483.37      |  |

(a) The Company has capitalised Rupees Nil (previous year ₹ 139.63 lacs) towards development period in intangible assets.

### 5(iii)(b) Intangible assets under development

The Company accounts for all capitalization of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted for additions to intangible assets and impairment of intangible assets under development. Intangible assets under development as at March 31, 2019 is ₹ 707.95 lacs (as at March 31, 2018 is ₹ 706.89 lacs).

### 5(iv) Investments in associates

| Particulars   |   | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|---|---|--|--|
| <b>Unquoted investments (fully paid)</b>                  |   |  |  |
| (a)   | <b>Investments in equity instruments - at cost</b>                |  |  |
| i)  | Sunrise Medicare Private Limited                                  | 0.31                                   | 0.31                                   |
|   | [(3,126 (3,126 as at March 31, 2018) Equity shares of ₹ 10 each)] |  |  |
|   | Less: Provision for impairment of investment                      | (0.31)                                 | (0.31)                                 |
| <b>Total aggregate unquoted investments in associates</b> |   | -                                      | -                                      |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars  | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|--|--|--|
| Aggregate carrying value of unquoted investments in associates       | -                                      | -                                      |
| Aggregate amount of impairment in value of investments in associates | 0.31                                   | 0.31                                   |

## 5(v) Investments in subsidiaries

| Particulars   | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|---|--|--|
| <b>Non-current</b>  |  |  |
| <b>Unquoted investments (fully paid)</b>  |  |  |
| <b>(a) Investments in equity instruments - at cost</b>  |  |  |
| i) Escorts Heart Institute and Research Centre Limited*   | 71,919.75                              | 71,919.75                              |
| (2,000,310 (2,000,310 as at March 31, 2018) Equity Shares of ₹ 10 each)   |  |  |
| [Of the above, 50 (50 as at March 31, 2018) equity shares are held with nominee share holders)(refer note 8(i))]    |  |  |
| ii) Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)                             | 5.00                                   | 5.00                                   |
| [(50,000 (50,000 as at March 31, 2018) Equity Shares of ₹ 10 each)]   |  |  |
| [(Of the above, 6 shares (6 shares as at March 31, 2018) are held jointly with individual share holders)]           |  |  |
| iii) Fortis Healthcare International Limited, Mauritius*  | 15,105.47                              | 15,105.47                              |
| [(98,560,000 (98,560,000 as at March 31, 2018) Equity Shares of US\$ 0.32 each]                                     |  |  |
| iv) Fortis Hospitals Limited *  | 40,535.52                              | 40,484.16                              |
| [(40,300,577 (40,300,577 as at March 31, 2018) Equity Shares of ₹ 10 each)]   |  |  |
| [Of the above, 6 shares (6 as at March 31, 2018) are held jointly with individual share holders)(refer note 8(i))]  |  |  |
| v) Hiranandani Healthcare Private Limited *   | 9,171.55                               | 9,171.55                               |
| [(4,000,000 (3,400,000 as at March 31, 2018) Equity Shares of ₹ 10 each)]   |  |  |
| [(Of the above, 3 shares (3 as at March 31, 2018) are held jointly with individual share holders)(refer note 8(i))] |  |  |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars |  | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|-------------|--|--|--|
| vi)         | SRL Limited ('SRL')<br>[(45,236,779 (45,236,779 as at March 31, 2018)<br>Equity Shares of ₹ 10 each)]<br>[(Shareholding in SRL is pledged to secure a term<br>loan from a body corporate (refer note 8(i))]            | 90,905.48                              | 90,905.48                              |
| vii)        | Fortis Hospotel Limited #<br>(417,222,782 (149,822,782 as at March 31, 2018)<br>Equity Shares of ₹ 10 each)<br>[of the above, 6 shares (6 as at March 31, 2018) are<br>held by nominee shareholders (refer note 8(i))] | 243,016.88                             | 30,000.00                              |
| viii)       | Fortis Hospotel Limited #<br>Nil [(4,439,040 as at March 31, 2018) equity<br>component of 17.5 % Compulsory Convertible<br>Debentures of face value of ₹ 1,000 each (refer note<br>26 and 8(i))]                       | -                                      | 63,153.92                              |
| ix)         | Fortis CSR Foundation<br>[(50,000 (50,000 as at March 31, 2018) Equity Shares<br>of ₹ 10 each)]<br>[(Of the above, 6 shares (6 as at March 31, 2018) are<br>held with nominee share holders)]                          | 5.00                                   | 5.00                                   |
| ix)         | Fortis Health Management Limited<br>(1,300,000 (Nil as at March 31, 2018) Equity Shares<br>of ₹ 10 each)   | 856.60                                 | -                                      |
| x)          | International Hospital Limited<br>(26,627,304 (Nil as at March 31, 2018) Equity Shares<br>of ₹ 100 each)   | 207,657.21                             | -                                      |
| xi)         | Escorts Heart and Super Speciality Hospital Limited<br>(16,480,000 (Nil as at March 31, 2018) Equity Shares<br>of ₹ 10 each)   | 40,625.51                              | -                                      |
|             | Less: Provision for impairment of investment in La<br>Femme Limited  | (5.00)                                 | -                                      |
|             |  | <b>719,798.97</b>                      | <b>320,750.33</b>                      |
| <b>(b)</b>  | <b>Investments in debt instrument - at amortised cost</b>  |  |  |
| i)          | Fortis Hospotel Limited #<br>Nil (4,439,040 as at March 31, 2018) 17.5 % Debt<br>Component of Compulsory Convertible Debentures<br>of face value of ₹ 1,000 each.  | -                                      | 45,019.36                              |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars |  | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|-------------|--|--|--|
| ii)         | Escorts Heart and Super Speciality Hospital Limited#<br>3,130,400 (Nil as at March 31, 2018) 14.80% Non-Convertible Bonds of face value of ₹ 1,000 each. | 46,733.99                              | -                                      |
| iii)        | Fortis Health Management Limited #<br>116,000 (Nil as at March 31, 2018) 14.30 % Non-Convertible Bonds of face value of ₹ 1,000 each.                    | 1,670.87                               | -                                      |
| iv)         | Hospitalia Eastern Private Limited #<br>700,000 (Nil as at March 31, 2018) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.                  | 8,051.64                               | -                                      |
| v)          | International Hospital Limited #<br>75,000 (Nil as at March 31, 2018) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.                       | 937.31                                 | -                                      |
| vi)         | International Hospital Limited #<br>1,205,000 (Nil as at March 31, 2018) 14.30 % Non-Convertible Bonds of face value of ₹ 1,000 each.                    | 17,356.89                              | -                                      |
| vii)        | International Hospital Limited #<br>1,296,000 (Nil as at March 31, 2018) 14.20 % Non-Convertible Bonds of face value of ₹ 1,000 each.                    | 16,884.39                              | -                                      |
| viii)       | International Hospital Limited #<br>1,700,000 (Nil as at March 31, 2018) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.                    | 19,553.99                              | -                                      |
|             |  | <b>111,189.08</b>                      | <b>45,019.36</b>                       |
|             | <b>Total aggregate unquoted non-current investments in subsidiaries</b>  | <b>830,988.05</b>                      | <b>365,769.69</b>                      |
|             | <b>Aggregate carrying value of unquoted investments in subsidiaries</b>  | <b>830,993.05</b>                      | <b>365,769.69</b>                      |
|             | <b>Aggregate amount of impairment in value of investments in subsidiaries</b>  | <b>5.00</b>                            | <b>-</b>                               |

# Refer note 26

\*The Company has determined the fair value of guarantee given to banks on behalf of the subsidiary companies and debited the cumulative amount to investment. Refer below the break up of cumulative fair value of financial guarantee attributable to subsidiaries:

| Name of Subsidiaries |   | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|----------------------|---|--|--|
| i)                   | Escorts Heart Institute and Research Centre Limited | 24.96                                  | 24.96                                  |
| ii)                  | Fortis Healthcare International Limited, Mauritius  | 360.98                                 | 360.98                                 |
| iii)                 | Fortis Hospitals Limited                            | 324.94                                 | 273.58                                 |
| iv)                  | Hiranandani Healthcare Private Limited              | 31.55                                  | 31.55                                  |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars |  | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|-------------|--|--|--|
|             |  | 742.43                                 | 691.07                                 |
| 5(vi)       | <b>Trade receivables (Unsecured)</b>             |  |  |
|             | <b><u>Current</u></b>                            |  |  |
| (a)         | Considered good                                  | 8,365.59                               | 7,096.13                               |
| (b)         | Considered doubtful                              | 6,126.03                               | 4,472.11                               |
|             | Less: Allowance for bad and doubtful receivables | (6,126.03)                             | (4,472.11)                             |
|             |  | <b>8,365.59</b>                        | <b>7,096.13</b>                        |

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

| Ageing                            | Expected credit allowance %                   |                  |           |
|-----------------------------------|---|------------------|-----------|
| 0 - 1 year                        | 0% - 50%                                      | 0% - 50%         |           |
| 1 - 2 year                        | 15% - 100%                                    | 15% - 100%       |           |
| 2 - 3 year                        | 40% - 100%                                    | 40% - 100%       |           |
| More than 3 years                 | 70% - 100%                                    | 70% - 100%       |           |
| <b>Age of receivables (gross)</b> |   |                  |           |
| Less than 180 days                | 6,169.62                                      | 5,184.14         |           |
| More than 180 days                | 8,322.00                                      | 6,384.10         |           |
|                                   | <b>14,491.62</b>                              | <b>11,568.24</b> |           |
| 5(vii)                            | <b>Loans (Unsecured)</b>                      |                  |           |
|                                   | <b><u>Non-current - at amortised cost</u></b> |                  |           |
|                                   | <b>Considered good</b>                        |                  |           |
| (a)                               | Loans to subsidiary company (refer note 22)   | 98,260.91        | 45,995.14 |
| (b)                               | Loan to employees                             | -                | 7.64      |
| (c)                               | Security deposits                             | 86.29            | 93.76     |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars                      |   | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|----------------------------------|---|--|--|
| <b>Considered doubtful</b>       |   |  |  |
| (a)                              | Security deposits [refer note 18(b) and 25]   | 378.00                                 | 378.00                                 |
|                                  | Less: Allowance for bad and doubtful advances   | (378.00)                               | (378.00)                               |
|                                  | <b>Total</b>  | <b>98,347.20</b>                       | <b>46,096.54</b>                       |
| <b>Current at amortised cost</b> |   |  |  |
| <b>Considered good</b>           |   |  |  |
| (a)                              | Loan to employees   | 7.64                                   | 8.02                                   |
| (b)                              | Loan to subsidiary company (refer note 22)  | 1,122.22                               | 10,382.89                              |
| (c)                              | Security deposits   | 112.87                                 | 159.23                                 |
| (d)                              | Intercompany current account  | 1,773.25                               | 1,803.38                               |
|                                  |   | <b>3,015.98</b>                        | <b>12,353.52</b>                       |
| <b>Considered doubtful</b>       |   |  |  |
| (a)                              | Loans to others   | 362.34                                 | 322.34                                 |
| (b)                              | Loans to subsidiary company [refer note 22 and 18(c)]   | 57.73                                  | 54.73                                  |
|                                  |   | <b>420.07</b>                          | <b>377.07</b>                          |
|                                  | Less: Allowance for bad and doubtful advances   | (420.07)                               | (377.07)                               |
|                                  |   | <b>(420.07)</b>                        | <b>(377.07)</b>                        |
|                                  |   | <b>3,015.98</b>                        | <b>12,353.52</b>                       |
| 5(viii)                          | <b>Other financial assets (unsecured)</b>   |  |  |
|                                  | <b>Non current</b>  |  |  |
|                                  | <b>Considered good</b>  |  |  |
| (a)                              | Deposit accounts with bank*   | 510.04                                 | 947.39                                 |
| (b)                              | Interest accrued on loan given to related party   | 2.79                                   | 2.24                                   |
|                                  |   | <b>512.83</b>                          | <b>949.63</b>                          |
|                                  | *Fixed deposits is under lien with bank and is restricted from being exchanged for more than 12 months from the Balance Sheet date. |  |  |
|                                  | <b>Current</b>  |  |  |
|                                  | <b>Considered good</b>  |  |  |
| (a)                              | Interest accrued and due on loans and deposits  | 19,270.98                              | 7,024.71                               |
| (b)                              | Technology renewal fund advance to related party  | 3.11                                   | 13.41                                  |
| (c)                              | Contract asset - unbilled revenue   | 743.68                                 | 646.87                                 |
| (d)                              | Others  | 172.95                                 | 266.15                                 |
|                                  |   | <b>20,190.72</b>                       | <b>7,951.14</b>                        |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars                                   |  | As at<br>March 31, 2019<br>(₹ in Lacs) | As at<br>March 31, 2018<br>(₹ in Lacs) |
|---|--|--|--|
| <b>Considered doubtful</b>                    |  |  |  |
| (a)   | Advances recoverable in cash [refer note 18(b) and 25]                                   | 1,795.57                               | 1,795.57                               |
| (b)   | Amount recoverable for salary and reimbursement of expenses<br>[refer note 18(e) and 32] | 2,002.39                               | 2,002.39                               |
| (c)   | Others   | 401.45                                 | 337.66                                 |
|   |  | <b>4,199.41</b>                        | <b>4,135.62</b>                        |
| Less: Allowance for bad and doubtful advances |  | (4,199.41)                             | (4,135.62)                             |
|   |  | <b>(4,199.41)</b>                      | <b>(4,135.62)</b>                      |
|   |  | <b>20,190.72</b>                       | <b>7,951.14</b>                        |
| <b>5(ix) Deferred tax balances</b>            |  |  |  |
| Deferred tax assets                           |  | 6,585.76                               | 7,456.73                               |
| Deferred tax liabilities                      |  | (1,122.71)                             | (1,115.94)                             |
|   |  | <b>5,463.05</b>                        | <b>6,340.79</b>                        |

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:-

| 2018-19                                |                           |   |   |   | (₹ in Lacs)                |
|--|---------------------------|---|---|---|----------------------------|
| Particulars                            | As at<br>April 1,<br>2018 | (Charge)/<br>Credit to<br>Profit or<br>loss | Creation<br>(adjustment)<br>of MAT<br>from advance<br>tax | (Charge)/<br>Credit<br>to Other<br>Compre-<br>hensive<br>Income | As at<br>March 31,<br>2019 |
| <b>Deferred tax liability</b>          |                           |   |   |   |                            |
| (a) Property, plant and equipment      | (633.80)                  | 33.73                                       | -   | -   | (600.07)                   |
| (b) Intangible assets                  | (482.14)                  | (40.50)                                     | -   | -   | (522.64)                   |
|  | <b>(1,115.94)</b>         | <b>(6.77)</b>                               | -   | -   | <b>(1,122.71)</b>          |
| <b>Deferred tax asset</b>              |                           |   |   |   |                            |
| (a) Provision for contingency          | 89.31                     | 2.83  | -   | -   | 92.14                      |
| (b) Allowance for doubtful advances    | 951.56                    | (845.77)                                    | -   | -   | 105.79                     |
| (c) Allowance for expected credit loss | 1,562.74                  | 317.85                                      | -   | -   | 1,880.59                   |
| (d) Defined benefit obligation         | 771.42                    | 9.24  | -   | (12.05)   | 768.61                     |
| (e) Unabsorbed Losses                  | 3,129.19                  | (892.97)                                    | -   | -   | 2,236.22                   |
| (f) MAT credit entitlement             | 952.51                    | -   | 549.90  | -   | 1,502.41                   |
|  | <b>7,456.73</b>           | <b>(1,408.82)</b>                           | <b>549.90</b>   | <b>(12.05)</b>  | <b>6,585.76</b>            |
| <b>Deferred tax asset (net)</b>        | <b>6,340.79</b>           | <b>(1,415.59)</b>                           | <b>549.90</b>   | <b>(12.05)</b>  | <b>5,463.05</b>            |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| 2017-18                                |                      |                                    |   |  | (₹ in Lacs)          |
|--|----------------------|------------------------------------|---|--|----------------------|
| Particulars                            | As at April 01, 2017 | (Charge)/ credit to profit or loss | Creation (adjustment) of MAT from advance tax | Charge/ (credit) to other comprehensive income | As at March 31, 2018 |
| <b>Deferred Tax Liability</b>          |                      |                                    |   |  |                      |
| (a) Property, plant and equipment      | (616.97)             | (16.83)                            | -   | -  | (633.80)             |
| (b) Intangible assets                  | (569.90)             | 87.76                              | -   | -  | (482.14)             |
|  | <b>(1,186.87)</b>    | <b>70.93</b>                       | -   | -  | <b>(1,115.94)</b>    |
| <b>Deferred tax asset</b>              |                      |                                    |   |  |                      |
| (a) Provision for contingency          | 81.91                | 7.40                               | -   | -  | 89.31                |
| (b) Allowance for doubtful advances    | 210.04               | 741.52                             | -   | -  | 951.56               |
| (c) Allowance for expected credit loss | 1,220.58             | 342.16                             | -   | -  | 1,562.74             |
| (d) Defined benefit obligation         | 725.24               | 63.11                              | -   | (16.93)  | 771.42               |
| (e) Unabsorbed losses                  | 4,697.04             | (1,567.85)                         | -   | -  | 3,129.19             |
| (f) MAT credit entitlement             | 952.51               | -                                  | -   | -  | 952.51               |
|  | <b>7,887.32</b>      | <b>(413.66)</b>                    | -   | <b>(16.93)</b>                                 | <b>7,456.73</b>      |
| <b>Deferred tax asset (net)</b>        | <b>6,700.45</b>      | <b>(342.73)</b>                    | -   | <b>(16.93)</b>                                 | <b>6,340.79</b>      |

DTA has not been recognised on\*

| (₹ in Lacs)         |                      |                      |
|---------------------|----------------------|----------------------|
| Particulars         | As at March 31, 2019 | As at March 31, 2018 |
| Advances to vendors | 4,743.47             | 2,173.57             |
| Capital losses      | 14,122.28            | 14,119.29            |
|                     | <b>18,865.75</b>     | <b>16,292.86</b>     |

\* Deferred tax has not been recognised on temporary differences in relation to indexation benefits on freehold land as the Company is able to control the timing of reversal of temporary differences and it is probable that the temporary differences will not reverse in foreseeable future.

| (₹ in Lacs)  |                      |                      |
|--|----------------------|----------------------|
| Particulars  | As at March 31, 2019 | As at March 31, 2018 |
| <b>5(x) Non-current tax assets (net)</b>           |                      |                      |
| Advance income tax (net of provision for taxation) | 5,509.96             | 5,144.05             |
|  | <b>5,509.96</b>      | <b>5,144.05</b>      |
| Provision for taxation                             | 4,240.57             | -                    |
| <b>5(xi) Other assets (unsecured)</b>              |                      |                      |
| <b>Non-current</b>                                 |                      |                      |
| <b>Considered good</b>                             |                      |                      |
| (a) Capital advances                               | 20.98                | 15.38                |
| (b) Prepaid expenses                               | 345.89               | 384.20               |
|  | <b>366.87</b>        | <b>399.58</b>        |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Lacs)

| Particulars                |   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------|---|-------------------------|-------------------------|
| <b>Current</b>             |   |                         |                         |
| <b>Considered good</b>     |   |                         |                         |
| (a)                        | Balances with government authorities - Goods and service tax recoverable  | 201.28                  | 364.65                  |
| (b)                        | Advance to vendors  | 315.53                  | 350.64                  |
| (c)                        | Hospital service fee advance  | -                       | 1,906.99                |
| (d)                        | Prepaid expenses  | 392.72                  | 320.34                  |
|                            |   | <b>909.53</b>           | <b>2,942.62</b>         |
| <b>Considered doubtful</b> |   |                         |                         |
| (a)                        | Advance to vendors  | 12.68                   | 12.68                   |
|                            |   | <b>12.68</b>            | <b>12.68</b>            |
|                            | Less: Allowance for bad and doubtful advances   | (12.68)                 | (12.68)                 |
|                            |   | <b>(12.68)</b>          | <b>(12.68)</b>          |
|                            |   | <b>909.53</b>           | <b>2,942.62</b>         |
| 5(xii)                     | <b>Inventories</b>  |                         |                         |
|                            | <b>Valued at lower of cost and net realisable value</b>   |                         |                         |
|                            | Medical consumables, drugs and others   | 598.47                  | 695.34                  |
|                            |   | <b>598.47</b>           | <b>695.34</b>           |
| 5(xiii)(a)                 | <b>Cash and cash equivalents</b>  |                         |                         |
|                            | For the purposes of the standalone statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows: |                         |                         |
| (a)                        | Balances with banks   |                         |                         |
|                            | -on current accounts  | 1,170.68                | 1,615.84                |
| (b)                        | Cash on hand  | 42.87                   | 40.23                   |
|                            | <b>Cash and cash equivalents as per balance sheet</b>   | <b>1,213.55</b>         | <b>1,656.07</b>         |
|                            | Bank overdrafts (refer note 5(xix))   | (3,098.45)              | (7,847.52)              |
|                            | <b>Cash and cash equivalents as per statement of cash flows</b>   | <b>(1,884.90)</b>       | <b>(6,191.45)</b>       |
| 5(xiii)(b)                 | <b>Bank balances other than above</b>   |                         |                         |
|                            | Balances with banks   |                         |                         |
|                            | -on current accounts under lien*  | -                       | 7,235.29                |
|                            | -Deposits with original maturity of more than 3 months but less than 12 months  | 2,059.48                | -                       |
|                            |   | <b>2,059.48</b>         | <b>7,235.29</b>         |

\*Under lien against loan amount outstanding of Rupees Nil (previous year Rupees 9,998.46 lacs) (refer note 5(xvii)) due to default in complying with the terms and conditions of the bank loan.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars  | As at                         | As at                         |
|--|-------------------------------|-------------------------------|
|  | March 31, 2019<br>(₹ in Lacs) | March 31, 2018<br>(₹ in Lacs) |
| <b>Share capital</b>   |                               |                               |
| <b>Authorised share capital:</b>   |                               |                               |
| 928,000,000 (600,000,000 as at March 31, 2018) Equity shares of Rupees 10 each                                       | 92,800.00                     | 60,000.00                     |
| 200 Class 'A' (200 as at March 31, 2018) Non- cumulative redeemable preference shares of Rupees 100,000 each         | 200.00                        | 200.00                        |
| 11,498,846 Class 'B' (11,498,846 as at March 31, 2018) Non-cumulative redeemable preference shares of Rupees 10 each | 1,149.88                      | 1,149.88                      |
| 64,501,154 Class 'C' (64,501,154 as at March 31, 2018) Cumulative redeemable preference shares of Rupees 10 each     | 6,450.12                      | 6,450.12                      |
| <b>Total authorised share capital</b>  | <b>100,600.00</b>             | <b>67,800.00</b>              |
| <b>Issued, subscribed and fully paid up shares</b>   |                               |                               |
| 754,954,948 (518,657,231 as at March 31, 2018) Equity shares of Rupees 10 each                                       | 75,495.49                     | 51,865.72                     |
| <b>Total issued, subscribed and fully paid up share capital</b>  | <b>75,495.49</b>              | <b>51,865.72</b>              |

## Notes :

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

Equity Shares

| Particulars  | March 31, 2019     |                  | March 31, 2018     |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | Number             | ₹ in Lacs        | Number             | ₹ in Lacs        |
| At the beginning of the year   | 518,657,231        | 51,865.72        | 517,727,631        | 51,772.75        |
| Issued under preferential allotment during the year (refer note 28)        | 235,294,117        | 23,529.41        | -                  | -                |
| Issued during the year: employee stock options plan (ESOP) (refer note 13) | 1,003,600          | 100.36           | 929,600            | 92.96            |
| <b>Outstanding at the end of the year</b>                                  | <b>754,954,948</b> | <b>75,495.49</b> | <b>518,657,231</b> | <b>51,865.72</b> |

## (b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### (c) Shares held by the holding/ ultimate holding company and/ or their subsidiaries

#### Equity shares

| Name of Shareholder  | As at March 31, 2019 |              | As at March 31, 2018 |              |
|--|----------------------|--------------|----------------------|--------------|
|  | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding |
| Northern TK Venture Pte Ltd (refer note 28 ) (Holding Company) | 235,294,117          | 31.17%       | -                    | -            |

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

#### Equity Shares

| Name of Shareholder  | As at March 31, 2019 |              | As at March 31, 2018 |              |
|--|----------------------|--------------|----------------------|--------------|
|  | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding |
| Northern TK Venture Pte Ltd (refer note 28 ) (Holding Company) | 235,294,117          | 31.17%       | -                    | -            |
| Yes Bank Limited   | 63,509,265           | 8.41%        | 78,542,871           | 15.14%       |

### (e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 13.

**Note 1:** Fortis Healthcare Holdings Private Limited ('FHHPL') ceased to be the holding company of the Company w.e.f. May 10, 2017 since its shareholding was reduced to 34.33%. However, Mr Malvinder Mohan Singh, Executive Chairman of the Company till his resignation on February 8, 2018 (accepted by the Board in its meeting held on February 13, 2018 w.e.f. February 8, 2018) directly/indirectly controlled one half of the shareholding of FHHPL. Therefore by virtue of Ind AS-110 – Consolidated Financial Statements, FHHPL continued to be the parent entity of the Company till the resignation of Mr. Malvinder Mohan Singh. Subsequent to the resignation of Mr. Malvinder Mohan Singh, by virtue of its shareholding being more than 20%, FHHPL still continued to exercise significant influence over the company till February 16, 2018 when consequent to the order of Hon'ble Supreme Court of India, the shares pledged by FHHPL were revoked by its lenders and the shareholding of FHHPL reduced to 0.66%.

### 5(xv) Changes in liabilities arising from financing activities

| Particulars                          | Equity shares (including premium) | Long term borrowings | Short term borrowings (net) | Interest accrued |
|--------------------------------------|-----------------------------------|----------------------|-----------------------------|------------------|
| <b>As at 31 March 2017</b>           | 398,686.33                        | 20,526.31            | 44,175.20                   | 148.54           |
| Proceeds from issue of equity shares | 924.76                            | -                    | -                           | -                |
| Proceeds from borrowings             | -                                 | 61,161.51            | -                           | -                |
| Repayment of borrowings              | -                                 | (45,672.31)          | (32,004.51)                 | -                |
| Reclassification of bank overdraft*  | -                                 | -                    | 7,276.83                    | -                |
| Finance cost                         | -                                 | -                    | -                           | 6,373.76         |
| Finance cost paid                    | -                                 | -                    | -                           | (6,373.76)       |
| <b>As at 31 March 2018</b>           | <b>399,611.09</b>                 | <b>36,015.51</b>     | <b>19,447.52</b>            | <b>148.54</b>    |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars                          | Equity shares<br>(including<br>premium) | Long term<br>borrowings | Short term<br>borrowings<br>(net) | Interest<br>accrued |
|--------------------------------------|---|-------------------------|-----------------------------------|---------------------|
| Proceeds from issue of equity shares | 400,974.34                              | -                       | -                                 | -                   |
| Proceeds from borrowings             | -                                       | 30,431.00               | 95,400.00                         | -                   |
| Repayment of borrowings              | -                                       | (28,757.68)             | -                                 | -                   |
| Finance cost                         | -                                       | -                       | (4,749.07)                        | 19,227.27           |
| Finance cost paid                    | -                                       | -                       | -                                 | (18,816.81)         |
| <b>As at 31 March 2019</b>           | <b>800,585.43</b>                       | <b>37,688.83</b>        | <b>110,098.45</b>                 | <b>559.00</b>       |

\* Bank overdraft have been reclassified from current borrowing to cash and cash equivalent for the purpose of preparation of cash flow statement.

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>5(xvi) Non-current borrowings</b>  |                         |                         |
| <b>Secured</b>  |                         |                         |
| (a) Term loans  |                         |                         |
| - from banks [refer note 8 (i) (a),(b) and (g)]                               | 31,323.94               | 4,452.76                |
| - from non-banking finance corporation [refer note 8 (i) (h)]                 | -                       | 15,339.89               |
| - from body corporates [(refer note 8 (i) (f)]                                | 648.10                  | 801.28                  |
|   | <b>31,972.04</b>        | <b>20,593.93</b>        |
| <b>Unsecured</b>  |                         |                         |
| (a) Finance lease obligations [refer note 7(c)]                               | 2,687.77                | 2,567.41                |
|   | <b>2,687.77</b>         | <b>2,567.41</b>         |
|   | <b>34,659.81</b>        | <b>23,161.34</b>        |
| <b>5(xvii) Other financial liabilities</b>                                    |                         |                         |
| <b>Current</b>  |                         |                         |
| <b>Secured</b>  |                         |                         |
| (a) Current maturities of term loans [refer note 8 (i) (a), (b), (f) and (g)] | 2,913.74                | 12,672.11               |
|   | <b>2,913.74</b>         | <b>12,672.11</b>        |
| <b>Unsecured</b>  |                         |                         |
| (a) Current maturities of finance lease obligation [refer note 7(c)]          | 115.28                  | 182.06                  |
| (b) Security deposits   | 10.09                   | 2.76                    |
| (c) Interest accrued and due on borrowings                                    | 604.23                  | 193.77                  |
| (d) Capital creditors   | 225.33                  | 812.56                  |
| (e) Technology renewal fund payable to related party                          | 49.91                   | 36.00                   |
| (f) Other payable to related parties  | 2,259.93                | 1,569.25                |
| (g) Employee payable  | 693.53                  | 1,021.62                |
| (h) Corporate guarantee liability   | 115.79                  | -                       |
| (i) Other liabilities   | 166.63                  | 96.25                   |
|   | <b>4,240.72</b>         | <b>3,914.27</b>         |
|   | <b>7,154.46</b>         | <b>16,586.38</b>        |

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(₹ in Lacs)

| Particulars |  | As at<br>March 31, 2019                         | As at<br>March 31, 2018                         |
|-------------|--|---|---|
| 5(xviii)    | <b>Provisions</b>  |   |   |
|             | <b>Non current</b>   |   |   |
|             | <b>Provision for employee benefits</b>   |   |   |
| (a)         | Provision for gratuity (refer note 14)   | 1,150.47  | 1,127.27  |
|             |  | <b>1,150.47</b>                                 | <b>1,127.27</b>                                 |
|             | <b>Current</b>   |   |   |
|             | <b>Provision for employee benefits</b>   |   |   |
| (a)         | Provision for gratuity (refer note 14)   | 246.27  | 238.27  |
| (b)         | Provision for compensated absences   | 802.81  | 842.07  |
|             | <b>Others</b>  |   |   |
| (a)         | Provision for contingencies *  | 263.68  | 255.60  |
|             |  | <b>1,312.76</b>                                 | <b>1,335.94</b>                                 |
|             | <b>* Provision for contingencies :</b>   |   |   |
| (i)         | Provision for indemnification (refer note 9(b)) <b>A</b>                               | 205.03  | 205.03  |
| (ii)        | Others <b>B</b>  |   |   |
|             | Opening balance  | 50.57   | 31.65   |
|             | Add: Provision during the year   | 8.08  | 23.98   |
|             | Less: Reclassified during the year   | -   | 5.06  |
|             |  | <b>58.65</b>                                    | <b>50.57</b>                                    |
|             | <b>Provision for contingencies - Total (A+B)</b>                                       | <b>263.68</b>                                   | <b>255.60</b>                                   |
|             | <b>Particulars</b>   | <b>As at<br/>March 31, 2019<br/>(₹ in Lacs)</b> | <b>As at<br/>March 31, 2018<br/>(₹ in Lacs)</b> |
| 5(xix)      | <b>Current borrowings</b>  |   |   |
|             | <b>Secured - repayable on demand</b>   |   |   |
| (a)         | Bank overdraft [refer note 8 (i)(d)]   | 3,098.45  | 7,847.52  |
| (b)         | Working capital demand loan [refer note 8(i)(c)(e)(d)]                                 | 2,000.00  | 11,200.00                                       |
| (c)         | Term loan from bank [refer note 8(i)(j)(i)]  | 105,000.00                                      | -   |
|             |  | <b>110,098.45</b>                               | <b>19,047.52</b>                                |
|             | <b>Unsecured</b>   |   |   |
| (a)         | Loan from related parties [refer note 8(ii)(a)]  | -   | 400.00  |
|             |  | <b>-</b>  | <b>400.00</b>                                   |
|             |  | <b>110,098.45</b>                               | <b>19,447.52</b>                                |
| 5(xx)       | <b>Trade payables (unsecured)</b>  |   |   |
| (a)         | Total outstanding dues of micro enterprises and small enterprises (refer note 21)      | 484.83  | -   |
| (b)         | Total outstanding dues of creditors other than micro enterprises and small enterprises | 19,065.33                                       | 14,577.33                                       |
|             |  | <b>19,550.16</b>                                | <b>14,577.33</b>                                |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars   |  | As at<br>March 31, 2019<br>(₹ in Lacs)      | As at<br>March 31, 2018<br>(₹ in Lacs)      |
|---|--|---|---|
| 5(xxi)  | <b>Other current liabilities (unsecured)</b> |   |   |
| (a)   | Contract liability - advance from patients   | 755.31                                      | 1,081.44                                    |
| (b)   | Statutory dues payable                       | 1,023.34                                    | 1,217.08                                    |
| (c)   | Corporate guarantee liability                | -   | 350.47                                      |
|   |  | <b>1,778.65</b>                             | <b>2,648.99</b>                             |
| Particulars   |  | Year ended<br>March 31, 2019<br>(₹ in Lacs) | Year ended<br>March 31, 2018<br>(₹ in Lacs) |
| 5(xxii)   | <b>Revenue from operations</b>               |   |   |
| (a)   | <b>Sale of services</b>                      |   |   |
| i)  | <b>Healthcare services</b>                   |   |   |
|   | -Operating income - in patient department    | 52,792.31                                   | 54,351.69                                   |
|   | -Operating income - out patient department   | 11,751.39                                   | 10,769.87                                   |
|   | -Income from clinical/laboratories services  | 411.84                                      | 232.74                                      |
|   | -Income from medical services                | 52.02                                       | 38.13                                       |
|   | -Management fees from hospitals              | 376.37                                      | 464.07                                      |
|   | -Income from clinical research               | 15.21                                       | 12.55                                       |
|   | Less: Trade discounts                        | 1,103.37                                    | 1,040.59                                    |
|   |  | <b>64,295.77</b>                            | <b>64,828.46</b>                            |
| Revenue disaggregation as per industry vertical has been included in segment information. The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities. |  |   |   |
| (b)   | <b>Other operating revenues</b>              |   |   |
| i)  | Income from academic services                | 54.27                                       | 62.14                                       |
| ii)   | Income from rent [refer note 7(b)(i)]        | 66.58                                       | 25.27                                       |
| iii)  | Equipment lease rental [refer note 7(b)(ii)] | 637.52                                      | 639.03                                      |
| iv)   | Export benefits                              | -   | 4.87  |
| v)  | Balances written back                        | 312.31                                      | 57.11                                       |
| vi)   | Miscellaneous income                         | 282.79                                      | 331.12                                      |
|   |  | <b>1,353.47</b>                             | <b>1,119.54</b>                             |
|   | <b>Total revenue from operations (a+b)</b>   | <b>65,649.24</b>                            | <b>65,948.00</b>                            |
| 5(xxiii)  | <b>Other income</b>                          |   |   |
| (a)   | <b>Interest income</b>                       |   |   |
| i)  | Interest on bank deposits                    | 3,531.38                                    | 10.24                                       |
| ii)   | Interest on loan others                      | 23,941.84                                   | 13,153.79                                   |
| iii)  | Interest on income tax refunds               | -   | 217.48                                      |
|   |  | <b>27,473.22</b>                            | <b>13,381.51</b>                            |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars                           |  | Year ended<br>March 31, 2019<br>(₹ in Lacs) | Year ended<br>March 31, 2018<br>(₹ in Lacs) |
|---------------------------------------|--|---|---|
| <b>(b) Other non-operating income</b> |  |   |   |
| i)                                    | Financial guarantee income   | 285.59                                      | 340.59                                      |
| ii)                                   | Dividend income (refer note 31)                                    | 24,270.68                                   | -   |
| iii)                                  | Gain on foreign currency transactions (net)                        | 325.05                                      | 54.82                                       |
| iv)                                   | Miscellaneous income   | 94.63                                       | 12.15                                       |
|                                       |  | <b>24,975.95</b>                            | <b>407.56</b>                               |
|                                       | <b>Total other income (a+b)</b>                                    | <b>52,449.17</b>                            | <b>13,789.07</b>                            |
| Particulars                           |  | Year ended<br>March 31, 2019<br>(₹ in Lacs) | Year ended<br>March 31, 2018<br>(₹ in Lacs) |
| 5(xxiv)                               | <b>Changes in inventories of medical consumable and drugs</b>      |   |   |
| (a)                                   | Inventory at the beginning of the year                             | 695.34                                      | 558.06                                      |
| (b)                                   | Inventory at the end of the year                                   | 598.47                                      | 695.34                                      |
|                                       | Changes in inventories [(a)-(b)]                                   | <b>96.87</b>                                | <b>(137.28)</b>                             |
| 5(xxv)                                | <b>Employee benefits expense</b>                                   |   |   |
| (a)                                   | Salaries, wages and bonus  | 13,371.64                                   | 13,829.11                                   |
| (b)                                   | Gratuity expense (refer note 14)                                   | 200.24                                      | 199.12                                      |
| (c)                                   | Compensated absences   | 117.99                                      | 139.79                                      |
| (d)                                   | Contribution to provident and other funds                          | 742.40                                      | 796.64                                      |
| (e)                                   | Staff welfare expenses   | 184.06                                      | 258.72                                      |
| (f)                                   | Share based payment to employees (refer note 13)                   | 336.66                                      | 911.01                                      |
|                                       |  | <b>14,952.99</b>                            | <b>16,134.39</b>                            |
| 5(xxvi)                               | <b>Finance costs</b>   |   |   |
| (a)                                   | Interest expense   |   |   |
|                                       | -on term loans   | 8,244.16                                    | 4,452.62                                    |
|                                       | -on cash credit  | 730.47                                      | 628.70                                      |
|                                       | -on defined benefit plan   | 149.40                                      | 142.00                                      |
|                                       | -on others   | 7,435.00                                    | 790.45                                      |
| (b)                                   | Other borrowing cost (including prepayment charges)                | 2,668.24                                    | 359.99                                      |
|                                       |  | <b>19,227.27</b>                            | <b>6,373.76</b>                             |
| 5(xxvii)                              | <b>Depreciation and amortisation expense</b>                       |   |   |
| (a)                                   | Depreciation of property, plant and equipment (refer note 5(i)(a)) | 2,351.90                                    | 2,366.16                                    |
| (b)                                   | Amortisation of intangible assets (refer note 5(iii)(a))           | 362.37                                      | 521.48                                      |
|                                       |  | <b>2,714.27</b>                             | <b>2,887.64</b>                             |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars |   | Year ended<br>March 31, 2019<br>(₹ in Lacs) | Year ended<br>March 31, 2018<br>(₹ in Lacs) |
|-------------|---|---|---|
| 5(xxviii)   | <b>Other expenses</b>                                     |   |   |
| (a)         | Contractual manpower                                      | 1,386.71                                    | 1,175.69                                    |
| (b)         | Power, fuel and water                                     | 1,213.09                                    | 1,133.89                                    |
| (c)         | Housekeeping expenses including consumables               | 343.92                                      | 354.15                                      |
| (d)         | Patient food and beverages                                | 667.31                                      | 866.20                                      |
| (e)         | Pathology laboratory expenses                             | 1,552.14                                    | 1,519.62                                    |
| (f)         | Radiology expenses  | 8.39  | 30.58                                       |
| (g)         | Cost of medical services                                  | 507.16                                      | 395.99                                      |
| (h)         | Professional and consultation fees to doctors             | 11,137.17                                   | 10,665.52                                   |
| (i)         | Hospital service fee expense (refer note 10)              | 14,154.19                                   | 13,927.45                                   |
| (j)         | Repairs and maintenance                                   |   |   |
|             | - Building  | 69.55                                       | 50.41                                       |
|             | - Plant and machinery                                     | 1,156.63                                    | 1,062.59                                    |
|             | - Others  | 143.13                                      | 155.06                                      |
| (k)         | Rent  | 1,026.34                                    | 1,020.15                                    |
| (l)         | Legal and professional fee                                | 8,080.19                                    | 2,924.56                                    |
| (m)         | Travel and conveyance                                     | 749.40                                      | 1,049.11                                    |
| (n)         | Rates and taxes   | 464.64                                      | 232.96                                      |
| (o)         | Recruitment and trainings                                 | 400.47                                      | 34.10                                       |
| (p)         | Printing and stationary                                   | 312.47                                      | 287.26                                      |
| (q)         | Communication expenses                                    | 206.46                                      | 279.25                                      |
| (r)         | Directors' sitting fees                                   | 237.18                                      | 89.23                                       |
| (s)         | Insurance   | 544.81                                      | 412.99                                      |
| (t)         | Marketing and business promotion                          | 1,076.65                                    | 1,204.31                                    |
| (u)         | Loss on sale of assets (net)                              | 241.12                                      | 9.47  |
| (v)         | Allowance for doubtful receivables                        | 904.83                                      | 926.46                                      |
| (w)         | Allowance for doubtful advances                           | 62.27                                       | 51.37                                       |
| (x)         | Receivables written off                                   | 3.00  | 265.55                                      |
| (y)         | Provision for contingencies [refer note 5(xxviii)]        | 8.08  | 23.98                                       |
| (z)         | Donations   | 34.11                                       | -   |
| (aa)        | Expenses relating to business combination (refer note 26) | 3,328.74                                    | -   |
| (ab)        | Miscellaneous expenses                                    | 50.58                                       | 11.46                                       |
|             |   | <b>50,070.73</b>                            | <b>40,159.36</b>                            |
|             | Less: Expenses capitalised (refer note 23)                | -   | 139.63                                      |
|             |   | <b>50,070.73</b>                            | <b>40,019.73</b>                            |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars |   | Year ended<br>March 31, 2019<br>(₹ in Lacs) | Year ended<br>March 31, 2018<br>(₹ in Lacs) |
|-------------|---|---|---|
| 5(xxix)     | <b>Exceptional items</b>  |   |   |
|             | <b>Expenses/(income):</b>   |   |   |
| (a)         | Expenses on Composite Scheme of Arrangement and Amalgamation [refer note 18(a)]   | -   | 158.53                                      |
| (b)         | Allowance for doubtful advance and security deposit given to body corporate along with impairment of capital work-in-progress [refer note 18(b) and 25] | -   | 4,743.47                                    |
| (c)         | Allowance for investment and doubtful loan given to Subsidiary Company [refer note 18(c)]   | -   | 54.73                                       |
| (d)         | Impairment of goodwill of Shalimar Bagh [refer note 18(d)]  | -   | 570.80                                      |
| (e)         | Exceptional gain on recovery of salary and other reimbursements paid in previous year [refer note 18(e) and 32]   | -   | (735.33)                                    |
| (f)         | Allowance for doubtful amount recoverable for salary and other reimbursement of expenses [refer note 18(e) and 32]                                      | -   | 2,002.39                                    |
|             |   | -   | <b>6,794.59</b>                             |
| 5(xxx)      | <b>Income-tax</b>   |   |   |
|             | <b>Recognised in Profit or loss account</b>   |   |   |
|             | <b>Current tax</b>  |   |   |
|             | Current income tax charge for the year  | 4,240.57                                    | -   |
|             | Adjustments in respect of current income tax of previous years  | -   | -   |
|             |   | <b>4,240.57</b>                             | -   |
|             | <b>Deferred tax</b>   |   |   |
|             | Deferred tax on profits for the year  | (31.26)                                     | 504.70                                      |
|             | Adjustments in respect of deferred tax of previous year   | 1,446.85                                    | (161.97)                                    |
|             |   | <b>1,415.59</b>                             | <b>342.73</b>                               |
|             |   | <b>5,656.16</b>                             | <b>342.73</b>                               |
|             | <b>Recognised in Other Comprehensive Income</b>   |   |   |
|             | <b>Deferred tax Charge/ (Credit)</b>  |   |   |
|             | Tax related to items that will not be reclassified to Profit and Loss   | 12.05                                       | 16.93                                       |
|             | <b>Income tax charged to Other Comprehensive income</b>   | <b>12.05</b>                                | <b>16.93</b>                                |
|             | <b>The income tax expense for the year can be reconciled to the accounting profit as follows:</b>   |   |   |
|             | Profit/(Loss) before tax from continuing operations   | 17,964.54                                   | (6,029.10)                                  |
|             | Enacted income tax rate in India  | 34.944%                                     | 34.944%                                     |
|             | Income tax credit calculated  | 6,277.53                                    | (2,086.55)                                  |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars  | Year ended<br>March 31, 2019<br>(₹ in Lacs) | Year ended<br>March 31, 2018<br>(₹ in Lacs) |
|--|---|---|
| Effect of expenses not deductible in determining taxable profit      | 2,172.35                                    | 1,944.11                                    |
| Effect of change in future enacted tax rate                          | -   | (38.32)                                     |
| Effect of tax in relation to previous years                          | 1,446.85                                    | (161.97)                                    |
| Effect of tax on income charged at lower rate                        | (4,240.57)                                  | -   |
| <b>Income tax expense recognised in statement of profit and loss</b> | <b>5,656.16</b>                             | <b>342.73</b>                               |

## Expiry in year

| Particulars                          | As on 31 March 2019 |                 | As on 31 March 2018 |                 |
|--------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                      | Gross<br>Amount     | Tax effect      | Gross<br>Amount     | Tax effect      |
| <b>Unused Long Term Capital Loss</b> |                     |                 |                     |                 |
| 2020-21                              | 13,168.00           | 3,068.14        | 13,168.00           | 3,068.14        |
| 2024-25                              | 951.00              | 221.58          | 951.00              | 221.58          |
| 2026-27                              | 3.00                | 0.70            | -                   | -               |
| <b>Total</b>                         | <b>14,122.00</b>    | <b>3,290.42</b> | <b>14,119.00</b>    | <b>3,289.72</b> |

| Particulars | Year ended<br>March 31, 2019<br>(₹ in Lacs) | Year ended<br>March 31, 2018<br>(₹ in Lacs) |
|-------------|---|---|
|-------------|---|---|

5(xxxi)

|   |             |             |
|---|-------------|-------------|
| <b>Earnings per share (EPS)</b>                                     |             |             |
| Profit/ (loss) as per statement of profit and loss (Rupees in lacs) | 12,308.38   | (6,371.83)  |
| Weighted average number of equity shares outstanding                | 608,704,394 | 518,411,273 |
| Basic EPS (in Rupees)   | 2.02        | (1.23)      |
| Diluted EPS (in Rupees)*  | 2.02        | (1.23)      |
| <b>*Diluted earnings per share</b>                                  |             |             |

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

|  |             |               |
|--|-------------|---------------|
| <b>Profit / (Loss) attributable to equity shareholders (diluted)</b> | 12,308.38   | (6,371.83)    |
| <b>Weighted average number of equity shares (diluted)</b>            |             |               |
| Weighted average number of equity shares (basic)                     | 608,704,394 | 518,411,273   |
| Effect of exercise of share options **                               | 2,756,550   | 3,839,650     |
| Weighted average number of equity shares (diluted) for the year      | 611,460,944 | 522,250,923   |
| <b>Diluted earnings per share in rupees</b>                          | <b>2.02</b> | <b>(1.23)</b> |

\*\* Employee stock option plan could potentially dilute the basic earnings per share in future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the periods presented.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 6) Related party disclosures

#### Names of related parties and related party relationship

|  |  |
|--|--|
| Ultimate Holding Company   | IHH Healthcare Berhad (w.e.f. 13-November-2018)<br>RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited) (up to 16-February-2018) (refer note 5(xiv))  |
| Intermediate Holding Company   | Integrated Healthcare Holdings Limited (w.e.f. 13-November-2018)<br>Parkway Pantai Limited (w.e.f. 13-November-2018)   |
| Holding Company  | Northern TK Venture Pte Ltd (w.e.f. 13-November-2018)<br>Fortis Healthcare Holdings Private Limited ('FHHPL') (up to 16-February-2018) (refer note 5(xiv))   |
| Subsidiary Companies - Direct or Indirect through investment in subsidiaries | <p>1). Fortis Hospitals Limited('FHSL") ( wholly owned subsidiary of the company) and results of its subsidiaries:</p> <p>i. Birdie &amp; Birdie Realtors Private Limited (wholly owned subsidiary of FHsL)</p> <p>ii. Fortis Cancer Care Limited ('FCCL") (wholly owned subsidiary of FHsL) and the results of its subsidiary Lalitha Healthcare Private Limited (upto 29-June-2018)</p> <p>iii. Fortis C-Doc Healthcare Limited (joint venture of FHsL)</p> <p>iv. Fortis Health Management (East) Limited (wholly owned subsidiary of FHsL)</p> <p>v. Fortis Malar Hospitals Limited (subsidiary of FHsL) and the results of its wholly owned subsidiary Malar Stars Medicare Limited.</p> <p>vi. Fortis Emergency Services Limited (subsidiary of FHsL till 27-July-2017/ wholly owned subsidiary of FHsL w.e.f 28-July-2017)</p> <p>vii. Stellant Capital Advisory Services Private Limited (wholly owned subsidiary of FHsL) and the results of its wholly owned subsidiary Religare Health Trust Trustee Manager Pte Limited.</p> <p>viii. Fortis Global Healthcare (Mauritius) Limited (wholly owned subsidiary of FHsL)</p> <p>2). Escorts Heart Institute and Research Centre Limited ("EHIRCL") (wholly owned subsidiary of the Company) and results of its subsidiaries</p> <p>i. Fortis Asia Healthcare Pte. Limited ("FAHPL") (wholly owned subsidiary of EHIRCL) and the results of its wholly owned subsidiaries</p> <p>a) Fortis Healthcare International Pte. Limited ("FHIPL") (wholly owned subsidiary of FAHPL) and the results of its wholly owned subsidiaries</p> <p>3). SRL Limited ("SRL") (subsidiary of the Company) and the results of its subsidiaries and joint venture entities :</p> <p>i. SRL Diagnostics Private Limited (wholly owned subsidiary of SRL)</p> <p>d. Hiranandani Healthcare Private Limited (subsidiary of the Company till 27 July, 2017/ wholly owned subsidiary of the Company w.e.f 28-July-2017)</p> <p>e. Fortis Healthcare International Limited ("FHIL") (wholly owned subsidiary of the Company) and results of its subsidiaries:</p> <p>i) Fortis Global Healthcare (Mauritius) Limited (wholly owned subsidiary of FHIL up to 3-October-2016)</p> |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

|  |   |
|--|---|
|  | f. Fortis La Femme Limited (wholly owned subsidiary of the Company)   |
|  | g. Fortis Hospotel Limited (wholly owned subsidiary of the Company w.e.f 15-January-2019)   |
|  | h. International Hospital Limited (wholly owned subsidiary of the Company w.e.f 15-January-2019)  |
|  | i. Fortis Health Management Limited (wholly owned subsidiary of the Company w.e.f 15-January-2019) and the results of its wholly owned subsidiary Hospitalia Eastern Private Limited. |
|  | j. Escorts Heart and Super Speciality Hospital Limited (wholly owned subsidiary of the Company w.e.f 15-January-2019)   |

**Names of related parties and related party relationship [Refer Note 6(5)]**

|  |  |
|--|--|
| Fellow Subsidiaries (parties with whom transactions have been taken place)   | (a) RWL Healthworld Limited (formerly known as Religare Wellness Limited) (up to 13-February-2018)   |
|  | (b) Medsource Healthcare Private Limited (up to 13-February-2018)  |
| Associates- direct or indirect through investment in subsidiaries (parties with whom transactions have been taken place)     | (a) Sunrise Medicare Private Limited   |
|  | (b) Medical and Surgical Centre Limited, Mauritius   |
|  | (c) International Hospital Limited ('IHL') (upto 14-January-2019)  |
|  | (d) Escorts Heart and Super Speciality Institute Limited ('EHSSIL')  |
|  | (e) Escorts Heart and Super Speciality Hospital Limited ('EHSSHL') (upto 14-January-2019)  |
|  | (f) Fortis Health Management Limited ('FHML') (upto 14-January-2019)   |
|  | (g) Fortis Medicare International Limited ('FMIL')   |
|  | (h) Hospitalia Eastern Private Limited ('HEPL') (upto 14-January-2019)   |
|  | (i) Fortis Hospotel Limited ('FHTL') (up to 12-October-2016)   |
| Joint Ventures- direct or indirect through investment in subsidiaries (parties with whom transactions have been taken place) | (a) Super Religare Reference Laboratories (Nepal) Private Limited (Joint venture of SRL)   |
|  | (b) DDRC SRL Diagnostics Services Private Limited (Joint venture of SRLDPL)  |
|  | (c) Fortis Cauvery, Partnership firm (Joint venture of FCCL)   |
|  | (d) Fortis C-Doc Healthcare Limited ('C-Doc')  |
| Key Management Personnel ('KMP')   | (a) Mr. Malvinder Mohan Singh – Executive Chairman & Lead-Strategic Initiatives (Resigned as Executive Chairman & Director on 8-February-2018 and accepted by board in its meeting held on 13-February-2018 w.e.f. 8-February-2018)          |
|  | (b) Mr. Shivinder Mohan Singh - Non-Executive Vice Chairman (up to 13-February-2018) (Resigned as Non-Executive Chairman & Director on 8-February-2018 and accepted by board in its meeting held on 13-February-2018 w.e.f. 8-February-2018) |
|  | Additional related parties as per the Companies Act, 2013  |
|  | (c) Mr. Bhavdeep Singh – Chief Executive Officer (upto 17-March-2019)  |
|  | (d) Mr. Gagandeep Singh Bedi - Chief Financial Officer (upto 30-September-2018)  |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

|   |  |
|---|--|
|   | (e) Mr. Rahul Ranjan - Company Secretary (upto 30-September-2018)                                |
|   | (f) Dr. Brian William Tempest - Non-Executive Independent Director (up to 22-May-2018)           |
|   | (g) Mr. Harpal Singh - Non-Executive Director (up to 20-May-2018)                                |
|   | (h) Lt. Gen. Tejinder Singh Shergill (up to 20-May-2018)   |
|   | (i) Ms. Joji Sekhon Gill - Non-Executive Independent Director (up to 07-March-2018)              |
|   | (j) Mr. Pradeep Ratilal Raniga - Non-Executive Independent Director (up to 22-March-2018)        |
|   | (k) Dr. Preetinder Singh Joshi - Non-Executive Independent Director (up to 19-March-2018)        |
|   | (l) Ms. Shradha Suri Marwah - Non-Executive Independent Director (up to 14-November-2017)        |
|   | (m) Ravi Rajagopal - Non-Executive Independent Director (w.e.f. 27-April-2018)                   |
|   | (n) Indrajit Banerjee - Non-Executive Independent Director (w.e.f. 27-April-2018)                |
|   | (o) Low Soon Teck - Non-Executive Non-Independent Director (w.e.f. 13-November-2018)             |
|   | (p) Dr. Chan Boon Kheng - Non-Executive Non-Independent Director (w.e.f. 13-November-2018)       |
|   | (q) Shirish Moreshwar Apte - Non-Executive Non-Independent Director (w.e.f. 31-December-2018)    |
|   | (r) Dr. Ashutosh Raghuvanshi–Chief Executive Officer (w.e.f. 18-March-2019)                      |
|   | (s) Girish Gupta - Chief Financial Officer (w.e.f 01-October-2018)                               |
|   | (t) Sumit Goel - Company Secretary (w.e.f 01-October-2018)                                       |
|   | (u) Ms. Sabina Vaiosha (up to 20-May-2018)   |
|   | (v) Suvalaxmi Chakraborty – Non-Executive Independent Director (w.e.f. 27-April-2018)            |
|   | (w) Bhagat Chintamani Aniruddha-Non Executive Non Independent Director (w.e.f. 31-December-2018) |
|   | (x) Mr. Rohit Bhasin-Independent Director (w.e.f. 14-April-2018 up to 26-June-2018)              |
| Enterprises owned or significantly influenced by key management personnel ('KMP') or their relatives (parties with whom transactions have been taken place) | (a) Ligare Aviation Limited  |
|   | (b) Fortis Charitable Foundation   |
|   | (c) Healthfore Technologies Limited (up to 16-February-2018) (refer note 5(xiv))                 |
|   | (d) Fortis Nursing and Education Society   |
|   | (e) Fortis CSR Foundation  |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Transactions during the year are as follows:

| Transactions details  | (₹ in lacs)                  |                              |
|---|------------------------------|------------------------------|
|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
| <b>Income (including income from medical services, management fees from hospitals, income from rehabilitation centre, rental, pharmacy income and other income)</b> |                              |                              |
| Fortis Hospitals Limited  | 1.20                         | -                            |
| SRL Limited   | -                            | 0.54                         |
| <b>Interest income on loan</b>  |                              |                              |
| Fortis Hospitals Limited  | 9,058.15                     | 6,076.51                     |
| Fortis Healthcare International Limited   | 110.66                       | 572.26                       |
| Hiranandani Healthcare Private Limited  | 59.20                        | 6.15                         |
| Escorts Heart Institute and Research Centre Limited   | 38.52                        | -                            |
| Fortis Hospotel Limited   | 7,739.04                     | 6,484.98                     |
| Escorts Heart and Super Speciality Hospital Limited   | 1,828.96                     | -                            |
| International Hospital Limited  | 3,994.32                     | -                            |
| Hospitalia Eastern Private Limited  | 191.67                       | -                            |
| Fortis Health Management Limited  | 34.54                        |                              |
| <b>Financial guarantee income</b>   |                              |                              |
| Fortis Hospitals Limited  | 56.54                        | 154.98                       |
| Escorts Heart Institute and Research Centre Limited   | 4.90                         | 20.05                        |
| Hiranandani Healthcare Private Limited  | 6.15                         | 22.57                        |
| Fortis Healthcare International Limited   | 218.00                       | 142.97                       |
| <b>Purchase of medical consumables and pharmacy</b>   |                              |                              |
| Escorts Heart Institute and Research Centre Limited   | -                            | 1.53                         |
| RWL Healthworld Limited (refer note 3 below)  |                              | 4.05                         |
| Medsorce Healthcare Private Limited   | -                            | 468.59                       |
| <b>Interest expense</b>   |                              |                              |
| SRL Limited   | 33.27                        | 46.00                        |
| <b>Interest on delayed payment of hospital service fee</b>  |                              |                              |
| Fortis Hospotel Limited   | -                            | 285.53                       |
| Escorts Heart and Super Speciality Hospital Limited   | 3.46                         | 21.05                        |
| <b>Housekeeping expenses including consumables</b>  |                              |                              |
| Fortis Hospitals Limited  | -                            | 306.18                       |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| Transactions details                                 | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Pathology laboratory expenses</b>                 |                              |                              |
| SRL Limited  | 1,532.87                     | 1,486.08                     |
| <b>Consultation fees to doctors</b>                  |                              |                              |
| Escorts Heart Institute & Research Centre Limited    | -                            | 6.06                         |
| SRL Limited  | -                            | 3.21                         |
| Fortis Malar Hospitals Limited                       | -                            | 72.84                        |
| <b>Hospital service fee expenses</b>                 |                              |                              |
| Fortis Hospotel Limited                              | 9,549.04                     | 9,269.35                     |
| Escorts Heart and Super Speciality Hospital Limited  | 4,605.15                     | 4,658.10                     |
| <b>Legal and professional fee</b>                    |                              |                              |
| Healthfore Technologies Limited (refer note 3 below) | -                            | 2.61                         |
| RHC Holding Private Limited                          | -                            | 59.00                        |
| <b>Travel and conveyance</b>                         |                              |                              |
| Fortis Emergency Services Limited                    | 23.25                        | 26.56                        |
| <b>Marketing and business promotion</b>              |                              |                              |
| Fortis Emergency Services Limited                    | 20.60                        | 8.73                         |
| <b>Amortisation of investment</b>                    |                              |                              |
| Fortis Hospotel Limited - Debt                       | 1,103.99                     | 1,283.34                     |
| <b>Provision for doubtful receivables</b>            |                              |                              |
| Sunrise Medicare Private Limited                     | -                            | 10.00                        |
| <b>Provision for doubtful loans and advances</b>     |                              |                              |
| Fortis La Femme Limited                              | -                            | 54.73                        |
| <b>Managerial remuneration</b>                       |                              |                              |
| Malvinder Mohan Singh                                | -                            | 266.67                       |
| Bhavdeep Singh                                       | 678.49                       | 1,183.70                     |
| Gagandeep Singh Bedi                                 | 390.83                       | 303.88                       |
| Rahul Ranjan   | 86.74                        | 97.95                        |
| Girish Gupta   | 64.43                        | -                            |
| Sumit Goel   | 23.67                        | -                            |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| Transactions details                                     | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Director sitting fee</b>                              |                              |                              |
| Brian William Tempest                                    | 4.72                         | 24.66                        |
| Harpal Singh   | 4.72                         | 23.48                        |
| Lt. Gen Tejinder Singh Shergill                          | 4.72                         | 12.98                        |
| Pradeep Ratilal Raniga                                   | -                            | 10.56                        |
| Preetinder Singh Joshi                                   | -                            | 7.02                         |
| Joji Sekhon Gill   | -                            | 4.69                         |
| Shivinder Mohan Singh                                    | -                            | 4.69                         |
| Shradha Suri Marwah                                      | -                            | 1.15                         |
| Chintamani Aniruddha Bhagat                              | 8.26                         | -                            |
| Indrajit Banerjee  | 57.82                        | -                            |
| Northern TK Venture Pte. Limited (Dr. Chan Boon Kheng)   | 11.80                        | -                            |
| Northern TK Venture Pte. Limited (Dr. Tan Seel Leng)     | 7.08                         | -                            |
| Northern TK Venture Pte. Limited (Low Soon Teck)         | 9.44                         | -                            |
| Ravi Rajgopal  | 53.10                        | -                            |
| Rohit Bhasin   | 9.44                         | -                            |
| Shabina Vaisoha  | 3.54                         | -                            |
| Shirish Moreshwar Apte                                   | 5.90                         | -                            |
| Suvalaxmi Chakrobarty                                    | 56.64                        | -                            |
| <b>Expense incurred by the Company on behalf of</b>      |                              |                              |
| Fortis Hospitals Limited                                 | 3.34                         | 131.85                       |
| Escorts Heart Institute and Research Centre Limited      | 6.38                         | 16.39                        |
| SRL Limited  | 12.32                        | 1.86                         |
| Hiranandani Healthcare Private Limited                   | -                            | 2.82                         |
| Fortis La Femme Limited                                  | -                            | 0.42                         |
| Fortis Hospotel Limited                                  | 66.72                        | 263.46                       |
| Fortis Malar Hospitals Limited                           | -                            | 5.29                         |
| Fortis Emergency Services Limited                        | -                            | 7.16                         |
| International Hospital Limited                           | -                            | 0.44                         |
| Fortis Nursing & Education Society                       | -                            | 4.62                         |
| Medical and Surgical Centre Limited                      | -                            | 5.46                         |
| Fortis Health Management Limited                         | -                            | 0.49                         |
| Fortis CSR Foundation                                    | 2.14                         | -                            |
| Medsorce Healthcare Private Limited (refer note 3 below) | -                            | 0.17                         |
| Healthfore Technologies Limited (refer note 3 below)     | -                            | 0.35                         |
| <b>Expense incurred on behalf of the Company by</b>      |                              |                              |
| Fortis Hospitals Limited                                 | 18.62                        | 164.22                       |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| Transactions details   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Escorts Heart Institute & Research Centre Limited                          | 29.17                        | 0.84                         |
| SRL Limited  | 19.33                        | 18.11                        |
| Fortis Hospotel Limited  | 0.29                         | 157.77                       |
| Fortis Malar Hospitals Limited   | 1.76                         | 24.18                        |
| Fortis Emergency Services Limited  | -                            | 8.88                         |
| Escorts Heart and Super Speciality Hospital Limited                        | 601.31                       | 598.30                       |
| Healthfore Technologies Limited (refer note 3 below)                       | -                            | 13.02                        |
| RHC Holding Private Limited  | -                            | 126.75                       |
| Ligare Aviation Limited  | -                            | 5.70                         |
| <b>Purchase of property, plant and equipment</b>                           |                              |                              |
| SRL Diagnostics Private Limited  | -                            | 16.95                        |
| Healthfore Technologies Limited (refer note 3 below)                       | -                            | 63.00                        |
| <b>Sale of property, plant and equipment</b>                               |                              |                              |
| Fortis Hospitals Limited   | 78.56                        | -                            |
| <b>Investments</b>   |                              |                              |
| Hiranandani Healthcare Private Limited                                     | -                            | 6,100.00                     |
| Fortis Hospotel Limited  | 106,301.76                   | -                            |
| Fortis Health Management Limited - Equity Instrument                       | 856.60                       | -                            |
| Fortis Health Management Limited - Debt Instrument                         | 1,670.87                     | -                            |
| Escorts Heart and Super Speciality Hospital Limited - Equity Instrument    | 40,625.51                    | -                            |
| Escorts Heart and Super Speciality Hospital Limited - Debt Instrument      | 46,733.99                    | -                            |
| International Hospital Limited - Equity Instrument                         | 207,657.21                   | -                            |
| International Hospital Limited - Debt Instrument                           | 54,732.58                    | -                            |
| Hospitalia Eastern Private Limited - Debt Instrument                       | 8,051.64                     | -                            |
| <b>Investment of Hiranandani Healthcare Private Limited purchased from</b> |                              |                              |
| Fortis Healthcare Holdings Private Limited                                 | -                            | 6,100.00                     |
| <b>Disposal of investments</b>   |                              |                              |
| Fortis Medicare International Limited                                      | -                            | 4.75                         |
| <b>Disposal of investments in Fortis Medicare International Limited to</b> |                              |                              |
| Fortis Global Healthcare Limited   | -                            | 4.75                         |
| <b>Loans and advance to subsidiary company</b>                             |                              |                              |
| Fortis Hospitals Limited   | 59,718.19                    | 72,337.14                    |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| Transactions details   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Fortis Healthcare International Limited  | -                            | 2,444.04                     |
| Hiranandani Healthcare Private Limited   | 868.00                       | -                            |
| Fortis La Femme Limited  | 3.00                         | 3.00                         |
| Escorts Heart Institute and Research Centre Limited                            | 665.00                       | -                            |
| <b>Interest converted to loan</b>  |                              |                              |
| Fortis Hospitals Limited   | 6,070.43                     | 9,996.13                     |
| Hiranandani Healthcare Private Limited   | -                            | 113.66                       |
| Fortis La Femme Limited  | -                            | 4.44                         |
| <b>Loans and advance refund</b>  |                              |                              |
| Fortis Hospitals Limited   | 8,517.42                     | 98,180.82                    |
| Fortis Healthcare International Limited  | 10,128.66                    | -                            |
| Hiranandani Healthcare Private Limited   | -                            | 117.66                       |
| Escorts Heart and Super Speciality Hospital Limited                            | -                            | 22.00                        |
| Fortis Hospotel Limited - Equity Instrument                                    | -                            | 6.00                         |
| <b>Loan paid back</b>  |                              |                              |
| SRL Limited  | 400.00                       | -                            |
| <b>Corporate guarantees given to banks for loans availed by (refer note 2)</b> |                              |                              |
| Fortis Hospitals Limited   | 10,310.36                    | 5,500.00                     |
| <b>Corporate guarantee withdrawn for loans taken by</b>                        |                              |                              |
| Fortis C-Doc Healthcare Limited  | -                            | 1,031.00                     |
| <b>Collection on behalf of Company by</b>                                      |                              |                              |
| Fortis Hospitals Limited   | -                            | 4.41                         |
| Escorts Heart Institute and Research Centre Limited                            | 156.68                       | 7.61                         |
| Fortis C-Doc Healthcare Limited  | -                            | 5.70                         |
| <b>Dividend income</b>   |                              |                              |
| Fortis Healthcare International Limited  | 24,270.68                    | -                            |
| <b>Collection by Company on behalf of</b>                                      |                              |                              |
| Fortis Hospitals Limited   | 1,362.50                     | 1,600.16                     |
| Escorts Heart Institute and Research Centre Limited                            | 96.57                        | 356.01                       |
| Hiranandani Healthcare Private Limited   | -                            | 24.45                        |
| Fortis Malar Hospitals Limited   | -                            | 37.71                        |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| Transactions details                    | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Fortis Health Management (East) Limited | -                            | 0.31                         |
| Fortis C-Doc Healthcare Limited         | -                            | 0.46                         |
| International Hospital Limited          | -                            | 0.38                         |
| Fortis Health Management Limited        | -                            | 0.39                         |
| Fortis CSR Foundation                   | 51.19                        | -                            |
| Fortis Charitable Foundation            | -                            | 6.67                         |

(₹ in lacs)

| Balance outstanding at the year end                                     | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Investments</b>  |                         |                         |
| Fortis Hospitals Limited  | 40,535.52               | 40,484.16               |
| Escorts Heart Institute and Research Centre Limited                     | 71,919.75               | 71,919.75               |
| SRL Limited   | 90,905.48               | 90,905.48               |
| Hiranandani Healthcare Private Limited                                  | 9,171.55                | 9,171.55                |
| Fortis Healthcare International Limited                                 | 15,105.47               | 15,105.47               |
| Fortis La Femme Limited   | 5.00                    | 5.00                    |
| Fortis Hospotel Limited - Equity Instrument                             | 243,016.88              | 93,153.92               |
| Fortis Hospotel Limited - Debt Instrument                               | -                       | 45,019.36               |
| Fortis CSR Foundation   | 5.00                    | 5.00                    |
| Sunrise Medicare Private Limited  | 0.31                    | 0.31                    |
| Fortis Health Management Limited (Equity Instrument)                    | 856.60                  | -                       |
| Fortis Health Management Limited (Debt Instrument)                      | 1,670.87                | -                       |
| International Hospital Limited (Equity Instrument)                      | 207,657.21              | -                       |
| International Hospital Limited (Debt Instrument)                        | 54,732.58               | -                       |
| Escorts Heart and Super Speciality Hospital Limited (Equity Instrument) | 40,625.51               | -                       |
| Escorts Heart and Super Speciality Hospital Limited (Debt Instrument)   | 46,733.99               | -                       |
| Hospitalia Eastern Private Limited (Debt Instrument)                    | 8,051.64                | -                       |
| <b>Impairment of investment</b>   |                         |                         |
| Sunrise Medicare Private Limited  | 0.31                    | 0.31                    |
| Fortis Lafemme Limited  | 5.00                    | 5.00                    |
| <b>Loans and advance to subsidiary company</b>                          |                         |                         |
| Fortis Hospitals Limited  | 98,885.53               | 45,995.14               |
| Fortis Healthcare International Limited                                 | 254.23                  | 10,382.89               |
| Fortis La Femme Limited   | 57.73                   | 54.73                   |
| Hiranandani Healthcare Private Limited                                  | 875.97                  | -                       |
| Escorts Heart Institute and Research Centre Limited                     | 1,065.00                | -                       |
| International Hospital Limited  | 25.75                   | -                       |
| Hospitalia Eastern Private Limited                                      | 31.83                   | -                       |
| Fortis Health Management (East) Limited                                 | 46.02                   | -                       |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| Balance outstanding at the year end                                | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Provision for doubtful loans and advances</b>                   |                         |                         |
| Fortis La Femme Limited  | 54.73                   | 54.73                   |
| <b>Interest accrued on loans</b>                                   |                         |                         |
| Fortis Hospitals Limited   | 8,152.33                | 6,070.43                |
| Hiranandani Healthcare Private Limited                             | 53.28                   | -                       |
| Fortis Healthcare International Limited                            | 15.01                   | 953.01                  |
| Fortis Hospotel Limited  | 4,772.16                | -                       |
| Escorts Heart Institute and Research Centre Limited                | 34.67                   | -                       |
| Escorts Heart and Super Speciality Hospital Limited                | 1,646.06                | -                       |
| International Hospital Limited                                     | 3,935.61                | -                       |
| Fortis Hospital Management Limited                                 | 31.09                   | -                       |
| Hospitalia Eastern Private Limited                                 | 172.50                  | -                       |
| <b>Other balances recoverable</b>                                  |                         |                         |
| Fortis Hospitals Limited   | 39.88                   | 298.25                  |
| Escorts Heart Institute and Research Centre Limited                | 98.64                   | -                       |
| Fortis Health Management (East) Limited                            | 0.23                    | 46.35                   |
| Fortis C-Doc Healthcare Limited                                    | -                       | 59.93                   |
| Fortis Hospital Management Limited                                 | -                       | 142.62                  |
| Hospitalia Eastern Private Limited                                 | -                       | -                       |
| <b>Trade receivable</b>  |                         |                         |
| Sunrise Medicare Private Limited                                   | 10.00                   | 10.00                   |
| <b>Provision for doubtful receivables</b>                          |                         |                         |
| Sunrise Medicare Private Limited                                   | 10.00                   | 10.00                   |
| <b>Advance hospital service Fee</b>                                |                         |                         |
| Fortis Hospotel Limited  | -                       | 1,906.99                |
| <b>Loan from related party</b>                                     |                         |                         |
| SRL Limited  | -                       | 400.00                  |
| <b>Interest accrued and due on borrowings</b>                      |                         |                         |
| SRL Limited  | -                       | 10.21                   |
| <b>Interest accrued on delayed payment of hospital service fee</b> |                         |                         |
| Escorts Heart and Super Speciality Hospital Limited                | -                       | 18.95                   |
| Fortis Hospotel Limited  | -                       | 256.97                  |
| <b>Trade payables and other current liabilities</b>                |                         |                         |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| Balance outstanding at the year end                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Fortis Hospitals Limited                              | 2,830.67                | -                       |
| Escorts Heart Institute and Research Centre Limited   | 8.26                    | 689.79                  |
| SRL Limited   | 2,371.58                | 1,991.31                |
| Hiranandani Healthcare Private Limited                | 18.68                   | 17.54                   |
| Fortis Hospotel Limited                               | 4,208.93                | -                       |
| Fortis Malar Hospitals Limited                        | 28.50                   | 96.89                   |
| Stellant Capital Advisory Services Private Limited    | 6.67                    | 4.91                    |
| Fortis Emergency Services Limited                     | 31.37                   | 23.68                   |
| Escorts Heart and Super Speciality Hospital Limited   | 503.20                  | 790.21                  |
| <b>Corporate guarantee liability</b>                  |                         |                         |
| Fortis Hospitals Limited                              | 112.97                  | 118.60                  |
| Escorts Heart Institute and Research Centre Limited   | -                       | 4.90                    |
| Hiranandani Healthcare Private Limited                | 2.82                    | 8.97                    |
| Fortis Healthcare International Limited               | -                       | 218.00                  |
| <b>Corporate guarantee given for loans availed by</b> |                         |                         |
| Fortis Hospitals Limited                              | 32,887.41               | 90,720.00               |
| Fortis Healthcare International Limited               | -                       | 78,110.00               |
| Hiranandani Healthcare Private Limited                | 1,166.67                | 5,060.00                |
| Escorts Heart Institute and Research Centre Limited   | -                       | 5,000.00                |

### Notes:

- As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above. The figures do not include accrual recorded for Employee Share Based Payments.
- The loans availed by above companies against guarantee given have been used by the respective companies for acquiring property, plant and equipment and meeting working capital requirements.
- For the year ended 31 March 2018, transactions with these parties were shown for the full year due to practical difficulties in ascertaining the transactions for part of the year. The closing balances as at March 31, 2018 were not reported as the relationship ceased to exist at the balance sheet date.
- Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 are as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 29 (d) (ii), (vi) and (vii) below) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties have been identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Company and, hence, not known to the Management.
- Amount shown is inclusive of perquisites (including ESOP exercise, if any), employer's contribution to provident fund and excluding reimbursement of expenses.
- The Company had provided guarantee to RHT Health Trust group of companies (comprising of International Hospitals Limited, Escorts Heart Super Speciality Company Limited and Fortis Health Management Limited) and Fortis Hospotel Limited as per terms of HMSA. During the current year, after acquisition of 100% holding in RHT Health Trust group of companies and Fortis Hospotel Limited, the Company has cancelled all the bank guarantees.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 7) Leases

## (a) Assets taken on operating lease:

In respect of the Company, hospital/ office premises and certain medical equipment are obtained on operating lease. The total lease payments in respect of such leases recognised in the Statement of Profit and Loss for the year ended March 31, 2019 are Rupees 1,026.34 lacs (March 31, 2018 Rupees 1,020.15 lacs).

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

| Particulars                                       | (₹ in lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Minimum lease payments:                           |                         |                         |
| Not later than one year                           | 516.59                  | 516.59                  |
| Later than one year but not later than five years | 43.05                   | 559.64                  |

## (b) Assets given on operating lease:

i) The Company has sub- leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. The total lease income received / receivable in respect of the above leases recognised in the Statement of Profit and Loss for the year are Rupees 66.58 lacs (March 31, 2018 Rupees 25.27 lacs).

ii) The Company has leased out certain property, plant and equipment on operating lease to a trust managing hospital operations. The lease term is for 3 years and thereafter renewable at the option of the lessor. The details of the capital assets given on operating lease are as under:

| (₹ in lacs)                 |                           |                      |                              |           |                     |          |          |
|-----------------------------|---------------------------|----------------------|------------------------------|-----------|---------------------|----------|----------|
|                             | Plant<br>and<br>machinery | Medical<br>equipment | Furniture<br>and<br>fittings | Computers | Office<br>equipment | Vehicles | Total    |
| <b>As at March 31, 2019</b> |                           |                      |                              |           |                     |          |          |
| Cost or deemed cost         | 96.66                     | 4,131.20             | 129.28                       | 50.93     | 10.10               | 15.70    | 4,433.87 |
| Accumulated Depreciation    | 96.66                     | 2,740.56             | 129.22                       | 50.93     | 10.10               | 13.63    | 3,041.10 |
| Carrying Value              | -                         | 1,390.64             | 0.06                         | -         | 0.00                | 2.07     | 1,392.77 |

| (₹ in lacs)                 |                           |                      |                              |           |                     |          |          |
|-----------------------------|---------------------------|----------------------|------------------------------|-----------|---------------------|----------|----------|
|                             | Plant<br>and<br>machinery | Medical<br>equipment | Furniture<br>and<br>fittings | Computers | Office<br>equipment | Vehicles | Total    |
| <b>As at March 31, 2018</b> |                           |                      |                              |           |                     |          |          |
| Cost or deemed cost         | 96.66                     | 4,220.72             | 149.18                       | 55.96     | 10.10               | 15.70    | 4,548.32 |
| Accumulated Depreciation    | 96.66                     | 2,543.23             | 148.13                       | 55.96     | 9.93                | 11.71    | 2,865.62 |
| Carrying Value              | -                         | 1,677.49             | 1.05                         | -         | 0.17                | 3.99     | 1,682.70 |

The total lease payments received in respect of such leases recognised in the Statement of Profit and Loss account for the year are Rupees 637.52 lacs (March 31, 2018 Rupees 639.03 lacs).

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

| Particulars                                       | (₹ in lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Minimum lease payments:                           |                         |                         |
| Not later than one year                           | 652.64                  | 162.16                  |
| Later than one year but not later than five years | 815.80                  | -                       |

### (c) Assets taken on financial lease:

The Company has taken building on financial lease. The total finance charges paid in respect of such lease recognize in the Statement of Profit and Loss during the year is Rupees 305.15 lacs (March 31, 2018 Rupees 299.57 lacs). Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

| Particulars                                       | March 31, 2019            |                  | March 31, 2018            |                  |
|---|---------------------------|------------------|---------------------------|------------------|
|   | Minimum<br>Lease Payments | Present<br>value | Minimum<br>Lease Payments | Present<br>value |
| Not later than one year                           | 251.57                    | 115.28           | 251.57                    | 182.06           |
| Later than one year but not later than five years | 1,155.53                  | 374.39           | 1,094.34                  | 395.56           |
| Later than five years                             | 7,254.50                  | 2,313.38         | 7,567.26                  | 2,171.85         |
| <b>Total minimum lease payments</b>               | <b>8,661.60</b>           | <b>2,803.05</b>  | <b>8,913.17</b>           | <b>2,749.47</b>  |
| Less: amounts representing finance charges        | 5,858.55                  | -                | 6,163.70                  | -                |
| <b>Present value of minimum lease payments</b>    | <b>2,803.05</b>           | <b>2,803.05</b>  | <b>2,749.47</b>           | <b>2,749.47</b>  |
| <b>Current</b>                                    | -                         | 115.28           | -                         | 182.06           |
| <b>Non-Current</b>                                | -                         | 2,687.77         | -                         | 2,567.41         |

## 8) Borrowings

### (i) Secured Loans

| Particulars                              | Note | (₹ in lacs)                   |                           |                               |                           |
|--|------|-------------------------------|---------------------------|-------------------------------|---------------------------|
|  |      | March 31, 2019<br>Non-Current | March 31, 2019<br>Current | March 31, 2018<br>Non-Current | March 31, 2018<br>Current |
| Term loan from Bank – HDFC Bank          | (a)  | -                             | 1,494.76                  | 1,494.76                      | 1,993.01                  |
| Term loan from Bank - Yes Bank           | (b)  | 31,323.94                     | 1,275.70                  | 2,958.00                      | 557.95                    |
| Loan from a body corporate               | (c)  | -                             | -                         | -                             | 1,000.00                  |
| Bank overdraft                           | (d)  | -                             | 3,098.45                  | -                             | 7,847.52                  |
| Loan from Bank – Standard Chartered Bank | (e)  | -                             | -                         | -                             | 10,200.00                 |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars   | Note | (₹ in lacs)      |                    |                  |                  |
|---|------|------------------|--------------------|------------------|------------------|
|   |      | March 31, 2019   | March 31, 2019     | March 31, 2018   | March 31, 2018   |
|   |      | Non-Current      | Current            | Non-Current      | Current          |
| Term loan from a body corporate   | (f)  | 648.10           | 143.28             | 801.28           | 122.70           |
| Term loan from RBL Bank Limited   | (g)  | -                | -                  | -                | 9,998.46         |
| Term loan from a Non-Banking Finance Corporation - Rattan India Finance Limited | (h)  | -                | -                  | 15,339.89        | -                |
| Loan from Bank – Yes Bank   | (d)  | -                | 2,000.00           | -                | -                |
| Loan from Bank – Yes Bank   | (i)  | -                | 15,000.00          | -                | -                |
| Loan from Bank – Citi Bank & affiliates   | (j)  | -                | 90,000.00          | -                | -                |
| <b>Total</b>  |      | <b>31,972.04</b> | <b>1,12,988.59</b> | <b>20,593.93</b> | <b>31,719.64</b> |

(a) Secured by a first pari-passu charge by way of hypothecation of the Company's movable fixed assets with contractual rate of interest being HDFC Bank Base Rate of the bank plus 0.85% p.a., payable monthly. The loan is repayable in 52 structured monthly instalments and current effective average rate of interest is 10.15 % p.a. (Previous year 9.70% p.a.).

(b) Loan of ₹. 3,049.16 lacs (as at March 31, 2018 Rupees 3,515.95 lacs) is secured by hypothecation on invoices and insurance copies of medical equipment with contractual rate of interest being 0.50% p.a. over and above yearly MCLR, payable monthly. The loan is repayable in 26 structured quarterly instalments and current effective average rate of interest is 9.80 % p.a. (Previous year 9.35% p.a.).

During the current year, the Company has taken loan for Rupees 30,431.00 lacs which is secured against first pari-pasu charge on movable fixed assets; first pari-passu charge on current assets; pledge up to 30% equity shares of Fortis Hospitals Limited, Hiranandani Healthcare Private Limited, Escorts Heart Institute & Research Centre Limited, Fortis Hospotel Limited and Fortis Malar Hospitals Limited; pledge on entire shareholding of Fortis Group in Lanka Hospitals Corporation Plc subject to regulatory approvals; extension of first pari-pasu charge on land and building of hospitals in Ludhiana & Vasant Vihar; mortgage over land and building of identified hospital for YBL facilities upon unwinding of RHT structure in order to ensure cover of 1.33X on this facility (from immoveable and moveable assets); and negative lien along with submission of title deed of Escorts Heart Institute, Delhi. The loan is repayable in 48 structured quarterly instalments and current effective average rate of interest is 12.86 % p.a. (Previous year Nil).

(c) The short-term loan taken for the purpose of working capital and secured by share pledge of the Company's 21% shareholding in Fortis Hospitals Limited. The revision in rate of interest on interest reset dates, is at the discretion of the institution. The effective average rate of interest was 10.00% p.a. (Previous year 10.00% p.a.). During the current year the loan has been fully repaid.

(d) The Company has an overdraft facility from Standard Chartered Bank having limit of Rupees 4,000 lacs, secured by pari-passu charge over moveable fixed assets at Mohali hospital and current assets of the Company with rate of interest being base rate plus margin, as may be agreed from time to time. The current effective average rate of interest is 11.25% p.a. As on March 31, 2019, the outstanding balance of overdraft is Rupees 2,720.73 lacs.

The Company has an overdraft facility/ working capital facility from Yes bank with overdraft limit of Rupees 5,000.00 lacs and secured by exclusive charge on 30% shares of Fortis Hospitals Limited, pari-passu charge over moveable fixed assets of the Company, current assets of the Company and exclusive

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

charge on the land and building of hospitals of Ludhiana and Vasant Vihar with rate of interest being MCLR plus margin, as may be agreed from time to time. The current effective average rate of interest is 10.48% p.a. (Previous year 10.48% p.a.). As at March 31, 2019, the outstanding balance of overdraft limit is Rupees 377.72 lacs and for working capital loan is 2,000.00 lacs.

- (e) Short-term loan for the purpose of working capital and secured by share pledge over Fortis Healthcare Limited's 30% shareholding in Fortis Hospitals Limited on first charge basis and fixed deposits provided by third party with rate of interest being MCLR plus applicable margin, as may be agreed from time to time. The effective average rate of interest was 10.00% p.a. During the current year the loan has been fully repaid.
- (f) Term loan of Rupees 791.38 lacs (as at March 31, 2018 Rupees 923.98 lacs) for purchase of medical equipment is secured by exclusive charge by way of hypothecation of that medical equipment having rate of interest of 7.78% p.a., payable monthly. The loan is repayable in 84 structured monthly instalments. The current effective average rate of interest is 12.86 % p.a. (Previous year NIL).
- (g) Term loan secured by first pari-passu charge by way of hypothecation on moveable fixed assets (present & future). The rate of interest is 12% p.a. (floating) linked to RBL Bank's 1Y MCLR, payable monthly. The loan is repayable in 16 equal quarterly instalments. The loan has been fully paid in the current year.
- (h) Secured by pledge of (~100%) equity shareholding of Fortis Hospotel Limited, pledge of equity (~100%) shares of Escorts Heart Institute and Research Centre Limited, pledge of equity (~100.00%) shares of Hiranandani Healthcare Private Limited, pledge of (~51.00%) CCDs of Fortis Hospotel Limited and pledge of entire shareholding of Fortis Malar Hospitals Limited, carrying rate of interest of 14.00% p.a., payable monthly. The loan was repayable in eight equal quarterly instalments. The loan has been fully paid during the year.
- (i) Short-term loan has been taken for Rupees 110,000 lacs to repay non-convertible debentures holders at Religare Healthcare Trust (RHT). The loan is secured by pledge over Fortis' designated dividend account opened overseas for the purpose of receiving dividend of RHT. The loan is repayable within 6 months carrying rate of interest of 9% p.a.
- (j) Short-term loan has been taken for Rupees 15,000 lacs for meeting day to day working capital requirements. The loan is secured against first pari-pasu on movable fixed assets, first pari-pasu charge on current assets, pledge up to 30% equity shares of Fortis Hospitals Limited, Hiranandani Healthcare Private Limited, Escorts Heart Institute & Research centre Limited, Fortis Hospotel Limited and Fortis Malar Hospitals Limited, pledge over entire shareholding of Fortis Group in Lanka Hospitals Corporation Plc subject to regulatory approvals, extension of first pari-pasu charge on land and building of hospitals in Ludhiana & Vasant Vihar, mortgage over land and building of identified hospital for YBL facilities upon unwinding of RHT structure in order to ensure cover of 1.33X on this facility (from immovable & moveable assets), negative lien along with submission of title deed of Escorts Heart Institute, Delhi and is repayable in a single instalment on October 10, 2019. The rate of interest is 11.20% p.a.

### (ii) Unsecured Loans

(₹ in lacs)

| Particulars              | Note | March 31, 2019  |               | March 31, 2018  |               |
|--------------------------|------|-----------------|---------------|-----------------|---------------|
|                          |      | Non-Current     | Current       | Non-Current     | Current       |
| Finance lease obligation | 7(c) | 2,687.77        | 115.28        | 2,567.41        | 182.06        |
| Loan from related party  | (a)  | -               | -             | -               | 400.00        |
|                          |      | <b>2,687.77</b> | <b>115.28</b> | <b>2,567.41</b> | <b>582.06</b> |

- (a) The short-term loan was taken from SRL Limited as Inter Corporate Deposit carrying rate of interest of 11.50% p.a., payable quarterly. The loan has been fully repaid in the current year.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 9) Commitments:

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account (net of capital advances of Rupees 20.98 lacs (as at March 31, 2018 Rupees 15.38 lacs) | 373.35                  | 1,644.88                |

- a. Going concern support in form of funding and operational support letters issued by the Company in favour of FLFL, FCCL, Fortis C-Doc Healthcare Limited, FHMEI, LHPL, FESL, FHIL, FGHML, FHIPL, FAHPL, Birdie & Birdie Realtors Private Limited, FHsL & EHIRCL.
- b. As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively referred as 'Indemnified parties') with the Company, the Company has undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, Company has till date accrued Rupees 205.03 lacs (as at March 31, 2018 Rupees 205.03 lacs) as provision for contingency.

For commitment under sponsor agreement entered between the trustee-manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (Collectively referred as 'Indemnified Parties') with the Company.

- c. The company does not have any long-term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.
- d. There were no amount which were required to be transferred to the investor education and protection fund by the company.

## 10) Hospital service and management fees

The company has entered into separate Hospital and Medical Service Agreement (HMSA) with Escorts Heart Super Specialty Company Limited (wholly owned fellow subsidiary w.e.f. January 15, 2019) and Fortis Hospotel Limited (wholly owned subsidiary w.e.f. January 15, 2019) wherein these companies provide and maintain the clinical establishments along with other service like out-patient diagnostics and radio diagnostic to the Company (together known as Clinical establishments).

The term of individual HMSA is 15 years and the Company is required to pay a composite service fee i.e. base and variable fee. The base fee is fixed at the beginning of each year and increases 3% year on year. The variable fee is based on a percentage of Company's net operating revenue in accordance with the HMSA.

The total of future minimum Hospital and Medical Service fees over remaining non-cancelable period payable in form of the base fees is as under:

| Particulars                                       | (₹ in lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Minimum lease payments:                           |                         |                         |
| Not later than one year                           | 9,451.70                | 9,311.09                |
| Later than one year but not later than five years | 37,806.79               | 38,674.79               |
| Later than five years                             | 39,924.60               | 50,548.64               |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Company had also provided guarantee to RHT Health Trust group of companies (comprising of International Hospitals Limited, Escorts Heart Super Speciality Company Limited and Fortis Health Management Limited) and Fortis Hospotel Limited as per terms of HMSA. The Bank Guarantees which had been provided by the Company in favor of RHT Health Trust group of companies and Fortis Hospotel Limited for the financial year ended 31 March 2018, expired on the 30 April 2018, and are renewed. During the current year, after acquisition of 100% holding in RHT Health Trust group of companies and Fortis Hospotel Limited, the Company has cancelled all the Bank Guarantees.

### 11) Contingent liabilities to the extent not provided for:

#### A. Guarantees:

Outstanding guarantees furnished by the banks on behalf of the Company are Rupees 167,710.00 lacs (Previous year Rupees 96,657.00 lacs). The Company has determined the fair value of guarantees given to subsidiary companies. (Refer note 5(v)).

#### B. Claims against the Company, disputed by the Company, not acknowledged as debt (In addition, refer claims assessed as contingent liability described in Note 12 below):

| Particulars        | ₹ in lacs        |                 |
|--------------------|------------------|-----------------|
|                    | As at            |                 |
|                    | 31-Mar-19        | 31-Mar-18       |
| Income tax         | 1,779.08         | 1,779.08        |
| Medical related    | 4,611.37         | 4,221.07        |
| VAT                | 3,621.16         | 3,621.16        |
| Custom             | 12.00            | 12.00           |
| Service Tax & GST  | 559.82           | 265.47          |
| <b>Grand Total</b> | <b>10,583.43</b> | <b>9,998.78</b> |

On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the “India Defined Contribution Obligation”) altered historical understandings of such obligations, extending them to cover additional portions of the employee’s income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment. The Company is further evaluating its next course of action in this matter.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, assessments and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Company believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

### 12) Claims assessed as contingent liability and not provided for, unless otherwise stated:

A third party (to whom the ICDs were assigned by a Subsidiary, Fortis Hospitals Limited (“FHsL”)) (“Assignee” or “Claimant”) has filed a Civil Suit before the District Court, Delhi in February 2018 against various entities including the Company (together “the defendants”) and have, inter alia, claimed implied ownership of brands “Fortis”, “SRL” and “La Femme” in addition to certain financial claims and for passing a decree that consequent to a Term Sheet dated December 6, 2017 (“Term Sheet”) with a certain party (“Party”), the Company is liable for claims owed by the Claimant to the Party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit (also refer note 29).

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Party.

In addition to the above, the Company has also received four notices from the Claimant claiming (i) Rupees 1,800.00 lacs as per notices dated May 30, 2018 and June 1, 2018 (ii) Rupees 21,582.00 lacs as per notice dated June 4, 2018; and (iii) Rupees 1,962.00 lacs as per notice dated June 4, 2018. All these notices have been responded to by the Company denying any liability whatsoever.

Separately, the Party has also alleged rights to invest in the Company. It has also alleged failure on part of the Company to abide by the aforementioned Term Sheet and has claimed ownership over the brands as well. Subsequently, an application has been filed in the civil suit, by a different entity claiming itself to be representative of the Party and is seeking substitution of its name in place of Assignee as plaintiff.

Allegations made by the Party has been duly responded to by the Company denying (i) execution of any binding agreement with the Party and (ii) liability of any kind whatsoever. Company has also filed caveats before Hon'ble High Court of Delhi in this regard.

During the quarter ended June 20, 2018, the Party also filed an application for being impleaded as party to the Civil Suit by the Claimant. The matter is pending adjudication before District Court, Delhi.

Based on advice of external legal counsel, the Management believes that the claims are without legal basis and are not tenable and accordingly no adjustment is required in these Standalone Financial Statements with respect to these claims.

### 13) Employee Stock Option Plan

The Company has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiaries and Holding company. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company.

As at March 31, 2019, the following schemes were in operation:

| Particulars | Date of grant | Date of Board Approval | Date of Shareholder's approval | Number of options granted | Vesting Period                           | Exercise Period up to |
|-------------|---------------|------------------------|--------------------------------|---------------------------|--|-----------------------|
| Grant I     | 13-Feb-08     | 30-Jul-07              | 27-Sep-07                      | 458,500                   | February 13, 2009 to February 12, 2013   | 12-Feb-18             |
| Grant II    | 13-Oct-08     | 30-Jul-07              | 27-Sep-07                      | 33,500                    | October 13, 2009 to October 12, 2013     | 12-Oct-18             |
| Grant III   | 14-Jul-09     | 30-Jul-07              | 27-Sep-07                      | 763,700                   | July 14, 2010 to July 13, 2014           | 13-Jul-19             |
| Grant IV    | 1-Oct-10      | 30-Jul-07              | 27-Sep-07                      | 1,302,250                 | October 1, 2011 to September 30, 2015    | 30-Sep-20             |
| Grant V     | 12-Sep-11     | 30-Jul-07              | 27-Sep-07                      | 200,000                   | September 12, 2012 to September 11, 2016 | 11-Sep-21             |
| Grant VI    | 23-Feb-12     | 12-Aug-11              | 19-Sep-11                      | 4,050,000                 | September 23, 2012 to September 23, 2015 | 22-Feb-19             |
| Grant VII   | 10-Jun-13     | 12-Aug-11              | 19-Sep-11                      | 3,715,000                 | June 20, 2013 to June 09, 2016           | 9-Jun-20              |
| Grant VIII  | 12-Nov-14     | 12-Aug-11              | 19-Sep-11                      | 240,000                   | Nov 12, 2014 to Nov 11, 2017             | 10-Nov-21             |
| Grant IX    | 1-Jun-15      | 12-Aug-11              | 19-Sep-11                      | 100,000                   | Jun 01, 2015 to May 31, 2018             | 31-May-22             |
| Grant X     | 5-Aug-15      | 12-Aug-11              | 19-Sep-11                      | 2,500,000                 | Aug 05, 2015 to Aug 04, 2018             | 4-Aug-22              |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

| Particulars                              | March 31, 2019    |                                     | March 31, 2018    |                                     |
|--|-------------------|-------------------------------------|-------------------|-------------------------------------|
|  | Number of options | Weighted Average Exercise Price (₹) | Number of options | Weighted Average Exercise Price (₹) |
| Outstanding at the beginning of the year | 3,839,650         | 164.38                              | 5,241,950         | 149.43                              |
| Forfeited during the year                | 79,500            | 158.00                              | 472,700           | 125.56                              |
| Exercised during the year                | 1,003,600         | 97.33                               | 929,600           | 99.79                               |
| Outstanding at the end of the year       | 2,756,550         | 162.04                              | 3,839,650         | 164.38                              |
| Exercisable at the end of the year       | 2,756,550         | 162.04                              | 3,839,650         | 164.38                              |

During the previous year, in respect of 2,500,000 numbers of ESOP, the terms of issue were modified.

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

| Particulars   | March 31, 2019         | March 31, 2018         |
|---|------------------------|------------------------|
| Range of exercise prices  | Rupees 50.00 to 163.30 | Rupees 50.00 to 163.30 |
| Number of options outstanding                                     | 2,756,550              | 3,839,650              |
| Weighted average remaining contractual life of options (in years) | 3.19                   | 4.56                   |
| Weighted average fair value of options granted (in Rupees)        | 68.76                  | 59.23                  |
| Weighted average exercise price (in Rupees)                       | 162.04                 | 164.38                 |

### Stock Options granted

There have been no grants made in the current year by the Company. The weighted average fair value of stock options granted during the year March 31, 2016 is Rupees 98.90. The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| Particulars  | March 31, 2019                | March 31, 2018                |
|--|-------------------------------|-------------------------------|
| Exercise Price   | Rupees 50.00 to Rupees 163.30 | Rupees 50.00 to Rupees 163.30 |
| Expected Volatility  | 6.42% to 34%                  | 6.42% to 34%                  |
| Life of the options granted (Vesting and exercise period) in years | 2 years to 7 years            | 2 years to 7 years            |
| Average risk-free interest rate                                    | 7.31% to 8.70%                | 7.31% to 8.70%                |

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

On the date of transition to Ind AS (i.e. 1 April 2015), the Company had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested as at transition date.

### Note:

1. The Company has recognised expense in relation to employee stock option plan of Rupees 336.66 lacs (Previous year Rupees 911.01 lacs).
2. In respect of 79,500 fully vested option forfeited during the year, amount aggregating to Rupees 127.58 lacs (Previous year Nil) has been transferred to general reserve.
3. In respect of 1,003,600 fully vested options exercised during the year, amount aggregating to Rupees 511.20 lacs (Previous year Nil) has been transferred to general reserve.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 14) Employee Benefits Plan:

#### Defined Contribution Plan

The Company's contribution towards its provident fund is a defined contribution retirement plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognised by the Income Tax authorities.

The Company recognised Rupees 742.40 lacs (Previous year Rupees 796.64 lacs) for Provident Fund and Employee State Insurance Contribution in the Statement of Profit and Loss. The Contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

#### Defined Benefit Plan

##### (i) Gratuity

The Company has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service subject. Vesting occurs upon completion of 5 years of service. The Gratuity is unfunded.

The following table summarizes the components of net benefit expenses recognised in the Statement of Profit and Loss and the amounts recognized in the Balance Sheet.

| (₹ in lacs)   |                         |                         |
|---|-------------------------|-------------------------|
| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>i. Movement in Net Liability</b>                       |                         |                         |
| Present value of obligation at the beginning of the year  | 1,365.54                | 1,268.63                |
| Current service cost                                      | 200.24                  | 199.12                  |
| Interest cost   | 93.71                   | 87.87                   |
| Amount recognised to OCI                                  | (34.45)                 | (48.90)                 |
| Obligation transferred from subsidiary                    | 3.87                    | (27.93)                 |
| Benefits paid   | (231.17)                | (113.25)                |
| Present value of obligations at the end of the year       | <b>1,396.74</b>         | <b>1,365.54</b>         |
| <b>Present value of unfunded obligation</b>               |                         |                         |
| <b>Amounts in the Balance Sheet</b>                       |                         |                         |
| (a) Liabilities   | 1,396.74                | 1,365.54                |
| (b) Assets  | -                       | -                       |
| (c) Net liability/(asset) recognised in the Balance Sheet | <b>1,396.74</b>         | <b>1,365.54</b>         |
| Current Liability   | 246.27                  | 238.27                  |
| Non-Current Liability                                     | 1,150.47                | 1,127.27                |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| ii. Expense recognised in Statement of Profit and Loss is as follows: | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>Amount recognised in employee benefit expense</b>                  |                              |                              |
| Service cost  | 200.24                       | 199.12                       |
| Past Service Cost   | -                            | -                            |
| <b>Total</b>  | <b>200.24</b>                | <b>199.12</b>                |
| <b>Amount recognised in finance cost</b>                              |                              |                              |
| Interest cost   | 93.71                        | 87.87                        |
| <b>Total</b>  | <b>93.71</b>                 | <b>87.87</b>                 |
| <b>Total Amount charged to Statement to Profit and Loss</b>           | <b>293.95</b>                | <b>286.99</b>                |

| iii. Expense recognised in Statement of Other comprehensive income is as follows:   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Net actuarial loss / (gain) due to experience adjustment recognised during the year | (34.45)                      | (16.97)                      |
| Net actuarial loss / (gain) due to assumptions changes recognised during the year   | -                            | (31.93)                      |
| <b>Total</b>  | <b>(34.45)</b>               | <b>(48.90)</b>               |

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

| Principal Actuarial assumptions for gratuity and compensated absences | As at<br>March 31, 2019                  | As at<br>March 31, 2018                  |
|---|--|--|
| Discounting rate (p.a.)   | 7.50%                                    | 7.50%                                    |
| Expected salary increase rate (p.a.)                                  | 7.50%                                    | 7.50%                                    |
| Withdrawal rate   |  |  |
| Age up to 30 years  | 18%                                      | 18%                                      |
| Age from 31 to 44 years   | 6%                                       | 6%                                       |
| Age above 44 years  | 2%                                       | 2%                                       |
| Mortality table used  | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| Experience (gain)/loss adjustments on plan liabilities                | (34.45)                                  | (48.90)                                  |

### Notes:

- a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- b) Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary escalation rate and withdrawal rate. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| Particulars                          | As at<br>March 31, 2019 |          | As at<br>March 31, 2018 |          |
|--------------------------------------|-------------------------|----------|-------------------------|----------|
|                                      | Increase                | Decrease | Increase                | Decrease |
| Change in discount rate by 0.5%      | 59.95                   | 64.98    | 60.11                   | 65.20    |
| Change in salary increase rate by 1% | 134.21                  | 116.38   | 134.73                  | 116.67   |
| Change in withdrawal rate by 5%      | 16.21                   | 15.56    | 18.39                   | 17.43    |

## Expected benefit payments for the future year

(₹ in lacs)

| Year ended<br>March 31, 2020 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2025<br>to year ended<br>March 31, 2029 |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| 248.88                       | 115.20                       | 109.82                       | 98.83                        | 136.23                       | 813.04  |

## (ii) Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees.

## Assumptions:

|                                |  |
|--------------------------------|--|
| Discount rate (p.a.)           | 7.50% p.a.   |
| Expected return on exempt fund | 8.80% p.a.   |
| Expected EPFO return           | 8.65% p.a. for first year<br>8.60% p.a. thereafter   |
| Mortality rate                 | Indian Assured Lives Mortality (2006-08)<br>Ultimate |

## Withdrawal Rate

| Unit                              | Withdrawal Rate  |
|-----------------------------------|--|
| Fortis Emergency Services Limited | Ages From 20 - 30 - 12.50%;<br>Ages From 31 - 58 - 15.00%                              |
| Others                            | Ages From 20 - 30 - 18.00%;<br>Ages From 31 - 44 - 6.00%;<br>Ages From 45 - 58 - 2.00% |

## The assessed actuarial liability in respect of future anticipated shortfall is as follows:

| Provident fund scheme                            | As at<br>March 31, 2019<br>(₹ in lacs) |
|--|--|
| Gross actuarial liability (as at March 31, 2019) | 111.71                                 |
| Fund reserves and surplus (as at March 31, 2019) | 257.90                                 |
| Net liability                                    | Nil                                    |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Historical return on fund

| Year    | Approximate Rate of Return Earned by Fund |
|---------|---|
| 2014-15 | 9.71%                                     |
| 2015-16 | 9.80%                                     |
| 2016-17 | 9.71%                                     |
| 2017-18 | 9.08%                                     |
| 2018-19 | 8.91%                                     |

### Asset allocation as at March 31, 2019

| Asset Category              | Percentage     |
|-----------------------------|----------------|
| Government Securities       | 10.45%         |
| State Government Securities | 42.09%         |
| Private Sector Securities   | 28.34%         |
| Public Sector Securities    | 14.18%         |
| Equity Mutual Funds         | 4.94%          |
| <b>Total</b>                | <b>100.00%</b> |

## 15) Financial Instruments

### i) Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 5(xvi), 5(xvii) and 5(xix) offsets by cash and bank balances) and total equity of the company.

The Company is not subject to any externally imposed capital requirements other than for covenants under various loan arrangements of the Company.

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2019 is as follows:

### Gearing ratio

The gearing ratio at end of the reporting period was as follows:

| Particulars  | (₹ in lacs)          |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2019 | As at March 31, 2018 |
| Debt*  | 148,391.51           | 55,656.80            |
| Less: Cash and cash equivalents [Refer note 5(xiii)(a) ] | (1,213.55)           | (1,656.07)           |
| <b>Net debt</b>  | <b>147,177.96</b>    | <b>54,000.73</b>     |
| <b>Total equity</b>                                      | <b>836,323.95</b>    | <b>422,682.17</b>    |
| Net debt to equity ratio                                 | <b>17.60%</b>        | <b>12.78%</b>        |

\*Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration).

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## ii) Categories of financial instruments

| (₹ in lacs)  |                         |                         |
|--|-------------------------|-------------------------|
| Financial assets   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Measured at amortised cost</b>  |                         |                         |
| Debt component of investment in compulsory convertible debenture in subsidiary | -                       | 45,019.36               |
| Investment in non convertible bonds of subsidiary                              | 111,189.08              | -                       |
| Loans - non-current  | 98,347.20               | 46,096.54               |
| Other financial assets - non-current   | 512.83                  | 949.63                  |
| Trade receivables – current (net)  | 8,365.59                | 7,096.13                |
| Cash and cash equivalents  | 1,213.55                | 1,656.07                |
| Loans – current  | 3,015.98                | 12,353.52               |
| Other bank balances  | 2,059.48                | -                       |
| Other financial assets – current   | 20,190.72               | 7,951.14                |
| <b>Total</b>   | <b>244,894.43</b>       | <b>121,122.39</b>       |

At the end of the reporting period, there are no significant concentrations of financial assets designated at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

| (₹ in lacs)  |                         |                         |
|--|-------------------------|-------------------------|
| Financial liabilities  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Measured at amortised cost</b>                            |                         |                         |
| Borrowings   | 34,659.81               | 23,161.34               |
| Borrowings – Current   | 110,098.45              | 19,447.52               |
| Trade payables – Current                                     | 19,550.16               | 14,577.32               |
| Other financial liabilities – Current                        | 6,987.83                | 16,840.60               |
| <b>Total</b>   | <b>171,296.25</b>       | <b>74,026.78</b>        |
| <b>Measured at fair value through profit or loss (FVTPL)</b> |                         |                         |
| Corporate guarantee liability                                | 166.63                  | 96.25                   |
| <b>Total</b>   | <b>166.63</b>           | <b>96.25</b>            |

## (iii) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks including market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Company through internal risk reports which analyze exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. However, the Company has limited exposure towards foreign currency risk it earns less than 10% of its revenue from foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Company has not taken any derivative contracts to hedge the exposure. However, the exposure towards

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

### Market Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

#### a) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

| Particulars  |      | As at March 31, 2019 |                    | As at March 31, 2018 |                    |
|--|------|----------------------|--------------------|----------------------|--------------------|
|  |      | FC In lacs           | Equivalent in Lacs | FC In lacs           | Equivalent in Lacs |
| Import trade payable   | USD  | 1.06                 | 73.37              | 11.89                | 774.77             |
| Import trade payable   | EURO | -                    | -                  | 0.33                 | 26.21              |
| Loans given to subsidiary (including interest accrued thereon) | USD  | 3.89                 | 269.50             | 174.03               | 11,335.91          |
| Trade receivables  | USD  | 5.55                 | 384.51             | 10.12                | 659.45             |

#### Foreign currency sensitivity analysis

The company is mainly exposed to the USD and EURO currency.

The following table details the company's sensitivity to a 5% increase and decrease in the Rupees against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupees. strengthens 5% against the relevant currency. For a 5% weakening of the Rupees. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in lacs)

| Particulars  | Currency Impact USD  |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2019 | As at March 31, 2018 |
| <b>If increase by 5%</b>                             |                      |                      |
| Increase / (decrease) in profit or loss for the year | 2.90                 | 561.03               |
| <b>If decrease by 5%</b>                             |                      |                      |
| Increase / (decrease) in profit or loss for the year | (2.90)               | (561.03)             |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

| If increase by 5%                                    |                      | Currency Impact EURO |  |
|--|----------------------|----------------------|--|
| Particulars  | As at March 31, 2019 | As at March 31, 2018 |  |
| Increase / (decrease) in profit or loss for the year | -                    | (1.31)               |  |
| If decrease by 5%                                    |                      | Currency Impact EURO |  |
| Particulars  | As at March 31, 2019 | As at March 31, 2018 |  |
| Increase / (decrease) in profit or loss for the year | -                    | 1.31                 |  |

**b) Interest rate risk management**

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(₹ in lacs)

| If increase by 50 basis point                        |                           | Interest Impact           |  |
|--|---------------------------|---------------------------|--|
| Particulars  | Year ended March 31, 2019 | Year ended March 31, 2018 |  |
| Increase / (decrease) in profit or loss for the year | (348.86)                  | (261.57)                  |  |

(₹ in lacs)

| If decrease by 50 basis point                        |                           | Interest Impact           |  |
|--|---------------------------|---------------------------|--|
| Particulars  | Year ended March 31, 2019 | Year ended March 31, 2018 |  |
| Increase / (decrease) in profit or loss for the year | 348.86                    | 261.57                    |  |

**c) Another price risks**

The Company investment are in the group companies and are held for strategic purposes rather than for trading purposes.

**d) Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors.

Refer note 5(vi) of the standalone financial statements for carrying amount and maximum credit risk exposure for trade receivables.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### *Expected credit loss on financial assets other than trade receivables:*

Company carries other financial assets such as balances with banks, inter-corporate deposits, advances, security deposits, loans to body corporates and interest accrued on such loans etc. Company monitors the credit exposure on these financial assets on a case-to-case basis. Loans to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Company creates loss allowance wherever there is an indication that credit risk has increased significantly.

Reconciliation of loss allowance measured at life-time expected credit losses for credit impaired financial assets other than trade receivables

| Particulars                          | (₹ in lacs)             |                         |
|--------------------------------------|-------------------------|-------------------------|
|                                      | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Balance at the beginning of the year | 4,908.68                | 607.22                  |
| Loss allowance recognised            | 106.79                  | 4,301.46                |
| Balance at the end of the year       | 5,015.47                | 4,908.68                |

### e) **Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### **Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

| Particulars                  | (₹ in lacs)      |           |                      |           |                    |
|------------------------------|------------------|-----------|----------------------|-----------|--------------------|
|                              | Within 1<br>year | 1-2 year  | More than 2<br>years | Total     | Carrying<br>amount |
| <b>As at March 31, 2018</b>  |                  |           |                      |           |                    |
| Finance Lease obligation     | 251.58           | 251.58    | 8,410.01             | 8,913.17  | 2,749.47           |
| Working Capital Loan         | 12,320.00        | -         | -                    | 12,320.00 | 11,200.00          |
| Term loan                    | 16,849.89        | 17,218.32 | 13,917.95            | 47,986.15 | 33,266.04          |
| Bank Overdraft               | 7,847.52         | -         | -                    | 7,847.52  | 7,847.52           |
| Term loan from related party | 446.00           | -         | -                    | 446.00    | 400.00             |
| Trade payables               | 14,577.32        | -         | -                    | 14,577.32 | 14,577.32          |
| Security Deposit             | 2.76             | -         | -                    | 2.76      | 2.76               |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Particulars                            | Within 1 year    | 1-2 year         | More than 2 years | Total            | Carrying amount  |
|--|------------------|------------------|-------------------|------------------|------------------|
| Interest accrued and due on borrowings | 193.77           | -                | -                 | 193.77           | 193.77           |
| Capital creditors                      | 812.56           | -                | -                 | 812.56           | 812.56           |
| Technology renewal fund                | 36.00            | -                | -                 | 36.00            | 36.00            |
| Payable to related parties             | 1,569.25         | -                | -                 | 1,569.25         | 1,569.25         |
| Employee payable                       | 1,021.62         | -                | -                 | 1,021.62         | 1,021.62         |
| Other Liabilities                      | 459.71           | -                | -                 | 459.71           | 96.25            |
| Corporate guarantee Liability          | 350.47           | -                | -                 | 350.47           | 350.47           |
| <b>Total</b>                           | <b>56,738.45</b> | <b>17,469.90</b> | <b>22,327.96</b>  | <b>96,536.30</b> | <b>74,123.03</b> |

The above table does not include any effect of the covenants as per the loan agreement.

(₹ in lacs)

| Particulars                            | Within 1 year     | 1-2 year        | More than 2 years | Total             | Carrying amount   |
|--|-------------------|-----------------|-------------------|-------------------|-------------------|
| <b>As at March 31, 2019</b>            |                   |                 |                   |                   |                   |
| Finance Lease obligation               | 251.58            | 279.23          | 8,130.78          | 8,661.59          | 2,803.05          |
| Short term loan from Bank              | 1,17,004.00       | -               | -                 | 1,17,004.00       | 1,07,000.00       |
| Term loan                              | 3,296.73          | 1,868.59        | 30,756.02         | 35,921.33         | 34,885.78         |
| Bank Overdraft                         | 3,098.45          | -               | -                 | 3,098.45          | 3,098.45          |
| Trade payables                         | 19,550.16         | -               | -                 | 19,550.16         | 19,550.16         |
| Security Deposit                       | 10.09             | -               | -                 | 10.09             | 10.09             |
| Interest accrued and due on borrowings | 604.23            | -               | -                 | 604.23            | 604.23            |
| Capital creditors                      | 225.33            | -               | -                 | 225.33            | 225.33            |
| Technology renewal fund                | 49.91             | -               | -                 | 49.91             | 49.91             |
| Payable to related parties             | 2,259.93          | -               | -                 | 2,259.93          | 2,259.93          |
| Employee payable                       | 693.53            | -               | -                 | 693.53            | 693.53            |
| Other Liabilities                      | 166.63            | -               | -                 | 166.63            | 166.63            |
| Corporate guarantee Liability          | 115.79            | -               | -                 | 115.79            | 115.79            |
| <b>Total</b>                           | <b>147,326.36</b> | <b>2,147.82</b> | <b>38,886.80</b>  | <b>188,360.97</b> | <b>171,462.88</b> |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 16) Fair value measurement

#### Financial assets measured at amortised cost

31 March 2019

(₹ in lacs)

| Particulars                                       | Note | Carrying value*                            |                   |                   | Fair value measurement using* |
|---|------|--|-------------------|-------------------|-------------------------------|
|   |      | Fair value through profit and loss (FVTPL) | Amortized cost    | Total             | Level 2                       |
| <b>Financial assets</b>                           |      |  |                   |                   |                               |
| Investment in non convertible bonds of subsidiary | (d)  | -  | 111,189.08        | 111,189.08        | -                             |
| Loans (Non-current)                               | (b)  | -  | 98,347.20         | 98,347.20         | -                             |
| Other financial assets (Non-current)              | (b)  | -  | 512.83            | 512.83            | -                             |
| Trade receivables                                 | (a)  | -  | 8,365.59          | 8,365.59          | -                             |
| Cash and cash equivalents                         | (a)  | -  | 1,213.55          | 1,213.55          | -                             |
| Other bank balances                               | (a)  | -  | 2,059.48          | 2,059.48          | -                             |
| Loans (current)                                   | (a)  | -  | 3,015.98          | 3,015.98          | -                             |
| Other financial assets (current)                  | (a)  | -  | 20,190.72         | 20,190.72         | -                             |
| <b>Total</b>                                      |      | -  | <b>244,894.43</b> | <b>244,894.43</b> | -                             |

| Particulars                               | Note | Carrying value*                            |                   |                   | Fair value measurement using* |
|---|------|--|-------------------|-------------------|-------------------------------|
|   |      | Fair value through profit and loss (FVTPL) | Amortized cost    | Total             | Level 2                       |
| <b>Financial Liabilities</b>              |      |  |                   |                   |                               |
| Borrowings                                | (c)  | -  | 34,659.81         | 34,659.81         | -                             |
| Borrowings (current)                      | (a)  | -  | 110,098.45        | 110,098.45        | -                             |
| Trade payables (current)                  | (a)  | -  | 19,550.16         | 19,550.16         | -                             |
| Other financial liabilities (non-current) | (a)  | -  | 7038.67           | 7,038.67          | -                             |
| Corporate guarantee liability             | (a)  | 115.79                                     | -                 | -                 | -                             |
| <b>Total</b>                              |      | <b>115.79</b>                              | <b>171,347.09</b> | <b>171,347.09</b> | -                             |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

31 March 2018

(₹ in lacs)

| Particulars  | Note | Carrying value*                            |                  |                   | Fair value measurement using* |
|--|------|--|------------------|-------------------|-------------------------------|
|  |      | Fair value through profit and loss (FVTPL) | Amortized cost   | Total             | Level 2                       |
| <b>Financial assets</b>  |      |  |                  |                   |                               |
| Debt component of investment in compulsory convertible debenture in subsidiary | (e)  | 45,019.36                                  | -                | 45,019.36         | 45,019.36                     |
| Loans (non-current)  | (b)  | -  | 46,096.54        | 46,096.54         | -                             |
| Other financial assets (non-current)   | (b)  | -  | 949.63           | 949.63            | -                             |
| Trade receivables  | (a)  | -  | 7,096.13         | 7,096.13          | -                             |
| Cash and cash equivalents  | (a)  | -  | 1,656.07         | 1,656.07          | -                             |
| Loans (current)  | (a)  | -  | 12,353.52        | 12,353.52         | -                             |
| Other financial assets (current)   | (a)  | -  | 7,951.14         | 7,951.14          | -                             |
| <b>Total</b>   |      | <b>45,019.36</b>                           | <b>76,103.03</b> | <b>121,122.39</b> | <b>45,019.36</b>              |

| Particulars                               | Note | Carrying value*                            |                  |                  | Fair value measurement using* |
|---|------|--|------------------|------------------|-------------------------------|
|   |      | Fair value through profit and loss (FVTPL) | Amortized cost   | Total            | Level 2                       |
| <b>Financial Liabilities</b>              |      |  |                  |                  |                               |
| Borrowings                                | (c)  | -  | 23,161.34        | 23,161.34        | -                             |
| Borrowings (current)                      | (a)  | -  | 19,447.52        | 19,447.52        | -                             |
| Trade payables (current)                  | (a)  | -  | 14,577.32        | 14,577.32        | -                             |
| Other financial liabilities (non-current) | (a)  | -  | 16,586.38        | 16,586.38        | -                             |
| <b>Total</b>                              |      | <b>-</b>                                   | <b>73,772.56</b> | <b>73,772.56</b> | <b>-</b>                      |

The following methods / assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value
- The fair value is determined by using market rate of interest.
- The fair value is determined by using the valuation model/technique with observable/ non-observable inputs and assumptions.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2019 and March 31, 2018.

\*excludes investment in subsidiaries of Rupees 719,803.97 lacs (Previous year Rupees 320,750.33 lacs) which are shown at cost in balance sheet as per Ind AS 27 “Separate Financial Statements”.

\*There are no financial instruments measured at fair value through Other Comprehensive Income. Similarly there are no financial instruments which are valued under category Level 1 and Level 3.

### Financial instruments measured at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

### Valuation technique used to determine fair value of:

#### Debt component of investment in compulsory convertible debenture in subsidiary

The fair value of Debt component of investment in compulsory convertible debenture in subsidiary is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

Management has identified that a reasonably possible change in the key assumption could cause a change in fair value of the investment. The following table shows the amount by which the fair value would change on change in this assumption by 1%. All other factors remaining constant.

|                                    | (Rupees in lacs)       |
|------------------------------------|------------------------|
| Increase/ (decrease) in fair value | As at<br>31 March 2018 |
| <b>Interest rate</b>               |                        |
| Increase by 1%                     | 2,572.53               |
| Decrease by 1%                     | (2,572.53)             |

17) The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 31, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2019.

### 18) Exceptional items

- (a) During the previous year, exceptional item amounting to Rupees 158.53 lacs represents expenses on composite scheme of arrangement and amalgamation of SRL Limited (“SRL”) and Fortis Malar Hospitals Limited (“Fortis Malar”).
- (b) Allowance in respect of advance and security deposit given to body corporate along with provision for capital-work-in-progress amounting to Rupees 4,743.47 given to a body corporate for leasing of office premises. Refer note 25 for further details.
- (c) During the current year, Rupees 57.73 lacs (Previous year Rupees 54.73 lacs) as doubtful towards amount recoverable from Fortis La Femme Limited due to inability to pay by the subsidiary.
- (d) During the previous year, impairment loss for goodwill on acquisition of Shalimar Bagh unit amounting to Rupees 570.80 lacs has been recognised.
- (e) Exceptional gain during the previous year of Rupees 735.33 lacs is on account of recovery of salary & other reimbursements paid to erstwhile Executive Chairman in previous year. Further, allowance for Rupees 2,002.39 lacs against amount recoverable for salary & other reimbursement of expenses from the erstwhile Executive Chairman. Refer note 32 for further details.

### 19) Segment information

The Company is primarily engaged in the business of healthcare services which is the only reportable business segment as per Ind AS 108 “Operating Segments”.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Company's revenues by geographical market:

(₹ in lacs)

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---------------|------------------------------|------------------------------|
| India         | 65,649.24                    | 65,948.00                    |
| Outside India | -                            | -                            |
| <b>Total</b>  | <b>65,649.24</b>             | <b>65,948.00</b>             |

### Carrying value of non-current assets- by location of assets

The following table shows the carrying amount of non-current assets other than financial instruments and deferred tax assets by geographical area in which the assets are located:

(₹ in lacs)

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------|-------------------------|-------------------------|
| India         | 40,364.26               | 42,480.18               |
| Outside India | -                       | -                       |
| <b>Total</b>  | <b>40,364.26</b>        | <b>42,480.18</b>        |

### **Major customer**

The Company does not derive revenue from one customer which would amount to 10 per cent or more of the Company's revenue.

- 20) Subsequent to the quarter and year ended March 31, 2019, a wholly owned subsidiary of the Company in Mauritius entered into a share purchase agreement with various parties for sale of its entire shareholding in Medical and Surgical Centre Limited (MSCL)- Mauritius. The proposed transaction is subject to the approval of the Company's shareholders as well as regulatory approval, if required.

### 21) **Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

(₹ in lacs)

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:   |                         |                         |
| -Principal amount due to micro and small enterprises  | 484.83                  | -                       |
| -Interest due on above  | -                       | -                       |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year   | -                       | -                       |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.  | -                       | -                       |
| The amount of interest accrued and remaining unpaid at the end of each accounting year  | -                       | -                       |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | -                       | -                       |

The above information regarding dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 22) Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested

(₹ in lacs)

|                            | Fortis Hospitals Limited | Fortis Healthcare International Limited | Hiranandani Healthcare Private Limited | Fortis La Femme Limited | Escorts Heart Institute and research center limited | Total      |
|----------------------------|--------------------------|---|--|-------------------------|---|------------|
| <b>March 31, 2019</b>      |                          |   |  |                         |   |            |
| Amount (gross)             | -                        | -                                       | -                                      | 57.73                   | -   | 57.73      |
| Provision for loan         | -                        | -                                       | -                                      | (57.73)                 | -   | (57.73)    |
| Amount (net)               | 97,195.91                | 254.22                                  | 868.00                                 | -                       | 1,065.00  | 99,383.13  |
| Maximum Amount Outstanding | 97,920.91                | 11,136.61                               | 868.00                                 | 57.73                   | 1,065.00  | 111,048.25 |
| <b>March 31, 2018</b>      |                          |   |  |                         |   |            |
| Amount (gross)             | -                        | -                                       | -                                      | 54.73                   | -   | 54.73      |
| Provision for loan         | -                        | -                                       | -                                      | (54.73)                 | -   | (54.73)    |
| Amount (net)               | 45,995.14                | 10,382.89                               | -                                      | -                       | -   | 56,378.03  |
| Maximum Amount Outstanding | 85,891.82                | 10,382.89                               | 117.66                                 | 54.73                   | -   | 96,447.10  |

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

| Name of the Party                                 | Rate of Interest       | Due date       | Secured / unsecured | 31-Mar-19        | 31-Mar-18        |
|---|------------------------|----------------|---------------------|------------------|------------------|
| Fortis Hospitals Limited*                         | 11.50%, 13.00%, 13.75% | March 31, 2021 | Unsecured           | 97,195.91        | 45,995.14        |
| Fortis Healthcare International Limited           | 5% & 6.5%              | August 8, 2019 | Unsecured           | 254.22           | 10,382.89        |
| Hiranandani Healthcare Private Limited            | 11.75%                 | March 31, 2019 | Unsecured           | 868.00           | -                |
| Escorts Heart Institute & Research center Limited | 11.50%                 | March 21, 2021 | Unsecured           | 1,065.00         | -                |
| Fortis La Femme Limited                           | 10%                    | March 31, 2021 | Unsecured           | -                | -                |
| <b>TOTAL</b>                                      |                        |                |                     | <b>99,383.13</b> | <b>56,378.03</b> |

\* Interest accrued of Rupees 6,070.43 lacs as at 31 March 2018 has been converted into loan during the year.

- 23) During the year, the Company has capitalised Rupees 7,740.40 lacs (Previous year Rupees 7,740.40 lacs) to the cost of capital work in progress (CWIP) relating to a project which has been suspended during the year due to prolonged delays. The cumulative balance of such expenditure as at March 31, 2019 is Nil (Previous year Rupees 139.63 lacs). The movement during the previous year was also reduced due to capitalization of Rupees 19.72 lacs and impairment of CWIP for Rupees 476.54 lacs.

#### 24) Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of preceding three years towards Corporate Social Responsibility (CSR). However, the Company has incurred losses in the preceding three years, hence it is not required to spend towards this expenditure.

#### 25) Recoverability of certain advances / capital work-in-progress

(Also refer to Note 29 [d][v] of the Standalone Financial Statements)

The Company had paid security deposits and advances aggregating to Rupees. 2,173.57 lacs in the financial year 2013-14 to a private company ("Lessor") towards lease of office space. Due to delays in obtaining occupancy

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

certificate (OC), the lease agreement was terminated by the Company. The amounts outstanding from the Lessor as on March 31, 2018 aggregated to Rupees 2,173.00 lacs. Additionally, expenditure aggregating to Rupees 2,570 lacs as at March 31, 2018 was incurred towards capital work-in-progress on the premises proposed to be taken on lease from the Lessor, which is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has issued legal notice demanding the outstanding. Lessor responded to the notice of the Company for amicable resolution, which have not yet yielded any results.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company has recorded provisions aggregating to Rupees 4,743.00 lacs in the Standalone Financial Statements for the year ended March 31, 2018 (also refer note 29 (d) (vi)).

- 26) Pursuant to the earlier announcements on the restructuring initiative aimed at consolidating the entire India asset portfolio of RHT Health Trust ('RHT') into the Company and its subsidiaries, parties in August 2018, entered into an amendment agreement to modify certain terms of the definitive agreement dated February 12, 2018, including extension of the Long Stop Date of the transaction to December 31 2018. The amendments were approved by shareholders of the Company and RHT had received its unit holder's approval. On December 31, 2018, the Board of Directors of the Company approved the extension of the long stop date of December 31, 2018 to March 26, 2019 as per mutual agreement, and on the same terms and conditions undertaken for the earlier extension vide amendment agreement entered in August 2018. The extension of the long stop date was accepted and approved by RHT also. Effective from January 15, 2019, the Company completed the acquisition of 100% stake in International Hospital Limited, Fortis Health Management Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited and 49% stake in Fortis Hospotel Limited (in which Company already held 51% stake) for a consideration of Rupees 466,630.00 lacs.
- 27) During the year, the Company sold off 18.2 million units of RHT Health Trust, an associate of the Company for a consideration of 13.65 million Singapore Dollars.
- 28) The Board of Directors had approved an equity infusion of Rupees 400,000.00 lacs (235,294,117 shares at a price of Rupees 170 per equity share) into the Company by Northern TK Venture Pte Ltd, Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals. The shareholders of the Company have approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The acquirer had received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Ltd, have the right to appoint 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Ltd. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained, as a result of which the Mandatory Open offer was kept in abeyance. The Company has accordingly filed application for modification of the said order.

Out of the proceeds the Company has used a sum of Rupees 356,630.00 lacs for substantially funding the acquisition as described in note 26 and balance towards repayment of debt and general corporate purposes.

- 29) Investigation initiated by the erstwhile Audit and Risk Management Committee
- (a) During the previous year there were reports in the media and enquiries from, inter alia, the stock exchanges received by the Company about certain inter-corporate loans ("ICDs") given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company in its meeting on February 13, 2018 decided to carry out an independent investigation through an external legal firm.
- (b) The terms of reference of the investigation, inter alia, comprised: (i) ICDs amounting to a total of Rupees 49,414 lacs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017 (refer Notes 12); (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party (refer Notes 12); (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017 (refer Note 12); (iv) investments made in certain overseas funds by

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

the overseas subsidiaries of the Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited); (v) certain other transactions involving acquisition of Fortis Healthstaff Limited (“Fortis Healthstaff”) from an erstwhile promoter group company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company.

- (c) The investigation report (“Investigation Report”) was submitted to the re-constituted Board on June 8, 2018.
- (d) The re-constituted Board discussed and considered the Investigation Report and noted certain significant findings of the external legal firm, which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report.
  - i. While the Investigation Report did not conclude on utilization of funds by the borrower companies, there are findings in the report to suggest that the ICDs were utilized by the borrower companies for granting/ repayment of loans to certain additional entities including those whose current and/ or past promoters/ directors are known to/ connected with the erstwhile promoters of the Company.
  - ii. In terms of the relationship with the borrower companies, there was no direct relationship between the borrower companies and the Company and / or its subsidiaries during the period December 2011 till December 14, 2017 (these borrower companies became related parties from December 15, 2017). The Investigation Report has made observations where erstwhile promoters were evaluating certain transactions concerning certain assets owned by them for the settlement of ICDs thereby indirectly implying some sort of affiliation with the borrower companies. The Investigation Report has observed that the borrower companies could possibly qualify as related parties of the Company and/ or FHsL, given the substance of the relationship. In this regard, reference was made to Indian accounting Standards dealing with related party disclosures, which states that for considering each possible related party relationship, attention is to be directed to the substance of the relationship and not merely the legal form.
  - iii. Objections on record indicate that management personnel and other persons involved were forced into undertaking the ICD transactions under the repeated assurance of due repayment and it could not be said that the management was in collusion with the erstwhile promoters to give ICDs to the borrower companies. Relevant documents/information and interviews also indicate that the management’s objections were overruled. However, the former Executive Chairman of the Company, in his written responses, has denied any wrongdoing, including override of controls in connection with grant of the ICDs.
  - iv. Separately, it was also noted in the Investigation Report that the aforesaid third party to whom the ICDs were assigned has also initiated legal action against the Company (refer note 12). Whilst the matter was included as part of the terms of reference of the investigation, the merits of the case cannot be reported since the matter was sub-judice.
  - v. During the previous year ended March 31, 2018, the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited (“EHIRCL”)), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of Rupees 3.46 lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of Rupees 794.50 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited and some other payments to the erstwhile promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to FHsL / Company. Further, the said loan advanced by EHIRCL to Fortis Healthstaff Limited was impaired in the books of accounts of EHIRCL due to anticipated chances of non-recovery during the quarter and year ended March 31, 2019.
  - vi. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the erstwhile promoter group, if any. In this regard, it was observed in internal correspondence within the Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions have been made in this regard.
  - vii. Additionally, it was observed in the Investigation Report that there were significant fluctuations in the NAV of the investments in overseas funds by the overseas subsidiaries during a short span of time. Further, similar to the paragraph above, in the internal correspondence within the Company, investments in the

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

overseas funds have been referred to as related party transactions. During the quarter ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10% with no loss in the principal value of investment.

(e) **Other Matters:**

- i) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 29 (d) (i), (ii) (vi) and (vii) above) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up till March 31, 2019. Therefore, the possibility cannot be ruled out that there may be additional related parties whose relationship may not have been disclosed to the Company and, hence, not known to the Management.
- ii) With respect to the other matters identified in the Investigation Report, the Board initiated specific improvement projects to strengthen the process and control environment. The projects include revision of authority levels, both operational and financial and oversight of the Board, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance to regulatory requirements and systems design & control enhancement. The assessment work is being done and corrective action plans are being implemented. Board continues to evaluate other areas to strengthen processes and build a robust governance framework. Towards this end, it is also evaluating internal organizational structure and reporting lines, the roles of authorized representatives and terms of reference of executive committees and their functional role. The Company's Board of Director have also initiated an enquiry of the management of the certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm.
- iii) It is in the above backdrop, that it is pertinent to mention that during the previous year the Company received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Company. In the aforesaid letter, SEBI required the Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of Rupees 473 Crores reported in the media. SEBI had also appointed forensic auditors to conduct a forensic audit, of collating information from the Company and certain of its subsidiaries. The Company / its subsidiaries have furnished all requisite information and documents requested by SEBI.

In furtherance of the above, on October 17, 2018 SEBI passed an ex-parte Interim Order (“Order”) whereby it observed that certain transactions were structured by some identified entities over a certain duration, and undertaken through the Company which were prima facie fictitious and fraudulent in nature and which resulted in inter alia diversion of funds from the Company for the ultimate benefit of erstwhile promoters (and certain entities controlled by them) and misrepresentation in standalone financial statements of the Company. Further, it issued certain interim directions that inter alia directing the Company shall take all necessary steps to recover Rupees 40,300 lacs along with due interest from erstwhile promoters and various other entities, as mentioned in the Order. More importantly, the said entities had also been directed to jointly and severally repay Rupees 40,300 lacs (approx.) along with due interest to Company within three months of the order. Incidentally, the order also included FHsL as one of the entities directed to repay the due sums. Pursuant to this, FHsL's beneficial owner account had been suspended for debits by the National Securities Depository Limited and Central Depository Services (India) Limited. Further, SEBI has directed the said entities that pending completion of investigation and till further order, they shall not dispose of or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day-to-day business operations, without the prior permission of SEBI. Erstwhile-promoters have also been directed not to associate themselves with the affairs of the Company in any manner whatsoever, till further directions. Parties named in the Order have been granted opportunity for filing their respective replies/objections within 21 days.

The Company and its wholly owned subsidiary i.e. Fortis Hospitals Limited (FHsL) had then filed applications for modification of the order, for deletion of name of FHsL from the list of entities against

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

whom the directions were issued. Pursuant to this SEBI, vide order dated December 21, 2018, modified its previous order dated October 17, 2018 deleting FHsL from the list of entities against whom the Order was directed. Pursuant to this, the suspension order by National Securities Depository Limited for debits in beneficial owner account of FHsL was accordingly removed. Vide Order dated March 19, 2019 SEBI has confirmed the directions issued vide ad interim ex-parte order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the Company and FHsL to take all necessary steps to recover Rupees 40,300 lacs along with due interest from erstwhile-promoters and various other entities, as mentioned in the Order.

The Company and its wholly owned subsidiary (FHsL) have filed all necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and various other entities of erstwhile promoters to the Company and FHsL.

The matter before SEBI is sub-judice and the investigation is ongoing, in as much as it has observed that a detailed investigation would be undertaken to ascertain the role of each entity in the alleged diversion and routing of funds. The Board of Directors is committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid context, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) As per the assessment of the Board, based on the investigation carried out through the external legal firm, SEBI order and the information available at this stage, all identified/required adjustments/disclosures arising from the findings in the Investigation Report, were made in the Standalone Financial statements for the year ended March 31, 2019.
- v) In the backdrop of the investigation, the Management has reviewed some of the past information/documents in connection with transactions undertaken by the Company and certain subsidiaries. It has been noted that the Company through its subsidiary (i.e. Fortis Hospitals Limited (“FHsL”)) acquired equity interest in Fortis Emergency Services Limited from a promoter group company. On the day of the share purchase transaction, FHsL advanced a loan to Fortis Emergency Services Limited, which was used to repay an outstanding unsecured loan amount to the said promoter group company. It may be possible that the loan repayment by Fortis Emergency Services Limited to the said promoter group company was ultimately routed through various intermediary companies and was used for repayment of the ICDs /vendor advance to FHsL.

### 30) Investigation by Various Other Regulatory Authorities:

- a) During the previous year ended March 31, 2018, the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, inter alia, had also sought information in relation to the Company. All requisite information in this regard has been duly shared by the Company with the ROC.
- b) The Serious Fraud Investigation Office (SFIO), of the Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, inter alia, initiated an investigation and sought information in relation to the Company, its material subsidiaries, joint ventures and associates. The Company has submitted all requisite information in this regard with SFIO, as requested from time to time.
- c) The Investigation Report of the external legal firm has been submitted by the Company to the Securities and Exchange Board of India, the Serious Frauds Investigation Office (“SFIO”) on June 12, 2018.

The Company is fully co-operating with the regulators in relation to the ongoing investigations to enable them to make their determination on these matters. Any further adjustments/disclosures, if required, would be made in the books of account as and when the outcome of the above investigations is known.

- 31) During the quarter ended March 31, 2019, the Company has received dividend of Rupees 24,270.68 lacs from its wholly owned subsidiary Fortis Healthcare International Limited. Further, subsequent to year end, the Company has received dividend of Rupees 61,478.00 lacs.

### 32) Letter of Appointment of erstwhile Executive Chairman

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as non-est the Letter of Appointment dated September 27, 2016, as amended, (“LoA”) issued

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

to the erstwhile Executive Chairman of the Company in relation to his role as 'Lead: Strategic Initiatives' in the Strategy Function. Basis legal advice taken by the Company, the payments made to him under this LOA would be considered to be covered under the limits of section 197 of the Companies Act, 2013. The Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him., The erstwhile Executive Chairman sent a notice to the Company claiming Rupees 4,610 lacs as allegedly due to him under the employment agreement. The Company has replied to the same through its legal counsel denying any liability and stated that the demand is not payable being illegal and accordingly no adjustment has been made in these Standalone Financial Statements with respect to these claims. Subsequently, Company has filed a complaint against the erstwhile Executive Chairman before Economic Offence Wing, New Delhi which is being investigated. The Company has received vehicles which were being used by him except for IT assets and excess amounts paid to him. (Also refer Note 29(e)(iii) on recent SEBI Order)

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to Rupees 2,002 lacs (comprising reversal of FY 2016-17 expenditure of Rupees 735 lacs, which has been disclosed as an exceptional income in the Standalone Financial Statements for the year ended March 31 2018, and expenditure of Rupees 1,267 lacs relating to FY 2017-18) was shown as recoverable in the Standalone Financial statements of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts a provision of Rupees 2,002 lacs was made which has been shown as an exceptional item in the Standalone Financial Statements for the year ended March 31, 2018.

### 33) Going Concern

The Company's current liabilities are significantly higher than current asset at March 31, 2019. Additionally, certain events in the previous year adversely impacted performance and cash flow position of the Company. However, considering the fresh equity infusion, expected positive future cash flows, ability to borrow funds to meet any cash requirement, management believes that the going concern assumption in these standalone financial statements is appropriate. In view of the aforesaid, the management has considered it appropriate to prepare these standalone financial statements on a going concern basis.

- 34) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2019 is to be conducted on or before due date of the filing of return and the company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

#### For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sd/-

**PRAVIN TULSYAN**

Partner

Membership Number: 108044

#### For and on behalf of the Board of Directors

**FORTIS HEALTHCARE LIMITED**

Sd/-

**RAVI RAJAGOPAL**

Chairman

DIN 00067073

Sd/-

**SUMIT GOEL**

Company Secretary

Membership No.: F6661

Sd/-

**ASHUTOSH RAGHUVANSHI**

Managing Director & Chief

Executive Officer

DIN 02775637

Sd/-

**VIVEK KUMAR GOYAL**

Chief Financial Officer

Place : Gurugram

Date : May 24, 2019

Place : Gurugram

Date : May 24, 2019