

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Fortis C-DOC Healthcare Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fortis C-Doc Healthcare Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, of its loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in



accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as on 31 March 2020 on its financial position- Refer note 6.2 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-
100022



Rajesh Arora
Partner
Membership No. 076124
UDIN : 20076124AAAADI9249

Place : Gurugram
Date : 07 October 2020

Annexure A to the Independent Auditor's Report on the financial statements of Fortis C-Doc Healthcare Limited for the year ended 31 March 2020

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' Section of our Audit Report of even date)

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipment).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, all fixed assets were verified by the management during the year. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company does not hold any immovable property. Accordingly, the provision of clause 3(i)(c) of the Order are not applicable.
- (ii) The inventories, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Goods and services tax (GST) and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of and Sales tax, Service tax, Excise duty, Duty of customs, Value added tax and Cess.

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According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax and Goods and service tax and other material statutory dues as at 31 March 2020 for a period of more than six months from the date they became payable.

Also refer note 6.2, wherein, it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court judgment on the Provident fund matter, management has not recognized and deposited any additional Provident fund amount with respect to the previous years.

- (b) According to the information and explanations given to us, the following dues of Income-tax have not been deposited by the Company on account of disputes:

| Name of Statute | Nature of dues | Forum where dispute is pending | Financial year to which the amount relates | Amount involved (Rupees in thousands) | Amount paid under protest (Rupees in thousands) |
|----------------------|---------------------------------|---|--|---------------------------------------|---|
| Income Tax Act, 1961 | Income Tax and Interest thereon | Commissioner of Income Tax (Appeals), Delhi | 2011-12 | 1,450.00 | - |
| Income Tax Act, 1961 | Income Tax and Interest thereon | Commissioner of Income Tax (Appeals), Delhi | 2015-16 | 10,500.00 | - |
| Income Tax Act, 1961 | Income Tax and Interest thereon | Commissioner of Income Tax (Appeals), Delhi | 2016-17 | 12,000.00 | - |

As explained to us, there are no dues in respect of Excise duty, Value added tax, Duty of Customs, Sales tax, Service tax and Goods and service tax as at 31 March 2020 which have not been deposited on account of any dispute.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, provisions of paragraph 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards. According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company.

- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us and based on our examination of the records of Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-
100022



Rajesh Arora
Partner
Membership No. 076124
UDIN: 20076124AAAADI9249

Place: Gurugram
Date: 07 October 2020

Annexure B to the Independent Auditors' report on the financial statements of Fortis C-Doc Healthcare Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Fortis C-Doc Healthcare Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-
100022



Rajesh Arora
Partner
Membership No. 076124
UDIN: 20076124AAAADI9249


Place: Gurugram
Date: 07 October 2020

FORTIS C-DOC HEALTHCARE LIMITED
BALANCE SHEET AS AT 31 MARCH 2020

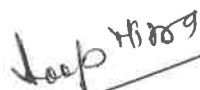
| | Notes | As at 31 March 2020 (Rupees in '000) | As at 31 March 2019 (Rupees in '000) |
|--|-----------|--|--|
| ASSETS | | | |
| A. Non-current assets | | | |
| (a) Property, plant and equipment | 4 (i) (A) | 29,750.55 | 43,689.67 |
| (b) Right-to-use assets | 4 (ii) | 131,117.24 | - |
| (c) Other intangible assets | 4 (i) (B) | 326.14 | 573.85 |
| (d) Financial assets | | | |
| (i) Loans | 4 (v) | 450.00 | 450.00 |
| (e) Non-current tax assets (net) | 4 (vii) | 26,391.38 | 16,673.84 |
| Total non-current assets (A) | | 188,035.31 | 61,387.36 |
| B. Current assets | | | |
| (a) Inventories | 4 (ix) | 979.20 | 732.42 |
| (b) Financial assets | | | |
| (i) Trade receivables | 4 (iv) | 19,158.11 | 34,342.69 |
| (ii) Cash and cash equivalents | 4 (x) (A) | 3,510.66 | 10,133.80 |
| (iii) Bank balance other than (ii) above | 4 (x) (B) | 91.45 | 91.45 |
| (iv) Loans | 4 (v) | 2,820.66 | 6,702.88 |
| (v) Other financial assets | 4 (vi) | 63.93 | 1,068.60 |
| (c) Other current assets | 4 (viii) | 1,214.23 | 1,152.08 |
| Total current assets (B) | | 27,838.24 | 54,223.92 |
| Total assets (A+B) | | 215,873.55 | 115,611.28 |
| EQUITY AND LIABILITIES | | | |
| C. Equity | | | |
| (a) Equity share capital | 4 (xi) | 67,677.29 | 67,677.29 |
| (b) Other equity | | (256,430.87) | (213,675.49) |
| Total equity (C) | | (188,753.58) | (145,998.20) |
| Liabilities | | | |
| D. Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 4 (xii) | 173,824.54 | 159,833.88 |
| (ii) Lease liabilities | 5(a) | 122,179.94 | - |
| (iii) Other financial liabilities | 4 (xiii) | 17,969.49 | 18,990.66 |
| (b) Provisions | 4 (xiv) | 1,736.00 | 1,601.00 |
| Total non-current liabilities (D) | | 315,709.97 | 180,425.54 |
| E. Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 4 (xv) | | |
| Total outstanding dues of micro enterprises and small enterprises | | 3,953.80 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 50,623.72 | 59,034.17 |
| (ii) Lease liabilities | 5(a) | 7,742.78 | - |
| (iii) Other financial liabilities | 4 (xiii) | 17,120.07 | 11,603.54 |
| (b) Provisions | 4 (xiv) | 5,863.00 | 5,250.00 |
| (c) Other current liabilities | 4 (xvi) | 3,613.79 | 5,296.23 |
| Total current liabilities (E) | | 88,917.16 | 81,183.94 |
| Total liabilities (D+E) | | 404,627.13 | 261,609.48 |
| Total equity and liabilities (C+D+E) | | 215,873.55 | 115,611.28 |


See accompanying notes forming part of the financial statements
In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022


Rajesh Arora
Partner
Membership Number: 076124
Place : Gurugram
Date : October 07, 2020

For and on behalf of the Board of Directors
FORTIS C-DOC HEALTHCARE LIMITED


Dr. Anoop Misra
Whole-time Director
DIN: 02150996
Place : Gurugram
Date : October 07, 2020


Shalabh Dang
Director
DIN: 08367806
Place : Gurugram
Date : October 07, 2020





FORTIS C-DOC HEALTHCARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | For the year ended 31 March 2020 (Rupees in '000) | For the year ended 31 March 2019 (Rupees in '000) |
|-------------|---|---|---|
| I | Revenue from operations | 4 (xvii) 237,731.19 | 244,735.00 |
| II | Other income | 4 (xviii) 6.98 | 1,241.92 |
| III | Total Income (I+II) | 237,738.17 | 245,976.92 |
| IV | Expenses | | |
| | (a) Purchases of medical consumables and drugs | 22,009.04 | 27,259.73 |
| | (b) Changes in inventories of medical consumables and drugs | 4 (xix) (246.78) | 207.37 |
| | (c) Employee benefits expense | 4 (xx) 49,067.10 | 44,163.39 |
| | (d) Finance costs | 4 (xxi) 24,348.99 | 22,392.87 |
| | (e) Depreciation and amortisation expense | 4 (xxii) 18,716.33 | 19,772.82 |
| | (f) Other expenses | 4 (xxiii) 166,887.23 | 161,352.90 |
| | Total Expenses (IV) | 280,781.91 | 275,149.08 |
| V | Loss before tax (III-IV) | (43,043.74) | (29,172.16) |
| VI | Tax expense | 4 (xxiv) | |
| | (a) Current tax (net) | - | - |
| | (b) Deferred tax (net) | - | - |
| | Total tax expense (VI) | - | - |
| VII | Loss for the year (IV-VI) | (43,043.74) | (29,172.16) |
| | Other comprehensive income/(Loss) | | |
| | (a) Items that will not be reclassified to profit or loss | | |
| | (i) Remeasurement of defined benefits plans | 4 (xxv) 288.36 | 577.00 |
| VIII | Total other comprehensive loss (VIII) | 288.36 | 577.00 |
| IX | Total comprehensive loss for the year (VII+VIII) | (42,755.38) | (28,595.16) |
| | Earning per equity share of INR 10 each | 11 | |
| | (a) Basic (in Rupees) | (6.36) | (4.31) |
| | (b) Diluted (in Rupees) | (6.36) | (4.31) |

See accompanying notes forming part of the financial statements

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In terms of our report attached.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Rajesh Arora

Partner

Membership Number: 076124

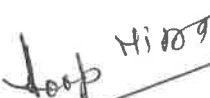
Place : Gurugram

Date : October 07, 2020



For and on behalf of the Board of Directors

FORTIS C-DOC HEALTHCARE LIMITED



Dr. Anoop Misra

Whole-time Director

DIN: 02150996

Place : Gurugram

Date : October 07, 2020



Shalabh Dang

Director

DIN: 08367806

Place : Gurugram

Date : October 07, 2020





FORTIS C-DOC HEALTHCARE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

| | For the year ended 31 March 2020 (Rupees in '000) | For the year ended 31 March 2019 (Rupees in '000) |
|---|---|---|
| Cash flows from operating activities | | |
| Loss for the year | (43,043.74) | (29,172.16) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 18,716.33 | 19,772.82 |
| Provision for doubtful receivables | 13,395.59 | - |
| Interest expense on loan and lease liability | 23,084.93 | 21,100.73 |
| Operating Profit before change in following assets and liabilities | 12,153.11 | 11,701.39 |
| Change in operating assets and liabilities | | |
| Decrease/ (increase) in trade receivables | 1,944.50 | (12,625.41) |
| (Increase)/ decrease in inventories | (246.78) | 207.37 |
| Decrease in other assets | 4,824.73 | 6,798.53 |
| (Increase)/ decrease in trade payables | (4,853.08) | 6,744.93 |
| Decrease in provisions | 1,036.36 | 723.00 |
| Decrease/(increase) in other liabilities | 3,834.10 | (5,342.56) |
| Cash generated from operations | 18,692.94 | 8,207.25 |
| Income taxes paid (net) | (9,717.54) | (3,858.50) |
| Net cash generated by operating activities (A) | 8,975.40 | 4,348.75 |
| Cash flows from investing activities | | |
| Payments to acquire property, plant and equipment | (4,281.81) | (468.22) |
| Fixed deposit with maturity less than three months | - | (66.45) |
| Net cash used in investing activities (B) | (4,281.81) | (534.67) |
| Cash flows from financing activities (refer note 4(xii)) | | |
| Repayment of borrowings | (5,000.00) | (2,500.00) |
| Interest paid [including interest on lease liability Rupees 4,748.72 ('000')] | (5,115.45) | (2,110.09) |
| Payment of lease liability | (1,201.28) | - |
| Net cash used in financing activities (C) | (11,316.73) | (4,610.09) |
| Net decrease in cash and cash equivalents (A+B+C) | (6,623.14) | (796.02) |
| Cash and cash equivalents at the beginning of the year | 10,133.80 | 10,929.82 |
| Cash and cash equivalents at the end of the year | 3,510.66 | 10,133.80 |



FORTIS C-DOC HEALTHCARE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

Changes in liabilities arising from financing activities

| Particulars | (Rupees in '000) | | |
|---|-------------------------------------|----------------------------------|--------------------|
| | Long term borrowings Non Current | Interest accrued Non- Current | Lease Liability |
| As at 1 April 2018 | 144,272.27 | 18,061.62 | - |
| Repayment of borrowings | (2,500.00) | - | - |
| Finance cost | - | 21,100.73 | - |
| Finance cost paid | - | (2,110.09) | - |
| Conversion of interest into loan (refer note 4 (xii)) | 18,061.61 | (18,061.60) | - |
| As at 31 March 2019 | 159,833.88 | 18,990.66 | - |
| Finance lease liabilities recognised during the year | - | - | 131,124.00 |
| Lease liability paid | - | - | (1,201.28) |
| Repayment of borrowings | (5,000.00) | - | - |
| Finance cost | - | 18,336.21 | 4,748.72 |
| Finance cost paid | - | (366.72) | (4,748.72) |
| Conversion of interest into loan (refer note 4 (xii)) | 18,990.66 | (18,990.66) | - |
| As at 31 March 2020 | 173,824.54 | 17,969.49 | 129,922.72 |

The statement of cash flows has been prepared under the "Indirect Method" assets out in the Ind AS 7 Statement of Cash flows notified under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Rajesh Arora

Partner

Membership Number: 076124

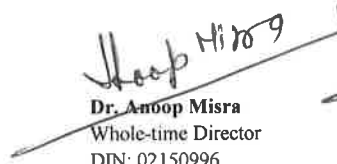
Place : Gurugram

Date : October 07, 2020



For and on behalf of the Board of Directors

FORTIS C-DOC HEALTHCARE LIMITED



Dr. Anoop Misra
 Whole-time Director
 DIN: 02150996

Place : Gurugram

Date : October 07, 2020



Shalabh Dang
 Director
 DIN: 08367806

Place : Gurugram

Date : October 07, 2020




FORTIS C-DOC HEALTHCARE LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in '000)

| Particular | Equity | | Other equity | | Total |
|--|----------------------|-----------------------------|---------------------|--|---------------------|
| | Equity Share Capital | Securities premium reserve* | Retained earnings | | |
| Balance at 1 April 2018 | 67,677.29 | 36,131.25 | (221,211.58) | | (117,403.04) |
| Loss for the year | - | - | (29,172.16) | | (29,172.16) |
| Other comprehensive income/ (loss) for the year, net of income tax | - | - | 577.00 | | 577.00 |
| Total comprehensive income/ (loss) for the year | - | - | (28,595.16) | | (28,595.16) |
| Balance at 31 March 2019 | 67,677.29 | 36,131.25 | (249,806.74) | | (145,998.20) |
| Loss for the year | - | - | (43,043.74) | | (43,043.74) |
| Other comprehensive income/ (loss) for the year, net of income tax | - | - | 288.36 | | 288.36 |
| Total comprehensive income/ (loss) for the year | - | - | (42,755.38) | | (42,755.38) |
| Balance at 31 March 2020 | 67,677.29 | 36,131.25 | (292,562.12) | | (188,753.58) |

See accompanying notes forming part of the financial statements

1-16

* The unutilized accumulated excess of issue price over face value on issue of shares. This reserve will be utilised in accordance with the provisions of the Act.

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants

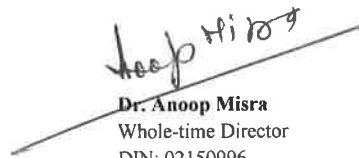
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors
FORTIS C-DOC HEALTHCARE LIMITED



Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : October 07, 2020



Dr. Anoop Misra
Whole-time Director
DIN: 02150996

Place : Gurugram
Date : October 07, 2020



Shalabh Dang
Director
DIN: 08367806

Place : Gurugram
Date : October 07, 2020





FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1) Nature of operations

Fortis C-Doc Healthcare Limited ('the Company') was incorporated on 17 September 2010 to carry on the business of setting up and operate Healthcare Centers including OPDs, IPDs. The Company is engaged in the business of providing healthcare services relating to diabetic, renal and ophthalmology and also carries research which are sponsored or otherwise, in pursuit of medical knowledge for cure and treatment of various ailments affecting human body.

Fortis C-Doc Healthcare Limited is a limited liability company, in which 60% of the paid-up share capital is held by Fortis Hospitals Limited ('FHsL'). As per Joint Venture agreement dated 6 December, 2010, the Company is jointly controlled entity between FHsL and Dr. Anoop Misra, as each party have right to appoint equal number of directors in the Board of Directors of the Company.

The registered office of the Company is located at Escorts Heart Institute And Research Centre limited, Okhla Road, New Delhi - 110025 and the principal place of business of the Company is located at B-16, Chirag Enclave (Opposite Nehru Place), New Delhi – 110048.

2) Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ('financial statements'). The accounting policies adopted are consistent with those of the previous financial year except for changes as described in note 3(b) due to amendment in applicable accounting guidance (also refer to respective policies).

(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 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in thousands of Indian Rupees and are rounded to the nearest thousand rounded off to two decimals, except per share data.

The financial statements have been authorized for issue by the Company's Board of Directors on 7 October, 2020.

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Company's functional currency.

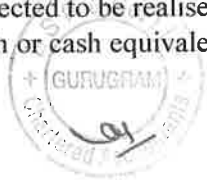
(iii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. 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



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

twelve months after the reporting period.

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.

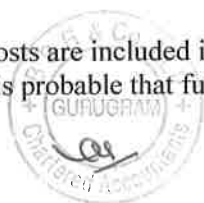
When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety 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) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

All 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



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 2015 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 measurement of goodwill that arises from business combination, subsequent measurement is at cost less any accumulated impairment losses.
- 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 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 2015 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 property, plant and equipment 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 property, plant and equipment 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 | 3-15 years | 15 years |
| Medical equipment | 2-13 years | 13 years |
| Computers | 3 years | 3 years |
| Furniture and fittings | 4-10 years | 10 years |
| Office equipment | 5 years | 5 years |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation on leasehold assets is provided over the lease term or expected useful life of the asset, whichever is lower.

Estimated useful lives of the intangible assets are as follows:

| Category of assets | Management estimate of Useful Life |
|--------------------|------------------------------------|
| Computer software | 3-6 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 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

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from their 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.

(e) 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 (FVTPL)
- 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



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE 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 FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL 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 FVTPL. 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 FVTPL. 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 FVTPL 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.

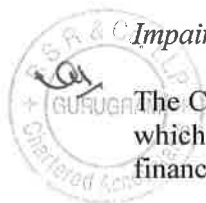
All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments 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 FVTPL 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



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE 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 FVTPL. A financial liability is classified as at FVTPL 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 FVTPL 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

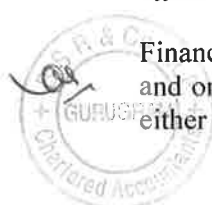
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such 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.



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(f) 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 and other direct costs incurred. 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.

(g) 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.

(h) 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.

(i) 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.



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(j) Revenue recognition

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 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 revenue from various ancillary revenue generating activities like satellite centers, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognized as and when services are performed.

(k) 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.



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) **Provident fund**

The Company makes contribution to Regional Provident Fund Commissioner for its employees. 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.

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).

(l) 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. General and specific borrowing 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 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. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.



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(m) Income tax

Income tax 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, associates or joint arrangements, 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.

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 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.

(n) Leases

Effective April 1, 2019, the Company has applied Ind AS 116 using modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in note 5.



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Policy applicable from April 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Policy applicable before April 1, 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an



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estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

Under Ind AS 17

In the comparative period, a lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

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.

(ii) As a lessor

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-



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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.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

(o) 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 segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(p) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). 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.

The Company is primarily engaged in the business of healthcare services which is the only reportable business segment.

(q) 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.



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3) (a) 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.

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 5(a)
- Financial instruments - Note 8
- Fair value measurement – Note 9
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 6.2
- Recognition and estimation of tax expense including deferred tax– Note 4(iii) and 4(xxiii)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(d)(iii)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 7

(b) Changes in significant accounting policies

The Company initially applied Ind AS 116 Leases from 1 April 2019. A number of other new amendments to standards are also effective from 1 April 2019 but they do not have a material effect on the Company's financial statements.

The Company applied Ind AS 116 using the modified retrospective approach. Accordingly, the comparative information presented for March 31, 2019 is not restated - i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

A. Definition of a lease

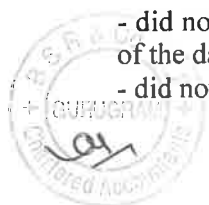
Previously, the Company determined at contract inception whether an arrangement was or contained a lease under Ind AS 17. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in 2(n).

B. As a lessee

As a lessee, the Company leases many assets including property (land and buildings), medical equipment and office equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet, At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Company used a number of practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);



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- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

On transition to Ind AS 116, there were no leases for which the Company was required to recognise a lease liability or right-of-use asset.

(c) Applicable standards issued but not yet effective

MCA, vide notification dated 24 July 2020, has issued the Companies (Indian Accounting Standards) Amendment Rules, 2020 to amend certain Ind AS as listed below. The amendments are effective from annual periods commencing on or after 1 April 2020

- Practical expedient in Ind AS 116, Leases, relating to rent concessions occurring as a direct consequence of COVID-19 pandemic;
- Amendment to definition of “business” (Ind AS 103, Business Combination);
- Refined definition of “material” (Ind AS 1 Presentation of Financial Statements and Ind AS 8, Accounting Polices, Change in Accounting Estimate and Errors);
- Interest rate benchmark reform (Ind AS 107, Financial Instruments: Disclosures and Ind AS 109, Financial Instruments)

The Company does not expect any significant impact of the above amendment on its financial statements.



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4 (i) (A) Property, plant and equipment

| Particulars | (Rupees in '000) | | | | | | | Total |
|--|------------------------|-------------------|-------------------|----------------------|-----------|------------------|------------|-------|
| | Leasehold improvements | Plant & machinery | Medical equipment | Furniture & fittings | Computers | Office equipment | | |
| Cost | | | | | | | | |
| As at 1 April, 2018 | 59,623.71 | 10,127.45 | 42,554.08 | 7,915.86 | 1,052.53 | 226.76 | 121,500.39 | |
| Additions | 200.00 | 140.00 | - | 74.99 | - | - | 414.99 | |
| Disposals | - | - | - | - | - | - | - | |
| As at 31 March, 2019 | 59,823.71 | 10,267.45 | 42,554.08 | 7,990.85 | 1,052.53 | 226.76 | 121,915.38 | |
| Additions | - | - | - | - | 111.53 | - | 111.53 | |
| Disposals | - | - | - | - | - | - | - | |
| As at 31 March, 2020 | 59,823.71 | 10,267.45 | 42,554.08 | 7,990.85 | 1,164.06 | 226.76 | 122,026.91 | |
| Accumulated Depreciation | | | | | | | | |
| As at 1 April, 2018 | 38,937.60 | 3,750.40 | 11,973.48 | 3,206.39 | 487.43 | 226.76 | 58,582.06 | |
| Charge for the year | 13,314.67 | 1,311.42 | 3,881.89 | 1,077.42 | 58.25 | - | 19,643.65 | |
| Disposals | - | - | - | - | - | - | - | |
| As at 31 March, 2019 | 52,252.27 | 5,061.82 | 15,855.37 | 4,283.81 | 545.68 | 226.76 | 78,225.71 | |
| Charge for the year | 7,566.38 | 1,313.22 | 4,024.75 | 1,078.69 | 67.61 | - | 14,050.64 | |
| Disposals | - | - | - | - | - | - | - | |
| As at 31 March, 2020 | 59,818.65 | 6,375.04 | 19,880.12 | 5,362.50 | 613.29 | 226.76 | 92,276.35 | |
| Carrying Value (As at 31 March, 2019) | 7,571.44 | 5,205.63 | 26,698.71 | 3,707.04 | 506.85 | - | 43,689.67 | |
| Carrying Value (As at 31 March, 2020) | 5.06 | 3,892.41 | 22,673.96 | 2,628.35 | 550.77 | - | 29,750.55 | |



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4 (i) (B) Other intangible assets

(Rupees in '000)

| Particulars | Software | Total |
|--|----------|----------|
| Gross carrying value | | |
| As at 1 April, 2018 | 1,906.09 | 1,906.09 |
| Additions | 53.25 | 53.25 |
| Disposals | - | - |
| As at 31 March, 2019 | 1,959.34 | 1,959.34 |
| Additions | 25.88 | 25.88 |
| Disposals | - | - |
| As at 31 March, 2020 | 1,985.22 | 1,985.22 |
| Accumulated amortization | | |
| As at 1 April, 2018 | 1,256.32 | 1,256.32 |
| Charge for the year | 129.17 | 129.17 |
| Disposals | - | - |
| As at 31 March, 2019 | 1,385.49 | 1,385.49 |
| Charge for the year | 273.59 | 273.59 |
| Disposals | - | - |
| As at 31 March, 2020 | 1,659.08 | 1,659.08 |
| Carrying Value (As at 31 March, 2019) | 573.85 | 573.85 |
| Carrying Value (As at 31 March, 2020) | 326.14 | 326.14 |



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4 (ii) Right of use asset

(Rupees in '000)

| Particulars | Right of use asset | Total |
|--|--------------------|-------------------|
| Gross carrying value | | |
| As at April 1, 2019 | - | - |
| Additions to right-of-use assets | 135,509.34 | 135,509.34 |
| As at 31 March, 2020 | 135,509.34 | 135,509.34 |
| Amortization | | |
| As at 1 April, 2019 | - | - |
| Charge for the year | 4,392.10 | 4,392.10 |
| As at 31 March, 2020 | 4,392.10 | 4,392.10 |
| Carrying value (As at 31 March, 2020) | 131,117.24 | 131,117.24 |

4 (iii) Deferred tax asset

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, as it is not probable that future taxable profit will be available against which the Company can utilise such temporary differences and brought forward losses.

| | As at 31 March 2020 (Rupees in '000) | As at 31 March 2019 (Rupees in '000) |
|--|--|--|
| Deferred tax assets: | | |
| Unabsorbed depreciation | 23,906.24 | 30,376.65 |
| Business losses | 32,710.84 | 37,695.56 |
| Property, plant and equipment | 7,803.79 | 8,645.04 |
| Provision for employees' benefits | 1,912.52 | 2,394.01 |
| Loss allowance on trade receivables | 1,577.41 | 3,081.71 |
| Lease liability | 32,698.95 | - |
| | 100,609.75 | 82,192.97 |
| Deferred tax liabilities: | | |
| Right-of-use assets | (32,999.59) | - |
| Others | (186.62) | 266.80 |
| Total | (33,186.21) | 266.80 |
| Net deferred tax asset recognised | - | - |



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| Particulars | As at 31 March 2020 (Rupees in '000) | As at 31 March 2019 (Rupees in '000) |
|--|--|--|
| 4 (iv) Trade receivables | | |
| <u>Current- at amortised cost</u> | | |
| (a) Considered good | | |
| — From others | 5,657.34 | 17,757.32 |
| — From related parties | 13,500.77 | 16,585.37 |
| (b) Credit impaired | 6,267.54 | 8,818.99 |
| Less:- Loss allowance | (6,267.54) | (8,818.99) |
| | 19,158.11 | 34,342.69 |

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

| Ageing | Expected Credit Loss % | |
|-------------------|------------------------|------------|
| 0 - 1 year | 0% - 31% | 0% - 100% |
| 1 - 2 year | 1% - 46% | 15% - 100% |
| 2 - 3 year | 6% - 55% | 40% - 100% |
| More than 3 years | 100% | 70% - 100% |

The movement in loss allowance during the year is as follows :

| | As at 31 March, 2020 (Rupees in Lacs) | As at 31 March, 2019 (Rupees in Lacs) |
|---|---|---|
| Balance at the beginning of the year | 8,818.99 | 10,131.60 |
| Creation of the allowance for expected credit loss | 13,395.59 | - |
| Utilisation of the allowance for expected credit loss (written off) | (15,947.04) | (1,312.61) |
| | 6,267.54 | 8,818.99 |

4 (v) Loans

Non-current-at amortised cost

Considered good

| | | |
|-----------------------|---------------|---------------|
| (a) Security deposits | 450.00 | 450.00 |
| | 450.00 | 450.00 |

Credit impaired

| | | |
|-----------------------|----------|----------|
| (a) Security deposits | 180.00 | 180.00 |
| Less: Loss allowance | (180.00) | (180.00) |

Total

| | | |
|--|---------------|---------------|
| | 450.00 | 450.00 |
|--|---------------|---------------|

Current- at amortised cost

Unsecured, considered good

| | | |
|-----------------------|-----------------|-----------------|
| (a) Security deposits | 2,820.66 | 6,702.88 |
| | 2,820.66 | 6,702.88 |



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| Particulars | As at 31 March 2020 (Rupees in '000) | As at 31 March 2019 (Rupees in '000) |
|--|--|--|
| 4 (vi) Other financial assets (unsecured) | | |
| <u>Current- at amortised cost</u> | | |
| Considered good | | |
| (a) Staff advance | 63.93 | 32.50 |
| (b) Contract asset- unbilled revenue | - | 1,036.10 |
| | 63.93 | 1,068.60 |
| Credit impaired | | |
| (a) Staff advance | 19.21 | 19.21 |
| Less: Loss allowance | (19.21) | (19.21) |
| | - | - |
| Total | 63.93 | 1,068.60 |
| 4 (vii) Non-current tax assets (Net) | | |
| (a) Advance income tax [net of provision for taxation Rs. Nil (Previous year- Rs. Nil)] | 26,391.38 | 16,673.84 |
| | 26,391.38 | 16,673.84 |
| 4 (viii) Other assets (unsecured) | | |
| <u>Non-current</u> | | |
| Considered doubtful | | |
| (a) Capital advances | 895.00 | 895.00 |
| Less: Provision for doubtful advances | (895.00) | (895.00) |
| | - | - |
| Total | - | - |
| <u>Current</u> | | |
| Considered good | | |
| (a) Advance to vendors | 613.77 | 0.20 |
| (b) Prepaid expenses | 600.46 | 1,151.88 |
| | 1,214.23 | 1,152.08 |
| Considered doubtful | | |
| (a) Advance to vendors | 542.29 | 564.31 |
| Less: Provision for doubtful advances | (542.29) | (564.31) |
| | - | - |
| | 1,214.23 | 1,152.08 |
| 4 (ix) Inventories | | |
| <u>(Values at lower of cost and net realisable value)</u> | | |
| (a) Medical consumables, drugs and others | 979.20 | 732.42 |
| | 979.20 | 732.42 |
| 4 (x) (A) Cash and cash equivalents | | |
| (a) Balances with banks | | |
| - on current accounts | 3,279.81 | 9,744.24 |
| (b) Cash on hand | 230.85 | 389.56 |
| Cash and cash equivalents as per balance sheet | 3,510.66 | 10,133.80 |
| (B) Bank balance other than 4(x) (A) above | | |
| -Deposits due to mature within twelve months from the reporting date | 91.45 | 91.45 |
| | 91.45 | 91.45 |



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| Particulars | As at | As at |
|---|-----------------------------------|-----------------------------------|
| | 31 March 2020 (Rupees in '000) | 31 March 2019 (Rupees in '000) |
| 4 (xi) Equity share capital | | |
| Authorised share capital | | |
| 7,000,000 (Previous year 7,000,000) equity shares of Rupees 10 each | 70,000.00 | 70,000.00 |
| Total authorised share capital | 70,000.00 | 70,000.00 |
| Issued, subscribed and fully paid up shares | | |
| 6,767,729 (Previous year 6,767,729) equity shares of Rupees 10 each fully paid up | 67,677.29 | 67,677.29 |
| Total issued, subscribed and fully paid up share capital | 67,677.29 | 67,677.29 |

Notes :

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

Equity shares with voting rights

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|----------------------------------|------------------|----------------------------------|------------------|
| | Number | Rupees in '000 | Number | Rupees in '000 |
| At the beginning of the year | 6,767,729 | 67,677.29 | 6,767,729 | 67,677.29 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 6,767,729 | 67,677.29 | 6,767,729 | 67,677.29 |

(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. The Company declares and pays dividend in Indian Rupees. 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.

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

Equity Shares

| Name of Shareholder | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---------------------------|----------------------------------|--------------|----------------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Fortis Hospitals Limited* | 4,060,637 | 60.21% | 4,060,637 | 60.21% |
| Dr. Angeli Misra | 1,590,651 | 23.59% | 1,590,651 | 23.59% |
| Dr. Anoop Misra | 1,092,354 | 16.20% | 1,092,354 | 16.20% |
| | 6,743,642 | 100% | 6,743,642 | 100% |

* including 3 shares held jointly with Fortis Healthcare Limited, Fortis Healthstaff Limited and Escorts Heart Institute and Research Centre Limited



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars | As at 31 March 2020 (Rupees in '000) | As at 31 March 2019 (Rupees in '000) |
|---|--|--|
| 4 (xii) Non-current borrowings | | |
| Unsecured - at amortised cost | | |
| (a) Loan from Holding Company [see note (i) below] | 173,824.54 | 159,833.88 |
| Total non-current borrowings | 173,824.54 | 159,833.88 |
| Notes: | | |
| (i) Loan from Fortis Hospitals Limited carries interest @ 10.50% p.a. (previous year @ 13.00% p.a.) and is repayable after 31 March, 2021. Interest accrued as at 31 March, 2020 Rupees 18,990.66 ('000) [31 March 2019: Rupees 18,061.61 ('000)] has been converted into loan during the year. | | |
| 4 (xiii) Other financial liabilities (unsecured) | | |
| <u>Non-current - at amortised cost</u> | | |
| (a) Interest accrued on borrowings* | 17,969.49 | 18,990.66 |
| | 17,969.49 | 18,990.66 |
| * Interest accrued at the year end has been converted into loan subsequently on 01 April 2020 and 01 April 2019 respectively. | | |
| <u>Current - at amortised cost</u> | | |
| (a) Security deposits | 40.00 | 65.00 |
| (b) Capital creditors | 11,517.71 | 11,538.54 |
| (c) Employee payable | 5,562.36 | - |
| | 17,120.07 | 11,603.54 |
| 4 (xiv) Provisions | | |
| <u>Non-current</u> | | |
| Provision for employee's benefits | | |
| (a) Provision for gratuity (Refer Note 7) | 1,736.00 | 1,601.00 |
| | 1,736.00 | 1,601.00 |
| <u>Current</u> | | |
| Provision for employees' benefits | | |
| (a) Provision for gratuity (Refer Note 7) | 3,007.00 | 2,773.00 |
| (b) Provision for compensated absences | 2,856.00 | 2,477.00 |
| | 5,863.00 | 5,250.00 |
| 4 (xv) Trade Payable | | |
| (a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 12) | 3,953.80 | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 50,623.72 | 59,034.17 |
| | 54,577.52 | 59,034.17 |
| 4 (xvi) Other current liabilities | | |
| (a) Contract liability-advance from patients | 468.18 | 722.66 |
| (b) Statutory dues payable | 3,109.61 | 4,573.57 |
| (c) Others | 36.00 | - |
| | 3,613.79 | 5,296.23 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars | For the year ended 31 March 2020 (Rupees in '000) | For the year ended 31 March 2019 (Rupees in '000) |
|--|---|---|
| 4 (xvii) Revenue from operations | | |
| (a) Sale of services | | |
| i) Healthcare services | | |
| - Operating income - in patient department | 129,989.45 | 139,749.03 |
| - Operating income - out patient department | 94,186.21 | 85,707.73 |
| - Income from medical services | 12,790.26 | 14,470.69 |
| Less: Trade discounts | (4,773.45) | (1,420.32) |
| | 232,192.47 | 238,507.13 |
| (b) Other operating revenues | | |
| (i) Income from academic services | 2,003.29 | 2,081.43 |
| (ii) Income from rent | 3,515.63 | 2,857.66 |
| (iii) Scrap sale | 19.80 | 13.46 |
| (iv) Liability no longer required written back | - | 1,275.32 |
| | 5,538.72 | 6,227.87 |
| Total revenue from operations (a+b) | 237,731.19 | 244,735.00 |
| 4 (xviii) Other income | | |
| (a) Interest income | | |
| - Interest on bank deposits | 6.98 | 4.14 |
| - Interest on income tax refund | - | 434.89 |
| - Interest on financial assets carried at amortised cost | - | 663.65 |
| (b) Miscellaneous income | - | 139.24 |
| | 6.98 | 1,241.92 |
| 4 (xix) Changes in inventories of medical consumables and drugs | | |
| (a) Inventory at the beginning of the year | 732.42 | 939.79 |
| (b) Inventory at the end of the year | 979.20 | 732.42 |
| Changes in inventories [(a)-(b)] | (246.78) | 207.37 |
| 4 (xx) Employee benefits expense | | |
| (a) Salaries, wages and bonus | 45,782.68 | 40,467.40 |
| (b) Gratuity expense (refer note 7) | 400.00 | 660.00 |
| (c) Compensated absences | 503.00 | 608.00 |
| (d) Contribution to provident and other funds (Refer note 7) | 2,220.16 | 2,221.91 |
| (e) Staff welfare expenses | 161.26 | 206.08 |
| | 49,067.10 | 44,163.39 |
| 4 (xxi) Finance costs | | |
| (a) Interest expense | | |
| -on loan from holding Company | 18,336.21 | 21,100.73 |
| -on defined benefit plan and other long term employee benefits | 499.00 | 469.00 |
| - on lease liabilities [refer note 5(a)] | 4,748.72 | - |
| (b) Bank and other related charges | 765.06 | 823.14 |
| | 24,348.99 | 22,392.87 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars | For the year ended 31 March 2020 (Rupees in '000) | For the year ended 31 March 2019 (Rupees in '000) |
|---|---|---|
| 4 (xxii) Depreciation and amortisation expense | | |
| (a) Depreciation of property, plant and equipment | 14,050.64 | 19,643.66 |
| (b) Amortisation of intangible assets | 273.59 | 129.16 |
| (c) Depreciation on Right-to-use assets | 4,392.10 | - |
| | 18,716.33 | 19,772.82 |
| 4 (xxiii) Other expenses | | |
| (a) Contractual manpower | 7,601.67 | 5,500.44 |
| (b) Power, fuel and water | 4,928.21 | 5,807.79 |
| (c) Housekeeping expenses including consumables | 1,067.16 | 1,198.62 |
| (d) Patient food and beverages | 3,932.91 | 3,937.99 |
| (e) Pathology laboratory expenses | 9,877.76 | 10,708.40 |
| (f) Radiology expenses | 607.89 | 588.95 |
| (g) Professional and consultation fees to doctors | 90,452.22 | 91,616.44 |
| (h) Cost of medical services | 512.79 | 689.16 |
| (i) Repairs and maintenance | | |
| - Building | 441.99 | 149.66 |
| - Plant and machinery | 2,706.68 | 2,825.35 |
| - Others | 1,489.62 | 913.85 |
| (j) Rent | | |
| - Hospital buildings | 19,162.59 | 28,177.16 |
| - Equipments | 23.00 | 161.10 |
| - Others | 3,590.79 | 759.32 |
| (k) Legal and professional fee (See note 1 below) | 2,302.72 | 1,754.74 |
| (l) Travel and conveyance | 235.42 | 230.94 |
| (m) Rates and taxes | 166.65 | 83.70 |
| (n) Printing and stationary | 604.17 | 1,267.72 |
| (o) Communication expenses | 419.59 | 408.52 |
| (p) Directors' sitting fees | 129.80 | - |
| (q) Insurance | 1,590.44 | 1,229.35 |
| (r) Marketing and business promotion | 1,646.06 | 3,287.83 |
| (s) Provision for doubtful receivables | 13,395.59 | - |
| (t) Miscellaneous expenses | 1.50 | 55.87 |
| | 166,887.23 | 161,352.90 |
| Note:1 | | |
| (i) Payments to auditors (Exclusive of indirect taxes) | | |
| (a) Statutory audit fee | 367.50 | 350.00 |
| (b) Tax audit fee | 78.75 | 75.00 |
| (c) Out of pocket expenses | - | 1.99 |
| | 446.25 | 426.99 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars | For the year ended 31 March 2020 (Rupees in '000) | For the year ended 31 March 2019 (Rupees in '000) | | |
|---|---|---|---------------------|-------------------|
| 4 (xxiv) Income-Tax | | | | |
| Current tax | | | | |
| Current income tax charge for the year | - | - | | |
| Deferred tax | | | | |
| Deferred tax on profits for the year | - | - | | |
| | - | - | | |
| The income tax expense for the year can be reconciled to the accounting profit as follows: | | | | |
| Loss before tax | (43,043.74) | (29,172.16) | | |
| Enacted income tax rate in India applicable to the Company | 25.17% | 34.94% | | |
| Income tax credit calculated | (10,833.25) | (10,193.92) | | |
| Effect of tax in relation to DTA not recognised | 10,833.25 | 10,193.92 | | |
| Income tax expense recognised in statement of profit and loss | - | - | | |
| No deferred tax asset has been recognised on below Business Losses : | | | | |
| | As on 31 March 2020 | As on 31 March 2019 | | |
| Expiry in financial year | Gross Amount | Tax effect | Gross Amount | Tax effect |
| 2021-22 | 37,968.34 | 9,555.87 | 37,968.34 | 13,267.66 |
| 2022-23 | 31,602.64 | 7,953.75 | 31,602.64 | 11,043.23 |
| 2023-24 | 27,676.09 | 6,965.52 | 27,676.09 | 9,671.13 |
| 2024-25 | 10,627.13 | 2,674.64 | 10,627.13 | 3,713.54 |
| 2028-29 | 22,095.76 | 5,561.06 | - | - |
| | 129,969.96 | 32,710.85 | 107,874.20 | 37,695.56 |
| 4 (xxv) Other Comprehensive Income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| (a) Remeasurements of the defined benefit plans | | | 288.36 | 577.00 |
| | | | 288.36 | 577.00 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Leases
a As a lessee

The Company has taken Hospital building on lease. Information about leases for which the Company is a lessee is presented below.

| | (Rupees in '000) |
|----------------------------------|-------------------|
| | Buildings |
| Right-of-use assets | |
| Gross carrying amount | |
| As at 1 April, 2019 | - |
| Additions to right-of-use assets | 135,509.34 |
| As at 31 March, 2020 | 135,509.34 |
| Accumulated amortisation | |
| As at 1 April, 2019 | - |
| Charge during the year | 4,392.10 |
| As at 31 March, 2020 | 4,392.10 |
| Carrying value | |
| As at 31 March, 2019 | - |
| As at 31 March, 2020 | 131,117.24 |

| | (Rupees in '000) |
|--|-------------------------|
| | As at 31 March, 2020 |
| Lease Liabilities | |
| Maturity analysis - contractual undiscounted cash flows | |
| Less than one year | 20,400.00 |
| One to five years | 88,612.50 |
| More than five years | 97,554.50 |
| Total undiscounted lease liabilities at 31 March, 2020 | 206,567.00 |

| Lease Liabilities included in the Balance Sheet as at 31 March, 2020 | |
|---|------------|
| Current | 7,742.78 |
| Non-current | 122,179.94 |

| | (Rupees in '000) |
|--|------------------------------|
| | Year ended 31 March, 2020 |
| Amounts recognised in Statement of Profit and Loss | |
| Interest on lease liabilities | 4,748.72 |
| Variable lease payments not included in the measurement of lease liabilities | 7,484.69 |
| Expenses relating to short-term leases and leases of low-value assets | 15,291.69 |

| | (Rupees in '000) |
|---|------------------------------|
| | Year ended 31 March, 2020 |
| Amounts recognised in Statement of Cash Flow | |
| Cash outflow for leases | 1,201.28 |
| Interest on lease liabilities (included in finance cost paid) | 4,748.72 |
| Total cash outflow for leases | 5,950.00 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Assets taken on operating lease (Disclosure under Ind AS 17- Leases):

Hospital/ Office premises and other premises are obtained on operating lease. The total lease payments recognised in the statement of profit and loss for the year ended 31 March, 2019 are rupees 29,097.58 ('000).

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

| Particulars | (Rupees in '000) | |
|---|------------------------|------------------|
| | As at 31 March 2019 | |
| Minimum lease payments : | | |
| Not later than one year | | 23,831.11 |
| Later than one year but not later than five years | | - |
| | | 23,831.11 |

(c) Assets given on operating lease:

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 such leases recognised in the statement of profit and loss for the year are Rupees 3,515.63 ('000) for the year ended 31 March, 2020 [Rupees 2,857.66 ('000) for the year ended 31 March, 2019].

6.1. Commitments

- (a) The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- (b) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for amount to Rupees Nil (As at 31 March, 2019 Rupees Nil).
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

6.2 Contingent liabilities to the extent not provided for

A. Claims against the Company, disputed by the Company, not acknowledged as debt

| Particulars | (Rupees in '000) | |
|---------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) Medical related | 28,039.82 | 28,039.82 |
| (b) Income Tax | 23,950.00 | 23,950.00 |

B. Others matters involving the Company

(i) 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. The Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.

(ii) In relation to a judgement passed by Hon'ble Supreme Court of India on January 29, 2016, Central Government constituted a Committee to make recommendations for improvement of working conditions and pay of nurses in private hospitals and nursing homes which could be implemented by way of legislation. The Committee constituted by Ministry of Health and Family Welfare, Government of India made certain recommendations and pursuant thereto Government of NCT of Delhi passed an order dated June 25, 2018 directing all private hospitals /nursing homes in Delhi to comply with the recommendations of the Committee and submit compliance report. Said order was challenged by Association of Healthcare Providers (India) ("AHPI") on behalf of its members including Fortis Healthcare Limited (FHL), holding Company of the joint venturer, by filing a Writ Petition before Hon'ble High Court of Delhi which was dismissed vide order dated July 24, 2019. Subsequently, AHPI has appealed against the order dated July 24, 2019 before division bench of Delhi High Court which is pending adjudication. The impugned orders and the pending proceedings pertain to all hospitals and nursing homes in Delhi. FHL has informed AHPI that it is in compliance of the applicable Minimum Wages Act. Based on advice from external counsels, the Company believes that it has a good case on merits and the order dated June 25, 2018 passed by Government of NCT of Delhi in all likelihood will not adversely financially impact the Company.

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.



FORTIS C-DOC HEALTHCARE LIMITED
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7. Employee benefits:

(a) Defined contribution plan

The Company's contribution towards its provident fund and Employee State Insurance Scheme are defined contribution retirement plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with Regional Provident Fund Commissioner which is recognised by the Income Tax authorities.

The Company recognised Rupees 2,220.16 ('000) [previous year Rupees 2,221.91 ('000)] for Provident Fund and Employee state insurance contribution in the statement of profit and loss. The Contribution payable to these plans by the Company is at the rate specified in rules to the scheme.

(b) Defined benefit plan

(i) Gratuity

The Company has a defined benefit gratuity plan, where each 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 in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service. The Gratuity fund 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.

| Particulars | (Rupees in '000) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| A. Expenses recognised in Statement of profit and loss are as follows: | | |
| Amount recognised in employee benefits expense | | |
| Current Service cost | 400.00 | 660.00 |
| Amount recognised in finance cost | | |
| Net interest on net defined benefit liability / (asset) | 325.00 | 305.00 |
| Total Amount charged to Statement of Profit and Loss | 725.00 | 965.00 |
| B. Expenses recognised in Statement of Other comprehensive income is as follows: | | |
| Net actuarial (gain)/loss due to experience adjustment recognised during the year | (288.36) | (577.00) |
| Net actuarial (gain)/loss due to assumption changes recognised during the year | - | - |
| Total | (288.36) | (577.00) |
| C. Movement in Net liability | | |
| Present value of obligation at the beginning of the year | 4,374.00 | 4,073.00 |
| Current Service cost | 400.00 | 660.00 |
| Interest cost | 325.00 | 305.00 |
| Amount recognised in OCI | (288.36) | (577.00) |
| Benefits paid | (84.00) | (24.00) |
| Obligation transfer from Group Company | 16.36 | (63.00) |
| Present value of obligation at the end of the year | 4,743.00 | 4,374.00 |
| Amounts in the Balance Sheet | | |
| Current provision | 3,007.00 | 2,773.00 |
| Non Current provision | 1,736.00 | 1,601.00 |
| | 4,743.00 | 4,374.00 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Employee benefits:

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

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--------------------------------------|---|---|
| Discounting rates (p.a.) | 6.75% | 7.50% |
| Expected salary increase rate (p.a.) | 7.50% | 7.50% |
| Mortality table used | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| Withdrawal rate per annum | | |
| Up to 30 years | 18% | 18% |
| Up to 44 years | 6% | 6% |
| Above 44 years | 2% | 2% |

Notes:

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

b) Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | |
|-----------------------------------|-----------------------------------|-----------|-----------------------------------|-----------|
| | Increase | Decrease | Increase | Decrease |
| | (in '000) | (in '000) | (in '000) | (in '000) |
| Change in discount rate by 0.50% | (109.00) | 119.00 | (91.00) | 99.00 |
| Change in Salary escalation by 1% | 247.00 | (208.00) | 205.00 | (175.00) |
| Change in withdrawal rate by 5% | (118.00) | 147.00 | (48.00) | 49.00 |

c) Expected benefit payment for the future years.

| For the year year ended | (in '000) |
|----------------------------------|-----------|
| 31 March, 2021 | 3,110.00 |
| 31 March, 2022 | 99.00 |
| 31 March, 2023 | 117.00 |
| 31 March, 2024 | 173.00 |
| 31 March, 2025 | 208.00 |
| 31 March, 2026 to 31 March, 2029 | 1,572.00 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. Financial instruments

(i) Capital Management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 4(xi) & 4(xii) offset by cash and bank balances) and total equity of the company. The company is not subject to any externally imposed capital requirements.

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.

Gearing ratio

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

| Particulars | (Rupees in '000) | |
|------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Debt* | 321,716.74 | 178,824.54 |
| Less: Cash and bank balances | <u>(3,602.11)</u> | <u>(10,225.25)</u> |
| Net debt | 318,114.63 | 168,599.29 |
| Total equity | (188,753.58) | (145,998.20) |
| Net debt to equity ratio | -169% | -115.48% |

*Debt is defined as long-term borrowings including interest accrued as described in notes 4 (xii) and 4(xiii). Previous year amount are not comparable to the extent of lease liabilities recognised on account of Ind AS 116 Leases.

(ii) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to financial markets, monitors and manages the financial risks, credit risk and liquidity risk.

Board of Directors manages the financial risk of the company through internal risk reports which analyse exposure by magnitude of risk.



FORTIS C-DOC HEALTHCARE LIMITED
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a) 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 4(iv) of the financial statement for carrying amount and maximum credit risk exposure for trade receivables.

Expected credit loss on financial assets other than trade receivables:

Company carries other financial assets such as balances with banks, advances, security deposits. Company monitors the credit exposure on these financial assets on a case-to-case basis.

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

| Particulars | (in '000) | |
|--------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balance at the beginning of the year | 199.21 | 199.21 |
| Loss allowance recognised | - | - |
| Balance at the end of the year | 199.21 | 199.21 |

b) 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.

The contractual maturity is based on the earliest date on which the company may be required to pay.

| Particulars | Within 1 year | 1-2 years | More than 2 years | Total | Carrying amount |
|--------------------------------|------------------|-------------------|----------------------|-------------------|-------------------|
| As at 31 March, 2020 | | | | | |
| Borrowings | - | 173,824.54 | - | 173,824.54 | 173,824.54 |
| Trade payables | 54,577.52 | - | - | 54,577.52 | 54,577.52 |
| Capital creditors | 11,517.71 | - | - | 11,517.71 | 11,517.71 |
| Security deposit (liability) | 40.00 | - | - | 40.00 | 40.00 |
| Employee payable | 5,562.36 | - | - | 5,562.36 | 5,562.36 |
| Interest accrued on borrowings | - | 17,969.49 | - | 17,969.49 | 17,969.49 |
| Lease liabilities current | 20,400.00 | - | - | 20,400.00 | 7,742.78 |
| Lease liabilities Non-current | - | 20,400.00 | 165,767.00 | 186,167.00 | 122,179.94 |
| Total | 92,097.59 | 212,194.03 | 165,767.00 | 470,058.62 | 393,414.34 |

| Particulars | Within 1 year | More than 1 year | More than 2 years | Total | Carrying amount |
|--------------------------------|------------------|---------------------|----------------------|-------------------|-------------------|
| As at 31 March, 2019 | | | | | |
| Borrowings | - | - | 159,833.88 | 159,833.88 | 159,833.88 |
| Trade payables | 59,034.17 | - | - | 59,034.17 | 59,034.17 |
| Capital creditors | 11,538.54 | - | - | 11,538.54 | 11,538.54 |
| Security deposit (liability) | 65.00 | - | - | 65.00 | 65.00 |
| Interest accrued on borrowings | - | - | 18,990.66 | 18,990.66 | 18,990.66 |
| Total | 70,637.71 | - | 178,824.54 | 249,462.25 | 249,462.25 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Fair value measurement

Financial Assets measured at amortised cost

31 March, 2020

(Rupees in '000)

| Particulars | Note | Carrying Value | | | Fair value measurement using |
|---|------|--|-------------------|-------------------|------------------------------|
| | | Fair value through profit and loss (FVTPL) | Amortized cost | Total | Level 3 |
| Financial assets | | | | | |
| Loans - Non current | (b) | - | 450.00 | 450.00 | - |
| Loans - Current | (a) | - | 2,820.66 | 2,820.66 | - |
| Other financial assets - Current | (a) | - | 63.93 | 63.93 | - |
| Trade receivables | (a) | - | 19,158.11 | 19,158.11 | - |
| Cash and bank balances | (a) | - | 3,602.11 | 3,602.11 | - |
| Total | | - | 26,094.81 | 26,094.81 | - |
| Financial Liabilities | | | | | |
| Borrowings | (b) | - | 173,824.54 | 173,824.54 | - |
| Trade payables - current | (a) | - | 54,577.52 | 54,577.52 | - |
| Other financial liabilities - Current | (a) | - | 17,120.07 | 17,120.07 | - |
| Other financial liabilities - Non-current | (b) | - | 17,969.49 | 17,969.49 | - |
| Lease liability - current | (b) | - | 7,742.78 | 7,742.78 | - |
| Lease liability - non- current | (b) | - | 122,179.94 | 122,179.94 | - |
| Total | | - | 393,414.34 | 393,414.34 | - |

31 March, 2019

(Rupees in '000)

| Particulars | Note | Carrying Value | | | Fair value measurement using |
|---|------|--|-------------------|-------------------|------------------------------|
| | | Fair value through profit and loss (FVTPL) | Amortized cost | Total | Level 3 |
| Financial assets | | | | | |
| Loans - Non current | (b) | - | 450.00 | 450.00 | - |
| Loans - Current | (a) | - | 6,702.88 | 6,702.88 | - |
| Other financial assets - Current | (a) | - | 1,068.60 | 1,068.60 | - |
| Trade receivables | (a) | - | 34,342.69 | 34,342.69 | - |
| Cash and bank balances | (a) | - | 10,225.25 | 10,225.25 | - |
| Total | | - | 52,789.42 | 52,789.42 | - |
| Financial Liabilities | | | | | |
| Borrowings | (b) | - | 159,833.88 | 159,833.88 | - |
| Trade payables - current | (a) | - | 59,034.17 | 59,034.17 | - |
| Other financial liabilities - Current | (a) | - | 11,603.54 | 11,603.54 | - |
| Other financial liabilities - Non-current | (b) | - | 18,990.66 | 18,990.66 | - |
| Total | | - | 249,462.25 | 249,462.25 | - |

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

(a) 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.

(b) Fair valuation of non-current financial assets and liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2020 and 31 March 2019.



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. Related party disclosures

(A) Name of the related parties and nature of relationship :

| Description of relationship | Name of related parties |
|---|---|
| (a) Joint venturer | Fortis Hospitals Limited Dr. Anoop Misra (Executive Chairman) |
| (b) Entity having control over joint venturer | IHH Healthcare Berhad (w.e.f 13 November, 2018) Integrated Healthcare Holdings Limited (w.e.f 13 November, 2018) Parkway Pantai Limited (w.e.f 13 November, 2018) Northern TK Venture Pte Ltd (w.e.f 13 November, 2018) Fortis Healthcare Limited |
| (c) Entities over which holding Company of Joint venturer has control (with whom transactions have taken place) | Escorts Heart Institute and Research Centre Limited SRL Limited Fortis Health Management (East) Limited |
| (d) Key Managerial Personnel | Dr. Angeli Misra - Whole-time Director w.e.f June 1, 2019 Dr. Anoop Misra (Executive Chairman) Shalabh Dang - Non Executive Additional Director w.e.f 9 April 2019 Col. Harinder Chehal - Non Executive Director upto 9 April 2019 Dr. Asha Bhatnagar - Non Executive Director Neha Nirmal, Company Secretary w.e.f Nov 2019 till 31 January 2020 Arun Kumar Rastogi - Non Executive Director w.e.f 19 December 2019 Bidesh Chandra Paul - Non Executive Director w.e.f 19 December 2019 Vineesh Arjun Ghei - Non Executive Director w.e.f 20 May 2019 upto 16 Dec 2019 |

(B) Transactions during the year

| Particulars | (Rupees in '000) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| (i) Loan repayment Fortis Hospitals Limited | 5,000.00 | 2,500.00 |
| (ii) Interest converted into loan Fortis Hospitals Limited | 18,990.66 | 18,061.61 |
| (iii) Income from medical services Fortis Hospitals Limited Fortis Health Management (East) Limited | 7,619.45 - | 8,491.58 294.04 |
| (iv) Sale of medical consumables and drugs Escorts Heart Institute and Research Centre Limited | 24.00 | - |
| (v) Salaries, wages and bonus Dr. Anoop Misra (Refer note below) Dr. Angeli Misra (Refer note below) | 13,200.00 6,001.72 | 13,200.00 - |
| (vi) Interest expense on borrowings Fortis Hospitals Limited | 18,336.00 | 21,100.73 |
| (vii) Pathology laboratory expenses SRL Limited | 9,877.76 | 10,708.40 |
| (viii) Radiology expenses Escorts Heart Institute and Research Centre Limited | 235.00 | 118.54 |
| (ix) Director sitting fees Mr. Bidesh Chandra Paul Mr. Shalabh Dang Mr. Arun Kumar Rastogi Mr. Vineesh Ghei | 23.60 59.00 23.60 23.60 | - - - - |
| (x) Expenses incurred on behalf of Company by Escorts Heart Institute and Research Centre Limited | 0.65 | - |
| (xi) Collection on behalf of Company by Escorts Heart Institute and Research Centre Limited | 4.86 | - |

Note: 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.



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(C) Balances as at year end

| Particulars | (Rupees in '000) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (i) Borrowings | | |
| Fortis Hospitals Limited | 173,824.54 | 159,833.88 |
| (ii) Interest accrued and due on borrowings | | |
| Fortis Hospitals Limited | 17,969.49 | 18,990.66 |
| (iii) Trade Receivables | | |
| Fortis Health Management (East) Limited | 105.06 | 1,355.10 |
| Escorts Heart Institute and Research Centre Limited | - | 535.20 |
| Fortis Hospitals Limited | 6,420.50 | 6,780.63 |
| (iv) Trade Payable | | |
| Fortis Healthcare Limited | 2,804.00 | 2,419.74 |
| Escorts Heart Institute and Research Centre Limited | 256.57 | - |
| SRL Limited | 26,733.00 | 20,846.95 |



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Earnings per share (EPS)

(Rupees in '000)

| Particulars | | As at 31 March 2020 | As at 31 March 2019 |
|---|----------------|------------------------|------------------------|
| Loss as per statement of profit and loss | Rupees in '000 | (43,043.74) | (29,172.16) |
| Weighted average number of equity shares in calculating Basic EPS and DPS | Numbers | 6,767,729 | 6,767,729 |
| Basic and Diluted EPS | Rupees | (6.36) | (4.31) |

12. Details of dues to micro and small enterprises as per MSMED Act, 2006

The Ministry of Micro and Small Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the micro enterprises and the small enterprises should mention in their correspondences with their customers the Entrepreneur Memorandum Number as allocated after filing of the memorandum. Accordingly, the below 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

(Rupees in '000)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 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 | 3,953.80 | - |
| - 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 | - | - |

13. For the year ended 31 March, 2020, the financial statements of the Company reflect a net loss of Rupees 42,755.38 ('000') and its current liabilities exceed its current assets by Rupees 61,078.92 ('000'). As at 31 March 2020, the net worth of the Company has been fully eroded. Additionally, the impact of COVID-19 (refer note 14) has adversely impacted the performance and cash flow position of the Company subsequent to the year-end. These events or conditions raise doubt on the ability of the Company to continue as a Going Concern. However, the Management believes that the going concern assumption used in preparation of these financial statements is appropriate, based on continued financial and operational support from Fortis Healthcare Limited, Holding Company of its Joint venturer.

14. The COVID – 19 pandemic has impacted the revenues and profitability of the Company during the quarter ended 31 March, 2020 and continued subsequently with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. However, with a slew of cost saving measures the Company has been able to partly reduce the significant negative impact on business.

The Company has managed its liquidity position via cost efficiency initiatives, better working capital management and financial support from its Joint venturer. With the lockdown restrictions easing the Company has begun to witness signs of gradual improvement in operations.

The Company has made a detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables and Inventory as at the reporting period and has concluded that there are no material adjustments required in the standalone financial statements. The Management has considered the possible effects that may result from COVID-19 pandemic in preparation of its standalone financial statements. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amount of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

15. 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 31 March, 2020.



FORTIS C-DOC HEALTHCARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. 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".

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:

| Particulars | (Rupees in '000) | |
|---------------|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| India | 237,731.18 | 244,735.00 |
| Outside India | - | - |
| Total | 237,731.18 | 244,735.00 |

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:

| Particulars | (Rupees in '000) | |
|---------------|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| India | 187,585.31 | 60,937.36 |
| Outside India | - | - |
| Total | 187,585.31 | 60,937.36 |

In terms of our report attached.

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022



Rajesh Arora
Partner
Membership Number: 076124



Place : Gurugram
Date : October 07, 2020

For and on behalf of the Board of Directors
FORTIS C-DOC HEALTHCARE LIMITED



Dr. Anoop Misra
Whole-time Director
DIN: 02150996



Shalabh Dang
Director
DIN: 08367806

Place : Gurugram
Date : October 07, 2020

Place : Gurugram
Date : October 07, 2020