

## Independent Auditor's Report

### To the Members of Escorts Heart Institute And Research Centre Limited

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Escorts Heart Institute And Research Centre Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and 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 material accounting policies and other explanatory information.

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 2024, and its profit and other comprehensive loss, 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.

##### Emphasis of Matters

- i. We draw attention to Note 44 and 45 of the financial statements which deal with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("Fortis" or "FHL" or "holding Company") and its subsidiaries ("Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 (including matters relating to remuneration paid to managerial personnel). These transactions and non-compliances relate to or originated prior to take over of control by reconstituted board of directors of Fortis in the year ended 31 March 2018. As mentioned in the note, the Fortis Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations/ proceedings.

As explained in the said note, the Fortis Group had recorded significant adjustments/ provisions in its books of account during the year ended 31 March 2018. Fortis has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Further, based on management's detailed analysis and consultation with external legal counsel, a further provision has been made by Fortis and recognised in the year ended 31 March 2021 for any contingency that may arise from the aforesaid issues on Fortis Group. Fortis has undertaken that any penalty/fine, required to be paid by the Company, if any, in respect of this matter shall be reimbursed by Fortis. As per the management, any further additional impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Registered Office:

**Independent Auditor's Report (Continued)**

**Escorts Heart Institute And Research Centre Limited**

- ii. We draw attention to note 34 (a), (b) and (c) of the financial statements, relating to the outcome of civil suit/ arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and the matter related to non-compliance with the order of the Hon'ble High Court of Delhi in relation to provision of free treatment/ beds to poor by the Company. Based on the advice given by external legal counsel, no provision /adjustment has been considered necessary by the management with respect to the above matter in these financial statements.

Our opinion is not modified in respect of above matters.

**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 directors' report, but does not include the financial statements and auditor's 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' Responsibilities 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, profit/ 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 the 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.

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## Independent Auditor's Report (Continued)

### Escorts Heart Institute And Research Centre Limited

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 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 in preparation of financial statements 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.

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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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 except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 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.

**Independent Auditor's Report (Continued)**

**Escorts Heart Institute And Research Centre Limited**

- e. The matters described in the "Emphasis of Matters" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - h. 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 Auditor's 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:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 32, 33, 34, 44 and 45 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(iii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(iv) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The Company has neither declared nor paid any dividend during the year.
  - f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
  - i. In the absence of an independent auditor's report in relation to controls at service organisation for accounting software used for maintaining the books of account relating to general ledger and related records, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature at the database level of the said software was enabled to log any direct data changes

**Independent Auditor's Report (Continued)**

**Escorts Heart Institute And Research Centre Limited**

and operated throughout the year for all relevant transactions. Further, the feature of recording audit trail (edit log) facility was not enabled for the period from 1 April 2023 to 22 May 2023 for certain tables relating to the supplier module.

- ii. in respect of accounting software used for maintaining payroll records (operational for the period from 1 April 2023 to 15 August 2023), in the absence of supporting evidence on account of deactivation post 15 August 2023, we are unable to comment whether audit trail feature of the said software was enabled.
- iii. the feature of recording audit trail (edit log) facility was not enabled on certain non-editable fields/ tables of the accounting software used for maintaining the books of account relating to revenue and consumption records.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act 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*

Place: Gurugram

Date: 15 May 2024

Membership No.: 076124

ICAI UDIN:24076124BKHBLL4881

Annexure A to the Independent Auditor's Report on the Financial Statements of **Escorts Heart Institute And Research Centre Limited** for the year ended **31 March 2024**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified at least over a period of two years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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 records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land in Rohini, Delhi	21.11	Not available	No	Since 1995	Title deed is not in possession of the Company. As per allotment letter, land has been allotted to Escorts Heart Institute and Research Centre, Delhi.
Hospital Land *	377.11	Escorts Heart Institute and Research Centre, Delhi	No	Since 1990	The lease deed is in the name of "Escorts Heart Institute and Research Centre, Delhi", which amalgamated into Escorts Heart Institute and Research Centre, Chandigarh under Societies Registration Act.  Escorts Heart

Annexure A to the Independent Auditor's Report on the Financial Statements of **Escorts Heart Institute And Research Centre Limited** for the year ended **31 March 2024**  
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					Institute and Research Centre, Chandigarh was thereafter incorporated as company "Escorts Heart Institute and Research Centre Limited" under the Companies Act, 1956.
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\* In respect of the above land, Delhi Development Authority (DDA) has terminated the lease deed and allotment letters as explained in note 34(a) and 34 (b) to the financial statements. The Company has appealed against the termination and matter is pending before the Hon'ble Supreme Court.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank or financial institution on the basis of security of current assets. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no requirement to file any quarterly returns or statements with such bank or financial institution.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except for the following payment of interest :

Name of the entity	Amount (Rs. in lacs)	Due Date	Extent of delay	Remarks, if any
Fortis Healthstaff Limited	77.79	31-Mar-2024	45 days	

Annexure A to the Independent Auditor's Report on the Financial Statements of **Escorts Heart Institute And Research Centre Limited** for the year ended **31 March 2024**  
(Continued)

Further, in case of advances in the nature of loan as listed below, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular. These amounts have been fully provided for in books in earlier years.

S. No.	Name of the entity	Amount (Rs. in lacs)	Nature	Remarks
1	Reliant Healthcare Consultancy Private Limited	966.92	Advances in the nature of loans	There is no stipulation of schedule of repayment of principal or payment of interest

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, in case of advances in the nature of loans as detailed in clause (c) above, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the loans given and investments made by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident fund and National Pension Scheme.





Annexure A to the Independent Auditor's Report on the Financial Statements of **Escorts Heart Institute And Research Centre Limited** for the year ended **31 March 2024**  
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According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lacs)	Amount Paid under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Customs Duty	347.63	-	FY 2002-03	Supreme Court of India
The Customs Act, 1962	Customs Duty	331.00	150.00	FY 1990-91 to 1993-94	Central Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax and interest thereon	234.96	234.96	AY 2011-12	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income tax (TDS) and interest thereon	1,978.84	-	AY 2012-13 to AY 2015-16	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income tax (TDS) and interest thereon	79.00	-	AY 2011-12	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income tax (TDS) and interest thereon	1,230.30	-	AY 2016-17 to AY 2017-18	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income tax and interest thereon	109.00	109.00	AY 2009-10	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income tax and interest thereon	10,532.00	-	AY 2001-02	High Court of Delhi
Income Tax Act, 1961	Income tax and interest thereon	1,497.23	-	AY 2003-04 to AY 2007-08	Supreme Court of India

Annexure A to the Independent Auditor's Report on the Financial Statements of **Escorts Heart Institute And Research Centre Limited** for the year ended **31 March 2024**  
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Name of the statute	Nature of the dues	Amount (Rs. in lacs)	Amount Paid under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest thereon	333.00	333.00	AY 2013-14	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income tax and interest thereon	412.06	412.06	AY 2017-18	Commissioner of Income Tax (Appeals), Delhi

- (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 has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit for the current year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

Annexure A to the Independent Auditor's Report on the Financial Statements of **Escorts Heart Institute And Research Centre Limited** for the year ended **31 March 2024**  
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- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



**B S R & Co. LLP**

**Annexure A to the Independent Auditor's Report on the Financial Statements of Escorts Heart Institute And Research Centre Limited for the year ended 31 March 2024  
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- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Rajesh Arora**

*Partner*

Place: Gurugram

Date: 15 May 2024

Membership No.: 076124

ICAI UDIN:24076124BKHBL4881

**Annexure B to the Independent Auditor's Report on the financial statements of Escorts Heart Institute And Research Centre Limited for the year ended 31 March 2024**

**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 Act**

**(Referred to in paragraph 2(A)(h) 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 Escorts Heart Institute And Research Centre Limited ("the Company") as of 31 March 2024 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 2024, 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 and Board of Directors' Responsibilities 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 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 if 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 internal financial controls with reference to financial statements, 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 judgement, 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.



**Annexure B** to the Independent Auditor's Report on the financial statements of **Escorts Heart Institute And Research Centre Limited** for the year ended **31 March 2024**  
(Continued)

**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*

Place: Gurugram

Date: 15 May 2024

Membership No.: 076124

ICAI UDIN:24076124BKHBLL4881

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2024**

Particulars	Notes	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Property, plant and equipment	4	7,921.03	7,151.46
(b) Capital work-in-progress	4(a)	301.31	210.40
(c) Right of use assets	4(b)	398.22	398.22
(d) Intangible assets	5	228.01	260.66
(e) Intangible assets under development	5(a)	-	-
(f) Financial assets			
(i) Investments	6	68,454.10	66,264.60
(ii) Loans	7	-	-
(iii) Other financial assets	8	114.02	555.30
(g) Deferred tax assets (net)	9	3,643.83	4,294.09
(h) Non-current tax assets (net)	10	2,985.80	2,424.22
(i) Other non-current assets	11	719.52	724.96
<b>Total non-current assets (A)</b>		<b>84,765.84</b>	<b>82,283.91</b>
<b>B. Current assets</b>			
(a) Inventories	12	236.77	233.63
(b) Financial assets			
(i) Trade receivables	13	5,068.52	3,762.66
(ii) Cash and cash equivalents	14 (a)	59.94	25.00
(iii) Bank balances other than (ii) above	14 (b)	116.19	96.87
(iv) Loans	7	-	-
(v) Other financial assets	8	50.18	76.86
(c) Other current assets	11	214.03	327.49
<b>Total current assets (B)</b>		<b>5,745.63</b>	<b>4,522.51</b>
<b>Total assets (A+B)</b>		<b>90,511.47</b>	<b>86,806.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(a) Equity share capital	15	216.11	216.11
(b) Instruments entirely equity in nature	15	40.18	40.18
(c) Other equity		66,131.07	61,413.68
<b>Total equity (A)</b>		<b>66,387.36</b>	<b>61,669.97</b>
<b>Liabilities</b>			
<b>B. Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	949.55	9,050.62
(b) Provisions	18	2,038.82	1,640.49
<b>Total non-current liabilities (B)</b>		<b>2,988.37</b>	<b>10,691.11</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	10,267.44	3,641.71
(ii) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		1,153.68	988.10
- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,116.62	6,614.65
(iii) Other financial liabilities	17	1,787.08	1,011.41
(b) Provisions	18	945.25	1,180.52
(c) Other current liabilities	20	865.67	1,008.95
<b>Total current liabilities (C)</b>		<b>21,135.74</b>	<b>14,445.34</b>
<b>Total liabilities (B+C)</b>		<b>24,124.11</b>	<b>25,136.45</b>
<b>Total equity and liabilities (A+B+C)</b>		<b>90,511.47</b>	<b>86,806.42</b>

The accompanying notes are an integral part of these financial statements.

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As per our report of even date attached

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

  
**Rajesh Arora**  
Partner  
Membership No: 076124

Place : Gurugram  
Date : May 15, 2024

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

  
**Manu Kapila**  
Director  
DIN: 03403696

Place : Gurugram  
Date : May 15, 2024

  
**Dr. Vikram Aggarwal**  
Whole Time Director  
DIN: 08003212

Place : Gurugram  
Date : May 15, 2024

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	Notes	Year ended March 31, 2024 (Rupees in Lacs)	Year ended March 31, 2023 (Rupees in Lacs)
<b>I Revenue from operations</b>	21	43,485.15	40,749.36
<b>II Other income</b>	22	57.36	427.91
<b>III Total income (I+II)</b>		<b>43,542.51</b>	<b>41,177.27</b>
<b>IV Expenses</b>			
i) Purchases of medical consumable and drugs		11,821.89	11,121.34
ii) Changes in inventories of medical consumable and drugs	23	(3.14)	42.97
iii) Employee benefits expense	24	7,863.92	7,785.64
iv) Finance costs	25	1,416.04	1,406.23
v) Depreciation and amortization expense	26	1,318.65	1,255.19
vi) Other expenses	27	17,942.79	16,908.13
<b>Total expenses (IV)</b>		<b>40,360.15</b>	<b>38,519.50</b>
<b>V Profit before exceptional item and tax (III-IV)</b>		<b>3,182.36</b>	<b>2,657.77</b>
<b>VI Exceptional gain</b>	28 & 38	2,189.50	613.55
<b>VII Profit before tax (V+VI)</b>		<b>5,371.86</b>	<b>3,271.32</b>
<b>VIII Tax expense</b>			
i) Current tax	9	-	-
ii) Deferred tax charge, net	9	651.32	-
<b>Total tax expenses</b>		<b>651.32</b>	<b>-</b>
<b>IX Profit after tax (VII-VIII)</b>		<b>4,720.54</b>	<b>3,271.32</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	35	(4.21)	(166.62)
- Income tax relating to items that will not be reclassified to profit or loss	9	1.06	-
<b>X Other comprehensive loss for the year (net of tax)</b>		<b>(3.15)</b>	<b>(166.62)</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>4,717.39</b>	<b>3,104.70</b>
<b>Earnings per equity share of Rupees 10 each :</b>			
i) Basic (in Rupees)	37	184.19	127.64
ii) Diluted (in Rupees)	37	184.19	127.64

The accompanying notes are an integral part of these financial statements.

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As per our report of even date attached

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


  
**Rajesh Arora**  
Partner  
Membership No: 076124

Place : Gurugram  
Date : May 15, 2024

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

  
**Manu Kapila**  
Director  
DIN: 03403696

Place : Gurugram  
Date : May 15, 2024

  
**Dr. Vikram Aggarwal**  
Whole Time Director  
DIN: 08003212

Place : Gurugram  
Date : May 15, 2024



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	Equity			Other equity			Retained earnings	Total other equity	Total
	Equity share capital	Compulsory convertible preference share capital	Securities premium	General reserve*	Deemed equity share capital**	Capital reserve***			
<b>Balance as at April 01, 2022</b>	216.11	40.18	34,944.04	848.20	(774.50)	10,683.75	12,607.49	58,308.98	58,565.27
Profit for the year transferred from statement of profit and loss (a)	-	-	-	-	-	-	3,271.32	3,271.32	3,271.32
Other comprehensive income for the year, net of tax (b)	-	-	-	-	-	-	(166.62)	(166.62)	(166.62)
<b>Total comprehensive income for the year (a+b)</b>	-	-	-	-	-	-	3,104.70	3,104.70	3,104.70
<b>Balance as at March 31, 2023</b>	216.11	40.18	34,944.04	848.20	(774.50)	10,683.75	15,712.19	61,413.68	61,669.97
Profit for the year transferred from statement of profit and loss (c)	-	-	-	-	-	-	4,720.54	4,720.54	4,720.54
Other comprehensive loss for the year, net of tax (d)	-	-	-	-	-	-	(3.15)	(3.15)	(3.15)
<b>Total comprehensive income for the year (c+d)</b>	-	-	-	-	-	-	4,717.39	4,717.39	4,717.39
<b>Balance as at March 31, 2024</b>	216.11	40.18	34,944.04	848.20	(774.50)	10,683.75	20,429.58	66,131.07	66,387.36

\* The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

\*\* Deemed equity share capital was created on account of corporate guarantee given by the Company to its Holding Company.


\*\*\* Capital reserve was created on May 30, 2000 pursuant to registration of Escorts Heart Institute and Research Centre (EHIRC - a registered society under the Societies Registration Act, 1860) as a company.

The accompanying notes are an integral part of these financial statements.

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As per our report of even date attached

For BSR & Co. LLP  
 Firm Registration No 101248W/W-100022  
 Chartered Accountants

  
**Rajesh Arora**  
 Partner  
 Membership No: 076124

Place : Gurugram  
 Date : May 15, 2024

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

  
**Manu Kapila**  
 Director  
 DIN: 03403696

Place : Gurugram  
 Date : May 15, 2024

  
**Dr. Vikram Aggarwal**  
 Whole Time Director  
 DIN: 08003212

Place : Gurugram  
 Date : May 15, 2024

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	Year ended March 31, 2024 (Rupees in Lacs)	Year ended March 31, 2023 (Rupees in Lacs)
<b>Cash flows from operating activities</b>		
Profit before tax for the year	5,371.86	3,271.32
<b>Adjustments for:</b>		
<u>Exceptional items:</u>		
Reversal of allowance for investment in subsidiary (Refer note 38)	(2,189.50)	(621.55)
Allowance for investment in subsidiary (Refer note 38)		8.00
<u>Non cash-items</u>		
Amortisation of corporate guarantees income	-	(228.33)
Finance costs	1,106.44	1,141.61
Interest income	(44.16)	(93.32)
Provision/liabilities no longer required written back	(328.02)	(448.53)
Profit on disposal of property, plant and equipment	(13.20)	(98.52)
(Reversal)/creation of allowances for credit losses	(191.31)	149.12
Allowances for doubtful advances	15.63	72.71
Depreciation and amortisation of expense	1,318.65	1,255.19
	<u>5,046.39</u>	<u>4,407.70</u>
<b>Working capital adjustments</b>		
(Increase)/ decrease in inventories	(3.14)	42.97
Increase in trade and other receivables	(1,114.55)	(462.85)
Decrease/ (increase) in financial assets	439.47	(81.59)
Decrease in other assets	121.88	28.04
(Decrease)/ increase in trade payables	(4.43)	614.45
Increase/ (decrease) in financial liabilities	193.75	(21.18)
Increase in provisions	158.86	77.25
Decrease in other liabilities	(143.28)	(129.20)
<b>Cash flow from operating activities</b>	<u>4,694.95</u>	<u>4,475.59</u>
Income taxes (paid)/ refund	(526.89)	749.23
<b>Net cash generated from operating activities (A)</b>	<u>4,168.06</u>	<u>5,224.82</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,686.74)	(754.16)
Sale proceeds of property, plant and equipment	44.66	31.17
Purchase of intangible assets	(44.39)	(12.11)
Purchase of investment in preference shares	-	(8.00)
(Investment in)/ proceeds from maturity of bank deposits	(19.32)	32.39
Interest received	22.34	95.52
<b>Net cash used in investing activities (B)</b>	<u>(1,683.45)</u>	<u>(615.19)</u>
<b>Cash flows from financing activities {refer note 16(a)}</b>		
Proceeds from non-current borrowings	419.83	377.00
Principal repayment of non-current borrowings	(107.67)	(575.04)
Net principal repayment of current borrowings	(152.51)	(2,684.99)
Finance costs paid	(393.24)	(568.83)
<b>Net cash used in financing activities (C)</b>	<u>(233.59)</u>	<u>(3,451.86)</u>
<b>Net increase in cash and cash equivalents during the year (A+B+C)</b>	<u>2,251.02</u>	<u>1,157.77</u>
Add: Cash and cash equivalents as at the beginning of the year	(3,464.20)	(4,621.97)
<b>Cash and cash equivalents as at the end of the year {refer note 14a}</b>	<u>(1,213.18)</u>	<u>(3,464.20)</u>

The accompanying notes are an integral part of these financial statements.

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**Notes**

- (a) The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement of Cash flows".
- (b) The Company has paid Rupees Nil for the year ended March 31, 2024 and March 31, 2023 towards Corporate Social Responsibility (CSR) expenditure (refer note no 44).

As per our report of even date attached

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

**Rajesh Arora**  
Partner  
Membership No: 076124

Place : Gurugram  
Date : May 15, 2024

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

**Manu Kapila**  
Director  
DIN: 03403696

**Dr. Vikram Aggarwal**  
Whole Time Director  
DIN: 08003212

Place : Gurugram  
Date : May 15, 2024

Place : Gurugram  
Date : May 15, 2024

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**1. Corporate Information**

Escorts Heart Institute and Research Centre Limited ('EHIRCL' or the 'Company') ('CIN: U85110CH2000PLC023744') was incorporated in the year 2000. EHIRCL is a limited company and is providing the highest standards of healthcare in particular cardiac care to patients. The Company has also set up various Heart Command Centers/ Satellite Centers. The Company is a wholly owned subsidiary of Fortis Healthcare Limited ('FHL'). FHL is a listed entity on both BSE Limited and National Stock Exchange of India Limited.

The registered office of the Company is located at SCO 11, Sector-11-D, Chandigarh -160011, and the principal place of business of the Company is located at Escorts Heart Institute and Research Centre Limited, Okhla Road, New Delhi – 110025.

**2. Material accounting policies**

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial years.

**(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 from time to time, 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 lacs of Indian Rupees and are rounded to the nearest two decimals, except per share data.

The financial statements have been authorized for issue by the Company's Board of Directors on 15 May,2024.

*(ii) Functional and presentation currency*

These financial statements are presented in Indian Rupees (Rs.), 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, except for the following items:

Item basis	Measurement
Net defined benefit liability	Present value of the defined benefit obligation

*(iv) Consolidated financial statements*

The Company has opted for exemption from preparation of consolidated financial statements under Rule 6 of the Companies (Accounts) Rules, 2014, as amended, and accordingly prepared only standalone financial statements.

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

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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**(c) Critical estimates and judgements**

The preparation of 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.

**Judgments**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Leasing arrangement (classification) – Note 30

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Leasing arrangement (accounting) – Note 30
- Financial instruments - Note 36
- Fair value measurement – Note 36(iii)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(f)(iii)
- Recognition of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilized – Note 9
- Estimation obligations relating to employee benefits (including actuarial assumptions) – Note 35
- Estimated impairment of financial assets and non-financial assets – Note 4,5,6,7,8,10,11 and 12
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 32, 2(k)
- Measurement of ECL allowance for trade receivables and other assets – Note 13

**(d) 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 categorized 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 categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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**(e) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

**(f) Property, plant, and equipment (PPE) and intangible assets**

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

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized 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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major Components) of property, plant and equipment.

**(ii) Intangible assets**

*a) Recognition and measurement*

- 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



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

finance costs (in the same manner as in the case of property, plant, and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

Intangible assets acquired separately are measured on initial recognition at cost. An intangible asset is recognised only if it is probable that future economic benefits attributable to the assets will flow to the company and the cost of the assets can be measured reliably. After initial recognition, an intangible asset is measured at cost less accumulated amortization and any accumulated impairment loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and the cost of the asset can be measured reliably. All other expenditure including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of profit and loss.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**(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 the following classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management as under:

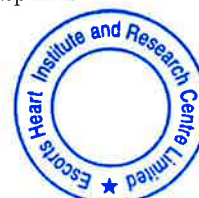
The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Buildings	30 years	60 years
Plant & equipment	3- 15 years	15 years
Medical equipment	2-13 years	13 years
Furniture & fittings	10 years	10 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Vehicles	4-8 years	8 years

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Computer software	3-6 years
Business rights	Over period of agreement of purchase

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



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

**(iv) Derecognition**

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

**(g) Assets held for sale**

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in the Statement of Profit or Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortized or depreciated.

**(h) 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.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price

*Financial assets*

*Initial recognition and measurement*

All financial assets are recognized 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 recognized 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 amortized cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives, and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

*Debt instruments at amortized cost*

A 'debt instrument' is measured at the amortized 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.



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After initial measurement, such financial assets are subsequently measured at amortized 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 amortized cost of the financial liability. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognized 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 recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized 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 FVPL*

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

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

*Financial guarantee contracts*

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation by the Holding Company, the fair values are accounted for as a deemed equity contribution (under the head 'Investment in subsidiaries') in the books of Holding Company and as a part of 'Other Equity' in the books of subsidiary.

Where guarantees in relation to loans or other payables of the Holding Company are provided by subsidiary for no compensation, the fair values are accounted for as a distribution and recognised under the head 'Other Equity' in the books of subsidiary and credited to statement of profit and loss in the books of holding company.

*Equity investments*

Equity investments in subsidiaries 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.





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

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

Equity instruments included within the FVPL category are measured at fair value with all changes recognized 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 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 recognized as an impairment gain or loss in the Statement of Profit and Loss.

*Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

*Presentation of allowance for ECL in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a company 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 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 the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.



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*Write-off of financial assets*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due

*Financial liabilities*

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

*Derecognition of financial liabilities*

A financial liability is derecognized 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 recognized 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 recognized 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 realize the asset and settle the liability simultaneously.

**(i) Inventories**

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

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

Net realizable 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 realizable value is made on an item-by-item basis.

**(j) 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.



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**(k) Contingent liabilities and contingent Assets**

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.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**(l) 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, considering the risks and uncertainties surrounding the obligation. When some or all 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 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 recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

**(m) Revenue recognition**

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services, sale of products comprising medical and non-medical items and medical testing charges. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology.

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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered and goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from inpatient hospital services is recognised over the period of time, as and when services are performed. Revenue from outpatient hospital services is recognised at a point in time when patient has actually received the service. Revenue from sale of products is recognised at a point in time upon transfer of control of products to customers at the time of delivery of goods to the customers.



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Revenue from medical tests is recognised at point in time when the reports are generated and released to customers, net of discounts, if any.

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.

Excess of revenue earned over billings on contracts is recognized as unbilled revenue. Unbilled revenue is classified as trade receivables 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 recognized as other current liability when there are billings in excess of revenues.

Other operating revenue comprises revenue from various ancillary revenue generating activities like sponsorship arrangements and academic services which is recognized over the period of time, in accordance with the terms of relevant agreements as and when services are performed.

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

**(n) Government grant**

The Company recognises government grant that compensate the Company for expenses in profit or loss on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. The grant is recognised when it becomes receivable and adjusted against relevant expenses in the statement of profit and loss.

**(o) Interest Income**

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

**(p) Dividend Income**

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

**(q) 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 recognized as expenses in the period in which the employee renders the related service and measured accordingly. Short term employee benefits are measured on an undiscounted basis.

*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 recognized in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.



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b) Provident fund

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

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

- (ii) 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 utilized 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 based on 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 recognized 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 recognized in the period in which they occur, directly in other comprehensive income. They are recognized immediately in the Statement of Changes in Equity with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized 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 recognized 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 recognized 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 recognized 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).

(r) **Income tax**

Income tax expense comprises current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI. Interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.



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*Current taxes*

Current tax comprises the best estimate of 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

*Deferred taxes*

Deferred tax is recognized 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 also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and
- at the time of transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company can control the timing of the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets are recognized 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. Unrecognized deferred tax assets are reassessed at each reporting date and recognized 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 realized 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 way 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**(s) Leases**

At inception of a contract, the 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 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 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



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- 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. 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 based on 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.

**(i) As a lessee**

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

The Company recognizes 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 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.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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 amortized 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

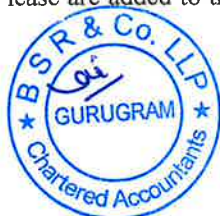
The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease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

**(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-line basis over the lease term.

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 recognized on a straight-line basis over the lease term.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**(t) Foreign currency translation**

*(i) Functional and presentation currency*

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

*(ii) Transactions and balances*

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

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

**(u) Statement of Cash flows**

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

**(v) Operating Segments**

An operating segment is a component of the Company 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").

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

**(w) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit 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





**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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**(x) Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly, disclosed in the financial statements.

**3. Change in material accounting policies**

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from April 01, 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

**3A. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Note 4: Property, plant and equipment**

Particulars	(Rupees in Lacs)							
	Buildings	Plant & equipment	Medical equipment	Furniture & fittings	Computers	Office equipment	Vehicles	Total
<b>Gross carrying value</b>								
As at April 01, 2022	3,194.70	1,670.09	8,532.62	255.58	188.50	212.07	417.52	14,471.08
Additions	6.42	64.19	545.01	23.84	37.93	61.93	37.28	776.60
Disposals	(0.51)	(13.34)	-	(3.79)	(2.78)	(26.99)	(277.19)	(324.60)
As at March 31, 2023	3,200.61	1,720.94	9,077.63	275.63	223.65	247.01	177.61	14,923.08
Additions	167.55	298.48	1,297.60	16.70	154.52	64.94	42.86	2,042.65
Disposals	(3.19)	(38.41)	(158.10)	(6.31)	(42.40)	(6.25)	-	(254.66)
As at March 31, 2024	3,364.97	1,981.01	10,217.13	286.02	335.77	305.70	220.47	16,711.07
<b>Accumulated Depreciation</b>								
As at April 01, 2022	1,255.62	840.02	4,003.67	137.01	127.08	149.74	389.79	6,902.93
Charge for the year	178.97	110.21	761.44	26.09	35.10	25.52	44.98	1,182.31
Disposals	-	(12.25)	-	(3.79)	(2.12)	(18.27)	(277.19)	(313.62)
As at March 31, 2023	1,434.59	937.98	4,765.11	159.31	160.06	156.99	157.58	7,771.62
Charge for the year	177.21	120.72	801.62	24.46	62.02	37.29	18.29	1,241.61
Disposals	(0.13)	(29.24)	(142.61)	(6.31)	(41.64)	(3.26)	-	(223.19)
As at March 31, 2024	1,611.67	1,029.46	5,424.12	177.46	180.44	191.02	175.87	8,790.04
<b>Net carrying value</b>								
As at March 31, 2023	1,766.02	782.95	4,312.52	116.32	63.59	90.01	20.04	7,151.46
As at March 31, 2024	1,753.30	951.55	4,793.01	108.56	155.33	114.68	44.60	7,921.03

**Notes :**

(a) Certain assets included under property, plant and equipment are held as pledge against loans taken by the Company [refer note 16].

**Note 4(a) Capital work in progress (CWIP)**

(Rupees in Lacs)

	As at	
	March 31, 2024	March 31, 2023
Opening Balance	210.40	13.40
Additions *	2,133.56	973.60
Transfer to property, plant and equipment	(2,042.65)	(776.60)
	<b>301.31</b>	<b>210.40</b>

\*The Company accounts for all capitalisation of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment.

**Ageing schedule**

**As at March 31, 2024**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Civil Project	103.29	-	-	-	103.29
Medical Equipment Project	146.25	-	-	-	146.25
IT Project	51.77	-	-	-	51.77
<b>Total</b>	<b>301.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301.31</b>

There are no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

**As at March 31, 2023**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Civil Project	106.51	-	-	-	106.51
Medical Equipment Project	81.25	-	-	-	81.25
IT Project	22.64	-	-	-	22.64
<b>Total</b>	<b>210.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210.40</b>

There are no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Note 4 (b): Right of use assets**

(Rupees in Lacs)

Particulars	Leasehold land
As at April 01, 2022	398.22
Charge for the year	-
As at March 31, 2023	398.22
Charge for the year	-
As at March 31, 2024	398.22

Notes :

(i) During the financial year 2005-06, Delhi Development Authority has terminated all the allotment letter lease/ deeds for which the Company has filed appeal in the Delhi High Court. Repossession of land has been stayed by an interim stay order passed by Delhi High Court (refer note 34).

(ii) No amortization has been made in respect to leasehold lands since these have been taken on perpetual lease.

(iii) Details of Title deeds of Immovable Property not held in the name of the Company

Relevant line item in Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Right of use assets	Leasehold Land	21.11	Not available	No	Since 1995	Title deed is not in possession of the Company. As per allotment letter, land has been allotted to Escorts Heart Institute and Research Centre, Delhi.
Right of use assets	Leasehold Land	377.11	Escorts Heart Institute and Research Centre, Delhi	No	Since 1990	The lease deed is in the name of "Escorts Heart Institute and Research Centre, Delhi", which amalgamated into Escorts Heart Institute and Research Centre, Chandigarh under Societies Registration Act.  Escorts Heart Institute and Research Centre, Chandigarh was thereafter incorporated as company "Escorts Heart Institute and Research Centre Limited" under the Companies Act, 1956.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Note 5 : Intangible assets**

Particulars	(Rupees in Lacs)		
	Software	Business Rights	Total
<b>Gross Carrying Value</b>			
As at April 01,2022	1,223.95	420.00	1,643.95
Additions	12.11	-	12.11
As at March 31,2023	1,236.06	420.00	1,656.06
Additions	44.39	-	44.39
As at March 31,2024	1,280.45	420.00	1,700.45
<b>Accumulated amortization and impairment</b>			
As at April 01,2022	902.52	420.00	1,322.52
Charge for the year	72.88	-	72.88
As at March 31,2023	975.40	420.00	1,395.40
Charge for the year	77.04	-	77.04
As at March 31,2024	1,052.44	420.00	1,472.44
<b>Net Carrying Value</b>			
As at March 31, 2023	260.66	-	260.66
As at March 31, 2024	228.01	-	228.01

**Note 5(a) Intangible assets under development**

	(Rupees in Lacs)	
	As at March 31, 2024	As at March 31, 2023
Opening Balance	-	-
Additions *	44.39	12.11
Transfer to Intangible assets	(44.39)	(12.11)
<b>Closing balance</b>	-	-

\* The Company accounts for all capitalisation of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted for additions to intangible assets.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
<b>6 Investments</b>		
<b>Non Current</b>		
Unquoted investments (fully paid)		
(a) Investments in subsidiaries (measured at cost)		
(I) Investments in equity instruments		
i) Fortis Asia Healthcare Pte Limited 32,722,596 (32,722,596 as at March 31, 2023) ordinary shares of SGD 1 each Less: Impairment in value of investment	12,720.52  (12,720.52)	12,720.52  (12,720.52)
ii) Fortis Healthstaff Limited 4,900,000 (4,900,000 as at March 31, 2023) equity shares of Rupees 10 each Less: Impairment in value of investment	147.46  (147.46)	147.46  (147.46)
<b>Total</b>	<u>-</u>	<u>-</u>
(II) Investment in debt instruments		
Fortis Asia Healthcare Pte Limited* 10,000,000 (10,000,000 as at March 31, 2023) Redeemable preference shares of SGD 1, each redeemable on expiry of 5 years from date of allotment at a premium of 4.6% p.a. ( Previous year: 4.6% p.a.) (refer note 39b) Less: Impairment in value of investment (refer note 39b)	3,454.10  -	3,454.10  (2,189.50)
* The Company had subscribed to the preference shares of Fortis Asia Healthcare Pte. Limited on December 14, 2010. The shares were allotted on December 15, 2010 and were redeemable on December 15, 2015. As per the revised addendum dated November 20, 2019, the shares were redeemable on March 31, 2023. Vide extension letter dated April 26, 2023, these preference shares are further extended for redemption on March 31, 2025. However, considering the management's expectation, these are not to be redeemed in next 12 months (refer note 39b).		
Fortis Healthstaff Limited 200,000 (200,000 as at March 31, 2023) 10% Non-Cumulative Redeemable Preference Shares of face value of Rupees 10 each (refer note 39c) Less: Impairment in value of investment (refer note 39c)	20.00  (20.00)	20.00  (20.00)
Aggregate unquoted investments in subsidiaries	<u>3,454.10</u>	<u>1,264.60</u>
Aggregate carrying value of unquoted investments in subsidiaries	<u>3,454.10</u>	<u>1,264.60</u>
Aggregate amount of impairment in value of Investments in subsidiaries	<u>(12,887.98)</u>	<u>(15,077.48)</u>
(b) Investment in fellow subsidiary (measured at cost)		
Investment in equity instruments: compulsory convertible preference shares		
Fortis Hospitals Limited 13,000,000 (13,000,000 as at March 31, 2023) 0.01% Non-Cumulative Compulsory Convertible Preference Shares of face value of Rupees 10 each compulsory convertible into equal number of equity shares on expiry of 10 years from date of allotment i.e. (6,000,000 on February 18, 2026 and 7,000,000 on May 30, 2026) purchased @ Rupees 500 per share (refer note 39d)	65,000.00	65,000.00
Aggregate unquoted investments in fellow subsidiary	<u>65,000.00</u>	<u>65,000.00</u>
Aggregate carrying value of unquoted investments in fellow subsidiary	<u>65,000.00</u>	<u>65,000.00</u>
Aggregate amount of impairment in value of Investments in fellow subsidiary	<u>-</u>	<u>-</u>
Aggregate carrying value of unquoted investments	<u>65,000.00</u>	<u>66,264.60</u>
Aggregate amount of Impairment in value of investments	<u>(12,887.98)</u>	<u>(15,077.48)</u>



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
<b>7</b>	<b>Loans</b>	
<u>Non Current - at amortised cost</u>		
Unsecured, credit impaired		
(a) Loans to subsidiary company (refer note 39a)	-	850.15
	-	850.15
Less: Allowances for credit losses	-	(850.15)
<b>Total</b>	-	-
<u>Current - at amortised cost</u>		
Unsecured, credit impaired		
(a) Loans to subsidiary company (refer note 39a)	850.15	-
(b) Loans to body corporates and others	966.92	966.92
	1,817.07	966.92
Less: Allowances for credit losses	(1,817.07)	(966.92)
<b>Total</b>	-	-
<b>8</b>	<b>Other financial assets</b>	
<u>Non current - at amortised cost</u>		
Unsecured, considered good		
(a) Deposit accounts with banks*	7.40	0.59
(b) Interest accrued and due on bank deposits	-	0.34
(c) Other recoverable from fellow subsidiary (refer note 29)	-	459.75
(d) Security deposits	106.62	94.62
	114.02	555.30
<u>Current - at amortised cost</u>		
Unsecured, considered good		
(a) Deposit accounts with banks*	-	4.39
(b) Interest accrued and due on bank deposits	0.19	12.71
(c) Security Deposits	-	12.00
(d) Other recoverable from staff	30.61	47.76
(e) Government grant receivable	19.38	-
	50.18	76.86
Considered doubtful		
(a) Advances recoverable	16.07	16.07
(b) Advances to subsidiary company (refer note 29)	172.41	172.41
(c) Other recoverable from staff	180.49	167.68
	368.97	356.16
Less : Allowances for credit losses	(368.97)	(356.16)
	-	-
<b>Total</b>	50.18	76.86

\*Includes fixed deposits under lien with banks and restricted from being exchanged.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
9 Deferred tax assets (net)		
(a) Deferred tax assets	3,745.54	4,352.86
(b) Deferred tax liabilities	<u>(101.71)</u>	<u>(58.77)</u>
Deferred tax assets (net)	<u>3,643.83</u>	<u>4,294.09</u>

The following is the analysis of movement in deferred tax assets:

Deferred tax in relation to	Deferred tax recognised as at April 01, 2023	Credit / (Charge) to Profit or loss	(Credit) / Charge to Other Comprehensive Income	Deferred tax recognised as at March 31, 2024	Unrecognised deferred tax as at March 31, 2024	Total deferred tax as at March 31, 2024
<b>Deferred tax assets ('DTA')/(liabilities)</b>						
Property, plant and equipment	(58.77)	(42.94)	-	(101.71)	-	(101.71)
Intangible assets	99.64	(70.77)	-	28.87	-	28.87
Allowance for expected credit loss on advances	337.33	(6.82)	-	330.51	-	330.51
Allowance for expected credit loss on receivables	779.86	(433.40)	-	346.46	-	346.46
Employee benefits	601.76	(32.77)	1.06	570.05	-	570.05
Carried forward losses & unabsorbed losses	2,534.27	(153.05)	-	2,381.22	-	2,381.22
Disallowance under section 43B(h)	-	88.43	-	88.43	-	88.43
Deferred tax assets (net)	<u>4,294.09</u>	<u>(651.32)</u>	<u>1.06</u>	<u>3,643.83</u>	<u>-</u>	<u>3,643.83</u>

Deferred tax in relation to	Deferred tax recognised as at April 01, 2022	Credit / (Charge) to Profit or loss	(Credit) / Charge to Other Comprehensive Income	Deferred tax recognised as at March 31, 2023	Unrecognised deferred tax as at March 31, 2023	Total deferred tax as at March 31, 2023
<b>Deferred tax assets/(liabilities)</b>						
Property, plant and equipment	(58.77)	-	-	(58.77)	(76.33)	(135.10)
Intangible assets	99.64	-	-	99.64	(64.97)	34.67
Allowance for expected credit loss on advances	337.33	-	-	337.33	(1.98)	335.35
Allowance for expected credit loss on receivables	779.86	-	-	779.86	(130.81)	649.05
Employee benefits	601.76	-	-	601.76	(69.79)	531.97
Carried forward losses & unabsorbed losses	2,534.27	-	-	2,534.27	495.22	3,029.50
Deferred tax asset (net)	<u>4,294.09</u>	<u>-</u>	<u>-</u>	<u>4,294.09</u>	<u>151.35</u>	<u>4,445.44</u>

**Income tax**

Recognized in Profit or loss account

Current tax expense

(a) In respect of the current year

Deferred tax expense

Attributable to:

Deferred tax charge

Tax expense recognized through profit & loss account

Recognized in Other Comprehensive Income

Deferred tax

In respect of the current year

Tax credit recognized through Other Comprehensive income

	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
Current tax expense	-	-
Deferred tax expense	651.32	-
Deferred tax charge	<u>651.32</u>	<u>-</u>
Tax expense recognized through profit & loss account	<u>651.32</u>	<u>-</u>
Deferred tax	(1.06)	-
Tax credit recognized through Other Comprehensive income	<u>(1.06)</u>	<u>-</u>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit/(loss) before tax for the year	5,371.86	3,271.32
Enacted income tax rate in India	25.17%	25.17%
Income tax expense	1,351.98	823.33
Effect of income not taxable	-	-
- Corporate Guarantee fees	-	(57.47)
- Impairment reversal in the value of investment	(551.05)	(154.42)
- Utilisation of deferred tax asset not recognised earlier based on projected future taxable profits	(151.35)	(629.41)
Others	1.74	17.97
Tax	<u>651.32</u>	<u>-</u>

Details of losses on which deferred tax asset is not recognised

Expire year

Unabsorbed depreciation

No expiry

Total

Unabsorbed Business Loss

2028-29

2029-30

Total

	As on March 31, 2024		As on March 31, 2023	
	Gross Amount	Tax effect	Gross Amount	Tax effect
No expiry	-	-	1,320.10	332.24
Total	<u>-</u>	<u>-</u>	<u>1,320.10</u>	<u>332.24</u>
2028-29	-	-	-	-
2029-30	-	-	647.55	162.98
Total	<u>-</u>	<u>-</u>	<u>647.55</u>	<u>162.98</u>

Note:- During the current year, the company has recognised deferred tax assets against unabsorbed depreciation and unabsorbed brought forwarded business losses that were not recognised in earlier years.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
<b>10 Non-current tax assets</b>		
Advance Income tax (net of Provision for Taxation of Rs 18,182.00 lacs, previous year Rs 18,182.00 lacs) *	2,985.80	2,424.22
	<u>2,985.80</u>	<u>2,424.22</u>
* Including refund adjusted by tax authorities against demand orders of earlier years which are being contested by the Company under various forums.		
<b>11 Other assets (Unsecured)</b>		
<b>Non-current</b>		
<b>Considered good</b>		
(a) Capital advances	3.08	0.10
(b) Balances with customs excise and other authorities paid under protest (also refer note 34c & note 45)	700.00	700.00
(c) Prepaid expenses	16.44	24.86
	<u>719.52</u>	<u>724.96</u>
<b>Current</b>		
<b>Considered good</b>		
(a) SFIS licenses receivable	-	2.82
(b) Advance to vendors	91.45	243.44
(c) Prepaid expenses	122.58	81.23
	<u>214.03</u>	<u>327.49</u>
<b>Considered doubtful</b>		
(a) SFIS licenses in hand	-	86.43
(a) Advance to vendors	17.49	17.49
(b) Advances others	48.55	48.55
	<u>66.04</u>	<u>152.47</u>
<b>Less: Loss allowances</b>	<u>(66.04)</u>	<u>(152.47)</u>
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>214.03</u>	<u>327.49</u>
<b>12 Inventories</b>		
Valued at lower of cost and net realisable value		
Medical consumables, drugs and others	236.77	233.63
	<u>236.77</u>	<u>233.63</u>





**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
<b>13 Trade Receivables*</b>		
<b>Current</b> (Unsecured, unless otherwise stated)		
(a) Considered good		
- From others		
Billed	5,669.31	4,666.15
Unbilled	614.70	779.07
- From related parties (refer note 29)	161.09	113.66
(b) Credit Impaired		
- From others	-	782.66
Less: Allowances for credit losses	(1,376.58)	(2,578.88)
	<b>5,068.52</b>	<b>3,762.66</b>

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the payments. 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 Company does not have any significant concentration of exposures to specific category of customer. The provision matrix used to compute the expected credit loss allowance for trade receivables (other than due from related parties) are as follows:

Ageing	Expected Credit Allowance %	
	March 31, 2024	March 31, 2023
0 - 1 year	0% - 19%	2% - 47%
1 - 2 year	9% - 36%	19% - 77%
2 - 3 year	28% - 55%	26% - 100%
More than 3 years	100%	100%

The movement in expected credit loss during the year is as follows

	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
Balances at the beginning of the year	2,578.88	3,091.72
Creation of the allowance for credit losses (Utilisation)/adjustment of provision	(1,010.99)	(491.12)
<b>Balances at the end of the year</b>	<b>1,376.58</b>	<b>2,578.88</b>

The Company does not require collateral in respect of trade receivables. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

**Trade receivables ageing schedule as at March 31 2024**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,969.69	769.53	271.53	760.35	118.29	941.01	5,830.40
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,969.69</b>	<b>769.53</b>	<b>271.53</b>	<b>760.35</b>	<b>118.29</b>	<b>941.01</b>	<b>5,830.40</b>
Trade receivables - Unbilled							614.70
Less: Loss allowance for doubtful trade receivables - billed							6,445.10
<b>Total</b>							<b>5,068.52</b>

**Trade receivables ageing schedule as at March 31 2023**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,154.46	1,363.33	756.11	309.21	119.10	1,077.60	4,779.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	782.66	782.66
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,154.46</b>	<b>1,363.33</b>	<b>756.11</b>	<b>309.21</b>	<b>119.10</b>	<b>1,860.26</b>	<b>5,562.47</b>
Trade receivables - Unbilled							779.07
Less: Loss allowance for doubtful trade receivables - billed							6,341.54
<b>Total</b>							<b>3,762.66</b>

\*Current assets are held as pledge against loan taken by the company (refer note no 16)



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
<b>14 (a) Cash and cash equivalents</b>		
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:		
(a) Balances with Banks - on current accounts	59.94	25.00
(b) Cash on hand	59.94	25.00
<b>Cash and cash equivalents as per balance sheet</b>	<u>59.94</u>	<u>25.00</u>
Bank overdraft ( refer note 16)	(1,273.12)	(3,489.20)
<b>Cash and cash equivalents as per statement of cash flows</b>	<u>(1,213.18)</u>	<u>(3,464.20)</u>
<b>14 (b) Bank balances other than above</b>		
<b>Other bank balances</b>		
Deposits with maturity of more than 3 months and less than 12 months *	116.19	96.87
<b>Other bank balances as per balance sheet</b>	<u>116.19</u>	<u>96.87</u>

\*Fixed deposits are under lien with banks against bank guarantee.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	As at	
	March 31, 2024 (Rupees in Lacs)	March 31, 2023 (Rupees in Lacs)
<b>15 Share capital</b>		
<b>Authorized share capital:</b>		
2,250,000 (2,250,000 as at March 31, 2023) Equity Shares of Rupees 10 each	225.00	225.00
450,000 (450,000 as at March 31, 2023) 0.01% Compulsory Non Cumulative Convertible Preference Shares ("CCPS") of Rupees 10 each	45.00	45.00
<b>Issued, subscribed and fully paid up shares</b>		
<b>Equity Share Capital</b>		
2,161,117 (2,161,117 as at March 31, 2023) Equity Shares of Rupees 10 each	216.11	216.11
<b>Instruments entirely equity in nature</b>		
401,769 (401,769 as at March 31, 2023) 0.01% CCPS of Rupees 10 each	40.18	40.18
<b>Total issued, subscribed and fully paid up share capital</b>	<b>256.29</b>	<b>256.29</b>

Notes :

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

**Equity Shares**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	(Rupees in Lacs)	Number	(Rupees in Lacs)
At the beginning of the year	2,161,117	216.11	2,161,117	216.11
Add :- Share issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,161,117</b>	<b>216.11</b>	<b>2,161,117</b>	<b>216.11</b>

**Preference Shares**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	(Rupees in Lacs)	Number	(Rupees in Lacs)
At the beginning of the year	401,769	40.18	401,769	40.18
<b>Outstanding at the end of the year</b>	<b>401,769</b>	<b>40.18</b>	<b>401,769</b>	<b>40.18</b>

- (b) Terms/ rights attached to equity shares

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

- (c) Terms/ rights attached to compulsory convertible preference shares

During the year ended March 31, 2013, the Company issued 401,769 0.01% Compulsory Convertible Preference shares of Rupees 10 each at a premium of Rupees 7,456.98 per share. These shares are convertible into equal number of equity shares, provided price for conversion of Investor CCPS into equity share shall not be less than the investment valuation with a protection of the investment value. The holders of each CCPS shall be entitled to receive dividends in respect of the par value of the Investor CCPS at a rate of 0.01%, payable at the end of period of 15 years from the closing date. Holder of CCPS shall have voting rights relating to liquidation or a resolution or any other matter which directly affects or varies the right of the holders. 0.01% CCPS are compound instruments as it also contain liability towards payment of 0.01% dividend at the end of the period of 15 years. Such liability component is insignificant to the total instrument and therefore, not segregated from the instrument value.

- (d) For the period of five years immediately preceding the date of the balance sheet, there were no share allotment made for consideration other than cash and also no bonus shares were issued. Further, there has been no buyback of shares during the period of five years preceding the date of balance sheet.

- (e) Shares held by the holding/ultimate holding company and/or their subsidiaries

**Equity Shares**

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	(Rupees in Lacs)	No. of Shares held	(Rupees in Lacs)
Fortis Healthcare Limited*, the Holding company	2,161,117	216.11	2,161,117	216.11

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

**Compulsory convertible preference shares**

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	(Rupees in Lacs)	No. of shares held	(Rupees in Lacs)
Fortis Hospitals Limited, fellow subsidiary	401,769	40.18	401,769	40.18



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

15. Share Capital (Contd...)

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

Equity Shares

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited*, the Holding company	2,161,117	100%	2,161,117	100%

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

Compulsory convertible preference shares

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, fellow subsidiary	401,769	100%	401,769	100%

(g) Details of shares held by promoters

Equity Shares

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Healthcare Limited*, the Holding company	2,161,117	-	2,161,117	100.00%	-

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Healthcare Limited*, the Holding company	2,161,117	-	2,161,117	100.00%	-

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

(h) Shares reserved for issue under contracts

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	(Rupees in Lacs)	No. of shares held	(Rupees in Lacs)
For compulsory convertible non-cumulative preference shares, 401,759 equity share @Rupees 10 each, provided price for conversion of Investor CCPS into equity share shall not be less than the investment valuation.	401,769	40.18	401,769	40.18



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
<b>16 Non current borrowings</b>		
<b>Secured - at amortised cost</b>		
(a) Term loans - from banks		
- HSBC Bank (refer note a below)	1,208.34	908.67
- DBS Bank (refer note b below)	-	172.95
Current maturities of Long term borrowings		
- HSBC Bank	(283.33)	(83.33)
- DBS Bank	-	(69.18)
	<u>925.01</u>	<u>929.11</u>
(b) Vehicle loan	32.93	-
Current maturities of Vehicle Loan (refer note e below)	(8.39)	-
	<u>24.54</u>	<u>-</u>
<b>Unsecured - at amortised cost</b>		
(c) Loan from holding company (refer note d below)	8,702.60	8,121.51
Current maturities of loan from holding company	(8,702.60)	-
	<u>-</u>	<u>8,121.51</u>
	<u>949.55</u>	<u>9,050.62</u>
<b>Current borrowings</b>		
<b>Secured - repayable on demand</b>		
- Bank overdraft (refer note c below)	1,273.12	3,489.20
<b>Secured -Current Maturities of long term Borrowings</b>		
- Loan from HSBC Bank	283.33	83.33
- Loan from DBS Bank	-	69.18
<b>Vehicle loan</b>	8.39	-
<b>Unsecured</b>		
- Loan from holding company (refer note d below)	8,702.60	-
	<u>10,267.44</u>	<u>3,641.71</u>

**Details of term loan facility are as follows:**

Note (a) :- During the earlier year, the Company has availed term loan facility from HSBC Bank of Rupees 313.00 lacs and Rupees 1000.00 lacs.

**Interest rate-** HSBC 3/12 month MCLR or any other rate as may be mutually agreed from time to time for current year and previous year.

**Security-** The loan is secured by first pari passu charge on the stocks, receivables and movable fixed assets of the Company except machineries and vehicles specifically financed by other banks/financial institutions along with exclusive charge on certain fixed assets (immovable) with minimum assets cover of 1.25X (previous year 1.33x) basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana) and Fortis Hospotel Limited (immovable property situated in Gurugram). Till the previous year, the loan was further guaranteed by corporate guarantee issued by Fortis Healthcare Limited which has been withdrawn during the current year.

**Repayment term-** Term loan facility of Rs. 208.33 lacs is repayable in 10 equal quarterly instalments (last installment due in August, 2026). Further, term loan facility of Rs. 1,000 lacs is repayable in 20 equal quarterly installments (last installment due in March, 2029).

As on March 31, 2024, the outstanding balance of term loan from HSBC is Rupees 1208.34 lacs (Previous year Rupees 908.67 lacs).



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Note (b) :- During the earlier years, DBS bank has sanctioned term loan of Rupees 573 Lacs and Capex facility of Rs. 500 lacs. Company has availed term loan facility to refinance loan from HSBC bank of Rupees 573 lacs along with Capex loan facility of Rupees 500 lacs.

**Interest rate-** The term loan facility is availed at rate of DBS Bank 3/12 M month MCLR + margin of 1% or any other rate as may be mutually agreed upon (previous year Bank's 3/12 M month MCLR + margin of 1% p.a.).

**Security-** (i) First pari passu charge over current assets and moveable fixed assets of the borrower,

(ii) Exclusive charge over immovable fixed assets of Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x,

(iii) Corporate guarantees from Fortis Hospitals Limited, Fortis Healthcare Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited. During the previous year, all the Corporate guarantees mentioned above were withdrawn except from Fortis Healthcare Limited. Corporate guarantee from Fortis Healthcare Limited has also been withdrawn during the current year.

**Repayment term-** The term loan is repayable over a period of 5 years ( in 20 equal quarterly installments) with a put/call option at the end of 18 months and annually thereafter. Capex loan facility is availed at rate of DBS Bank 3/12 M month MCLR + margin of 1% or any other rate as may be mutually agreed upon (previous year Bank's 3/12 M month MCLR + margin of 1% p.a.) and is repayable over a period of 5 years in 16 quarterly instalments (including 1 year of moratorium period) beginning from December 01, 2021. During the previous year, the Company has prepaid the loan amounting to Rupees 353.35 lacs and the charge over International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru has been released by the bank along with all the corporate guarantees except Fortis Healthcare Limited. Further the put/call option has also been withdrawn. During the current year, the company has repaid the borrowing of Rs. 172.95 lacs and the charges has been released over the facility availed.

As on March 31, 2024, the outstanding balance of term loan from DBS is Rupees NIL (Previous year Rupees 172.95 lacs).

**Bank overdraft**

Note (c) The Company has availed bank working capital facility of Rupees 6,000 lacs from HSBC Bank (Rupees 8,000 lacs in previous year)

**Interest rate-** overnight MCLR or any other rate as may be mutually agreed from time to time.

**Security-** secured by first pari passu charge on the current assets and movable fixed assets of the borrower (Company) and corporate guarantee from Fortis Healthcare Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited.

During the previous year, all the Corporate guarantees mentioned above were withdrawn except from Fortis Healthcare Limited. Corporate guarantee from Fortis Healthcare Limited has also been withdrawn during the current year.

As on March 31, 2024, the outstanding balance of overdraft is Rupees 1,273.12 lacs (Previous year 3,489.20 lacs).

**Loan from holding company**

Note (d): The term loan has been sanctioned from Fortis Healthcare Limited for an amount of Rupees 10,000 Lacs.

**Interest rate-** 9.15% p.a. (Previous year 7.95% p.a.)

**Repayment Terms-** The loan is repayable on or before March 31, 2025 and interest is payable on yearly basis or any other date as may be mutually agreed. Further, during the current year, the holding Company ('lender') has converted balance payable of interest accrued amounting to Rupees 581.09 lacs as a part of original borrowing ( Previous year balance payable of interest accrued amounting to Rupees 542.29 lacs)

**Security-** Unsecured

Outstanding as at March 31, 2024 is Rupees 8,702.60 lacs (Previous year Rupees 8,121.51 lacs).

**Vehicle Loan**

Note (e): During Financial year 2023-24, the Company had taken vehicle loan for Rupees 36.84 lacs from ICICI Bank Limited with current average rate of interest of 8.95% p.a. The loan is repayable in 48 structured monthly instalments and secured against hypothecation of the specific vehicle purchased. As on March 31, 2024, the outstanding balance of vehicle loan is Rupees 32.93 lacs (Previous year Rupees Nil).

The Company has borrowings from banks and financial institutions on the basis of security of current assets. However, no statements are required to be filed by the Company for term loan and overdraft facility availed from HSBC Bank. The quarterly statements filed by the Company with DBS Bank are in agreement with the books of accounts.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**16(a) Changes in liabilities arising from financing activities**

Particulars	Non- current borrowings	Current borrowings	Interest accrued
<b>As at April 01, 2022</b>	<b>1,127.15</b>	<b>15,096.28</b>	<b>575.24</b>
Proceeds from borrowings	377.00	-	-
Repayment of borrowings	(575.04)	(2,684.99)	-
Reclassification of current borrowings to non-current borrowings ^	7,579.22	(7,579.22)	-
Non-cash item #	542.29	-	(542.29)
Finance cost expenses	-	-	1,141.61
Finance cost paid	-	-	(568.83)
Reclassification of Bank overdraft *	-	(1,190.36)	-
<b>As at March 31, 2023</b>	<b>9,050.62</b>	<b>3,641.71</b>	<b>605.73</b>
<b>As at April 01, 2023</b>	<b>9,050.62</b>	<b>3,641.71</b>	<b>605.73</b>
Proceeds from borrowings	419.83	-	-
Repayment of borrowings	(107.67)	(152.51)	-
Reclassification of non-current borrowings to current borrowings ^	(8,994.32)	8,994.32	-
Non-cash item #	581.09	-	(581.09)
Finance cost expenses	-	-	1,106.43
Finance cost paid	-	-	(393.24)
Reclassification of Bank overdraft *	-	(2,216.08)	-
<b>As at March 31, 2024</b>	<b>949.55</b>	<b>10,267.44</b>	<b>737.83</b>

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

^ The Company has a loan from Holding Company which was reclassified from current to non-current borrowing in the previous year as the maturity date was extended till March 31, 2025. Accordingly, this loan has been reclassified to current borrowings in the current year. Similarly, current maturities of long term borrowings from banks are also reclassified from non-current to current.

# Non-cash item in long term borrowings primarily includes interest converted in loan received from Fortis Healthcare Limited Rupees 581.09 lacs (previous year Rupees 542.29 lacs).

Particulars	As at March 31, 2024 (Rupees in Lacs)	As at March 31, 2023 (Rupees in Lacs)
<b>17. Other financial liabilities</b>		
<b>Current</b>		
<b>Unsecured - at amortised cost</b>		
(a) Security deposits	56.05	55.47
(b) Interest accrued and due on borrowings from related party (refer note 29)	716.66	581.09
(c) Interest accrued but not due on borrowings from banks	21.17	24.64
(d) Capital creditors*	759.99	310.17
(e) Employee payables	233.21	40.04
	<b>1,787.08</b>	<b>1,011.41</b>

\* This also includes amount payable to micro and small enterprises amounting to Rupees 130.86 Lacs as at March 31, 2024 (Rupees 151.10 Lacs as on March 31, 2023)



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	As at	As at
	March 31, 2024 (Rupees in Lacs)	March 31, 2023 (Rupees in Lacs)
<b>18. Provisions</b>		
<b>Non current</b>		
<b>Provision for employees benefits</b>		
- Provision for gratuity (refer Note 35)	1,695.51	1,353.55
- Provision for compensated absences	343.31	286.94
	<b>2,038.82</b>	<b>1,640.49</b>
<b>Current</b>		
<b>Provision for employees benefits</b>		
(a) Provision for gratuity (refer Note 35)	178.80	385.43
(b) Provision for compensated absences	47.36	87.77
<b>Others</b>		
(a) Provision for contingencies*	22.11	29.30
(b) Provision for litigation **	696.98	678.02
	<b>945.25</b>	<b>1,180.52</b>

**\* Provision for contingencies :**

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Opening balance	29.30	78.39
Add: provision made during the year	7.97	12.74
Less: written back during the year	(15.16)	(61.83)
Closing balance	<b>22.11</b>	<b>29.30</b>

\* Provision for contingency is made against refund due to the patients, which is expected to be settled in due course and therefore considered as current in nature.

\*\* During the year ended March 31, 2017, Provision of Rupees 347.63 lacs (excluding interest) is made on account of penalty levied by the (a) The Commissioner of Customs (Import and General), Delhi towards classification of imported surgical machine under the Customs Act, 1962.

Further, provision of Rupees 330.39 Lacs (excluding interest) recorded in earlier years towards custom duty liability on import of medical equipment, spares and consumables levied on the Company considering it to be as a commercial establishment under the Customs Act, 1962. The Company has challenged the aforesaid matters and the provision will be settled on closure of the matter.

**19. Trade payables**

(a) Total outstanding dues of micro enterprises and small enterprises. (refer note 43)	1,153.68	988.10
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises *	6,116.62	6,614.65
	<b>7,270.30</b>	<b>7,602.75</b>

Of the above trade payables amounts due to related parties are as below:

Trade Payables due to related parties (refer note 29)	1,437.18	1,720.93
	<b>1,437.18</b>	<b>1,720.93</b>

\* Includes payable to related parties, refer note 29.

As at March 31, 2024

**Trade Payables ageing schedule**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,146.41	7.27	-	-	-	1,153.68
(ii) Others	2,537.78	1,777.97	693.03	261.56	841.88	4.40	6,116.62
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>2,537.78</b>	<b>2,924.38</b>	<b>700.30</b>	<b>261.56</b>	<b>841.88</b>	<b>4.40</b>	<b>7,270.30</b>

As at March 31, 2023

**Trade Payables ageing schedule**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	198.85	788.72	0.53	-	-	988.10
(ii) Others	2,661.10	2,206.00	165.61	1,518.12	3.55	60.27	6,614.65
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>2,661.10</b>	<b>2,404.86</b>	<b>954.33</b>	<b>1,518.64</b>	<b>3.55</b>	<b>60.27</b>	<b>7,602.75</b>

**20. Other current liabilities**

(a) Advance from patients	388.83	539.00
(b) Statutory dues payable	463.31	455.97
(c) Deferred revenue	13.53	13.98
	<b>865.67</b>	<b>1,008.95</b>





**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	(Rupees in Lacs)	(Rupees in Lacs)
<b>21 Revenue from operations</b>		
<b>I. Revenue from contracts with customers</b>		
<b>(a) Sale of services</b>		
<b>Healthcare services</b>		
-Operating income - in patient department	41,067.16	38,647.16
-Operating income - out patient department	5,219.59	4,656.35
-Income from medical services	128.24	139.78
-Income from clinical research	50.93	21.31
Less: Trade discounts	(4,196.13)	(3,892.54)
	<u>42,269.79</u>	<u>39,572.06</u>
<b>(b) Sale of products-trading pharmacy</b>	<u>592.95</u>	<u>521.41</u>
	<u>592.95</u>	<u>521.41</u>
<b>I. Total revenue from contracts with customers (a)+(b)</b>	<u><u>42,862.74</u></u>	<u><u>40,093.47</u></u>
<b>II. Other operating revenues</b>		
i) Income from rent	64.16	120.57
ii) Sponsorship income	5.00	8.48
iii) Scrap sale	10.08	21.13
iv) Sale of plasma	15.69	15.52
v) Provision/liabilities no longer required written back	328.02	448.53
vi) Reversal of allowance for credit losses	191.31	-
vii) Income from Academic Services	3.47	36.54
viii) Income from SFIS	-	3.85
ix) Miscellaneous Income	4.68	1.27
<b>II. Total other operating revenues</b>	<u>622.41</u>	<u>655.89</u>
<b>Total revenue from operations (I+II)</b>	<u><u>43,485.15</u></u>	<u><u>40,749.36</u></u>
<b>Disaggregation of revenue from contract with customers.</b>		
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	592.95	521.41
Services transferred over the period of time	37,458.66	35,294.18
Services transferred at a point of time	4,811.13	4,277.88
<b>Contract balances</b>		
Contract assets (unbilled revenue)	614.70	779.07
Contract liability (advance from patients and deferred revenue)	402.36	552.98
<b>22 Other income</b>		
<b>(a) Interest income on</b>		
i) Bank deposits	9.47	6.93
ii) Interest on Income tax refund	34.69	77.56
iii) Interest on loans	-	8.83
<b>(b) Foreign exchange gain (net)</b>	-	7.74
<b>(c) Others non - operating income</b>		
i) Profit on sale of property, plant and equipment (net)	13.20	98.52
ii) Income on corporate guarantees given	-	228.33
<b>Total other income (a+b+c)</b>	<u>57.36</u>	<u>427.91</u>



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	Year ended March 31, 2024 (Rupees in Lacs)	Year ended March 31, 2023 (Rupees in Lacs)
<b>23 Changes in inventories of medical consumable and drugs</b>		
(a) Inventory at the beginning of the year	233.63	276.60
(b) Inventory at the end of the year	<u>(236.77)</u>	<u>(233.63)</u>
<b>Changes in inventories [(a)+(b)]</b>	<u><b>(3.14)</b></u>	<u><b>42.97</b></u>
<b>24 Employee benefits expense</b>		
(a) Salaries, wages and bonus	7,014.96	6,964.06
(b) Gratuity expense (refer note 35)	121.20	107.16
(c) Compensated absences	30.42	112.20
(d) Contribution to provident and other funds (refer note 35)	359.63	369.50
(e) Staff welfare expenses	<u>337.71</u>	<u>232.72</u>
	<u><b>7,863.92</b></u>	<u><b>7,785.64</b></u>
<b>25 Finance costs</b>		
(a) Interest expense		
- on term loans	100.34	184.08
- on cash credit	208.73	311.86
- on loan from related party companies ( refer note 29)	796.29	645.66
- on defined benefit plan and other long term benefits	148.05	119.96
- on others	1.08	-
(b) Other borrowing cost (including bank charges)	<u>161.55</u>	<u>144.67</u>
	<u><b>1,416.04</b></u>	<u><b>1,406.23</b></u>
<b>26 Depreciation and amortisation expense</b>		
(a) Depreciation of property, plant and equipment	1,241.61	1,182.31
(b) Amortisation of intangible assets	<u>77.04</u>	<u>72.88</u>
	<u><b>1,318.65</b></u>	<u><b>1,255.19</b></u>
<b>27 Other expenses</b>		
(a) Contractual manpower	1,027.74	1,033.24
(b) Power, fuel and water	1,155.49	1,236.27
(c) Housekeeping expenses including consumables	702.76	680.91
(d) Patient food and beverages	349.19	359.26
(e) Pathology laboratory expenses	2,003.68	1,831.52
(f) Radiology expenses	158.68	136.77
(g) Professional and consultation fees to doctors	8,851.57	7,834.06
(h) Repairs and maintenance		
- Building	41.39	17.75
- Plant and machinery	1,090.37	1,173.38
- Others	26.77	41.16
(i) Rent (refer note 30)		
- Equipment	141.13	97.61
- Others	119.39	162.34
(j) Legal and professional fee (refer note (i) below)	348.15	253.47
(k) Travel and conveyance	109.26	88.98
(l) Rates and taxes	97.76	55.15
(m) Recruitment & training	0.15	13.72
(n) Printing and stationary	145.65	133.73
(o) Communication expenses	34.32	20.30
(p) Insurance	68.57	154.64
(q) Marketing and business promotion	1,427.78	1,358.73
(r) Foreign exchange fluctuation loss (net)	3.39	-
(s) Allowance for credit losses (refer note 13) (net of amount written back)	-	149.12
(t) Bad debts and sundry balances written off*	1,010.99	661.96
Less: utilization from allowance for receivables	<u>(1,010.99)</u>	<u>(661.96)</u>
(u) Allowance for doubtful advances	15.63	72.71
(v) Provision for litigation	18.96	-
(w) Miscellaneous expenses	<u>5.01</u>	<u>3.31</u>
	<u><b>17,942.79</b></u>	<u><b>16,908.13</b></u>



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	Year ended March 31, 2024 (Rupees in Lacs)	Year ended March 31, 2023 (Rupees in Lacs)
<b>Note (i) : Auditor's remuneration comprises (including GST)</b>		
a. Statutory audit fees	27.26	27.26
b. Tax audit fees	3.90	3.90
c. Certifications	2.16	2.16
d. Out of pocket expenses	3.12	2.10
	<u>36.44</u>	<u>35.42</u>
<b>28 Exceptional item</b>		
<b>Expenses:</b>		
(a) Exceptional gain (refer note 38)	2,189.50	613.55
	<u>2,189.50</u>	<u>613.55</u>



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**29. Related party disclosures**

<b>Names of Related Parties and related party relationship</b>	
Ultimate Holding Company	IHH Healthcare Berhad
Intermediate Holding Companies	Integrated Healthcare Holdings Limited Parkway Pantai Limited Northern TK Venture Pte Ltd
Holding Company	Fortis Healthcare Limited
Subsidiary Companies	Fortis Asia Healthcare Pte Limited Fortis Healthstaff Limited Mena Healthcare Investment Company Limited Medical Management Company Ltd.
Fellow Subsidiaries or joint venture (with whom transactions have been taken place)	Agilus Diagnostics Limited Fortis Hospitals Limited (and an associate) Fortis Malar Hospitals Limited Fortis Emergency Services Limited Fortis C-Doc Healthcare Limited Fortis Hospotel Limited International Hospital Limited Hospitalia Eastern Private Limited
Enterprises owned or significantly controlled / influenced by subsidiary of holding/ultimate holding company/ enterprise having significant influence over ultimate holding company (with whom transactions have been taken place)	Acibadem Teknoloji A.S.
Key Management Personnel	Mr. Bidesh Chandra Paul (Whole time Director) Mr. Anil Vinayak (Director) Mr. Manu Kapila (Director) Dr. Aparna Jaswal (Director)

*(Rupees in Lacs)*

Transaction details	Year ended	Year ended
	March 31, 2024	March 31, 2023
<b>Operating income (including income from medical services, rental, and other income)</b>		
Fortis Hospitals Limited	5.52	7.80
Fortis C-Doc Healthcare Limited	12.44	40.67
Fortis Emergency Services Limited	-	1.40
Agilus Diagnostics Limited	-	0.19
<b>Hospital services given to group employees of</b>		
Fortis Healthcare Limited	4.98	-
Fortis Hospitals Limited	10.04	-
<b>Interest expense</b>		
Fortis Healthcare Limited	796.29	645.66
<b>Pathology expenses</b>		
Agilus Diagnostics Limited	1,897.64	1,739.82



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Transaction details	Year ended	Year ended
	March 31, 2024	March 31, 2023
<b>Travel and conveyance</b>		
Fortis Emergency Services Limited	3.36	19.70
<b>Hospital services taken for employees from</b>		
Fortis Healthcare Limited	6.81	-
Fortis Hospitals Limited	23.43	-
<b>Rent expense</b>		
Fortis Hospotel Limited	133.59	110.08
<b>Transfer of medical consumables and drugs from</b>		
Fortis Hospitals Limited	-	5.96
Fortis Healthcare Limited	0.45	3.37
Fortis C-Doc Healthcare Limited	-	6.26
<b>Transfer of medical consumables and drugs to</b>		
Fortis Healthcare Limited	0.82	-
Fortis Hospitals Limited	1.17	2.36
Fortis C Doc Healthcare Limited	-	0.24
<b>Managerial remuneration</b>		
<b>- Mr. Bidesh Chandra Paul</b>		
- Short term employment benefits	96.6	75.37
- Post-employment benefits & other long term Benefits	3.86	3.29
<b>- Dr. Aparna Jaswal</b>		
- Short term employment benefits	83.67	84.00
<b>Conversion of interest accrued into borrowings</b>		
Fortis Healthcare Limited	581.09	542.29
<b>Expenses incurred on behalf of company by</b>		
Fortis C-Doc Healthcare Limited	-	4.30
Fortis Hospitals Limited	-	6.20
<b>Expenses incurred on behalf of</b>		
Fortis Hospitals Limited	0.11	2.18
Fortis C-Doc Healthcare Limited	47.30	-
<b>Transfer of employee benefit liability by Company to</b>		
Fortis C-Doc Healthcare Limited	5.66	0.11
Fortis Hospitals Limited	4.73	0.26
Fortis Hospotel Limited	0.24	-



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Transaction details	Year ended	Year ended
	March 31, 2024	March 31, 2023
<b>Transfer of employee benefit liability to Company from</b>		
Fortis Hospitals Limited	0.01	1.58
International Hospital Limited	-	1.67
Fortis C-Doc Healthcare Limited	1.21	-
<b>Collection by Company on behalf of</b>		
Fortis Hospitals Limited	0.65	6.49
<b>Collection on behalf of Company by</b>		
Fortis Hospitals Limited	-	53.98
Fortis Healthcare Limited	11.80	-
Fortis C Doc Healthcare Limited	3.61	0.33
<b>Intangible Assets Acquired</b>		
Acibadem Teknoloji A.S.	14.62	-
<b>Corporate guarantees received earlier for loans withdrawn by</b>		
Fortis Healthcare Limited	11,113.00	42.00
Fortis Hospitals Limited	-	11,155.00
Escorts Heart and Super Specialty Hospital Limited	-	11,155.00
Hospitalia Eastern Private Limited	-	9,875.00
International Hospital Limited	-	11,155.00
Fortis Hospotel Limited	-	11,155.00
<b>Corporate guarantees given to banks/related party by company for loans availed by related party withdrawn</b>		
Fortis Healthcare Limited	-	48,679.82
Fortis Hospitals Limited	-	50,847.00
Fortis Hospotel Limited	-	12,917.00
International Hospital Limited	-	14,025.00
Hiranandani Healthcare Private Limited	-	2,450.00
Hospitalia Eastern Private Limited	-	3,300.00
<b>Reversal of provision for impairment of investment</b>		
Fortis Asia Healthcare Pte Limited	2189.50	621.55
<b>Provision for impairment of investment</b>		
Fortis Healthstaff Limited	-	8.00



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

<i>(Rupees in Lacs)</i>		
<b>Balances outstanding at year end:</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Loan given</b>		
Fortis Healthstaff Limited	850.15	850.15
<b>Provision for loss allowance on loan</b>		
Fortis Healthstaff Limited	850.15	850.15
<b>Unsecured borrowings</b>		
Fortis Healthcare Limited	8,702.60	8,121.51
<b>Interest accrued and due on borrowings</b>		
Fortis Healthcare Limited	716.66	581.09
<b>Trade payables</b>		
Agilus Diagnostics Limited	181.52	357.30
Fortis Hospitals Limited	662.73	914.34
Fortis Healthcare Limited	279.12	274.76
Fortis Emergency Services Limited	2.65	7.85
Fortis Hospotel Limited	308.92	164.44
Fortis Malar Hospitals Limited	2.24	2.24
<b>Trade receivables</b>		
Fortis C-Doc Healthcare Limited	161.09	113.66
<b>Other financial assets</b>		
<b>Recoverable from</b>		
Fortis Hospitals Limited	-	459.75
Fortis Healthstaff Limited	172.41	172.41
<b>Provisions for loss allowance</b>		
Fortis Healthstaff Limited	172.41	172.41
<b>Investments in equity/ debt instruments</b>		
Fortis Hospitals Limited	65,000.00	65,000.00
Fortis Asia Healthcare Pte Limited (Refer note 1)	16,174.62	16,174.62
Fortis Healthstaff Limited	167.46	167.46
<b>Impairment of investment</b>		
Fortis Asia Healthcare Pte. Limited (Equity Instruments)	12,720.52	12,720.52
Fortis Asia Healthcare Pte. Limited (Debt Instruments)	-	2,189.50



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Balances outstanding at year end:	As at March 31, 2024	As at March 31, 2023
Fortis Healthstaff Limited	167.46	167.46
<b>Compulsory Convertible Preference Shares</b>		
Fortis Hospitals Limited	40.18	40.18
<b>Outstanding Corporate guarantee given to banks/ related party for loans availed by the Company by</b>		
Fortis Healthcare Limited	-	11,113.00

**Notes:**

- 1) Refer note 39 (b) for investment in Non-Cumulative Redeemable Preference Shares of Fortis Asia Healthcare Pte Limited.
- 2) All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within credit period from the reporting date. None of the balances are secured.

**30. Leases:**

**(a) As a lessee:**

- (i) The Company has entered into lease arrangements for medical equipment and residential premises. Information about leases for which the Company is a lessee is presented below:

Amounts recognized in Statement of Profit and Loss	Year ended March 31, 2024	Year ended March 31, 2023
Variable lease payments not included in the measurement of lease liabilities	-	-
Expenses relating to short-term leases	260.52	259.95

**(b) As a lessor:**

**Assets given on operating lease:**

The Company has sub-leased some portion of hospital premises under a cancellable lease arrangement. Total lease income recognized in respect to such leases in the Statement of Profit and Loss for the year are Rupees 64.16 lacs (March 31, 2023: Rupees 120.57 lacs).

**31. Commitments:**

Particulars	As at March 31, 2024 (Rupees in lacs)	As at March 31, 2023 (Rupees in lacs)
Estimated amount of contracts remaining to be executed on capital account and not provided for	1843.18	373.24
- Property, plant and equipment [net of capital advances of Rupees 3.08 lacs (March 31, 2023 Rupees 0.10 lacs)]	11.88	-
- Intangible Assets		





**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

The Company has other commitments, for purchase/sales orders which are issued after considering requirements as per operating cycle for purchase/sale of services, employee's benefits. The Company does not have any long-term commitments or material non-cancellable contractual commitments/contracts, for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**32. Contingent liabilities:**

**A. Claims against the Company, disputed by the Company, not acknowledged as debt (In addition, refer to claims assessed as contingent liability described in Note 34 below. Also refer note 44 and 45):**

Particulars	(Rupees in lacs)	
	As at March 31, 2024	As at March 31, 2023
Medical related	9,608.06	9,492.80
Income tax*	28,889.62	31,830.70
Others#	50,336.53	50,336.53

\* Refer note 33 below

# Refer note 34(c) below

- 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 are numerous interpretative issues relating to this judgement as to how the liability should be calculated, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.
- ii) Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations, and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The management based on its internal evaluation and advice obtained from its external advisors is of the opinion that the demand is not tenable and does not expect any economic outflow. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums. The company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

33. There was a net tax demand of Rupees 4,748.99 lacs for earlier assessment year (Rupees 5,801.87 lacs as at March 31, 2023) after adjusting Rupees 18,220.07 lacs (Rupees 17,167.19 lacs for March 2023) maintained in an escrow account out of sale consideration payable by the holding Company to the erstwhile promoters of the Company. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to Rupees 1,583.00 lacs (March 31, 2023: Rupees 1,933.96 lacs) after adjusting the recovery from escrow account, would be borne by the said erstwhile promoters of the Company and the rest by the Company. During the year ended March 31, 2015, the Commissioner of Income Tax (Appeals) decided the appeals in favor of the Company. Income Tax Department had filed appeals before Income Tax Appellate Tribunal (ITAT) and during the year ended March 31, 2020, ITAT decided the appeals in favor of the Company.

Income Tax Department has contested the decision of ITAT before the Hon'ble High Court of Delhi. During the current year, the appeal of the department in respect of one of the matters involving an amount of Rupees 12,437.00 lacs has been dismissed by Hon'ble High Court. The statutory timeline for appeal by the department before Hon'ble Supreme Court is yet to lapse.



**34. Claims assessed as contingent liabilities and not provided for, unless otherwise stated:**

- (a) The Delhi Development Authority ('DDA') vide its Order dated October 6, 2005 ('DDA Order') had terminated the lease deeds and allotment letters of the Company. The Company had filed an Original Miscellaneous Petition ('OMP') and Civil Suit in the Hon'ble High Court of Delhi seeking a declaration that the DDA Order is illegal and praying for a permanent injunction restraining DDA from dispossessing the Company without the due process of law. The Hon'ble High Court of Delhi had granted a stay restraining DDA from recovering physical possession of the property and had made the interim order granted in the OMP absolute till the award is passed. The Company also filed an application for appointment of sole Arbitrator and reference of disputes to Arbitration in the Hon'ble High Court of Delhi. The arbitration application has been dismissed during the year 2013-14. The Civil Suit is still pending with the Hon'ble High Court of Delhi.
- (b) Pursuant to the above order in note 34(a), The Estate Officer of the DDA issued a show cause notice dated November 9, 2005, and initiated eviction proceedings against the Company. The Company filed a Civil Writ Petition in the Hon'ble High Court of Delhi challenging the show cause notice issued by the Estate Officer, which was dismissed by the Hon'ble Single Judge. The Company had filed Letters Patent Appeal ('LPA') against the above order before the Hon'ble High Court of Delhi. The Division bench of the Hon'ble High Court of Delhi vide its order dated September 3, 2007 had dismissed the LPA. The Estate Officer issued a notice under section 4(1) of Public Premises Act dated October 8, 2007 to the Company for resuming the proceedings under the said Act. The eviction proceedings initiated before the Estate Officer were challenged before the Hon'ble Supreme Court. Hon'ble Supreme Court vide its order dated November 14, 2019 has quashed the show cause notice for eviction proceedings.

Based on the external legal counsel advice, the Company believes that it will be able to suitably defend the termination of lease deeds and allotment letters as mentioned in (a) and (b) above.

- (c) In relation to the order of the Hon'ble High Court of Delhi relating to provision of free treatment/beds to poor, the Directorate of Health Services, Government of NCT of Delhi ('DoHS') appointed a firm to calculate "unwarranted profits" arising to the Company due to non-compliance. During the year ended March 31, 2014, the special committee of DoHS stated that before giving a formal hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed firm, which as per their method of calculations amounted to Rupees 73,266.15 lacs for the period 1984-85 to 2011-12, seeking the hospital's comments and inputs if any. The Company responded to said intimation explaining errors and objections to the calculations. During the year ended March 31, 2016, the Company received notice from DoHS to appear for a formal and final hearing raising demand of recoverable number of Rupees 50,336.53 lacs for the period till FY 2006-2007, against which the Company has responded to such notice explaining errors and objections to the calculations.

During the quarter ended June 30, 2016, DoHS issued a demand notice dated June 9, 2016 directing the Company to deposit Rupees 50,336.53 lacs within one month. The Company had challenged the demand notice by way of a writ petition in the Hon'ble High Court of Delhi which vide order dated August 1, 2016 has set aside the demand of Rupees 50,336.53 lacs. DoHS agreed to grant hearing to the Company on the reply submitted to it. The hearing has been held before the Special Committee of DoHS and order dated May 28, 2018 was passed imposing a penal liability of Rupees 50,336.53 lacs. The order was challenged before Hon'ble High Court of Delhi and the court vide order dated June 1, 2018 has issued notice and directed that no coercive steps may be taken subject to the Company depositing a sum of Rupees 500.00 lacs before concerned authority. The Company had deposited Rupees 500 lacs (refer note 11) on June 20, 2018. Based on its internal assessment and advice from its counsels on the basis of the documents available, management believes that it is in compliance of conditions of free treatment and free beds to the patients of economic weaker section and has a good case for success and expects the demand to be set aside.

- (d) Civil Suit filed by a Party ("Plaintiff") before the District Court, Delhi in February 2018 against various entities including the Holding Company (together "the defendants") has been dismissed due to non-prosecution on 24 November 2023. It was filed against the Holding Company/ its diagnostic subsidiary & other entities seeking declaration that it has implied ownership of brands "Fortis", "SRL" and "La-Femme" and for restraining the defendants from alienating, encumbering, taking adverse action w.r.t. the same. Further, in the year 2018, the Holding Company had received four notices from the abovenamed Plaintiff



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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claiming (i) Rupees 1,800.00 Lacs as per notices dated May 30, 2018 and June 1, 2018 (ii) Rupees 21,582.00 Lacs as per notice dated June 4, 2018; and (iii) Rupees 1,962 Lacs as per notice dated June 4, 2018. All these notices were responded to by the Company denying any liability whatsoever. The Learned District Court had passed an ex-parte order that any transaction done in favour of a third-party affecting interest of the Plaintiff shall be subject to orders passed in the civil suit. With the dismissal of the suit, the ex-parte order stands vacated.

A Third Party who had applied for being substituted in place of the Plaintiff, had approached the Hon'ble Delhi High Court for seeking certain interim reliefs against the Holding Company under the provisions of The Arbitration and Conciliation Act, 1996 and had also filed a claim for damages and injunctive reliefs against the Holding Company before International Chamber of Commerce (ICC). The Holding Company had invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court were withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC had also been withdrawn by Third Party on February 23, 2020 and the same was closed by ICC on February 28, 2020. The Holding Company filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the year ended March 31, 2022, signatories of Third Party to the Term Sheet dated December 6, 2017 ('Term Sheet') had also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Holding Company before them nor did it ever come in force.

During the year ended March 31, 2022, another Party, claiming to be an assignee of the above named Third Party filed a case against 28 named defendants, including the Holding Company and its ultimate parent Company IHH, and 21 non-party defendants, including the Company in the United States District Court, District of New Jersey, USA. Notice of the case was never served on the Holding Company under the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. In December 2021, a notice of this case was served to IHH which was subsequently disclosed by it to Bursa Stock Exchange, Malaysia. Company learnt that the case had been filed for alleged violation of, inter-alia, the U.S. Racketeer, Influenced and Corrupt Organizations Act, copyright infringement, tortious interference with contracts, etc. and Party had claimed damages in excess of USD 6.5 billion against all the defendants. Holding Company also made disclosure about this case to stock exchange. Vide order dated September 7, 2022, case has been dismissed by United States District Court, New Jersey on grounds of forum non convenienc. During the year ended March 31, 2023 another Party, claiming to be an assignee of the Third Party initiated arbitration proceedings wherein an ex-parte Interim Award was passed which was subsequently terminated by the Learned Arbitrator. Neither any notice nor any statement of claim has been received by the Holding Company or the Company of the arbitration proceedings. Company will seek legal advice and pray for dismissal of this arbitration proceedings, as and when served. The Holding Company has filed a Civil Suit against the said third party and others inter alia challenging their locus and seeking permanent injunction against their actions, which is sub-judice before the Hon'ble High Court of Delhi.

Separately, the Third Party had also alleged rights to invest in the Holding Company. It had also alleged failure on part of the Holding Company to abide by the aforementioned Term Sheet and has claimed ownership over the brands as well.

Allegations made by the Third party have been duly responded to by the Holding Company denying (i) execution of any binding agreement with the Party and (ii) liability of any kind whatsoever.

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



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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**35. Employee Benefits:**

**Defined Contribution Plan**

The Company's part of the Provident Fund contribution towards its Provident Fund Scheme and contribution to Employee State Insurance Scheme are defined contribution retirement plans for qualifying employees.

The Company has recognized Rupees 153.34 lacs (Previous year Rupees 162.94 lacs) for Provident Fund and Employee state insurance contribution in the Statement of Profit and Loss. The Contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

**Defined Benefit Plan**

**(i) Gratuity**

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

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

(Rupees in lacs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>i. Movement in Net Liability</b>		
Present value of obligation at the beginning of the year	1,738.98	1,525.84
Current service cost	121.20	107.16
Interest cost	122.26	100.87
Amount recognized to OCI	4.21	166.62
Plan Amendments Cost / (Credit)	-	-
Benefits paid	(105.19)	(169.59)
Acquisition cost / (credit)	(7.15)	8.08
Present value of obligations at the end of the year	<b>1,874.31</b>	<b>1,738.98</b>

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Present value of unfunded obligation	1,874.31	1,738.98
Amounts in the Balance Sheet		
(a) Liabilities	1,874.31	1,738.98
(b) Assets	-	-
(c) Net liability/(asset) recognized in the balance sheet	<b>1,874.31</b>	<b>1,738.98</b>
Current Liability	178.80	385.43
Non-Current Liability	1,695.51	1,353.55
	<b>1,874.31</b>	<b>1,738.98</b>

ii. Expense recognized in Statement of Profit and Loss is as follows:	Year ended	Year ended
	March 31, 2024	March 31, 2023
<b>Employee Benefit Expense</b>		
Service cost	121.20	107.16
Past Service Cost	-	-
<b>Finance Cost</b>		
Interest cost	122.26	100.87
<b>Amount charged to Statement to Profit and Loss</b>	<b>243.46</b>	<b>208.03</b>



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iii. Expense/ (income) recognized in Statement of Other comprehensive income is as follows:	Year ended	Year ended
	March 31, 2024	March 31, 2023
Net actuarial loss / (gain) due to experience adjustment recognized during the year	(20.24)	190.63
Net actuarial loss / (gain) due to assumptions changes recognized during the year	24.45	(24.01)
<b>Expense/ (Income) charged to Other Comprehensive income</b>	<b>4.21</b>	<b>166.62</b>

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

Principal Actuarial assumptions for Gratuity and compensated absences	Year ended	Year ended
	March 31, 2024	March 31, 2023
Rate for discounting liabilities (p.a.)	7.00%	7.25%
Expected salary increase rate (p.a.)	7.50%	7.50%
Withdrawal / Employee Turnover Rate (p.a.)		
Age up to 30 years	18%	18%
Age from 31 to 44 years	6%	6%
Age above 44 years	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience (gain)/loss adjustments on plan liabilities (Rupees in lacs)	(20.24)	190.63

**Notes:**

- a) Expected benefit payment for the future years.

(Rupees in lacs)

Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2027	Year ended March 31, 2028	Year ended March 31, 2029	Year ended March 31, 2030 to ended March 31, 2034
184.95	567.32	179.39	241.96	129.61	938.67

- b) Weighted average duration of defined benefit obligation is 9 years. (Previous year 9 years)
- c) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.
- d) Significant actuarial assumption for the determination of the defined obligation is discount rate, and expected salary increase. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

(Rupees in lacs)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5%	(48.16)	51.23	(45.82)	48.79
Change in Salary escalation rate by 1%	104.30	(93.98)	99.63	(89.54)
Change in withdrawal rate by 5%	(20.53)	19.98	(13.94)	14.00



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**Provident Fund**

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Such contribution for the current year is Rupees 206.29 lacs (Previous year Rupees 206.56 lacs). Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees.

<b>Assumptions:</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Discount rate	7.00% p.a.	7.25% p.a.
Expected return on exempt fund	8.50% p.a.	8.50% p.a.
Expected EPFO return	8.25% p.a.	8.15% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate

**Withdrawal Rate**

<b>Ages</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
From 20 – 30 years	18.00% p.a.	18.00% p.a.
From 31 – 44 years	6.00% p.a.	6.00% p.a.
From 45 years and above	2.00% p.a.	2.00% p.a.

<b>Asset Category</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Government of India Securities (Central and State)	49.49%	52.63%
High quality corporate bonds (including Public Sector Bonds)	34.20%	35.54%
Equity and Mutual Funds	11.56%	9.19%
Cash	4.75%	2.64%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**36. Financial Instruments**

**(i) Capital Management**

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 16 and 14(a) offset by cash and cash equivalents) 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. Amongst other things, the Company's objective for capital management is to ensure that it maintains stable capital management by monitoring the financial covenants attached to the interest-bearing loans and borrowings and upholds investor confidence.



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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**Gearing ratio**

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

(Rupees in lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Debt*	11,954.82	13,298.06
Cash and cash equivalents	(59.94)	(25.00)
<b>Net debt</b>	<b>11,894.88</b>	<b>13,273.06</b>
<b>Total equity</b>	<b>66,387.36</b>	<b>61,669.97</b>
<b>Net debt to equity ratio</b>	<b>17.92%</b>	<b>21.52%</b>

\* Debt is defined as non-current and current borrowings; bank overdraft; interest accrued and current maturities of non-current borrowings (excluding derivative, financial guarantee contracts and contingent consideration).

**(ii) Financial risk management**

**Financial risk management objectives**

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

The Board of Directors manages the financial risk of the Company through internal risk reports which analyze exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. However, the Company has exposure towards foreign currency risk as it earns up to 15% of its revenue in foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Company has not taken any derivative contracts to hedge the exposure. However, the exposure towards foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

**Market Risk**

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

**(a) Foreign currency risk management**

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

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

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		FC in lacs	Equivalent Rupees in lacs	FC in lacs	Equivalent Rupees in lacs
Trade payables	USD	0.56	46.69	0.56	42.37
Trade receivables	USD	3.37	281.27	2.36	194.18
Patient refund payables	USD	-	-	0.05	3.88
Cash in hand	USD	0.42	34.49	0.09	7.64



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**Foreign currency sensitivity analysis**

The Company is mainly exposed to USD currency.

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

**(Rupees in lacs)**

If increase by 5%	Currency Impact USD	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Particulars		
Increase in profit or loss for the year	13.45	9.90
Increase in total equity as at the end of the reporting period	13.45	9.90

**(Rupees in lacs)**

If decrease by 5%	Currency Impact USD	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Particulars		
Decrease in profit or loss for the year	(13.45)	(9.90)
Decrease in total equity as at the end of the reporting period	(13.45)	(9.90)

**(b) Interest rate risk management**

The Company is exposed to interest rate risk because Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The fixed rate loans are generally annual loans wherein the interest rate is reset annually based on the market rate of interest.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities (basis lending rates of respective bank plus spread), the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**(Rupees in lacs)**

If increase by 50 basis point	Interest impact	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Particulars		
Impact on profit or loss for the year	(12.41)	(22.85)
Impact on total equity as at the end of the reporting period	(12.41)	(22.85)





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**(Rupees in lacs)**

If decrease by 50 basis point	Interest impact	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Particulars		
Impact on profit or loss for the year	12.41	22.85
Impact on total equity as at the end of the reporting period	12.41	22.85

**(c) Other price risk**

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

**(d) Credit risk management**

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

Refer note 13 of the financial statements 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, inter-corporate deposits, advances, security deposits, loans to body corporates and interest accrued on such loans etc. Company monitors the credit exposure on these financial assets on a case-to-case basis. Loans to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Company creates loss allowance wherever there is an indication that credit risk has increased significantly.

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

**(Rupees in lacs)**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2,173.23	2,161.98
Loss allowance recognized	12.81	11.25
<b>Balance at the end of the year</b>	<b>2,186.04</b>	<b>2,173.23</b>

The Company does not have any significant concentration of exposures to specific markets.

The Company held cash and cash equivalents of Rs 59.94 lakhs at March 31, 2024 (March 31, 2023: Rs 25.00 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties, which have high credit ratings assigned by credit-rating agencies.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

**(e) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the Management of the Comp'ny'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



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
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liabilities. Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company proposes to fund its operations in near future primarily from funds committed by holding company i.e. Fortis Healthcare Limited which has confirmed that it will provide continuous unconditional financial and operational support.

**As at March 31, 2024** **(Rupees in lacs)**

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	1,229.20	-
HSBC Bank (overdraft facility)*	6,000.00	3,176.88
Other financial institutions (Vehicle loan)	36.84	-

\* Overdraft facility limit is net off with letter of credit issued during the year of Rs. 1550.00 lacs (Previous year: Nil).

**As at March 31, 2023** **(Rupees in lacs)**

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	1,290.00	383.00
HSBC Bank (overdraft facility)	8,000.00	4,507.00
DBS Bank (term loan)	172.95	-
DBS Bank (overdraft facility) **	200.00	180.00

\*\*Sanctioned limit is available to the Company together with other group companies namely Fortis Healthcare Limited, Fortis Hospitals Limited, International Hospital Limited, and Fortis Hospotel Limited. The Limit has been sanctioned on a group basis and is interchangeable with other group Companies.

**Liquidity and interest risk tables**

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

Disclosure as at March 31, 2024 and March 31, 2023, includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	<b>(Rupees in lacs)</b>			
	Within 1 year	More than 1 year	Total	Carrying amount
<b>As at March 31, 2024</b>				
Borrowings from banks/ financial institutions – non-current (including current maturity)	390.74	1,110.70	1,501.44	1,241.27
Bank overdraft	1,273.12	-	1,273.12	1,273.12
Trade payables	7,270.30	-	7,270.30	7,270.30
Loan from holding Company (Including accrued interest)	10,206.85	-	10,206.85	9,419.26
Interest accrued but not due on borrowing	21.17	-	21.17	21.17
Security deposits	56.05	-	56.05	56.05
Capital creditors	759.99	-	759.99	759.99
Employee payable	233.21	-	233.21	233.21
<b>Total</b>	<b>20,211.43</b>	<b>1,110.70</b>	<b>21,322.13</b>	<b>20,274.37</b>



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(Rupees in lacs)				
Particulars	Within 1 year	More than 1 year	Total	Carrying amount
<b>As at March 31, 2023</b>				
Borrowings from banks/ financial institutions – non-current (including current maturity)	230.86	1,081.10	1,311.96	1,081.62
Bank overdraft	3,489.20	-	3,489.20	3,489.20
Trade payables	7,602.75	-	7,602.75	7,602.75
Loan from holding Company (Including accrued interest)	1,324.21	8,864.63	10,188.84	8,702.60
Interest accrued but not due on borrowing	24.64	-	24.64	24.64
Security deposits	55.47	-	55.47	55.47
Capital creditors	310.17	-	310.17	310.17
Employee payable	40.04	-	40.04	40.04
<b>Total</b>	<b>13,077.34</b>	<b>9,945.73</b>	<b>23,023.07</b>	<b>21,306.49</b>

(iii) Fair value measurement

	Notes	(Rupees in lacs)		(Rupees in lacs)		Fair value measurement hierarchy level
		Carrying value as at		Fair value as at		
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	
<b>Financial assets</b>						
<b>Measured at amortised cost</b>						
Other financial assets - Non-current	(b)	114.02	555.30	114.02	555.30	
Trade receivables	(a)	5,068.52	3,762.66	5,068.52	3,762.66	
Cash and cash equivalents ('CCE')	(a)	59.94	25.00	59.94	25.00	
Bank balance other than CCE	(a)	116.19	96.87	116.19	96.87	
Other financial assets – Current	(a)	50.18	76.86	50.18	76.86	
<b>Total</b>		<b>5,408.85</b>	<b>4,516.69</b>	<b>5,408.85</b>	<b>4,516.69</b>	
<b>Financial liabilities</b>						
<b>Measured at amortised cost</b>						
Borrowings- Non-current ('NC')	(c)	949.55	9,050.62	949.55	9,050.62	
Borrowings – Current ('C')	(a)	10,267.44	3,641.71	10,267.44	3,641.71	
Trade payables	(a)	7,270.30	7,602.75	7,270.30	7,602.75	
Other financial liabilities (C and NC)	(a), (b)	1,787.08	1,011.41	1,787.08	1,011.41	
<b>Total</b>		<b>20,274.37</b>	<b>21,306.49</b>	<b>20,274.37</b>	<b>21,306.49</b>	



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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 has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- (c) The Company's borrowings (borrowing from holding company) have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value. Fair value measurement of lease liabilities is not required.
- (d) Investment in subsidiaries and associates have not been disclosed above as these are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

There are no transfers between Level 1, Level 2 and Level 3 for the above financial assets and liabilities during the year ended March 31, 2024 and March 31, 2023.

**37. Earnings per share**

Earnings per share (EPS)	Denomination	Year ended	Year ended
		March 31, 2024	March 31, 2023
Profit for the year as per statement of profit and loss	Rupees in lacs	4,720.54	3,271.32
Weighted average number of equity shares in calculating Basic EPS	Numbers	2,562,886	2,562,886
Weighted average number of equity shares in calculating Diluted EPS	Numbers	2,562,886	2,562,886
Basic EPS	Rupees	184.19	127.64
Diluted EPS	Rupees	184.19	127.64

**38. Exceptional items:**

Particulars	(Rupees in lacs)	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Reversal of provision for impairment on investment in redeemable preference shares (RPS) in Fortis Asia Healthcare Pte Limited (FAHPL)	2,189.50	621.55
Provision for impairment of redeemable preference shares of Fortis Healthstaff Limited	-	(8.00)
<b>Total gain/(loss)</b>	<b>2,189.50</b>	<b>613.55</b>

The Company has an investment aggregating to Rupees 16,174.62 lacs in Fortis Asia Healthcare Pte Limited.

The enterprise value of Fortis Asia Healthcare Pte Limited (FAHPL) has been determined based on the quoted market value (Level 1 fair value) of its underlying asset (Lanka Hospitals Corporation PLC), the Company had recognised impairment reversal of Rupees 621.55 lacs in previous year. During the current year, the Company along with FAHPL, Fortis Healthcare International Pte. Limited (FHIPL) & other group companies entered into a deed of amalgamation for amalgamation of FAHPL & FHIPL and to continue as one company i.e FAHPL along with other terms and conditions as mentioned in the deed of amalgamation. Further, in relation to the proposed amalgamation among others it was also agreed to vary the terms and conditions attached to the terms of redeemable preferences shares (RPS) issued by FAHPL to EHIRCL wherein the RPS shall rank in priority over other instruments. Based on this, the management has recorded write back of impairment loss recognized in earlier years of Rupees 2,189.50 lacs for the year ended March 31, 2024 towards the amount invested in FAHPL.



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The company had an investment of Rupees 12.00 lacs in redeemable preferable shares of Fortis Healthstaff Limited, a wholly owned subsidiary which has been impaired in the earlier year on account of no visibility on recoverability.

Further, the Company has invested Rupees 8.00 lacs in redeemable preferable shares of Fortis Healthstaff Limited in the previous year. The additional investment of Rupees 8.00 lacs has also been impaired in the previous year for the same reason.

**39. Details of loans and investments**

**a. Details of loans given**

The loans have been given for meeting the working capital requirements, purchase of capital assets and investments.

(Rupees in lacs)

				Maximum Amount Outstanding		Closing Balance	
Name of the party	Rate of Interest	Due date	Secured/unsecured	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Fortis Healthstaff Limited (Subsidiary)	9.15%	March 31, 2025	Unsecured	850.15	850.15	850.15	850.15
Reliant Healthcare Consultancy Private Limited	11.00%	Repayable on demand	Unsecured	966.92	966.92	966.92	966.92
<b>Total</b>				<b>1,817.07</b>	<b>1,817.07</b>	<b>1,817.07</b>	<b>1,817.07</b>

Based on the management's review of the net assets position of companies to whom the above said loans given, the Company has provided entire amount of loans given of Rupees 1,817.07 lacs as allowance for doubtful loans.

**b. Investment in Non-cumulative Redeemable Preference shares**

The Company had made an investment in non-cumulative Redeemable Preference shares of Fortis Asia Healthcare Pte Limited, subsidiary of the Company. These preference shares were allotted on December 15, 2010 and redeemable on December 15, 2015, at a premium of 5 % p.a.

As per the addendum dated December 14, 2015, redemption of the preference share has been extended till March 31, 2019 redeemable at a premium of 5% p.a.

As per the revised addendum dated November 20, 2019, these preference shares were to be redeemed on March 31, 2022 and the redemption premium was determined at 4.6% p.a. from April 01, 2019 to March 31, 2022.

The preference shares were further extended vide extension letter dated April 14, 2022 for redemption on March 31, 2023, vide extension letter dated April 26, 2023, these preference shares are further extended for redemption on March 31, 2025, redeemable at a premium of 4.6% p.a.



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The Company has not accrued for any premium receivable on redemption of Preference Shares due to uncertainty of the recoverability of premium amount, in view of the inability of the subsidiary company to generate surplus cash required for payment of premium due on redemption. Accordingly, the Company has not recognized income aggregating to Rupees 284.05 lacs for the current year (March 31, 2023: Rupees 269.06 lacs) and cumulative income of Rupees 3,018.10 lacs as at March 31, 2024 (March 31, 2023: Rupees 2,734.05 lacs). Further, the Company has classified the Investment in redeemable preference shares as non-current investment on the basis of management's expectation of investment not to be redeemed in next 12 months.

**c. Investment in Non-cumulative Redeemable Preference shares**

The Company had made an investment of Rupees 12.00 lacs in non-cumulative Redeemable Preference shares of Fortis Healthstaff limited, a subsidiary of the Company. These preference shares were allotted on May 13, 2022 and redeemable on May 12, 2027, at a premium of 11 % p.a. The investment was fully impaired in the previous year on account of decline in the net value of subsidiary. Further, the Company has invested Rupees 8.00 lac in the redeemable preference shares and the investment has been impaired in the previous year on account of same reasons.

**d. Investment in compulsory convertible preference shares (CCPS):**

The Company had made investment in compulsory convertible preference shares (CCPS) of Fortis Hospitals Limited (FHsL) for Rupees 30,000.00 lacs (6,000,000 shares @Rupees 500 per share) on February 18, 2016 and Rupees 35,000.00 lacs (7,000,000 shares @Rupees 500 per share) on May 30, 2016 aggregating to Rupees 65,000.00 lacs, which is outstanding as on March 31, 2023 and March 31, 2024. These are compulsory convertible into equal number of equity shares on expiry of 10 years from date of allotment. i.e. (6,000,000 on February 18, 2026 and 7,000,000 on May 30, 2026). The Company uses judgement while classifying its investment. The Company while making classification assessment of the investment in CCPS of FHsL has referred to the criteria of significant influence given in Ind AS 28 "Investment in associates and joint venture" and primarily concluded that Company meets the criteria of significant influence in FHsL and therefore, has classified these investments as investment in Associate. In terms of Ind AS 27 "Separate Financial Statements" the Company has measured this Investment in Associate at cost.

**40. Operating Segments**

The Company is primarily engaged in the business of healthcare services which is the only reportable 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 lacs)	
	Year ended March 31, 2024	Year ended March 31, 2023
India	43,485.15	40,749.36
Outside India	-	-
<b>Total</b>	<b>43,485.15</b>	<b>40,749.36</b>

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

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

Particulars	(Rupees in lacs)	
	As at March 31, 2024	As at March 31, 2023
India	12,553.89	11,169.92
Outside India	-	-
<b>Total</b>	<b>12,553.89</b>	<b>11,169.92</b>



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**Major customer:**

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

41. The Company has foreign currency payables of Rupees 46.69 lacs (March 31, 2023: Rupees 42.37 Lacs) which are outstanding for more than 3 years. As per Foreign Exchange Management Act, 1999 and the applicable rules/regulations, in case of any foreign currency dues which are not remitted within a period of 3 years or foreign currency receivables which are not realized within the stipulated time period of 9 months, prior approval from Reserve Bank of India (RBI) is required. Management will be obtaining these approvals through authorised dealers and believes that, it would be able to obtain these approvals, if required, from the authorities with levy of nominal penalty, if any.

**42. Corporate social responsibility (CSR)**

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of preceding three years towards Corporate Social Responsibility (CSR). Since, the company has earned profit of more than 5 crores in the preceding year, CSR provisions are applicable on the company in the current year and previous year. However, the company does not have sufficient average net profits for preceding 3 years, accordingly, no contribution is to be made in the current year and previous year.

**43. 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:

Particular	Rupees in lacs)	
	As at March 31, 2024	As at March 31, 2023
Details of dues to micro and small enterprises as per MSMED Act, 2006		
- principal amount *	1,284.54	1,139.20
- interest amount	0.48	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.48	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

\* Including payable to micro enterprises and small enterprises included in other financial liabilities of Rupees 130.86 lacs as at March 31, 2024 (Rupees 151.10 Lacs as on March 31, 2023) (refer note 17)



**44. Investigation initiated by the erstwhile Audit and Risk Management Committee of Holding Company:**

**A. Background**

i) As disclosed in the financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020, during the year ended March 31, 2018, there were reports in the media and enquiries from, *inter alia*, the stock exchanges received by the Holding Company about certain inter-corporate loans (“ICDs”) given by a wholly owned subsidiary of the Holding Company. The erstwhile Audit and Risk Management Committee of the Company decided to carry out an independent investigation through an external legal firm on this matter. The terms of reference of the investigation, *inter alia*, comprised: (i) ICDs amounting to a total of Rupees 49,414 lacs (principal), placed by the Holding Company’s wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017; (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party ; (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017; (iv) investments made in certain overseas funds by the overseas subsidiaries of the Holding Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited) ; (v) certain other transactions involving acquisition of Fortis Healthstaff Limited (“Fortis Healthstaff”) from an erstwhile promoter group company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company. The investigation report was submitted to the re-constituted Board of the Holding Company in June 2018.

The investigation noted certain significant findings in relation to past transactions concerning the holding Company, the Company and subsidiaries of the holding Company with companies whose past promoters/directors were known to/ connected with the erstwhile promoters of the holding Company. All such identified transactions were provided for by the holding Company and its subsidiaries in the financial statements for the year ended March 31, 2018.

The investigation was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report. It did not cover all related party transactions during the period under investigation. It was observed in internal correspondence within the Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions could be drawn in this regard.

ii) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors of holding Company on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up to March 31, 2018. Therefore, the possibility could not have been ruled out that there may have been additional related parties whose relationship may not have been disclosed and hence, not known to the Management. While such references could not be fully analyzed during the initial investigation, the nature of these references raised certain concerns.

In order to overcome the above, additional procedures/ enquiries were initiated as below.

**B. Additional procedures/enquiries by the reconstituted Board**

(i) The holding Company’s Board of Directors initiated additional procedures/ enquiries of certain entities of Fortis Healthcare Limited and its subsidiaries (“the Group”) including the Company that were impacted in respect of the matters investigated by the external legal firm. Pending the additional procedures/enquiries (“Additional Procedures/ Enquiries”) and since the investigation was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report, as disclosed in the audited financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020 certain audit qualifications were made in respect of the holding Company’s and the Company’s financial





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statements for those financial years, as the statutory auditors were unable to comment on the nature of those matters, the provisions established thereof, or any further potential impact on the financial statements. In order to resolve the same, the Board of holding Company mandated the management to undertake review of certain areas in relation to historical transactions for the period April 1, 2014 to September 30, 2018 involving additional matters by engaging independent experts with specialized forensic skills to assist with the Additional Procedures/Enquiries and provide inputs and expert advice in connection therewith. The independent experts submitted their report which was discussed and considered by the holding Company's Board in its meeting held on September 16, 2020.

(ii) The Board noted that the Additional Procedures/Enquiries, prima facie, revealed further instances of payments made to the erstwhile promoters or to their directly or indirectly related parties including erstwhile promoter group entities which were potentially improper. However, all of the amounts identified in the Additional Procedures/Enquiries had been previously provided for or expensed in the financial statements of FHL or its subsidiaries. There are no other improper transactions identified by the Additional Procedures/Enquiries or the management which had not been expensed or provided.

(iii) In connection with the potentially improper transactions, the holding Company and the Company have undertaken a detailed review of each case to assess the Company's legal rights and has initiated necessary action.

**C. Key findings during the investigation by the external legal firm and during the Additional Procedures/Enquiries by independent experts in relation to Company is as below: -**

During the year ended March 31, 2018, the Company purchased further 71% equity interest in Fortis Healthstaff Limited ("Healthstaff") at an aggregate consideration of Rupees 3.46 lacs from erstwhile promoter group companies. Subsequently, The Company advanced a loan to Healthstaff which was used to repay the outstanding unsecured loan amount of Rupees 794.50 lacs to an erstwhile promoters group company. Certain documents suggest that the loan repayment by Healthstaff and some other payments to the erstwhile promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to FHSL / Holding Company. Further, Healthstaff was not in a position to repay loan to the erstwhile promoter group company. The Company also could not directly takeover the loan, as The Company (holding 29%) could not have taken over the burden of the entire debt of Healthstaff. Therefore, this transaction was in a way to help the erstwhile promoter group companies (71% shareholders) to avoid making payment for its share, and place The Company in a situation where it would find it hard to recover from its own now wholly owned subsidiary. Further, the said loan advanced by the Company to Healthstaff was impaired in the books of account of the Company due to anticipated chances of non-recovery during the year ended March 31, 2019.

Complaint has been filed in this regard, with the EOW in November 2020 against erstwhile promoters / erstwhile promoters group company and EOW is investigating the matter. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint. The investigation is underway.

**D.** Based on investigation carried out by the external legal firm and the additional procedures/enquiries by independent experts, all identified/required adjustments/provisions/disclosures have been made in the financial Statements of the holding company/ Company. The holding Company has also submitted findings of the Investigation Report of the external legal firm and the additional procedures/ enquiries by independent experts to the relevant regulatory authorities. Further, on relevant aspects, the holding Company has also filed a complaint with the EOW against the erstwhile promoters/ erstwhile promoter group companies and EOW is investigating the matter. Recovery /claim proceedings have also been initiated in the matters where action was recommended by the legal counsels. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

Therefore, with this conclusion, the initial investigation, which was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers has been addressed through the additional procedures/enquiries by independent experts. In addition, the current Board of holding Company had initiated specific improvement projects to strengthen the process and control environment. The projects included



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revision of authority levels, both operational and financial and oversight of the Board of holding Company, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance with regulatory requirements and systems design & control enhancement for which the assessment work was done and corrective action plans were implemented.

Accordingly, the Board of the holding Company has taken necessary actions in consultation with the legal counsels in this regard. The investigations in so far as these issues involving the erstwhile promoters/ erstwhile promoter group companies is concerned are still pending with the regulatory authorities. The management of the Company also believes that if any action is initiated by regulatory authorities against the holding Company/ Company, the same should not have a significant material impact on the holding company/ Company as all items which may have financial impact have already been provided for in earlier years. The Holding Company/ Company would fully co-operate with the regulatory authorities in this regard.

**45. Matters in relation to Regulatory Authorities:**

- (a) In the above backdrop, during financial year 2017-18 the Holding Company received a communication from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Holding Company. In the said letter, SEBI required the Holding Company under section 11C (3) of the SEBI Act, 1992 to furnish certain information and documents relating to the short-term investments of Rupees 47,300.00 lacs reported in the media. SEBI had appointed forensic auditors to conduct a forensic audit, of collating information from the Holding Company and certain of its subsidiaries. The Holding Company / its subsidiaries furnished requisite information and documents requested by SEBI.

In furtherance of the above, subsequently on October 17, 2018 SEBI passed an ex-parte Interim Order (“Interim Order”) whereby it observed that certain transactions were structured by some identified entities over a certain duration, and undertaken through the Holding Company, which were prima facie fictitious and fraudulent in nature and which resulted in inter alia diversion of funds from the Holding Company for the ultimate benefit of the erstwhile promoters (and certain entities controlled by them) and misrepresentation in financial statements of the Holding Company. Further, it inter alia directed the Holding Company to take all necessary steps to recover Rupees 40,300 lacs along with due interest from erstwhile promoters and various other entities, as mentioned in the Interim Order. More importantly, the said entities had also been directed to jointly and severally repay Rupees 40,300.00 lacs along with due interest to Holding Company within three months of the Interim order. Incidentally, the Interim order also included FHsL as one of the entities directed to repay the due sums. Pursuant to this, FHsL’s beneficial owner account had been suspended for debits by the National Securities Depository Limited and Central Depository Services (India) Limited. Further, SEBI had also directed the said entities that pending completion of investigation and till further order, they shall not dispose of or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day-to-day business operations, without the prior permission of SEBI. Erstwhile promoters were also directed not to associate themselves with the affairs of the Holding Company in any manner whatsoever, till further directions.

The Holding Company and its wholly owned subsidiary i.e. Fortis Hospitals Limited (FHsL) had then filed applications for modification of the Interim order, for deletion of name of FHsL from the list of entities against whom the directions were issued. Pursuant to this SEBI, vide order dated December 21, 2018, modified its previous Interim order dated October 17, 2018 deleting FHsL from the list of entities against whom the Interim Order was directed. Pursuant to this, the suspension order by National Securities Depository Limited for debits in beneficial owner account of FHsL was accordingly removed. Vide Order dated March 19, 2019, (“Confirmatory Order”) SEBI confirmed the directions issued vide ad interim ex-parte order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the Holding Company and FHsL to take all necessary steps to recover Rupees 40,300 lacs along with due interest from erstwhile promoters and various other entities, as mentioned in the Interim Order.

The Holding Company and FHsL had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile promoters and various other entities to the Holding Company and FHsL. SEBI vide its letter dated June 14, 2019 stated that provisions of Section 28A of SEBI Act, 1992 cannot be invoked at this stage hence, the Holding Company and FHsL may take necessary steps to comply with SEBI’s



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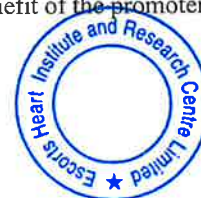
direction. Accordingly, FHsL has filed a civil suit for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

The Investigation Report of the external legal firm was submitted by the holding Company to the SEBI and SFIO on June 12, 2018. Further, the holding Company has submitted a copy of the complaint filed with the EOW and a copy of the report of the additional procedures/ enquiries done by the independent expert to SEBI and SFIO on November 10, 2020.

By an order dated November 12, 2020, SEBI revoked its Interim orders read with Confirmatory Order qua Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd. and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Company and FHsL were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN-1) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN-1, it was inter-alia alleged that the consolidated financials of the Company at the relevant period were untrue and misleading for the shareholders of the Company and the Company had circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Company and FHsL on December 28, 2020 praying for quashing of the SCN-1 by inter alia reiterating that the Company and FHsL, were in fact victims of the schemes of the erstwhile Promoters (Malvinder Mohan Singh and Shivinder Mohan Singh) and justice, equity and fairness demands that the victim ought not be punished for the offences of the wrongdoers. All acts impugned in the SCN-1 relate to the period when the erstwhile Promoters controlled the affairs of Company and FHsL and the erstwhile Promoters are no longer involved in the affairs of the Company and FHsL. The erstwhile Promoters were responsible for financial misrepresentation and not the Company and FHsL. Post resignation of the erstwhile Promoters in February 2018, the Board of Directors of the Company, solely comprising independent Directors looked after its welfare. The new promoters of the Company (i.e. NTK Venture Pte. Ltd.) assumed control of the Company pursuant to a preferential allotment which was approved by the Competition Commission of India and SEBI which approved the open offer that had got triggered pursuant to such preferential allotment. Any adverse orders against the Company and FHsL would harm their existing shareholders, employees and creditors. The Company and FHsL have taken substantial legal actions against the erstwhile Promoters and significant steps to recover the diverted amounts. SEBI passed an order dated April 19, 2022 w.r.t SCN -1 directing the Company & FHsL to pursue the measures taken to recover the amount of Rupees 39,712.00 lacs (approx.) along with the interest from erstwhile Promoters; & Audit Committee to regularly monitor the progress of such measures and report the same to Board of Directors at regular intervals. SEBI had imposed a penalty of Rupees 100 lacs and Rupees 50 lacs on FHL and FHsL respectively. FHL and FHsL have filed an appeal against the order dated April 19, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. On August 25, 2022, SEBI filed its affidavit in reply in the matter. Thereafter, FHL and FHsL have filed a rejoinder to SEBI's reply. Appeal is pending adjudication.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various noticees including the Company. In the said SCN-2, with respect to the Company, it was alleged that Rupees 56,700.00 lacs was lent by the holding Company to the Company in 2011, which was subsequently transferred by the Company to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the holding Company through the Company and another entity Lowe, was then transferred to RHC Holdings Private Limited ("RHC Holdings"). It was stated in the said SCN-2 that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchase of land had been paid back with interest in the year 2011. It is alleged that the holding Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the holding Company and FHsL funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

In the SCN-2, the Company has been clubbed along with the other noticees, and had been painted with the same brush as the other noticees in alleging that certain noticees, including the Company, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. FHL, amounting to approximately Rupees 39,712.00 lacs for the ultimate benefit of RHC Holdings and the erstwhile promoters. Thereby, it is alleged, that the Company has aided and abetted the routing of funds from the holding Company, ultimately to RHC Holdings, for the benefit of the promoter entities.



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SEBI w.r.t SCN-2 had passed an order dated May 18, 2022 imposing penalty against several erstwhile promoters entities and certain individuals. Based on the aforesaid allegations and actions taken by the Company against the erstwhile promoters and related entities, it had also imposed a penalty of Rupees 100 lacs on the Company. The Company filed an appeal against the order dated May 18, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. SEBI filed its response to which the Company has filed a rejoinder. Appeal is pending adjudication. The Company has deposited Rupees 50 lacs under protest with Hon'ble Securities Appellate Tribunal, Mumbai.

The Board of Directors continue to be fully committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid context, proper and sufficient care has also been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and for preventing and detecting fraud and other irregularities on a going forward basis.

- (b) During year ended March 31, 2018, the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, inter alia, had also sought information in relation to the Holding Company. All requisite information in this regard was duly shared by the Holding Company with the ROC.
- (c) The Serious Fraud Investigation Office (SFIO) of the Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, inter alia, initiated an investigation and is seeking information in relation to the Holding Company, its subsidiaries, joint ventures and associates. The Holding Company is submitting requisite information in this regard with SFIO, as requested from time to time. The outcome of the SFIO investigation cannot be ascertained as of now keeping in view the present stage of the investigation.

The Holding Company/ Company is fully co-operating with the regulators in relation to the ongoing investigations to enable them to make their determination on these matters.

Based on management's analysis, a provision has been made and recognised in the quarter ended March 31, 2021 for any contingency that may arise from the aforesaid issues. This is not to be regarded as admission in any manner whatsoever by the Holding Company of any of the violations, as alleged by any of the authorities or otherwise, against it. Further, as per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.



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**46. Ratio Analysis and its elements**

S. No.	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Remarks
1	Current ratio (in times)	Total Current Assets	Current Liabilities	0.27	0.31	(13.17)	-
2	Debt-Equity Ratio (in times)	Total Debt	Total equity	0.17	0.22	(17.90)	-
3	Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance costs + Other non-cash adjustments	Debt service = Interest & Lease Payments + Principal Repayments	7.56	1.30	481.57	Increase is on account of increase in profit and decrease in repayment of borrowings in current year
4	Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average total equity	7.37	5.44	35.49	Increase is on account of increase in profit in the current year
5	Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	50.25	43.76	14.83	-
6	Trade Receivable Turnover Ratio (in times)	Revenue from operations except Provision/ liability no longer required written back	Average Trade Receivable	9.77	11.18	(12.55)	-
7	Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.59	1.48	7.49	-



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S. No.	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Remarks
8	Net Capital Turnover Ratio (in times)	Revenue from operations except Provision/ liability no longer required written back	Working capital = Current assets – Current liabilities	(2.80)	(4.06)	(30.95)	Decrease in ratio is on account of increase of net current liability.
9	Net Profit ratio (in %)	Net Profit	Revenue from operations except Provision/ liability no longer required written back	10.94%	8.12%	34.75	Increase is on account of increase in net profit for the year
10	Return on Capital Employed (in %)	Profit before tax and finance costs	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	8.77%	6.31%	38.97	Due to Increase in profit before tax



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**47. Other Statutory Information**

- (i) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vi) The Company is not declared willful defaulter by any bank or financial institution or other lender.
- (vii) The Company has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956:

Name of the Company	Reason for continuous transactions	Nature of transaction	Balance outstanding as at March 31, 2024 [Payable/ (advance)]	Balance outstanding as at March 31, 2023 [Payable/ (advance)]	Transactions in FY 23-24	Transactions in FY 22-23
VLS Healthcare Private Limited	Business requirement	Purchase of material / services	0.09	-	0.09	0.20
Now N Next Concepts Private Limited	NA	Purchase of material / services	0.11	0.11	-	-
J.M. Weightronix Pvt. Ltd.	Business requirement	Purchase of material / services	-	-	0.49	0.37
Thermadyne Pvt. Ltd.	Business requirement	Purchase of material / services	-	-	2.50	-



**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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(viii) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

(ix) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

As per our report even date attached.

*For BSR & Co. LLP*  
*Chartered Accountants*  
Firm Registration No 101248W/W-100022



**Rajesh Arora**  
*Partner*  
Membership no: 076124

Place: Gurugram  
Date: May 15, 2024

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



**Manu Kapila**  
*Director*  
DIN: 03403696

Place: Gurugram  
Date: May 15, 2024



**Dr. Vikram Aggarwal**  
*Whole Time Director*  
DIN: 08003212

Place: Gurugram  
Date: May 15, 2024