

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Fortis Hospotel Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fortis Hospotel Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, 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 a summary of the significant 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 42 in the financial statements, which describes the economic and social consequences the entity is facing as a result of COVID-19 which is impacting supply chains/ demand/ personnel available for work and/ or being able to access of offices/ hospitals.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

B S R & Co. LLP (a limited liability partnership) with Registration No. BAA12248 incorporated in India under the Companies Act, 2013
and admitted to practice as Chartered Accountants under the Chartered Accountants Act, 1949 and the Chartered Accountants Act, 2013

Registered Office
14th Floor, Central Wing, Tower-4, Hesco Center
Western Express Highway, Goregaon (East), Mumbai - 400093

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- 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.

Other Matter

The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 11 August 2020.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 33 to the financial statements;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

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

According to the information and explanations given to us, no remuneration has been paid by the Company to any of its director during the current year. Accordingly, the requirements stipulated by the provisions of section 197(16) of the Act are not applicable to the Company.

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



Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABI5201

Place: Gurugram
Date: 26 May 2021

Annexure A to the Independent Auditor's Report on the financial statements of Fortis Hospotel Limited for the year ended 31 March 2021

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

- (i) (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 maintained proper records showing full particulars, including quantitative details and situation of fixed assets (i.e. Property, plant and equipment).
- (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 fixed assets by which all fixed assets are verified once in every two years. In accordance with this programme, certain fixed assets were physically 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. As informed to us, no material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the title deeds of the immovable properties of land and building which are freehold are held in the name of the Company. In respect of the leasehold land (classified as part of Right-of-use assets in the financial statements) stated below, we report that:

Particulars	Gross block/ Carrying amount	Remarks
Land held under perpetual lease located at Shalimar Bagh, Delhi	₹ 7,041.29 lakhs	The title deed is in the name of Oscar Biotech Private Limited

- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (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 granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 in respect of which:
- (a) The terms and conditions of the grant of such loans given in the earlier years are, in our opinion, prima facie not prejudicial to the Company's interest.
- (b) According to the information and explanations given to us, the schedule of repayment of principal and payment of interest has been stipulated. However, no repayments of principal amount and/ or receipt of interest was due during the year.
- (c) According to the information and explanations given to us, there is no overdue amount remaining outstanding as at the year-end as per the stipulated terms 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, we are of the opinion that the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) 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 accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(Signature)

- (vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income- tax, Duty of Customs, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

We are informed that the operations of the Company during the period did not give rise to any liability for Duty of excise, Sales tax, Value added tax and Service tax.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income- tax, Duty of customs, Goods and Services tax, Cess and other material statutory dues as at 31 March 2021 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, the following dues of Income- tax have not been deposited by the Company with appropriate authorities on account of disputes:

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount Involved (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)
Income Tax Act, 1961	Income tax dues on account of disallowance under section 14A read with Rule 8D	High Court	AY 2011-12	41.53	Nil
Income Tax Act, 1961	Income tax dues on account of transfer pricing adjustment on the interest expense claimed on Compulsorily Convertible Debentures	Commissioner of Income-tax (Appeals), New Delhi	AY 2015-16	7,118.64	2,933.62
Income Tax Act, 1961	Income tax dues on account of disallowance of certain expenses	Commissioner of Income-tax (Appeals), New Delhi	AY 2018-19	1.84	Nil
Income Tax Act, 1961	Income tax dues on account of disallowance of certain expenses	Commissioner of Income-tax (Appeals), New Delhi	AY 2019-20	44.20	Nil

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- (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 defaulted in the repayment of loans or borrowings to banks and dues to debenture holders, except as under:

Particulars	Amount of default as at 31 March 2021 (₹ in lakhs)		Period of default
	Principal	Interest	
Due to Debenture- holders (Compulsory convertible debentures)	-	4,772.16	October 2018 to March 2021

During the current year, the Board of Directors of Fortis Healthcare Limited have agreed that they will not call for the outstanding interest till the time, the Company is in a position to make these payments. Also refer note 31(ii) of the financial statements.

The Company did not have any loans or borrowings from financial institutions or government during the year.

- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans taken by the Company during the year have been applied for the purpose for which they were raised.

As informed to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and on the Company by its officers or employees has been noticed or reported during the year.

- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no managerial remuneration has been paid during the year. Hence, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company.

- (xii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with related parties are in compliance with Section 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards. According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company.

- (xiv) According to the information and 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, paragraph 3(xiv) of the Order is not applicable.

- (xv) 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 entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

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- (xvi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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



Rajesh Arora
Partner
Membership No.: 076124
UDIN: 21076124AAAABI5201

Place: Gurugram
Date: 26 May 2021

Annexure B to the Independent Auditors' report on the financial statements of Fortis Hospotel Limited for the year ended 31 March 2021.

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Fortis Hospotel Limited ("the Company") as of 31 March 2021 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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



Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABI5201

Place: Gurugram
Date: 26 May 2021

FORTIS HOSPOTEL LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Notes	As at March 31, 2021 (₹ in lakhs)	As at March 31, 2020 (₹ in lakhs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	5a	47,929.36	48,197.78
(b) Capital work-in progress	5b	181.14	40.86
(c) Right-of-use asset	30	8,333.81	7,196.17
(d) Financial assets			
(i) Investments	6	95,340.90	95,340.90
(ii) Loans	7	202.21	192.21
(iii) Other financial assets	8	29,475.81	21,872.68
(e) Non-current tax assets (net)	9(a)	3,658.49	3,658.49
(f) Other non-current assets	10	172.52	148.13
Total non-current assets (A)		185,294.24	176,647.22
B. Current assets			
(a) Financial assets			
(i) Trade receivables	11	30,750.34	25,826.56
(ii) Cash and cash equivalents	12a	29.20	23.36
(iii) Bank balances other than (ii) above	12b	-	139.19
(iv) Loans	7	-	82.29
(v) Other financial assets	8	87.52	106.58
(b) Other current assets	10	141.84	189.52
Total current assets (B)		31,008.90	26,367.50
Total assets (A+B)		216,303.14	203,014.72
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	13	56,117.02	56,117.02
(b) Other equity		149,773.80	139,623.26
Total equity (A)		205,890.82	195,740.28
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,801.41	-
(ii) Lease liabilities	30	1,482.47	479.35
(b) Deferred tax liabilities (net)	16	505.05	735.31
(c) Provisions	17	168.09	27.30
Total non-current liabilities (B)		3,957.02	1,241.96
C. Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	18	16.95	120.89
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	688.89	718.21
(ii) Lease liabilities	30	147.10	107.47
(iii) Other financial liabilities	19	5,370.67	4,927.55
(b) Provisions	17	109.24	101.69
(c) Current tax liabilities (net)	9(b)	51.64	-
(d) Other current liabilities	20	70.81	56.67
Total current liabilities (C)		6,455.30	6,032.48
Total liabilities (B+C)		10,412.32	7,274.44
Total equity and liabilities (A+B+C)		216,303.14	203,014.72

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

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


Rajesh Arora
 Partner
 Membership No: 076124

For and on behalf of the Board of Directors
Fortis Hospotel Limited


Ritu Garg
 Whole Time Director
 DIN: 07202866


Ashutosh Raghuvanshi
 Director
 DIN: 02775637


Abhishek Jain
 Company Secretary
 Membership No.: A39191
 Place: Gurugram
 Date: May 26, 2021


Sunil Agarwal
 Chief Financial Officer

Place: Gurugram
 Date: May 26, 2021



FORTIS HOSPOTEL LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes	For the year ended March 31, 2021 (₹ in lakhs)	For the year ended March 31, 2020 (₹ in lakhs)
INCOME			
I Revenue from operations	21	13,303.07	27,577.25
II Other income	22	8,204.87	7,986.17
III Total income (I+II)		21,507.94	35,563.42
IV EXPENSES			
(i) Purchases of medical consumables and drugs		191.87	174.52
(ii) Employee benefits expense	23	976.28	196.80
(iii) Finance costs	24	192.41	45.98
(iv) Depreciation and amortisation expense	25	2,577.45	3,100.93
(v) Other expenses	26	3,843.08	4,455.37
Total expenses		7,781.09	7,973.60
V Profit before tax (III-IV)		13,726.85	27,589.82
VI Tax expense			
(i) Current tax	27	3,793.86	7,431.66
(ii) Deferred tax credit	27	(227.05)	(904.23)
Total tax expense		3,566.81	6,527.43
VII Profit after tax for the year (V-VI)		10,160.04	21,062.39
VIII Other comprehensive Income/ (loss)			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of the defined benefit liabilities		(12.71)	(1.48)
- Income tax relating to items that will not be reclassified to profit or loss		3.21	0.37
IX Total comprehensive income for the year (VII-VIII)		10,150.54	21,061.28
Earning per share of ₹10 each			
(i) Basic (in ₹)	28	1.81	3.75
(ii) Diluted (in ₹)	28	1.81	3.75
See accompanying notes forming integral part of the financial statements	1-44		

In terms of our report attached


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

For and on behalf of the Board of Directors
Fortis Hospotel Limited


Rajesh Arora
Partner
Membership No: 076124


Ritu Garg
Whole Time Director
DIN: 07202866


Ashutosh Raghuvanshi
Director
DIN: 02775637


Abhishek Jain
Company Secretary
Membership No.: A39191
Place : Gurugram
Date: May 26, 2021


Sunil Agarwal
Chief Financial Officer

Place : Gurugram
Date: May 26, 2021



FORTIS HOSPOTEL LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Equity		Other equity		(₹ in lakhs) Total
	Equity share capital	Securities premium*	Retained earnings	Total other equity	
Balance at April 1, 2019	56,117.02	63,816.07	54,745.91	118,561.98	174,679.00
Profit for the year	-	-	21,062.39	21,062.39	21,062.39
Other comprehensive income/ (loss) for the year (net of income tax)	-	-	(1.11)	(1.11)	(1.11)
Total comprehensive loss for the year	-	-	21,061.28	21,061.28	21,061.28
Balance as at March 31, 2020	56,117.02	63,816.07	75,807.19	139,623.26	195,740.28
Profit for the year	-	-	10,160.04	10,160.04	10,160.04
Other comprehensive income/ (loss) for the year (net of income tax)	-	-	(9.50)	(9.50)	(9.50)
Total comprehensive income for the year	-	-	10,150.54	10,150.54	10,150.54
Balance as at March 31, 2021	56,117.02	63,816.07	85,957.73	149,773.80	205,890.82

* The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

See accompanying notes forming integral part of the financial statements

1-44

In terms of our report attached.

For BSR & Co. LLP

Chartered Accountants

Firm Registration No : 101248W/W-100022

[Signature]

Rajesh Arora

Partner

Membership No: 076124

For and on behalf of the Board of Directors

Fortis Hospotel Limited

[Signature]

Ritu Garg

Whole Time Director

DIN: 07202866

[Signature]

Ashutosh Raghuvanshi

Director

DIN: 02775637

[Signature]

Abhishek Jain

Company Secretary

Membership No : A39191

[Signature]

Sunil Agarwal

Chief Financial Officer

Place : Gurugram

Date: May 26, 2021

[Signature]

[Signature]



FORTIS HOSPOTEL LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes	For the year ended March 31, 2021 (₹ in lakhs)	For the year ended March 31, 2020 (₹ in lakhs)
A. Cash flow from operating activities			
Profit before tax		13,726.85	27,589.82
Adjustments for:			
Depreciation of property, plant and equipment		2,502.57	3,081.57
Amortization of right-of-use assets		74.88	19.36
Profit on sale of property, plant and equipment		(1.87)	-
Liabilities no longer required written back		(6.21)	(265.20)
Allowance for doubtful trade receivables		-	2.07
Interest income		(8,185.30)	(7,720.03)
Finance cost		187.43	45.98
Operating profit before changes in following assets and liabilities		8,298.35	22,753.57
Changes in operating assets and liabilities			
Increase in trade receivables		(4,923.78)	(15,361.86)
Increase in loans, other financial assets and other assets		(154.21)	(154.11)
Increase/ (Decrease) in trade payables, provisions, other financial liabilities and other liabilities		77.81	(361.99)
Cash generated from operations		3,298.17	6,875.61
Income taxes paid (net)		(3,742.22)	(7,610.10)
Net cash (used in) operating activities (A)		(444.05)	(734.49)
B. Cash flows from investing activities			
Purchase of property, plant and equipment		(2,380.88)	(91.64)
Proceeds on sale of property, plant and equipment		2.66	-
Loans received back from related parties		82.29	-
Fixed deposits matured/ (placed) with banks (net)		74.51	(14.21)
Interest received		689.23	850.69
Net cash (used in)/ generated by investing activities (B)		(1,532.19)	744.84
C. Cash flows from financing activities (refer note 14)			
Proceeds from long-term borrowings		2,289.04	-
Repayment of long-term borrowings		(99.05)	-
Payment of lease liability		(20.22)	(12.42)
Interest paid on delayed payment of income tax		(68.98)	(4.11)
Finance cost paid (including interest on lease liability)		(118.71)	(41.87)
Net cash generated by/ (used in) financing activities (C)		1,982.08	(58.40)
Net increase/ (decrease in) cash and cash equivalents (A + B + C)		5.84	(48.05)
Cash and cash equivalents at the beginning of the year		23.36	71.41
Cash and cash equivalents at the end of the year	12a	29.20	23.36

Notes

(a) The statement of cash flows has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash flows"

(b) The Company has paid Rs. 353.18 lakhs for the year ended 31 March 2021 and Rs. 596.13 lakhs for the year ended 31 March 2020 towards Corporate Social Responsibility (CSR) expenditure.

See accompanying notes forming integral part of the financial statements 1-44

In terms of our report attached

For BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Rajesh Arora

Partner

Membership No: 076124

For and on behalf of the Board of Directors

Fortis Hospotel Limited



Ritu Garg

Whole Time Director

DIN: 07202866



Ashutosh Raghuvanshi

Director

DIN: 02775637



Abhishek Jain

Company Secretary

Membership No.: A39191



Sunil Agarwal

Chief Financial Officer

Place : Gurugram
Date: May 26, 2021



Place : Gurugram
Date: May 26, 2021




FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Corporate Information

Fortis Hospotel Limited ('FHTL' or the 'Company') was incorporated in the year 1990. FHTL is a limited company and is engaged in the business of providing clinical establishment services including certain out-patient department (OPD) and radio diagnostic services at Shalimar Bagh and Gurugram. The Company has entered into a Hospital and Medical Services Agreements (HMSA) with Fortis Hospitals Limited (FHsL) and Fortis Healthcare Limited (FHL) (collectively referred to as 'Hospital operating companies') and shall provide FHsL and FHL on an exclusive principal to principal basis, hospital services including clinical establishment services, OPD services and radio diagnostic services and shall receive service fee in respect thereof. The Company is a 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 Fortis Memorial Research Institute Sector-44, Near Metro Station Gurugram, Haryana, 122001 and the corporate office of the Company is located at Tower A, Unitech Business Park, Block – F, South City I, Sector – 41, Gurugram, 122001, Haryana, India. The Company operates through its clinical establishment situated at Shalimar Bagh, Delhi and Gurugram, Haryana.

2. Significant accounting policies

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

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in lacs of Indian Rupees and are rounded to the nearest lakh to two decimals, except per share data.

The financial statements have been authorised for issue by the Company's Board of Directors on May 26, 2021.

(ii) Functional and presentation currency

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

(iii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Current versus non-current classification

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

An asset is treated as current when:

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

The Company classifies all other assets as non-current.



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(c) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are 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.

(d) Property, plant and equipment (PPE)

(i) Property, plant and equipment

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

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



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(ii) 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 certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management. The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Buildings	5-60 years	60 years
Plant and machinery	10-15 years	15 years
Medical equipment	2-13 years	13 years
Computers	2-6 years	3 years
Furniture and fittings	10 years	10 years
Office equipment	5 years	5 years

Freehold land is not depreciated.

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

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

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

(iii) Derecognition

A property, plant and equipment and intangible asset 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 recognised in the Statement of Profit and Loss.

(e) Impairment of non-financial assets

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

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

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

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

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



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(f) Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account 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 recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

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

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

Debt instrument at 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 amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantees issued by the Company on behalf of group companies are designated as 'insurance contracts'. The Company designates such insurance contracts as contingent liabilities.

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.

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

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

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

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a 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 into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case,



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

Financial liabilities

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.

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

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.

(g) Cash and cash equivalents

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

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

(h) Contingent liabilities 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 neither recognised nor disclosed 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 recognised in the period in which the change occurs.



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(i) Provisions

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

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

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

(j) Revenue recognition

Revenue primarily consists income from Hospital and Medical Service which is recognised as and when services are rendered. As per Hospital and Medical Services Agreement (HMSA), total operating income is bifurcated into base fees (which is fixed) and variable fees (which is fixed percentage of actual revenue earned by the hospital operating companies).

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

Unbilled revenue is recognised when there is excess of revenue earned over billings on contracts. Receivables are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Other operating revenue comprises revenue from rental income which is recognised in accordance with terms of agreements entered into with the respective lessees.

(k) Employee benefits

Short-term employee benefits

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

Post-employment benefits

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

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary.

b) Provident fund

(i) The Company makes contribution to the Regional Provident Fund Commissioner in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees.

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

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

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

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time 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 capitalisation.

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



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(m) Income tax

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

Current taxes

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

Deferred taxes

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

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is 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 manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

(n) Ind AS 116 – Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and



FORTIS HOSPOTEL LIMITED

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- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used

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

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(i) As a lessee

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an 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, except leasehold land obtained on perpetual lease, 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 assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

Short-term leases and leases of low-value assets

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

(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 recognised on a straight-line basis over the lease term.



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Leases are classified as finance leases when substantially all of 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 so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(o) Foreign currency translation

Transactions and balances

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

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

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

(q) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

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

(r) 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



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3. Critical estimates and judgments

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 judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- a) Leasing arrangement (classification and accounting) – Note 30
- b) **Property, plant and equipment / investment property- accounting for Hospital and Medical Service Agreements (“HMSA”)**

Clinical establishment is defined as a fully centrally air-conditioned institution established and specifically customised and duly fitted with all fixtures, fittings, medical equipment and infrastructure required for running and operating a hospital, offering:

- i) doctors and services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality;
- ii) diagnosis of diseases through radiological and other diagnostic or investigative services with the aid of laboratory or other medical equipment; and
- iii) beds for in-patient treatment.

The Company has entered into Hospital and Medical Services Agreements ("HMSA") with Fortis Hospitals Limited and Fortis Healthcare Limited for Gurugram and Shalimar Bagh units respectively, wherein the Company is required to provide and maintain the Company's clinical establishment along with other services like out-patient diagnostic and radio diagnostic. The Company needs to exercise judgement to analyse whether the arrangement involves providing the right to use the Company's clinical establishment and whether the OPD and radio diagnostic services in the arrangement are significant to the overall arrangement.

The Company has analysed the substance of the contract and have determined that fulfilment of service arrangement is based on the use of specified assets and conveys right to use the Company's clinical establishments. However, substantial risk and rewards of the Company's clinical establishments are retained by the Company even though rights to use are given to hospital operating companies. The Company has assessed that the out-patient diagnostic and radio diagnostic services in the arrangement are significant to the entire arrangement. Consequently, the Company's clinical establishments have been classified as part of property, plant and equipment.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:

- Financial instruments - Note 35
- Fair value measurement – Note 36
- Assessment of useful life and residual value of property, plant and equipment – Note 2(d)(ii)
- Recognition and estimation of tax expense including deferred tax– Note 16 and 27
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 34



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

4. Recent Pronouncements but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

5a. Property, plant and equipment	Particulars	(₹ in lakhs)											
		Leasehold land	Freehold land (Refer note a below)	Buildings	Plant and machinery	Medical equipment	Furniture and fittings	Computers	Office equipment	Total			
	Gross carrying value												
	As at April 1, 2019	7,041.29	19,615.44	33,821.50	4,450.00	4,023.27	1,085.50	77.38	194.90				70,309.28
	Adjustment on initial application of IND AS 116	(7,041.29)	-	-	-	-	-	-	-	-	-	-	(7,041.29)
	Additions	-	-	3.40	-	0.42	-	-	-	-	-	-	3.82
	Disposals	-	-	-	-	-	(0.96)	-	-	-	-	-	(0.96)
	As at March 31, 2020	-	19,615.44	33,824.90	4,450.00	4,023.69	1,084.54	77.38	194.90				63,270.85
	Additions	-	-	7.10	32.75	2,192.76	2.21	-	0.12				2,234.94
	Disposals	-	-	-	(14.02)	(31.60)	-	-	-				(45.62)
	As at March 31, 2021	-	19,615.44	33,832.00	4,468.73	6,184.85	1,086.75	77.38	195.02				65,460.17
	Accumulated Depreciation												
	As at April 1, 2019	-	-	5,591.59	2,640.21	2,919.63	569.02	76.75	194.90				11,992.10
	Charge for the year	-	-	1,486.32	724.63	726.51	143.67	0.44	-				3,081.57
	Disposals	-	-	-	-	-	(0.60)	-	-				(0.60)
	As at March 31, 2020	-	-	7,077.91	3,364.84	3,646.14	712.09	77.19	194.90				15,073.07
	Charge for the year	-	-	1,468.42	413.56	477.02	143.44	0.13	-				2,502.57
	Disposals	-	-	-	(14.02)	(30.81)	-	-	-				(44.83)
	As at March 31, 2021	-	-	8,546.33	3,764.38	4,092.35	855.53	77.32	194.90				17,530.81
	Carrying amount												
	As at March 31, 2020	-	19,615.44	26,746.99	1,085.16	377.55	372.45	0.19	-				48,197.78
	As at March 31, 2021	-	19,615.44	25,285.67	704.35	2,092.50	231.22	0.06	0.12				47,929.36

Note:

(a) The Company has pledged its land and building situated at Gurugram to secure the loan taken by the Company, Fortis Healthcare Limited, Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited and International Hospital Limited from the bank.

5b. Capital work-in-progress

Particulars	(₹ in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Opening Balance	40.86	10.81
Additions*	2,375.22	33.87
Transfer to property, plant and equipment	(2,234.94)	(3.82)
Closing balance	181.14	40.86

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



FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at March 31, 2021 (₹ in lakhs)	As at March 31, 2020 (₹ in lakhs)
6 Investments		
<u>Non-Current</u>		
Unquoted		
Investment in debt instruments - at amortised cost		
(a) Fortis Hospitals Limited (refer note 40 (i)) 9.3 % Non convertible debentures (NCDs) 4,862,413 (4,862,413 as at March 31, 2020) of ₹ 1,000 each fully paid up	48,624.13	48,624.13
(b) International Hospital Limited (refer note 40 (i)) 9.3 % Non convertible debentures (NCDs) 4,671,677 (4,671,677 as at March 31, 2020) of ₹ 1,000 each fully paid up	46,716.77	46,716.77
Aggregate carrying value of unquoted non-current investments	95,340.90	95,340.90
Aggregate gross value of unquoted investments	95,340.90	95,340.90
Aggregate amount of impairment in value of investments	-	-
7 Loans (unsecured)		
<u>Non-current - at amortised cost</u>		
Considered good		
(a) Security Deposits	202.21	192.21
	202.21	192.21
Current - at amortised cost		
Considered good		
Loans to related parties (refer note 40 (ii))	-	82.29
	-	82.29
8 Other financial assets (unsecured)		
<u>Non-current</u>		
Considered good		
(a) Interest accrued but not due on investments (refer note 29)	29,411.13	21,872.68
(b) Deposit accounts with bank*	64.68	-
	29,475.81	21,872.68
* Fixed deposits are pledged against bank guarantee and are restricted from being exchanged for more than 12 months from the balance sheet date.		
<u>Current</u>		
Considered good		
(a) Interest accrued and due on loans (refer note 29)	-	40.50
(b) Interest accrued but not due on deposits	0.57	2.45
(c) Amount recoverable for reimbursement of expenses (refer note 29)	73.34	43.89
(d) Others	13.61	19.74
	87.52	106.58
9 Tax assets and liabilities		
(a) Non-current tax assets		
Advance income tax (net of provision for income tax)	3,658.49	3,658.49
	3,658.49	3,658.49
Provision for income tax	18,972.60	18,972.60
(b) Current tax liabilities		
Provision for income tax (net of advance tax)	51.64	-
	51.64	-
Advance tax	3,742.22	-



FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at	As at
	March 31, 2021 (₹ in lakhs)	March 31, 2020 (₹ in lakhs)
10 Other assets (unsecured)		
Non-current		
Considered good		
(a) Technology renewal fund	152.50	133.50
(b) Capital advances	20.02	14.63
	<u>172.52</u>	<u>148.13</u>
Current		
Considered good		
(a) Advance to vendors	17.96	87.65
(b) Prepaid expenses	123.88	101.87
	<u>141.84</u>	<u>189.52</u>
11 Trade receivables (unsecured)		
Current		
(a) Considered good		
From Others	147.23	141.99
From Related Parties	30,603.11	25,684.57
(b) Credit impaired		
From Others	21.06	21.06
Less: Loss allowance	(21.06)	(21.06)
	<u>30,750.34</u>	<u>25,826.56</u>
Break-up of security details		
Trade receivable considered good-Secured	-	-
Trade receivable considered good-Unsecured	30,750.34	25,826.56
Credit impaired- Unsecured	21.06	21.06
Less: Loss allowance	(21.06)	(21.06)
	<u>30,750.34</u>	<u>25,826.56</u>

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.

As per terms of Hospital and Medical Services Agreements ('HMSA'), the average credit period allowed is 05-11 days. For the outlet vendors with whom rental arrangements have been entered into by the Company, average credit period is upto 30 days. Trade receivables are unsecured and are derived from revenue earned from providing clinical establishment and other ancillary services. The risk of non-payment from the customer is considered low, as majority of the total balances are due from related parties for which the default risk is considered low.

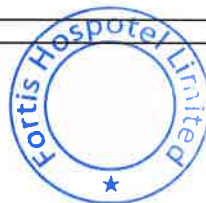
The Company uses its judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. The provision matrix used to compute the expected credit loss allowance for trade receivables (other than due from related parties) are as follows:

Ageing bucket	Expected credit allowance%	
	31 March 2021	31 March 2020
0 - 6 months	-	-
More than 6 months	100%	100%

The hospital operating companies has confirmed that it has the ability and intention to settle the outstanding dues payable to the Company in due course. Hence, the Company believes that no adjustment is required to be carried out in its financial statements as at and for the year ended March 31, 2021 with respect to the outstanding receivables.

The movement in Expected Credit Loss during the year is as follows:

Particulars	(Amount in ₹ lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	21.06	18.99
Add: Creation of the allowance for expected credit loss (Refer note 26)	-	2.07
Less: Utilisation of the allowance for expected credit loss	-	-
Balance at the end of the year	21.06	21.06



FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at March 31, 2021 (₹ in lakhs)	As at March 31, 2020 (₹ in lakhs)
12a Cash and cash equivalents		
For the purposes of the statement of cash flow, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the Ind AS balance sheet as follows:		
(a) Balances with banks		
(i) in current accounts	29.20	23.36
Cash and cash equivalents as per balance sheet and statement of cash flows	29.20	23.36
12b Bank balances other than above		
(a) Deposits with original maturity of more than 3 months but less than 12 months*	-	139.19
Total - Other bank balances	-	139.19

*Fixed deposits are pledged against bank guarantee issued by banks on behalf of the Company



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at	As at
	March 31, 2021 (₹ in lakhs)	March 31, 2020 (₹ in lakhs)
13 Equity share capital		
Authorised share capital:		
561,200,000 (561,200,000 as at March 31, 2020) equity shares of ₹10 each	56,120.00	56,120.00
Total authorised share capital	56,120.00	56,120.00
Issued, subscribed and fully paid up shares		
561,170,160 (561,170,160 as at March 31, 2020) equity shares of ₹10 each	56,117.02	56,117.02
Total issued, subscribed and fully paid up share capital	56,117.02	56,117.02

Notes:

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
At the beginning of the year	561,170,160	56,117.02	561,170,160	56,117.02
Outstanding at the end of the year	561,170,160	56,117.02	561,170,160	56,117.02

(b) Terms/rights attached to equity shares

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

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	(₹ in lakhs)	No. of Shares held	(₹ in lakhs)
Fortis Healthcare Limited (Holding Company)*	417,222,782	41,722.28	417,222,782	41,722.28
Fortis Health Management Limited (Fellow Subsidiary)	143,947,378	14,394.74	143,947,378	14,394.74

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Fortis Healthcare Limited (Holding Company)*	417,222,782	74.35%	417,222,782	74.35%
Fortis Health Management Limited (Fellow Subsidiary)	143,947,378	25.65%	143,947,378	25.65%

*including 6 equity shares held by its nominees

(e) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Number of equity shares allotted upon conversion of compulsory convertible debentures (Refer note 31(ii))	-	-	267,400,000	-	-



FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

14 Changes in liabilities arising from financing activities	(₹ in lakhs)		
	Lease Liabilities	Long term borrowings	Interest accrued
As at April 01, 2019	425.00	-	4,772.16
Lease liabilities recognised during the year	174.24	-	-
Finance cost	41.87	-	4.11
Finance cost paid	(41.87)	-	(4.11)
Lease liability paid	(12.42)	-	-
As at March 31, 2020	586.82	-	4,772.16
As at April 01, 2020	586.82	-	4,772.16
Lease liabilities recognised during the year	1,192.02	-	-
Proceeds from long-term borrowings	-	2,289.04	-
Finance cost	67.23	-	121.91
Finance cost paid	(67.23)	-	(120.46)
Repayment	(20.22)	(99.05)	-
Derecognition of lease liability	(129.05)	-	-
As at March 31, 2021	1,629.57	2,189.99	4,773.61



FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at March 31, 2021 (₹ in lakhs)	As at March 31, 2020 (₹ in lakhs)
15 Non-current borrowings		
Secured		
(a) Term loans from bank [refer note 31(i)]	2,189.99	-
Less: Current maturities clubbed under "other current financial liabilities"	(388.58)	-
	1,801.41	-
16 Deferred tax liabilities (net)		
(a) Deferred tax assets	1,991.45	1,519.48
(b) Deferred tax liabilities	(2,496.50)	(2,254.79)
	505.05	735.31

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

2020-2021				(₹ in lakhs)
	As at April 01, 2020	Credit/(charge) to profit and loss	Credit to other comprehensive income	As at March 31, 2021
Deferred tax asset				
(a) Allowance for expected credit loss	5.30	-	-	5.30
(b) Defined benefit obligation	7.30	34.14	3.21	44.65
(c) Non convertible debentures	1,467.38	173.46	-	1,640.84
(d) Lease liabilities	39.50	261.16	-	300.66
	1,519.48	468.76	3.21	1,991.45
Deferred tax liabilities				
(a) Property, plant and equipment	(2,215.81)	8.36	-	(2,207.45)
(b) Right-of-use asset	(38.98)	(250.07)	-	(289.05)
	(2,254.79)	(241.71)	-	(2,496.50)
Deferred tax liabilities (net)	(735.31)	227.05	3.21	(505.05)

2019-2020				(₹ in lakhs)
	As at April 01, 2019	Credit/ (charge) to profit and loss	Credit to other comprehensive income	As at March 31, 2020
Deferred tax asset				
(a) Allowance for expected credit loss	6.64	(1.34)	-	5.30
(b) Defined benefit obligation	14.90	(7.97)	0.37	7.30
(c) Carry forward losses,unabsorbed depreciation and allowances	0.04	(0.04)	-	-
(d) Non convertible debentures	1,630.15	(162.77)	-	1,467.38
(e) Lease liabilities	-	39.50	-	39.50
	1,651.73	(132.62)	0.37	1,519.48
Deferred tax liabilities				
(a) Property, plant and equipment	(3,291.64)	1,075.83	-	(2,215.81)
(b) Right-of-use asset	-	(38.98)	-	(38.98)
	(3,291.64)	1,036.85	-	(2,254.79)
Deferred tax liabilities (net)	(1,639.91)	904.23	0.37	(735.31)



FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at March 31, 2021 (₹ in lakhs)	As at March 31, 2020 (₹ in lakhs)
17 Provisions		
Non- current		
Provision for employee benefits		
(a) Gratuity (Refer note 34)	105.88	18.11
(b) Compensated absences	62.21	9.19
	<u>168.09</u>	<u>27.30</u>
Current		
Provision for employee benefits		
(a) Gratuity (Refer note 34)	4.37	0.90
(b) Compensated absences	4.87	0.79
Others		
(a) Provision for contingencies*	100.00	100.00
	<u>109.24</u>	<u>101.69</u>

Provision for contingencies:

Particulars	As at March 31, 2021 (₹ in lakhs)	As at March 31, 2021 (₹ in lakhs)
Opening balance	100.00	359.57
Less: utilised during the year	-	(259.57)
Closing balance	<u>100.00</u>	<u>100.00</u>

*Provision for contingencies- Provision is made against the claim made by a vendor in respect of capital work done at Gurugram unit. Management estimates that these claims are expected to be settled in the next financial year

18 Trade payables

(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 39)	16.95	120.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	688.89	718.21
	<u>705.84</u>	<u>839.10</u>

19 Other financial liabilities

Current

Secured

(a) Current maturities of non-current borrowings (refer note 15)	388.58	-
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Unsecured

(b) Interest accrued and due on compulsory convertible debentures (refer note 31(ii))	4,772.16	4,772.16
(c) Interest accrued but not due on borrowings (Refer note 31(i))	1.45	-
(d) Security deposits received	88.17	103.04
(e) Capital creditors*	52.06	52.35
(f) Employee payables	68.25	-
	<u>4,982.09</u>	<u>4,927.55</u>
	<u>5,370.67</u>	<u>4,927.55</u>

*this also includes amount payable to micro and small enterprises amounting to ₹ 15.57 lakhs (as at March 31, 2020: 28.65 lakhs)

20 Other liabilities

Current

(a) Statutory dues payable	70.81	56.67
	<u>70.81</u>	<u>56.67</u>



FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the year ended March 31, 2021 (₹ in lakhs)	For the year ended March 31, 2020 (₹ in lakhs)
21 Revenue from operations		
(a) Sale of services		
Income from hospital and medical services	12,616.56	26,665.07
	12,616.56	26,665.07
(b) Other operating income		
Income from rent (refer note 30)	686.51	912.18
	686.51	912.18
	13,303.07	27,577.25
22 Other income		
(a) Interest income from		
(i) Non convertible debentures (refer note 29)	8,177.53	7,701.88
(ii) Loans to related parties (refer note 29)	1.46	8.64
(iii) Bank deposits	6.31	9.51
(b) Other non-operating income		
(i) Liabilities no longer required written back	6.21	265.20
(ii) Profit on sale of property, plant and equipment	1.87	-
(iii) Scrap sale	0.19	0.17
(iv) Miscellaneous income	11.30	0.77
Total other income	8,204.87	7,986.17
23 Employee benefits expense		
(a) Salaries, wages and bonus	912.27	182.29
(b) Gratuity expenses (Refer note 34)	3.15	4.55
(c) Compensated absences	13.26	0.14
(d) Contribution to provident fund and other funds (Refer note 34)	47.51	9.61
(e) Staff welfare expenses	0.09	0.21
	976.28	196.80
24 Finance cost		
(a) Interest expense		
(i) on term loan	51.22	-
(ii) on delayed payment of income tax	68.98	4.11
(iii) on defined benefit plan	1.71	-
(iv) on lease liabilities (refer note 14)	67.23	41.87
(b) Other borrowing cost	3.27	-
	192.41	45.98
25 Depreciation expense		
(a) Depreciation of property, plant and equipment (Refer note 5a)	2,502.57	3,081.57
(b) Amortization of right-of-use assets (Refer note 30)	74.88	19.36
	2,577.45	3,100.93



FORTIS HOSPOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the year ended March 31, 2021 (₹ in lakhs)	For the year ended March 31, 2020 (₹ in lakhs)
26 Other expenses		
(a) Contractual manpower	394.72	384.40
(b) Power and fuel	41.94	21.49
(c) Housekeeping expenses including consumables	833.77	976.62
(d) Radiology expenses	243.16	881.12
(e) Professional and consultation fees to doctors	1,202.31	929.97
(f) Repairs and maintenance - Plant and equipment	457.74	455.72
(g) Legal and professional fee (refer note below)	69.27	50.58
(h) Travel and conveyance	4.83	0.10
(i) Rates and taxes	141.08	125.44
(j) Printing and stationery	3.90	-
(k) Rent	22.61	1.34
(l) Insurance	70.04	25.61
(m) Directors sitting fee	1.30	1.77
(n) Allowance for doubtful receivables (Refer note 11)	-	2.07
(o) Corporate social responsibility expenses (refer note 41)	353.18	596.13
(p) Miscellaneous expenses	3.23	0.61
(q) Bank charges	-	2.40
	3,843.08	4,455.37
Note: Payment to auditors (including indirect tax)*		
- For statutory audit	45.52	24.12
- For tax audit	1.33	1.57
- Other services	-	6.64
- Out of pocket expenses	2.54	3.22
	49.39	35.55
* Payments made to auditor for the previous year includes amounts paid to previous auditors of the Company		
27 Income tax		
Recognised in statement of profit and loss		
Current tax		
Current income tax charge for the year	3,793.86	7,431.66
	3,793.86	7,431.66
Deferred tax credit (refer note 16)		
Deferred tax for the year	(227.05)	(904.23)
	(227.05)	(904.23)
Tax expense recognised through the statement of profit and loss	3,566.81	6,527.43
Recognised in Other Comprehensive Income		
Deferred tax charge		
Tax related to items that will not be classified to Profit and Loss	3.21	0.37
Income tax charged to Other Comprehensive Income	3.21	0.37
The Income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	13,726.85	27,589.82
Enacted income tax rate in India	25.17%	25.17%
Income tax expense calculated	3,455.05	6,944.36
Effect of expenses not deductible in determining taxable profit	107.55	13.24
Effect of tax in relation to previous years	6.45	28.61
Change in tax rates	-	(458.78)
Others	(2.24)	-
Income tax expense recognised in statement of profit and loss	3,566.81	6,527.43
28 Earnings per share (EPS)		
Profit/(Loss) as per statement of profit and loss (Amount in lacs)	10,160.04	21,062.39
Weighted average number of equity shares outstanding	561,170,160	561,170,160
Basic EPS (in Rs.)	1.81	3.75
Diluted EPS (in Rs.)	1.81	3.75



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. Related party disclosures

Names of related parties and related party relationship

Ultimate Holding Company	IHH Healthcare Berhad
Intermediate Holding Company	Integrated Healthcare Holdings Limited
	Parkway Pantai Limited
	Northern TK Venture Pte Ltd
Holding Company	Fortis Healthcare Limited ('FHL')
Fellow subsidiaries (parties with whom transactions have taken place)	Fortis Hospitals Limited ('FHsL')
	Escorts Heart and Super Speciality Hospital Limited ('EHSSHL')
	Fortis Health Management Limited ('FHML')
	Fortis Malar Hospitals Limited ('FMHL')
	Hospitalia Eastern Private Limited ('HEPL')
	Escorts Heart Institute and Research Centre Limited ('EHIRCL')
	Hiranandani Healthcare Private Limited ('HHPL')
	International Hospital Limited ('IHL')
Key Management Personnel ('KMP') / Director (with whom transactions have taken place)	Mr. Gaurav Chugh, Director (upto September 18, 2020)
	Ms. Ichika Grover (upto September 18, 2020)
	Ms. Ritu Garg (w.e.f. April 23, 2019)
	Mr. Indrajit Banerjee (w.e.f September 17, 2020)
	Ms. Anita Rastogi, Company Secretary (up to November 7, 2019)

Transactions taken place during the year are as follows:

(₹ in lakhs)

Transactions details	Year ended March 31, 2021	Year ended March 31, 2020
Income from hospital and medical services		
Fortis Hospitals Limited	7,753.84	16,679.37
Fortis Healthcare Limited	4,862.72	9,985.70
Income from rent		
Escorts Heart Institute and Research Centre Limited	35.47	-
Interest income on non-convertible debentures		
Fortis Hospitals Limited	4,170.57	3,927.98
International Hospital Limited	4,006.96	3,773.90
Interest income on inter corporate loans to related parties		
International Hospital Limited	0.02	0.14
Fortis Health Management Limited	1.42	8.40
Escorts Heart and Super Speciality Hospital Limited	0.02	0.10
Director sitting fee		
Mr. Gaurav Chugh	0.35	0.59
Ms. Ichika Grover	0.35	0.59
Ms. Ritu Garg	0.35	0.59
Mr. Indrajit Banerjee	0.25	-



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Transactions details	Year ended March 31, 2021	Year ended March 31, 2020
Retainership fee		
Ms. Anita Rastogi	-	0.92
Expenses incurred by the Company on behalf of		
Fortis Healthcare Limited	212.05	211.75
Fortis Hospitals Limited	702.48	789.68
Expenses incurred on behalf of the Company by		
Fortis Healthcare Limited	13.65	-
Fortis Hospitals Limited	84.15	92.00
Loan received back		
International Hospital Limited	1.29	-
Fortis Health Management Limited	80.00	-
Escorts Heart and Super Speciality Hospital Limited	1.00	-
Transfer of employee benefit liability by Company to		
Fortis Hospitals Limited	12.38	-
Transfer of employee benefit liability to Company from		
Fortis Hospitals Limited	93.24	-
Fortis Healthcare Limited	69.74	-
International Hospital Limited	3.18	-
Fortis Malar Hospitals Limited	0.03	-
Corporate guarantees withdrawn		
Escorts Heart Institute and Research Centre Limited	640.00	-
Fortis Healthcare Limited	2,510.00	-
Fortis Hospitals Limited	27,590.00	-
Corporate guarantees issued on the behalf of		
International Hospital Limited	3,500.00	3,800.00
Escorts Heart Institute and Research Centre Limited	1,280.00	4,140.00
Hiranandani Healthcare Private Limited	-	50.00
Fortis Healthcare Limited	11,075.82	79,890.00
Fortis Hospitals Limited	33,330.00	67,140.00
Corporate guarantees received from		
International Hospital Limited	3,000.00	3,250.00
Escorts Heart Institute and Research Centre Limited	3,000.00	3,250.00
Fortis Healthcare Limited	3,000.00	3,250.00
Fortis Hospitals Limited	3,000.00	3,250.00
Escorts Heart and Super Speciality Hospital Limited	3,000.00	3,250.00
Hospitalia Eastern Private Limited	-	3,250.00



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Balance outstanding at the year end	As at March 31, 2021	As at March 31, 2020
Financial Assets		
9.30% Non-convertible debentures		
Fortis Hospitals Limited	48,624.13	48,624.13
International Hospital Limited	46,716.77	46,716.77
Trade receivables		
Fortis Hospitals Limited	18,115.95	15,576.57
Fortis Healthcare Limited	12,447.96	10,108.00
Escorts Heart Institute and Research Centre Limited	39.20	-
Other financial assets		
Interest accrued but not due on investments and loans		
International Hospital Limited	14,376.26	10,697.14
Fortis Hospitals Limited	15,034.87	11,177.54
Fortis Health Management Limited	-	30.08
Escorts Heart and Super Speciality Hospital Limited	-	8.42
Loans		
International Hospital Limited	-	1.29
Fortis Health Management Limited	-	80.00
Escorts Heart and Super Speciality Hospital Limited	-	1.00
Other current financial asset		
Amount recoverable for reimbursement of expenses		
Fortis Healthcare Limited	32.00	43.89
Fortis Hospitals Limited	41.27	-
Fortis Malar Hospitals Limited	0.03	-
International Hospital Limited	0.01	-
Fortis Health Management Limited	0.03	-
Other non-current assets		
Technology renewal fund		
Fortis Hospitals Limited	98.50	85.50
Fortis Healthcare Limited	54.00	48.00
Financial Liabilities		
Interest accrued on compulsory-convertible debentures		
Fortis Healthcare Limited	4,772.16	4,772.16
Corporate guarantees issued on the behalf of		
International Hospital Limited	7,300.00	3,800.00
Escorts Heart Institute and Research Centre Limited	4,780.00	4,140.00
Hiranandani Healthcare Private Limited	50.00	50.00
Fortis Healthcare Limited	88,455.82	79,890.00
Fortis Hospitals Limited	72,880.00	67,140.00



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Balance outstanding at the year end	As at March 31, 2021	As at March 31, 2020
Corporate guarantees received from		
International Hospital Limited	6,250.00	3,250.00
Escorts Heart Institute and Research Centre Limited	6,250.00	3,250.00
Fortis Healthcare Limited	6,250.00	3,250.00
Fortis Hospitals Limited	6,250.00	3,250.00
Escorts Heart and Super Speciality Hospital Limited	6,250.00	3,250.00
Hospitalia Eastern Private Limited	3,250.00	3,250.00

Refer note 42 wherein stated that the Company has waived off the fee for hospital and medical services (HMSA fee) amounting to Rs. 5,237.30 lakhs and Rupees 8,329.63 lakhs receivable from FHL and FHsL respectively.

30. Leases

As a lessee

The Company leases many assets including land, buildings and plant and equipment. Information about leases for which the Company is a lessee is presented below.

(₹ in lakhs)

Particulars	Leasehold land*	Building	Medical Equipment	Total
Gross carrying amount				
As at April 01, 2019	-	-	-	-
Reclassification from Property, plant and equipment	7,041.29	-	-	7,041.29
Additions	-	174.24	-	174.24
As at March 31, 2020	7,041.29	174.24	-	7,215.53
Additions	-	-	1,341.59	1,341.59
Deletions	-	(174.24)	-	(174.24)
As at March 31, 2021	7,041.29	-	1,341.59	8,382.88
Accumulated depreciation				
As at April 01, 2019	-	-	-	-
Charge for the year	-	19.36	-	19.36
As at March 31, 2020	-	19.36	-	19.36
Charge for the year	-	25.81	49.07	74.88
Deletions	-	(45.17)	-	(45.17)
As at March 31, 2021	-	-	49.07	49.07
Carrying amount as at March 31, 2020	7,041.29	154.88	-	7,196.17
Carrying amount as at March 31, 2021	7,041.29	-	1,292.52	8,333.81



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Lease Liabilities*	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	249.95	119.52
One to five years	1,214.10	217.17
More than five years	4,305.83	4,068.75
Total undiscounted lease liabilities at March 31, 2021	5,769.88	4,405.44
Lease Liabilities included in the Balance Sheet		
Current	147.10	107.47
Non-current	1,482.47	479.35

* Under the lease agreement, the Company is required to pay annual lease rental of ₹ 32.55 lakhs till December 31, 2032. Rent shall be revised thereafter at the end of each successive period of 30 years and such increase shall not at each such time exceed one-half of the increase in the letting value of land as assessed by collector or additional collector of Delhi. Lease liability of ₹ 971.64 lakhs recorded in books represent the perpetuity value of annual lease payments.

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2021 (₹ in lakhs)	Year ended March 31, 2020 (₹ in lakhs)
Interest on lease liabilities	67.23	41.87
Variable lease payments not included in the measurement of lease liabilities	22.61	1.34

Amounts recognised in Statement of Cash Flows	Year ended March 31, 2021 (₹ in lakhs)	Year ended March 31, 2020 (₹ in lakhs)
Cash outflow for leases	20.22	12.42
Interest paid in relation to lease liabilities	67.23	41.87
Total cash outflows for leases	87.45	54.29

As a lessor

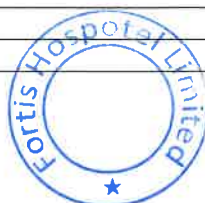
(i) Assets given on operating lease:

The Company has sub-leased some portion of clinical establishments. In all the cases, the agreements are further renewable at the option of the Company. The total lease income received / receivable in respect of the above leases recognised in the Statement of Profit and Loss for the year are ₹ 686.51 lakhs (March 31, 2020 ₹ 912.18 lakhs).

(ii) Revenue from HMSA

The Company has entered into a Hospital and Medical Services Agreement (HMSA) with hospital operating companies wherein the Company is required to provide and maintain the Company's Clinical Establishments along with other services like out-patient diagnostics and radio diagnostic. The term of the individual HMSA is 15 years and the Company is entitled to receive composite service fee i.e. base and variable fee. The base fee is fixed and the variable fee is based on a percentage of net operating income of the hospital operating companies computed in accordance with the HMSA. Future minimum base fee receivable at the end of the reporting period is as follows:

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Not later than one year	22,358.31	21,707.10
Later than one year but not later than five years	96,345.00	93,538.84
Later than five years	31,398.06	56,562.53
Total	150,101.37	171,808.47



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. Borrowings

i) Secured Loans

(₹ in lakhs)

Particulars	Note	March 31, 2021	
		Non- Current	Current maturities
Term Loan from HSBC bank	(a)	1,653.56	367.46
Term Loan from DBS Bank	(b)	147.85	21.12
Total		1,801.41	388.58

- a) During the current year, the Company has taken term loan from HSBC bank for ₹ 2,120.07 lakhs which is secured against first pari passu charge over moveable fixed assets (property, plant and equipment) and current assets of the Company along with Corporate Guarantee from Fortis Healthcare Limited, Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited and Hospitalia Eastern Private Limited and exclusive charge on the fixed assets (immovable) with minimum assets cover of 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), Fortis Hospotel Limited (immovable property situated in Gurugram) with rate of interest being HSBC 3 month MCLR+ 50bps with quarterly reset payable monthly or any other rate as may be agreed upon from time to time. The loan is repayable in 24 equal quarterly instalments.
- b) During the current year, the Company has taken term loan from DBS Bank for ₹ 168.97 lakhs which is secured against first pari passu charge over moveable fixed assets (property, plant and equipment) and current assets of the Company along with Corporate Guarantee from Fortis Healthcare Limited, Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited and Escorts Heart and Super Speciality Hospital Limited and exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x with rate of interest being DBS 3 month MCLR+ 100bps with quarterly rest payable monthly or any other rate as may be agreed upon from time to time. The loan is repayable in 16 structured quarterly instalments starting from December 01, 2021 with demand option exercisable on or after September 01, 2023.

ii) Unsecured loans

a) Compulsory convertible debentures (CCDs)

The Company originally issued 8,704,000 Compulsorily Convertible Debentures CCDs for an aggregate consideration of ₹ 87,040.00 lakhs to Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL), which were transferred to Fortis Healthcare Limited (FHL) on January 15, 2019. These CCDs were convertible into 267,400,000 equity shares of the Company at a price ₹ 32.55 per share. The investor of CCDs had a right to convert each CCDs into equity share at any time on or prior to the maturity date which is 18 (eighteen) years from the date of issuance of the CCDs. These CCDs carried interest @ 17.5% per annum which is payable on quarterly basis (or such other periods as mutually agreed between the parties).

During the year ended March 31, 2019, the Company had defaulted in payment of interest as per the terms of the agreement. As per the agreement, consequent to the default in payment of interest, the outstanding interest is repayable on demand. On March 29, 2019, the Board of Directors of the Company passed a resolution to convert these CCDs into 267,400,000 equity shares of face value of ₹10 each. However, the interest accrued has not been paid. The outstanding amount of such interest as on March 31, 2021 is ₹ 4,772.16 lakhs (March 31, 2020: ₹ 4,772.16 lakhs)

During the current year, Fortis Healthcare Limited has confirmed through an extension letter dated June 12, 2020 that they will not call for the outstanding interest till the time, the Company is in a position to make these payments.



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Commitments:

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of capital advances of ₹ 20.02 lakhs (as at March 31, 2020 ₹ 14.63 lakhs)	178.50	1,925.60

- a) The Company has other commitments, for purchase/sales orders which are issued after considering requirements as per operating cycle for purchase/sale of services. The company does not have any long-term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.
- b) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

33. Contingent liabilities to the extent not provided for:

Claims against the Company not acknowledged as debt

S. No.	Particulars	(₹ in lakhs)	
		As at March 31, 2021	As at March 31, 2020
1	Claim raised by project vendor	2,625.10	2,417.89
2	Income tax related matters		
	- Disallowance of interest on CCDs (Refer note 2 below)	7,160.17	7,160.17
	- Others	46.04	-
	Total	9,831.31	9,578.06

- 1) The Company believes none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.
- 2) As per clause 7 of the sponsor agreement dated September 18, 2012 the Company is indemnified by Fortis Healthcare Limited (Holding Company) for any losses suffered or to be suffered arising from outstanding assessments/ litigations relating to non-allowance of interest on compulsorily convertible debentures or optionally convertible debentures. Based on the management's own assessment, the Company believes that an unfavorable outcome is remote for the indemnified outstanding assessments/ litigations.

Guarantees:

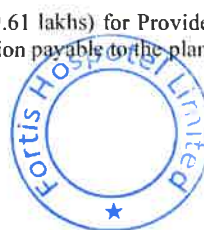
Outstanding guarantees furnished to banks on behalf of the holding company and/ or fellow subsidiaries are ₹ 173,465.82 lakhs (Previous year ₹ 155,020.00 lakhs).

34. Employee Benefits Plan:

Defined Contribution Plan

Under the defined contribution plans, the Company makes provident fund (PF) and employee state insurance (ESI) contributions for qualifying employees. The Company is required to contribute a specified percentage of the salary to fund the benefits based on rates specified in the rules of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 respectively.

The Company has recognised ₹ 47.51 lakhs (Previous year ₹ 9.61 lakhs) 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.



FORTIS HOSPOTEL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Defined Benefit Plan

(i) Gratuity

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

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

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
i. Movement in Net Liability		
Present value of obligation at the beginning of the year	19.01	28.36
Current service cost	3.15	3.00
Interest cost	1.18	1.55
Actuarial loss recognised to other comprehensive income	12.71	1.48
Obligation transferred from other companies	77.21	-
Benefits paid	(3.01)	(15.38)
Present value of obligations at the end of the year	110.25	19.01

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Present value of unfunded obligation		
Amounts in the Balance Sheet		
(a) Liabilities	110.25	19.01
(b) Assets	-	-
(c) Net liability/(asset) recognised in the Balance Sheet	110.25	19.01
Current Liability	4.37	0.90
Non-Current Liability	105.88	18.11

ii. Expense recognised in Statement of Profit and Loss is as follows:	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Amount recognised in employee benefit expense		
Service cost	3.15	4.55
Total	3.15	4.55
Amount recognised in finance cost		
Interest cost	1.18	-
Total	1.18	-
Total Amount charged to Statement to Profit and Loss	4.33	4.55

iii. Expense recognised in Statement of Other comprehensive income is as follows:	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Net actuarial loss / (gain) due to experience adjustment	12.71	(0.11)
Net actuarial loss / (gain) due to assumptions changes	-	1.59
Total	12.71	1.48

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

Principal Actuarial assumptions for gratuity and compensated absences	As at	As at
	March 31, 2021	March 31, 2020
Discounting rate (p.a.)	6.75%	6.75%
Expected salary increase rate (p.a.)	7.50%	7.50%
Withdrawal rate		



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Principal Actuarial assumptions for gratuity and compensated absences	As at	As at
	March 31, 2021	March 31, 2020
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)

Notes:

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

(₹ in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5%	(5.83)	6.36	(1.08)	1.17
Change in salary increase rate by 1%	13.05	(11.23)	2.42	(2.08)
Change in withdrawal rate by 5%	(4.60)	4.91	(0.72)	0.82

Expected benefit payments for the future years

(₹ in lakhs)

Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2027 to year ended March 31, 2031
4.52	5.06	17.95	10.25	8.12	83.38

35. 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 15, 19 and 30 offset by cash and bank balances) and total equity of the company.

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

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.



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The gearing ratio at March 31, 2021 is as follows:

Gearing ratio

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

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2021
Debt*	8,593.17	5,358.98
Less: Cash and cash equivalents [Refer note 11(a)]	(29.20)	(23.36)
Net debt	8,563.97	5,335.62
Total equity	205,890.82	195,740.28
Net debt to equity ratio	4.16%	2.73%

*Debt is defined as long-term and short-term borrowings (including interest accrued on borrowings, lease liabilities and excluding Corporate guarantees contracts and contingent consideration).

(ii) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks including market risk (including 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.

(a) Market Risk

The Company's activities expose it primarily to the financial risk of changes in interest rates

(i) Interest rate risk management

The Company is exposed to interest rate risk because Company borrows funds at floating interest rates.

Interest rate sensitivity analysis

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

(₹ in lakhs)	
If increase by 50 basis point	Interest impact
Particulars	Year ended March 31, 2021
Increase / (decrease) in profit before tax	(10.95)

If decrease by 50 basis point	Interest impact
Particulars	Year ended March 31, 2021
Increase / (decrease) in profit before tax	10.95

(ii) Other price risks

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

(b) 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 11 of the financial statements for carrying amount and maximum credit risk exposure for trade receivables.



FORTIS HOSPOTEL LIMITED
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Expected credit loss on financial assets other than trade receivables:

Company carries other financial assets such as investments and interest accrued on such investments, security deposits, bank deposits and interest accrued thereon, balances with banks, loans to related parties and interest accrued thereon, other receivable etc. Company monitors the credit exposure on these financial assets on a case-to-case basis. Investments and loans to related parties 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. None of the Company's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

(c) Liquidity risk management

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

Liquidity and interest risk tables

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

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in lakhs)					
Particulars	Within 1 Year	1-2 year	More than 2 years	Total	Carrying Amount
As at March 31, 2021					
Term Loan from Banks	540.69	531.16	1,574.23	2,646.08	2,189.99
Lease Liabilities	249.95	256.89	5,263.04	5,769.88	1,629.57
Trade Payables	705.84	-	-	705.84	705.84
Interest accrued and due on borrowings	4,773.61	-	-	4,773.61	4,773.61
Other financial liabilities	208.48	-	-	208.48	208.48
Total	6,478.57	788.05	6,837.27	14,103.89	9,507.49

(₹ in lakhs)					
Particulars	Within 1 Year	1-2 year	More than 2 years	Total	Carrying Amount
As at March 31, 2020					
Lease Liabilities	119.52	119.52	4,166.40	4,405.44	586.82
Trade Payables	839.10	-	-	839.10	839.10
Interest accrued and due on borrowing	4,772.16	-	-	4,772.16	4,772.16
Other financial liabilities	155.39	-	-	155.39	155.39
Total	5,886.17	119.52	4,166.40	10,172.09	6,353.47



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36. Fair value measurement

Financial assets measured at amortised cost
31 March 2021

(₹ in lakhs)

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial assets					
Investment in non-convertible debentures (including accrued interest)	(c)	-	124,752.03	124,752.03	109,059.31
Loans (non-current)	(b)	-	202.21	202.21	202.21
Other financial assets (non-current)	(b)	-	64.68	64.68	64.68
Trade receivables	(a)	-	30,750.34	30,750.34	30,750.34
Cash and cash equivalents	(a)	-	29.20	29.20	29.20
Other financial assets (current)	(a)	-	87.52	87.52	87.52
Total		-	155,885.98	155,885.98	140,193.26

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial Liabilities					
Borrowings (including accrued interest)	(c)	-	2,191.44	2,191.44	2,191.44
Lease liabilities (non-current)	(d)	-	1,482.47	1,482.47	1,482.47
Lease liabilities (current)	(d)	-	147.10	147.10	147.10
Trade payables (current)	(a)	-	705.84	705.84	705.84
Other financial liabilities (current)	(a)	-	4,980.64	4,980.64	4,980.64
Total		-	9,507.49	9,507.49	9,507.49

31 March 2020

(₹ in lakhs)

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial assets					
Investment in non-convertible debentures (including accrued interest)	(e)	-	117,213.58	117,213.58	78,012.03
Loans (non-current)	(b)	-	192.21	192.21	192.21
Loans (current)	(b)	-	82.29	82.29	82.29
Trade receivables	(a)	-	25,826.56	25,826.56	25,826.56
Cash and cash equivalents	(a)	-	23.36	23.36	23.36
Other bank balances	(a)	-	139.19	139.19	139.19
Other financial assets (current)	(a)	-	106.58	106.58	106.58
Total		-	143,583.77	143,583.77	104,382.22



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial Liabilities					
Lease Liabilities (Non-current)	(d)	-	479.35	479.35	479.35
Trade Payables	(a)	-	839.10	839.10	839.10
Lease Liabilities (current)	(d)	-	107.47	107.47	107.47
Other financial liabilities (current)	(a)	-	4,927.55	4,927.55	4,927.55
Total		-	6,353.47	6,353.47	6,353.47

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

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.
- Fair value measurement of lease liabilities is not required.
- The fair value of investment in non-convertible debentures (including interest accrued) is calculated based on cash flows discounted using the current borrowing rate. This is classified as Level 3 fair value in the fair value hierarchy due to the use of unobservable inputs.

Financial instruments measured at amortized cost

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

37. The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 31, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2021 and March 31, 2020.

38. Segment information

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 customers by location of customers

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

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
India	13,303.07	27,557.25
Outside India	-	-
Total	13,303.07	27,557.25

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

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
India	60,275.32	59,241.43
Outside India	-	-
Total	60,275.32	59,241.43



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Major customer

1. Fortis Healthcare Limited, holding company contributes more than 10% to the revenue of the Company. The revenue earned during the current year is ₹4,862.72 lakhs (March 31, 2020 ₹ 9,985.70 lakhs).
2. Fortis Hospitals Limited, a fellow subsidiary contributes more than 10% to the revenue of the Company. The revenue earned during the current year is ₹ 7,753.84 lakhs (March 31, 2020 ₹ 16,679.37 lakhs).

39. 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

Particulars	(₹ in lakhs)	
	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
-Principal amount due to micro and small enterprises*	32.52	149.54
-Interest due on above	-	4.03
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

* this also includes amount due to capital creditors of ₹ 15.57 (as at March 31, 2020: 28.65 lakhs).

40. Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested

- (i) The particulars of investments made by the Company as required to be disclosed by Section 186(4) of Companies Act, 2013 are as below:

Nature of the instrument	Issuer's name	Rate of interest (refer note 2)	Redemption date	Secured/ unsecured	Principal outstanding amount (₹ in lakhs) as at	
					March 31, 2021	March 31, 2020
Non-convertible debentures (NCD)	Fortis Hospitals Limited	9.3% per annum	October 12, 2026	Unsecured	48,624.13	48,624.13
Non-convertible debentures (NCD)	International Hospital Limited	9.3% per annum	October 12, 2026	Unsecured	46,716.77	46,716.77

Note 1: The above investment has been made for the purpose of business expansion.



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Note 2: These NCDs carry floating rate of interest based on the performance of the respective issuer as below:

Sr. No.	Level of EBIT	Rate of Interest
1	Less than 3,000 Crore	9.30% p.a.
2	3,000 Crore to 3,250 Crore	18% p.a., provided additional 8.7% p.a. from closing date to the beginning of the year for which EBIT is more than 3,000 Crore
3	3,250 Crore to 3,500 Crore	20% p.a., provided additional 2% p.a. from closing date to the beginning of the year for which EBIT is more than 3,250 Crore
4	more than 3,500 Crore	22% p.a., provided additional 2% p.a. from closing date to the beginning of the year for which EBIT is more than 3,500 Crore

The interest accrued on the above NCDs is payable at the time of maturity or at early repayment date, as mutually agreed between the parties.

- (ii) The particulars of loan given by the Company as required to be disclosed by Section 186(4) of the Companies Act, 2013 are as below:

Nature of the instrument	Name of the party	Rate of interest	Redemption/ Termination Date	Secured/ unsecured	Principal outstanding amount (₹ in lakhs) as at	
					March 31, 2021	March 31, 2020
Inter corporate loan (short-term)	International Hospital Limited	8.85% p.a. (March 31, 2020:10.50% p.a)	March 31, 2022	Unsecured	-	1.29
Inter corporate loan (short-term)	Fortis Health Management Limited	8.85% p.a. (March 31, 2020:10.50% p.a)	March 31, 2022	Unsecured	-	80.00
Inter corporate loan (short-term)	Escorts Heart and Super Speciality Hospital Limited	8.85% p.a. (March 31, 2020:10.50% p.a)	March 31, 2022	Unsecured	-	1.00

The above loans were given for meeting the working capital requirement. The outstanding principal amount of the above loans and interest has been fully repaid during the year.

- (iii) The Company has issued corporate guarantees for the related parties in respect of term loan, overdraft, letter of credit, bank guarantee facilities availed from banks as tabulated below.

In accordance with the policy of the Company, the Company has designated such guarantees as 'Insurance Contracts'. The Company has classified the Corporate guarantees as contingent liabilities. Accordingly, there are no liabilities recognised in the Ind AS Financial Statement under these contracts.

Entity name	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Escorts Heart Institute and Research Centre Limited	4,780.00	4,140.00
Fortis Healthcare Limited	72,880.00	79,890.00
Fortis Hospitals Limited	88,455.82	67,140.00
International Hospital Limited	7,300.00	3,800.00
Hiranandani Healthcare Private Limited	50.00	50.00
Total	173,465.82	155,020.00



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41. Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of preceding three years towards Corporate Social Responsibility (CSR). Details of Corporate social responsibility expenditure as certified by Management are as follows:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Average net profit of the Company for the last three financial years	17,659.01	11,838.55
Prescribed CSR expenditure (2% of the average net profit as computed above)		
Total amount to be spent for the financial year	353.18	236.77
Amount spent	353.18	596.13
Amount unspent	-	-

42. COVID 19

The COVID-19 pandemic is affecting major economic and financial markets, and virtually all industries and governments are facing challenges associated with the economic conditions resulting from efforts to address it. In many countries, there has been severe disruption in regular business operations due to lockdown, travel bans, quarantines and other emergency measures.

The Company is engaged in providing clinical establishment services including certain out-patient department (OPD) and radio diagnostic services as per the terms set out in Hospital and Medical Services Agreement (HMSA) with hospital operating companies i.e. Fortis Health Management (North) Limited, subsequently merged with Fortis Hospitals Limited (FHsL), a fellow subsidiary of the Company and Fortis Healthcare Limited, the holding company. The healthcare sector is exempted from the lock down in India, however due to the lock down and travel restrictions, the business of the Fortis Healthcare Limited and its other subsidiaries providing hospital services (the "Group") and healthcare industry as a whole has also been impacted. Due to this, there have been changes in respect of the base fees set out in HMSA.

The outbreak of COVID - 19 pandemic has adversely impacted cash flows of the hospital operating companies. The hospital operating companies are taking recourse to the force majeure provisions, as per the terms of HMSAs since in the prevailing circumstances they are unable to perform their payment obligations. In such unforeseen scenario which is beyond the control of all parties to the HMSAs, Fortis Healthcare Limited (FHL) which is the holding company has obtained approval from its shareholders for waiver of base service fee payable for two quarters i. e. April to June, 2020 and July to September, 2020 and to amend and waive of terms and conditions of the HMSAs with effect from April 1,2020 including terminating the said HMSAs. Accordingly, the base service fee has been fully waived from April 2020 to September 2020 and 50% waiver has been given for the base service fee for the period from October 2020 to December 2020.

The Board of Directors of holding company i.e. Fortis Healthcare Limited (FHL) and Fortis Hospitals Limited (FHsL), collectively known as hospital operating companies, have confirmed that the above said shareholder approval with respect to the termination of HMSA is an enabling resolution and as of now Fortis Healthcare Limited and Fortis Hospitals Limited do not have any plan to terminate the HMSA in the near future. Further, at this stage, all parties to HMSA have confirmed that they do not expect any further waiver in the base service fee for Financial Year 2021-22 and subsequent period.

For the year ended March 31, 2021, the Board of Directors have considered possible effects due to COVID 19 in its assessment of going concern assumption, the liquidity position and recoverability of assets comprising property, plant and equipment (PPE), goodwill, trade receivables, investment in fellow subsidiary through non-convertible debentures, loan to fellow subsidiary and other financial assets. While assessing the recoverable amount of PPE, goodwill, investments and other financial assets the Company has used significant assumptions such as occupancy rates, terminal growth rate and weighted average cost of capital.

Management believes that it has taken into account the possible impact of known events arising from COVID 19 pandemic in the preparation of these financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict including the degree to which governments may further restrict business and other activities. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and impact, if any would be recognised in the financial statements when material changes to economic conditions arise. The management believes that it will not have any material negative impact on future cash flows and the financial position of the Company.



FORTIS HOSPOTEL LIMITED
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43. Interest on delayed payment of service fees

As per the HMSA arrangement with the hospital operating companies, the Company receives service fee consideration from the Hospital operating companies, as an when due. As per terms of the HMSA, in the event of any delay in payment of the Service Fee, an interest at a rate of State Bank of India base rate plus 2% per annum (on a compounded monthly basis) shall be payable by hospital operating companies to the Company. The Company and hospital operating companies have agreed that no interest would be charged/demanded for the delay in the payments on amounts under HMSA for the financial year 2019-20 and 2020-21 on account of the severity of the COVID 19 pandemic and uncertainty in the improvement of the situation. Consequently, the Company has not recognised interest on the delayed payment of the service fees/technology renewal fund during the year ended March 31, 2020 and March 31, 2021.

44. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since, during the year the Company has not entered into any international transaction with the associated enterprises, provisions of Section 92E of Income Tax Act, 1961 are not applicable to the Company. The management is of the opinion that its international transactions entered during the earlier years were at arm's length, thus the aforesaid legislation will not have any impact on the Ind AS financial statements, particularly on the amount of tax expense and that of provision for taxation.

For **BSR & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022



Rajesh Arora
Partner
Membership Number: 076124

For and on behalf of the Board of Directors
Fortis Hospotel Limited



Ritu Garg
Whole Time Director
DIN: 07202866



Ashutosh Raghuvanshi
Director
DIN: 02775637

Place: Gurugram
Date: May 26, 2021



Abhishek Jain
Company Secretary
Membership No.: A39191



Sunil Agarwal
Chief Financial Officer

Place: Gurugram
Date: May 26, 2021

