

**Fortis La Femme Limited**

**Standalone Financial Statements**

**Statutory audit for the year ended 31 March 2019** o/c

# B S R & Co. LLP

Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Fortis La Femme Limited

Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of Fortis La Femme Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and except for the effects/possible effects of the matter described in "Basis for Qualified Opinion" paragraph of our report, 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 Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, of its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We draw attention to Note 21 of the financial statements, regarding non-compliances with the requirements of section 45-IA of the Reserve Bank of India (RBI) Act, 1934 read with other amendments/ circulars/ notification issued by RBI from time to time. In view of the above, at present, we are unable to comment on the financial impact, if any of this matter on the financial statements.

This was also a subject matter of qualification in the predecessor auditor's audit opinion on the financial statements as at 31 March 2018 and year ended on that date.

### Other Information

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

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

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

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


In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 made by management.
  - Conclude on the appropriateness of management's 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
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conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that except as stated in the "Basis for Qualified Opinion" paragraph, the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

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 comparative financial information of the Company for the year ended 31 March 2018 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with Ind AS which were audited by the predecessor auditor whose report for the year ended 31 March 2018 dated 27 September 2018 expressed a qualified opinion on those financial statements.

Our report on the financial statement is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

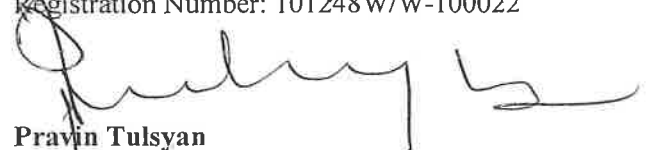
1. As required by the Companies ( Auditors' Report) Order , 2016 ("the order" ) issued by the central Government in terms of section 143(11) of the Act, we give in " Annexure A " a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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) Except for the effects/ possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, 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 cash flow statement dealt with by this Report are in agreement with the books of account.
  - d) Except for effects/ possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.



- e) The matters described in 'Basis for Qualified Opinion' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors of the Company as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) 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".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company does not have any pending litigation which would impact its financial position;
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - d) The disclosures in the 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 the financial statements since they do not pertain to the financial year ended 31 March 2019.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company has not paid or provided managerial remuneration and hence reporting under section 197(16) is not applicable.

*For B S R & Co. LLP*  
*Chartered Accountants*  
Registration Number: 101248W/W-100022



**Pravin Tulsyan**  
*Partner*  
Membership No: 108044

Place: Gurugram  
Date: 23 May 2019

**Annexure A referred to in our Independent Auditor's Report to the members of Fortis La Femme Limited on the financial statements for the year ended 31 March 2019**

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

- (i) (a) According to the information and explanation given to us, the Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax, Goods and service tax (GST), Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.  
  
As explained to us, the Company did not have any dues on account of Provident fund, Employees' State Insurance and Duty of customs.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, GST, Cess and other material statutory dues, to the extent applicable were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no dues which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2019.
- (viii) According to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

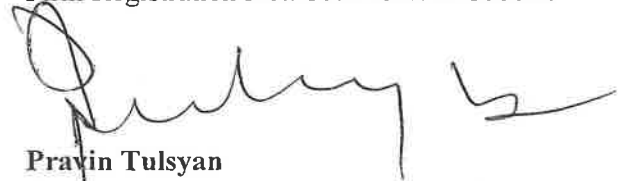


- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, provisions of paragraph 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid or provided managerial remuneration and hence reporting under clause 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable Accounting Standards. According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us and based on our examination of the records of Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable
- (xvi) As described in the "Basis for Qualified Opinion" paragraph above, the Company is required to be registered as Non- Banking Finance Company under Section 45-IA of the Reserve Bank of India Act, 1934, however, it has not obtained the registration.

*For B S R & Co. LLP*

*Chartered Accountants*

Firm Registration No.: 101248W/W-100022



**Pravin Tulsyan**

*Partner*

Membership No.: 108044

Place: Gurugram  
Date: 23 May 2019

**Annexure B to the Independent Auditor's report on the financial statements of Fortis La Femme Limited for the year ended 31 March 2019**

**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)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Qualified Opinion**

We have audited the internal financial controls with reference to financial statements of Fortis La Femme Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, except for the effect/possible effect of the material weaknesses described below on the achievement of the objectives of the control criteria, to the best of our information and according to the explanations given to us, the Company has in all material respects, maintained adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls 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").

We have considered the material weakness identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended 31 March 2019 and these material weakness has, inter alia, affected our opinion on the said financial statements and we have issued a qualified opinion on the said financial statements.

**Basis for qualified opinion**

As explained in Basis for Qualified Opinion paragraph of our Audit Report on the financial statements for the year ended 31 March 2019, the Company did not have an appropriate internal control system in respect to compliance with the requirements of section 45-IA of the Reserve Bank of India (RBI) Act, 1934 read with other amendments/ circulars/ notification issued by the RBI. In our opinion, this has resulted in non-compliance of the aforesaid provisions/ requirements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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

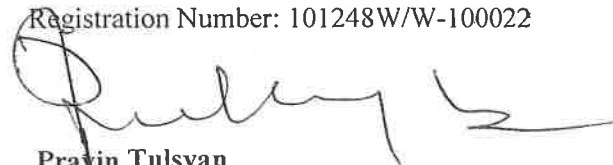
### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

- 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*

Registration Number: 101248W/W-100022



**Pravin Tulsyan**

*Partner*

Membership No. 108044

Place: Gurugram

Date: 23 May 2019

**FORTIS LA FEMME LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Notes	As at March 31, 2019 (Rupees in '000)	As at March 31, 2018 (Rupees in '000)
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Non-current tax assets	4	36.39	36.39
<b>Total non-current assets (A)</b>		<b>36.39</b>	<b>36.39</b>
<b>B. Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	5	375.18	382.36
<b>Total current assets (B)</b>		<b>375.18</b>	<b>382.36</b>
<b>Total assets (A+B)</b>		<b>411.57</b>	<b>418.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>C. Equity</b>			
(a) Equity share capital	6(i)	500.00	500.00
(b) Other equity		(7,277.74)	(6,345.12)
<b>Total equity (C)</b>		<b>(6,777.74)</b>	<b>(5,845.12)</b>
<b>Liabilities</b>			
<b>D. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	7	6,311.09	5,472.74
(ii) Other financial liabilities	8	564.82	538.35
<b>Total non-current liabilities (D)</b>		<b>6,875.91</b>	<b>6,011.09</b>
<b>E. Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		230.37	230.97
(b) Other current liabilities	10	83.03	21.81
<b>Total current liabilities (E)</b>		<b>313.40</b>	<b>252.78</b>
<b>Total liabilities (D+E)</b>		<b>7,189.31</b>	<b>6,263.87</b>
<b>Total equity and liabilities (C+D+E)</b>		<b>411.57</b>	<b>418.75</b>

The accompanying notes forming integral part of the financial statements 1-22

As per our report of even date attached.

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

ICAI Firm registration number: 101248W/W-100022

**Pravin Tulsyan**  
Partner

Membership Number: 108044

Place : Gurugram  
Date : May 23, 2019



For and on behalf of the Board of Directors  
**FORTIS LA FEMME LIMITED**

**Anurag Kalra**  
Director  
DIN : 06987504

**Deepak Narang**  
Director  
DIN : 08374273

Place : Gurugram  
Date : May 23, 2019

Place : Gurugram  
Date : May 23, 2019



**FORTIS LA FEMME LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Notes	For the year ended March 31, 2019 (Rupees in '000)	For the year ended March 31, 2018 (Rupees in '000)
I Other income	11	-	363.90
<b>Total income (I)</b>		-	<b>363.90</b>
II Expenses			
Finance costs	12	635.13	857.92
Other expenses	13	297.49	276.81
<b>Total expenses (II)</b>		<b>932.62</b>	<b>1,134.73</b>
III Loss before tax (I-II)		<b>(932.62)</b>	<b>(770.83)</b>
IV Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
V Loss for the year (III-IV)		<b>(932.62)</b>	<b>(770.83)</b>
VI Other comprehensive income		-	-
<b>VI Total comprehensive loss for the year (V-VI)</b>		<b>(932.62)</b>	<b>(770.83)</b>
<b>Earning per equity shares of INR 10 each</b>			
Equity shares of Rupees 10 each			
Basic (INR)	16	(18.65)	(15.42)
Dilluted (INR)	16	(18.65)	(15.42)

The accompanying notes forming integral part of the financial statements 1-22

As per our report of even date attached.

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

**Pravin Tulsyan**  
Partner  
Membership Number: 108044



Place : Gurugram  
Date : May 23, 2019

For and on behalf of the Board of Directors  
**FORTIS LA FEMME LIMITED**

**Anurag Kalra**  
Director  
DIN : 06987504

Place : Gurugram  
Date : May 23, 2019

**Deepak Narang**  
Director  
DIN : 08374273

Place : Gurugram  
Date : May 23, 2019



**FORTIS LA FEMME LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	For the year ended March 31, 2019 (Rupees in '000)	For the year ended March 31, 2018 (Rupees in '000)
<b>A. Cash flows from operating activities</b>		
Loss for the year	(932.62)	(770.83)
<b>Adjustments for :</b>		
Interest income	-	(363.90)
Finance costs	627.58	856.83
<b>Operating loss before working capital changes</b>	<b>(305.04)</b>	<b>(277.90)</b>
Movements in working capital:		
(Decrease) / increase in trade payables	(0.60)	20.97
Increase/(decrease) in other liabilities	61.22	(7.25)
<b>Cash used in operations</b>	<b>(244.42)</b>	<b>(264.18)</b>
Income taxes paid (net)	0.00	(36.39)
<b>Net cash used in operating activities (A)</b>	<b>(244.42)</b>	<b>(300.57)</b>
<b>B. Cash flows from investing activities</b>		
Loan given to fellow subsidiary	-	(40,500.00)
Repayment of loan by fellow subsidiary	-	40,500.00
Interest received from fellow subsidiary	-	363.90
<b>Net cash generated by investing activities (B)</b>	<b>-</b>	<b>363.90</b>
<b>C. Cash flows from financing activities (Refer note (i) below)</b>		
Proceeds from long-term borrowings from Holding company	300.00	300.00
Loan taken from directors	-	41,100.00
Repayment of loan to directors	-	(41,100.00)
Loan taken from fellow subsidiary	-	4,500.00
Repayment of loan to fellow subsidiary	-	(4,500.00)
Interest paid*	(62.76)	(318.48)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>237.24</b>	<b>(18.48)</b>
<b>D. Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(7.18)</b>	<b>44.85</b>
Cash and cash equivalents at the beginning of the year	382.36	337.51
<b>Cash and cash equivalents at the end of the year</b>	<b>375.18</b>	<b>382.36</b>

\* For conversion of interest into loan refer note 8

**Changes in liabilities arising from financing activities**

Particulars	Long term borrowings	Interest accrued
<b>As at 31 March 2017</b>	4,729.03	443.71
Proceeds from borrowings	45,900.00	-
Repayment of borrowings	(45,600.00)	-
Finance cost paid	-	(318.48)
Finance cost	-	856.83
Reclassifications	443.71	(443.71)
<b>As at 31 March 2018</b>	<b>5,472.74</b>	<b>538.35</b>
Proceeds from borrowings	300.00	-
Finance cost paid	-	(62.76)
Finance cost	-	627.58
Reclassifications	538.35	(538.35)
<b>As at 31 March 2019</b>	<b>6,311.09</b>	<b>564.82</b>



**FORTIS LA FEMME LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

The cash flow statement has been prepared under the " Indirect Method " assets out in the Indian Accounting Standards (IND AS-7) AS 7 Statement of Cash flows notified under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.

The accompanying notes forming integral part of the financial statements

As per our report of even date attached.

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

*Chartered Accountants*

ICAI Firm registration number: 101248W/W-100022



**Pravin Tulsyan**

Partner

Membership Number: 108044

Place : Gurugram

Date : May 23, 2019

For and on behalf of the Board of Directors

**FORTIS LA FEMME LIMITED**



**Anurag Kalra**

Director

DIN : 06987504

Place : Gurugram

Date : May 23, 2019



**Deepak Narang**

Director

DIN : 08374273

Place : Gurugram

Date : May 23, 2019



**FORTIS LA FEMME LIMITED**  
**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

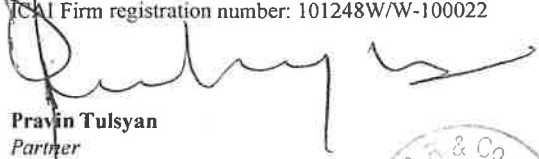
Particular	Notes	Equity		(Rupees in '000)
		Equity Share Capital	Other equity Retained Earning	Total
<b>Reserve and surplus</b>				
Balance at April 1, 2017		500.00	(5,574.29)	(5,074.29)
Loss for the year		-	(770.83)	(770.83)
<b>Balance at March 31, 2018</b>		<b>500.00</b>	<b>(6,345.12)</b>	<b>(5,845.12)</b>
Loss for the year		-	(932.62)	(932.62)
<b>Balance at March 31, 2019</b>		<b>500.00</b>	<b>(7,277.74)</b>	<b>(6,777.74)</b>

The accompanying notes forming integral part of the financial statements 1-22

As per our report of even date attached.

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


ICAI Firm registration number: 101248W/W-100022

  
**Pravin Tulsyan**  
*Partner*  
 Membership Number: 108044

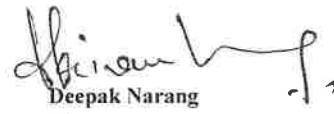
Place : Gurugram  
 Date : May 23, 2019



For and on behalf of the Board of Directors  
**FORTIS LA FEMME LIMITED**

  
**Anurag Kalra**  
 Director  
 DIN : 06987504

Place : Gurugram  
 Date : May 23, 2019

  
**Deepak Narang**  
 Director  
 DIN : 08374273

Place : Gurugram  
 Date : May 23, 2019



## Note 1. Corporate Information

Fortis La Femme ( the 'Company' or 'FLFL' ) was incorporated on April 19,2011 to carry on the business of promotion, maintenance, management, operations and conduct of healthcare and related services and providing consultancy for establishment of healthcare services.

The Company is a wholly owned subsidiary of Fortis Healthcare Limited (FHL). FHL is a listed entity on the both BSE and National Stock Exchange of India Limited.

The registered office and principal place of business of the Company is located at Escorts Heart Institute and Research Centre Okhla Road, New Delhi.

## Note 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 those of the previous financial year except for changes in revenue recognition and accounting for foreign currency transactions due to amendment in applicable accounting guidance (also refer to respective policies for these two captions).

### (a) Basis of preparation

#### (i) Statement of compliance

These Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in thousands of Indian Rupees ('INR') and are rounded to the nearest thousands, except per share data and unless stated otherwise.

The financial statements have been authorized for issue by the Company's Board of Directors on May 23, 2019.

#### (ii) Historical cost convention

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

### (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.



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 realization 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) 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 market place (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 amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### *Debt instrument at FVOCI*

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

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

#### *Debt instrument at FVPL*

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

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

#### *Equity investments*

All equity investments 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, 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 group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

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

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

#### *Financial liabilities*

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

#### *Derecognition of financial liabilities*

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

#### *Offsetting*

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



**(d) Cash and cash equivalents**

Cash and cash equivalent comprise cash at banks which are subject to an insignificant risk of changes in value.

**(e) Revenue recognition**

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

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

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

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

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

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

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



**(f) Finance costs**

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

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

**(g) 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 tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

• **Deferred tax:**

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

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

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which



they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

**(h) Segment reporting**

As the Company's business activity primarily falls within a single business of healthcare services and a single geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segment'.

**(i) Foreign currency translation**

*(i) Functional and presentation currency*

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

*(ii) Transactions and balances*

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

**(j) Exceptional items**

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed separately.

**(k) 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

**(l) Measurement of fair values**

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

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

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

**(m) Critical estimates and judgements**

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



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

- Financial instruments- 15
- Fair value measurement – 15.8

### Note 3 Recent Indian Accounting Standards (Ind AS)

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

#### Ind AS 116 – Leases (Ind AS 116)

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

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

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

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

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or



payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

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

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

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

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

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

#### **Ind AS 23 – Borrowing Costs**

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

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

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





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

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



**FORTIS LA FEMME LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	As at March 31, 2019 (Rupees in '000)	As at March 31, 2018 (Rupees in '000)
<b>4. Non-current tax assets</b>		
Advance income tax *	36.39	36.39
	<b>36.39</b>	<b>36.39</b>
* Net of provision for taxation	-	-
<b>5. Cash and cash equivalents</b>		
For the purposes of the statement of cash flows, cash and cash equivalents include cash in banks. Cash and cash equivalents at the end of the reporting period as shown in the standalone statement of cash flows can be reconciled to the related items in the balance sheet as		
Balances with Bank		
- in current account	375.18	382.36
<b>Cash and cash equivalents as per balance sheet</b>	<b>375.18</b>	<b>382.36</b>



Particulars	As at	
	March 31, 2019 (Rupees in '000)	March 31, 2018 (Rupees in '000)
<b>6 (i) Share capital</b>		
<b>Authorised Share capital</b>		
5,000,000 (as at 31 March 2018 - 5,000,000 ) equity shares of Rupees 10 each	50,000.00	50,000.00
<b>Total authorised share capital</b>	<b>50,000.00</b>	<b>50,000.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
50,000 (as at 31 March 2018- 50,000) equity shares of Rupees 10 each	500.00	500.00
<b>Total issued, subscribed and fully paid up share capital</b>	<b>500.00</b>	<b>500.00</b>

Notes :

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

**Equity Shares**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	(Rupees in '000)	Number	(Rupees in '000)
At the beginning of the year	50,000	500.00	50,000	500.00
<b>Outstanding at the end of the year</b>	<b>50,000</b>	<b>500.00</b>	<b>50,000</b>	<b>500.00</b>

(b) Terms/ rights attached to equity shares

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

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

**Equity shares**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	(Rupees in '000)	Number	(Rupees in '000)
Fortis Healthcare Limited*, the Holding company *including 6 equity shares held jointly	50,000	500.00	50,000	500.00

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

**Equity shares**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited*, the Holding company *including 6 equity shares held jointly	50,000	100.00%	50,000	100.00%

As per records of the Company, including its register of share holders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



**FORTIS LA FEMME LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	As at March 31, 2019 (Rupees in '000)	As at March 31, 2018 (Rupees in '000)
<b>7. Borrowings</b>		
<b>Non- Current</b>		
<b>Unsecured at amortised cost</b>		
(a) Loan from Holding company* (Refer note 14)	6,311.09	5,472.74
	<u>6,311.09</u>	<u>5,472.74</u>
<b>*Note:</b>		
Loan from Fortis Healthcare Limited carries interest @10% p.a. and is repayable on March 31, 2021. Interest accrued as at 31 March, 2018 Rupees 538.35 ('000) [Previous year Rupees 443.71 ('000)] has been converted into loan during the year.		
<b>8. Other financial liabilities (Unsecured)</b>		
<b>Non Current - at amortised cost</b>		
(a) Interest accrued but not due on borrowings (Refer note 14)	564.82	538.35
	<u>564.82</u>	<u>538.35</u>
Interest accrued as at year end has been converted into loan on subsequent April 1 2018 and April 1 2017 respectively.		
<b>9. Trade payable</b>		
<b>Current - at amortised cost</b>		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 17)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	230.37	230.97
	<u>230.37</u>	<u>230.97</u>
<b>10. Other current liabilities</b>		
(a) Statutory dues payable	83.03	21.81
	<u>83.03</u>	<u>21.81</u>



Particulars	For the year ended March 31, 2019 (Rupees in '000)	For the year ended March 31, 2018 (Rupees in '000)
<b>11. Other income</b>		
(a) Interest on loan to fellow subsidiary (Refer note 14)	-	363.90
	<u>-</u>	<u>363.90</u>
<b>12. Finance costs</b>		
(a) Interest expense -on borrowings	627.58	856.83
(b) Other borrowing cost (bank and other related charges)	7.55	1.09
	<u>635.13</u>	<u>857.92</u>
<b>13. Other expenses</b>		
(a) Legal and professional fee (refer note below)	277.79	267.31
(b) Rates and taxes	19.70	9.50
	<u>297.49</u>	<u>276.81</u>
<b>Note:</b>		
<b>(i) Auditors' remuneration comprises</b>		
(a) Statutory audit fee	200.00	200.00
	<u>200.00</u>	<u>200.00</u>



**FORTIS LA FEMME LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**14. Related party disclosures**

**Names of related parties and related party relationship**

<b>Names of Related Parties and related party relationship</b>	
Ultimate Holding Company	IHH Healthcare Berhad (w.e.f. November 13, 2018) (refer note 2 below) RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited) (up to February 13, 2018.) (refer note 1 below)
Intermediate Holding Company	Integrated Healthcare Holdings Limited (w.e.f. November 13, 2018) Parkway Pantai Limited (w.e.f. November 13, 2018) Northern TK Venture Pte Ltd (w.e.f. November 13, 2018) (refer note 2) Fortis Healthcare Holdings Private Limited ('FHHPL') (up to February 16, 2018)
Holding Company	Fortis Healthcare Limited ('FHL')
Fellow Subsidiaries (with whom transactions have been taken place) (through FHL)	Fortis Hospitals Limited
Key Management Personnel	Mr. Rakesh Laddha (Director) (Up to January 19, 2018) Ms. Anika Parashar (Director) (Up to August 20, 2018) Mr. Daljit Singh (Director) Mr. Bhavdeep Singh (Director) (Up to March 18, 2019)
Individuals (directly or indirectly) having control or significant influence over reporting enterprise	Mr. Malvinder Mohan Singh (Up to February 13, 2018) Mr. Shivinder Mohan Singh (Up to February 13, 2018)

Note: Related parties have been identified by the management.

**Transactions during the year:**

<b>Particular</b>	<b>(Rupees in '000)</b>	
	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Loans taken during the period</b>		
Fortis Healthcare Limited	300.00	300.00
Fortis Hospitals Limited	-	4,500.00
Rakesh Laddha	-	750.00
Anika Parashar	-	29,850.00
Daljit Singh	-	3,000.00
Bhavdeep Singh	-	7,500.00
<b>Loan given during the period</b>		
Fortis Hospitals Limited	-	40,500.00
<b>Loans repayment</b>		
Fortis Hospitals Limited	-	4,500.00
Rakesh Laddha	-	750.00
Anika Parashar	-	29,850.00
Daljit Singh	-	3,000.00
Bhavdeep Singh	-	7,500.00
<b>Loan payment received</b>		
Fortis Hospitals Limited	-	40,500.00



**FORTIS LA FEMME LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Transactions during the year:

Particular	(Rupees in '000)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Interest income on loans given</b>		
Fortis Hospitals Limited	-	363.90
<b>Interest expense on loans taken from</b>		
Fortis Healthcare Limited	627.58	538.90
Fortis Hospitals Limited	-	1.42
Rakesh Laddha	-	0.41
Anika Parashar	-	228.99
Daljit Singh	-	25.48
Bhavdeep Singh	-	61.64
<b>Interest accrued converted into loan</b>		
Fortis Healthcare Limited	538.35	443.71

Balance outstanding at the year-end:

Particular	(Rupees in '000)	
	As at March 31, 2019	As at March 31, 2018
<b>Borrowings:</b>		
Fortis Healthcare Limited	6,311.09	5,472.74
<b>Other financial liabilities:</b>		
Fortis Healthcare Limited	564.82	538.35

**Note 1:**

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

**Note 2:**

The Board of Directors of Fortis Healthcare Limited, had approved an equity infusion of Rupees 400,000 lacs at a price of Rupees 170 per equity share into the Company by Northern TK Venture Pte Ltd, Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals. The shareholders of the Company have approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The acquirer has received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Ltd, have the right to appoint 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the holding Company has become a subsidiary of Northern TK Venture Pte Ltd.



**FORTIS LA FEMME LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**15. Financial Instruments**

**15.1 Capital management**

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 8 offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2019 of 95.91% (previous years 96.30%). (See below)

**Gearing ratio**

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

Particulars	(Rupees in '000)	
	As at March 31, 2019	As at March 31, 2018
Debt*	(6,875.91)	(6,011.09)
Cash and bank balances	375.18	382.36
<b>Net debt</b>	<b>(6,500.73)</b>	<b>(5,628.73)</b>
<b>Total equity</b>	<b>(6,777.74)</b>	<b>(5,845.12)</b>
Net debt to equity ratio	95.91%	96.30%

\*Debt is defined as long-term and short term borrowing including interest accrued thereon.

**15.2 Categories of financial instruments**

Financial assets	(Rupees in '000)	
	As at March 31, 2019	As at March 31, 2018
<b>Measured at amortised cost</b>		
Cash and bank balances	375.18	382.36
<b>Total</b>	<b>375.18</b>	<b>382.36</b>

Financial liabilities	(Rupees in '000)	
	As at March 31, 2019	As at March 31, 2018
<b>Measured at amortised cost</b>		
Borrowings-Non-current	6,311.09	5,472.74
Trade payables	230.37	230.97
Other financial liabilities- Non-current	564.82	538.35
<b>Total</b>	<b>7,106.28</b>	<b>6,242.06</b>

**15.3 Financial risk management objectives**

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

The Board of Directors manages the financial risk of the Company through internal risk reports which analyses exposure by magnitude of risk.





**FORTIS LA FEMME LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**15.4 Market Risk**

The Company's activity is not exposed to the market risks.

**15.5 Interest rate risk management**

The Company is exposed to interest rate risk because it borrows funds at fixed interest rates. The fixed rate loans are the loans wherein the interest rate is reset annually based on the market rate of interest.

**15.6 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.

**15.7 Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, however the Company does not have funding requirement as the Company does not have any operation. Funding includes borrowing from the Holding company.

**Liquidity and interest risk tables**

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

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

(Rupees in '000)

Particulars	Within 1 year	1-2 year	More than 2 year	Total	Carrying amount
<b>As at March 31, 2019</b>					
Borrowings	-	6,311.09	-	6,311.09	6,311.09
<b>Other financial liabilities</b>					
Trade payables	230.37	-	-	230.37	230.37
Interest accrued and due on borrowings	-	564.82	-	564.82	564.82
<b>Total</b>	<b>230.37</b>	<b>6,575.91</b>	<b>-</b>	<b>7,106.28</b>	<b>7,106.28</b>

(Rupees in '000)

Particulars	Within 1 year	1-2 year	More than 2 year	Total	Carrying amount
<b>As at March 31, 2018</b>					
<b>Fixed interest rate instrument</b>					
Borrowings	-	-	5,472.74	5,472.74	5,472.74
<b>Other financial liabilities</b>					
Trade payables	230.97	-	-	230.97	236.28
Interest accrued and due on borrowings from related party	-	-	538.35	538.35	538.35
<b>Total</b>	<b>230.97</b>	<b>-</b>	<b>6,011.09</b>	<b>6,242.06</b>	<b>6,242.06</b>



**FORTIS LA FEMME LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**15.8 Fair value measurement**

**i) Financial assets measured at amortised 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.

Particulars	Carrying value as at		Fair value as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial assets</b>				
<b>Measured at amortized cost</b>				
Cash and cash equivalent	375.18	382.36	375.18	382.36
<b>Total</b>	<b>375.18</b>	<b>382.36</b>	<b>375.18</b>	<b>382.36</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Other financial liabilities – non current	564.82	538.35	564.82	538.35
Borrowing- non current	6,311.09	5,472.74	6,311.09	5,472.74
Trade payables	230.37	230.97	230.37	230.97
<b>Total</b>	<b>7,106.28</b>	<b>6,242.06</b>	<b>7,106.28</b>	<b>6,242.06</b>

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

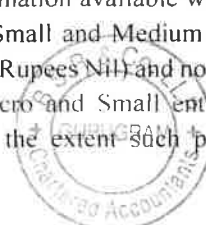
- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to short term maturities of these instruments.
- (b) Fair valuation of non-current financial assets and liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

**16. Earnings per share**

Earnings per share (EPS)	Denomination	Year ended	Year ended
		March 31, 2019	March 31, 2018
Loss as per statement of profit and loss	Rupees in '000	(932.62)	(770.83)
Weighted average number of equity shares in calculating Basic and Diluted EPS	Numbers	50,000	50,000
Basic and Diluted EPS	Rupees	(18.65)	(15.42)

**17. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

Based on information available with the Company, the balance due to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is Rupees Nil (Previous year Rupees Nil) and no interest during the year has been paid or payable under the terms of MSMED Act, 2006. Micro and Small enterprises as defined in section 7(1) of the MSMED Act, 2006 have been determined to the extent such parties have been identified on the basis of information collected by the



**FORTIS LA FEMME LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Management. This has been relied upon by auditors.

Particular	(Rupees in 000)	
	As at March 31, 2019	As at March 31, 2018
Details of dues to micro and small enterprises as per MSMED Act, 2006		
- principal amount	-	-
- interest amount	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

**18. Commitment**

18.1 The Company does not have other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of services and employees benefits, in normal course of business. The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

18.2 The Company does not have any commitments on capital account and not provided.

18.3 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Commitments relating to provision for free / subsidized treatment/beds to poor.

**19 Contingent Liabilities (not provided for) in respect of :**

The Company does not have any pending litigations which would impact its financial position.

**20 Going concern**

The Company has incurred a loss of INR 932.62 ('000) during the year and its net worth has been eroded as on 31 March 2019. Additionally, certain events in the previous year adversely impacted performance and cash flow position of the Fortis Group (Fortis Healthcare Limited, its subsidiaries, joint ventures and associates collectively referred to as 'Fortis Group'). However, considering the fresh equity infusion at the group level, expected positive future cash flows, ability to borrow funds at the group level to meet any cash requirement, management believes that the going concern assumption in these financial statements is appropriate considering financial and operational support from Fortis Healthcare Limited (intermediary holding company). In view of the aforesaid, the management has considered it appropriate to prepare these financial statements on a going concern basis.



**21 Non-Banking Financial Companies**

The main object of the Company is to carry on the business of healthcare and all other activities related to it. Further, in the normal course of business the Company can place deposits, lend money and do other activities in relation to it. During the previous year, the financial assets of the Company constituted more than 50 per cent of the total assets and income from financial assets constituted more than 50 per cent of the gross income which fell into the eligibility criteria for being registered with Reserve Bank of India as NBFC. The Company still does not intend to carry on the business as an NBFC and as a part of the internal group restructuring process, it is evaluating various options to hive off its investment in financial asset and/or amalgamate with other group companies.

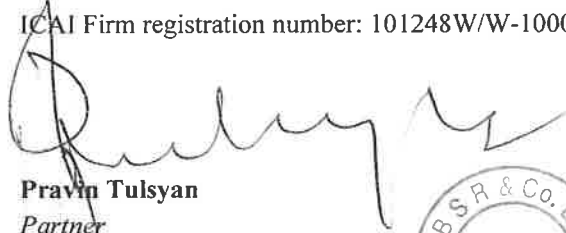
22. The Company is primarily engaged in the business of healthcare services which is the only reportable business segment as per Ind AS 108 "Operating Segments".

As per our report of even date attached.

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

*Chartered Accountants*

ICAI Firm registration number: 101248W/W-100022



**Pravin Tulsyan**

*Partner*

Membership Number: 108044

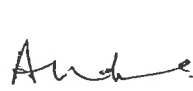


Place: Gurugram

Date: May 23, 2019

For and on behalf of the Board of Directors

**FORTIS LA FEMME LIMITED**



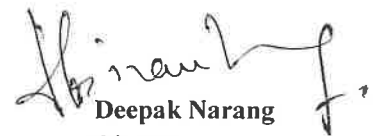
**Anurag Kalra**

Director

DIN : 06987504

Place: Gurugram

Date: May 23, 2019



**Deepak Narang**

Director

DIN: 08374273

Place: Gurugram

Date: May 23, 2019

