

Escorts Heart Institute And Research Centre Limited
Statutory Audit for the year ended
31 March 2022

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Escorts Heart Institute and Research Centre Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Escorts Heart Institute and Research Centre Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2022, of its profit, 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 Standalone 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matters

- a) We draw attention to Note 49 and 50 of the standalone financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("Fortis" or "FHL" or "holding Company") and its subsidiaries ("Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 (including matters relating to remuneration paid to managerial personnel). These transactions and non-compliances relate to or originated prior to take over of control by reconstituted board of directors of Fortis Healthcare Limited ("Fortis" or "FHL" or "holding Company") in the year ended 31 March 2018. As mentioned in the note, Fortis Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations/ proceedings.

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

- b) We draw attention to note 38 (a),(b) and (c) of the standalone financial statements, relating to the outcome of civil suit/ arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and the matter related to non-compliance with the order of the Hon'ble High Court of Delhi in relation to provision of free treatment/ beds to poor by the Company.

Based on the advice given by external legal counsel, no provision /adjustment has been considered necessary by the management with respect to the above matter in these standalone financial statements.

Our opinion is not modified in respect of the above matters.

Other Information

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

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

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

In preparing the standalone 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 Standalone Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The matters described in the "Emphasis of Matters" paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 2022 on its financial position in its standalone financial statements - Refer Note 36, 37, 38, 49 and 50 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 53(iii) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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- (ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 53(iv) to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

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

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

For B S R & Co. LLP

Chartered Accountants

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



Rajesh Arora

Partner

Membership No. 076124

UDIN: 22076124AJNHSS6268

Place: Gurugram

Date: 24 May 2022

Annexure A to the Independent Auditor's Report on Standalone Financial Statements of Escorts Heart Institute and Research Centre Limited for the year ended 31 March 2022

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land in Rohini, Delhi	21.11	Not available	No	Since 1995	Title deed is not in possession of the Company
Hospital Land *	377.11	Escorts Heart Institute and Research Centre, Delhi	No	Since 1990	The lease deed is in the name of "Escorts Heart Institute and Research Centre, Delhi", which amalgamated into Escorts Heart Institute and Research Centre, Chandigarh under Societies Registration Act. Escorts Heart Institute and Research Centre, Chandigarh was thereafter incorporated as company "Escorts Heart Institute and Research Centre Limited" under the Companies Act, 1956.

* In respect of the above land, Delhi Development Authority (DDA) has terminated the lease deed and allotment letters as explained in note 38(a) and 38 (b) to the standalone financial statements. The Company has appealed against the termination and matter is pending before the Hon'ble Supreme Court.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements, wherever applicable, filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (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 made investments, provided guarantees and granted unsecured loans to companies in respect of which the requisite information is as below. The Company has not granted advances in the nature of loans, secured or unsecured, or provided security to companies during the year. Further, the Company has not made any investments, provided guarantee or security or granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.
- (a) Based on the audit procedures carried out by us and, as per the information and explanations given to us, the Company has provided loans, or stood guarantee, to any other entity as below:

Particulars	Guarantees (Rs. in Lacs)
Aggregate amount during the year	
- Holding Company	2,400.00
- Fellow Subsidiaries	31,300.00
Balance outstanding as at the balance sheet date	
- Holding Company	48,679.82
- Fellow Subsidiaries	83,539.00

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.



- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated. However there were no repayments or receipts during the year as the amounts which were falling due during the year have been renewed/ extended. Also refer to clause (e) below. Further, in case of advances in the nature of loan as listed below, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular. These amounts have been fully provided for in books in earlier years.

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

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, in case of advances in the nature of loans as detailed in clause (c) above, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans/advance in the nature of loan falling due during the year were extended by fresh loans:

Name of the parties	Aggregate amount dues renewed or extended or settled by fresh loans (Rs. in lacs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted/ renewed during the year
Fortis Healthstaff Limited	850.15	100%

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except for the following advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	All Parties (Rs. in lacs)
Aggregate of loans/advances in nature of loan	
-Agreement does not specify any terms or period of Repayment	966.92
Percentage of loans/advances in nature of loan to the total loans (gross of provision made)	53.21%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion, the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

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(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount (Rs. in lacs)	Amount Paid under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Customs Duty	347.63	-	FY 2002-03	Supreme Court of India
The Customs Act, 1962	Customs Duty	331.00	150.00	FY 1990-91 to 1993-94	Central Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax and interest thereon	234.96	234.96	AY 2011-12	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income tax (TDS) and interest thereon	1,959.48	-	AY 2012-13 to AY 2015-16	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income tax (TDS) and interest thereon	79.00	48.37	AY 2011-12	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income tax (TDS) and interest thereon	1,229.00	-	AY 2016-17 to AY 2017-18	Income Tax Appellate Tribunal, Delhi

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Income Tax Act, 1961	Income tax and interest thereon	109.00	109.00	AY 2009-10	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income tax and interest thereon	22,969.00	-	AY 2001-02	High Court of Delhi
Income Tax Act, 1961	Income tax and interest thereon	1,497.23	-	AY 2003-04 to AY 2007-08	Supreme Court of India
Income Tax Act, 1961	Income tax and interest thereon	639.95	-	AY 2004-05 and 2005-06	High Court of Delhi
Income Tax Act, 1961	Income tax and interest thereon	333.00	288.02	AY 2013-14	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income tax and interest thereon	393.10	-	AY 2017-18	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income tax and interest thereon	1,230.60	1,087.19	AY 2020-21	Commissioner of Income Tax (Appeals), Delhi

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short-term basis aggregating to Rs. 2,864.59 lacs for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.



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- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) As explained in the Note 50 to the standalone financial statements, SEBI has passed an order subsequent to the year-end against various entities including the Company whereby it has imposed a penalty of Rs. 100 lacs on the Company on the allegation that it has aided and abetted the routing of funds from the Holding Company, Fortis Healthcare Limited ultimately to erstwhile promoter entity for the benefit of erstwhile promoter entities.
- Based on examination of the books and records of the Company and according to the information and explanations given to us, no other fraud by the Company or on the Company has been noticed or reported during the course of the audit. Also refer to paragraph (a) of 'Emphasis of Matters' section of our audit report.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, clause 3(xvi)(d) of the Order is not applicable. We have



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not, however, separately evaluated whether the information provided by the management is accurate and complete.

- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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



Rajesh Arora

Partner

Membership No.: 076124

UDIN: 22076124AJNHSS6268

Place: Gurugram
Date: 24 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of Escorts Heart Institute and Research Centre Limited for the year ended 31 March 2022

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

(Referred to in paragraph (2)(A)(g) 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 standalone financial statements of Escorts Heart Institute and Research Centre Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

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Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone 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

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



Rajesh Arora

Partner

Membership No. 076124

UDIN: 22076124AJNHSS6268

Place: Gurugram

Date: 24 May 2022

ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Notes	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	4	7,568.15	8,026.81
(b) Capital work-in-progress	4(a)	13.40	44.42
(c) Right of use assets	4(b)	398.22	398.22
(d) Intangible assets	5	321.43	375.05
(e) Intangible assets under development	5(a)	-	5.79
(f) Financial assets			
(i) Investments	6	65,643.05	65,751.05
(ii) Other financial assets	8	567.39	549.59
(g) Deferred tax assets (net)	9	4,294.09	4,388.93
(h) Non-current tax assets (net)	10	3,173.45	2,662.85
(i) Other non-current assets	11	666.06	655.89
Total non-current assets (A)		82,645.24	82,858.60
B. Current assets			
(a) Inventories	12	276.60	162.93
(b) Financial assets			
(i) Trade receivables	13	3,448.93	3,349.61
(ii) Cash and cash equivalents	14 (a)	57.59	108.01
(iii) Bank balances other than (ii) above	14 (b)	129.26	132.97
(iv) Loans	7	-	-
(v) Other financial assets	8	58.08	50.49
(c) Other current assets	11	428.14	443.26
(d) Assets held for sale	15	49.87	49.87
Total current assets (B)		4,448.47	4,297.14
Total assets (A+B)		87,093.71	87,155.74
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	16	216.11	216.11
(b) Compulsory convertible preference share capital	16	40.18	40.18
(c) Other equity		58,308.98	57,581.02
Total equity (A)		58,565.27	57,837.31
Liabilities			
B. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,127.15	982.80
(ii) Other financial liabilities	18	177.33	744.51
(b) Provisions	19	1,475.57	1,307.37
Total non-current liabilities (B)		2,780.05	3,034.68
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	15,096.28	14,846.70
(ii) Trade payables:	21		
- Total outstanding dues of micro enterprises and small enterprises		664.04	493.33
- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,772.79	6,875.13
(iii) Other financial liabilities	18	847.37	1,506.80
(b) Provisions	19	1,101.56	1,604.35
(c) Other current liabilities	22	1,138.14	829.23
(d) Liabilities directly associated with assets classified as held for sale	23	128.21	128.21
Total current liabilities (C)		25,748.39	26,283.75
Total liabilities (B+C)		28,528.44	29,318.43
Total equity and liabilities (A+B+C)		87,093.71	87,155.74
The accompanying notes are an integral part of these standalone financial statements.	1-54		

As per our report of even date attached

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

Rajesh Arora
Partner
Membership No: 076124

Place : Gurugram
Date : May 24, 2022

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

Anil Vinayak
Director
DIN: 02407380

Place : Gurugram
Date : May 24, 2022

Bidish Chander Paul
Whole Time Director
DIN: 08596135

Place : Gurugram
Date : May 24, 2022

ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

	Notes	Year ended March 31, 2022 (Rupees in Lacs)	Year ended March 31, 2021 (Rupees in Lacs)
I Revenue from operations	24	33,937.34	25,140.47
II Other income	25	695.64	633.25
III Total income (I+II)		<u>34,632.98</u>	<u>25,773.72</u>
IV Expenses			
i) Purchases of medical consumable and drugs		9,211.25	6,388.91
ii) Changes in inventories of medical consumable and drugs	26	(113.67)	30.91
iii) Employee benefits expense	27	7,278.17	7,412.14
iv) Finance costs	28	1,588.75	1,964.76
v) Depreciation and amortization expense	29	1,228.54	1,202.77
vi) Other expenses	30	14,577.20	11,665.88
Total expenses (IV)		<u>33,770.24</u>	<u>28,665.37</u>
V Profit/(Loss) before exceptional item and tax (III-IV)		<u>862.74</u>	<u>(2,891.65)</u>
VI Exceptional items	31 & 42	(120.00)	(59.05)
VII Profit/(Loss) before tax (V-VI)		<u>742.74</u>	<u>(2,950.70)</u>
VIII Tax expense			
i) Current tax	32	-	-
ii) Deferred tax charge, net	32	94.84	-
Total tax expenses		<u>94.84</u>	<u>-</u>
IX Profit/(Loss) after tax (VII-VIII)		<u>647.90</u>	<u>(2,950.70)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of the defined benefit plans		80.06	125.42
- Income tax relating to items that will not be reclassified subsequently to profit or loss	32	-	-
X Other comprehensive income/(loss) for the year (net of tax)		<u>80.06</u>	<u>125.42</u>
XI Total comprehensive income/(loss) for the year (IX-X)		<u>727.96</u>	<u>(2,825.28)</u>
Earnings per equity share :			
i) Basic (in Rupees)	41	25.28	(120.63)
ii) Diluted (in Rupees)	41	25.28	(120.63)
The accompanying notes are an integral part of these standalone financial statements.	1-54		

As per our report of even date attached

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



Rajesh Arora
Partner
Membership No: 076124

Place : Gurugram
Date : May 24, 2022

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



Anil Vinayak
Director
DIN: 02407380

Place : Gurugram
Date : May 24, 2022



Bidish Chander Paul
Whole Time Director
DIN: 08596135

Place : Gurugram
Date : May 24, 2022

**ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

Particular	Equity		Other equity				Total other equity	Total
	Equity share capital	Compulsory convertible preference share capital	Securities premium	General reserve*	Deemed equity share capital	Capital reserve**		
Balance at April 01, 2020	200.03	40.18	29,960.15	848.20	(774.50)	10,683.75	14,704.81	55,422.41
Loss for the year transferred from statement of profit and loss (a)	-	-	-	-	-	-	(2,950.70)	(2,950.70)
Remeasurement of net defined benefit plan for the year, net of income tax (b)	-	-	-	-	-	-	125.42	125.42
Allotment of Equity Share to Fortis Healthcare Ltd (Holding Company)	16.08	-	4,983.89	-	-	-	-	4,983.89
Total comprehensive income/(loss) for the year (a+b)	16.08	-	4,983.89	-	-	-	(2,825.28)	2,158.61
Balance at March 31, 2021	216.11	40.18	34,944.04	848.20	(774.50)	10,683.75	11,879.53	57,837.31
Profit for the year transferred from statement of profit and loss (c)	-	-	-	-	-	-	647.90	647.90
Remeasurement of net defined benefit plan for the year, net of income tax (d)	-	-	-	-	-	-	80.06	80.06
Total comprehensive income/(loss) for the year (c+d)	-	-	-	-	-	-	727.96	727.96
Balance at March 31, 2022	216.11	40.18	34,944.04	848.20	(774.50)	10,683.75	12,607.49	58,565.27

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

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

The accompanying notes are an integral part of these standalone financial statements. 1-54

As per our report of even date attached

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



Rajesh Arora
Partner
Membership No: 076124

Place : Gurugram
Date : May 24, 2022

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



Anil Vinayak
Director
DIN: 02407380

Place : Gurugram
Date : May 24, 2022



Bidesh Chandra Paul
Whole Time Director
DIN: 08596135

Place : Gurugram
Date : May 24, 2022

ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	Year ended March 31, 2022 (Rupees in Lacs)	Year ended March 31, 2021 (Rupees in Lacs)
Cash flows from operating activities		
Profit/(Loss) before tax for the year	742.74	(2,950.70)
Exceptional item (including deemed equity)	120.00	59.05
Amortization of corporate guarantees income	(675.47)	(330.42)
Finance costs	1,337.37	1,722.97
Interest income	(20.17)	(227.36)
Provision/liability no longer required written back	(227.54)	(714.45)
(Profit)/loss on disposal of property, plant and equipment	0.71	(60.45)
Allowances for credit losses	489.90	-
Provision for doubtful advances	21.13	7.85
Depreciation and amortisation of expense	1,228.54	1,202.77
Operating profit/(loss) before changes in following assets and liabilities	3,017.21	(1,290.74)
Change in operating assets and liabilities:		
(Increase)/Decrease in inventories	(113.67)	30.92
(Increase)/Decrease in trade and other receivables	(589.22)	148.68
Increase in financial assets	(45.79)	(403.60)
Decrease in other assets	16.57	106.72
Increase/(Decrease) in trade payables	295.90	(1,013.07)
(Decrease)/Increase in financial liabilities	(14.75)	57.99
(Decrease)/Increase in provisions	(254.53)	(358.31)
Increase in other liabilities	308.91	224.71
Cash generated from/(used in) from operations	2,620.63	(2,496.70)
Income taxes refund/(paid)	(510.61)	1,087.25
Net cash (used in)/generated from operating activities (A)	2,110.02	(1,409.45)
Cash flows (used in)/from investing activities		
Sale proceeds of property, plant and equipment	1.95	1,132.68
Purchase of Preference Shares	(12.00)	-
Advance against assets held for sale	-	128.21
Purchase of property, plant and equipment	(730.86)	(278.07)
Purchase of intangible assets	(14.93)	(426.34)
Proceeds from maturity of term deposits (net)	3.71	12.37
Interest received	19.44	227.58
Net cash (used in)/from investing activities (B)	(732.69)	796.43
Cash flows from/(used in) financing activities {refer note 17(a)}		
Proceeds from allotment of equity shares (including securities premium)	-	4,999.97
Proceeds from non-current borrowings	516.72	796.72
Proceeds from current borrowings	4,700.00	3,470.00
Repayment of non-current borrowings	(3,774.88)	(7,806.67)
Repayment of current borrowings	(4,084.00)	(420.24)
Finance cost paid	(983.75)	(907.48)
Net cash flow generated from/(used in) financing activities (C)	(3,625.91)	132.30
Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)	(2,248.59)	(480.72)
Add: Cash and cash equivalents as at the beginning of the year	(2,373.38)	(1,892.66)
Cash and cash equivalents as at the end of the year {refer note 14a}	(4,621.97)	(2,373.38)

The accompanying notes are an integral part of these standalone financial statements. 1-54

Notes

- (a) The standalone cash flow statement 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.Nil for the year ended 31 March 2022 and Rs. 267.39 lakhs for the year ended 31 March 2021 towards Corporate Social Responsibility (CSR) expenditure (refer note no 46).

As per our report of even date attached
For B S R & Co. LLP
Firm Registration No 101248W/W-100022
Chartered Accountants


Rajesh Arora
Partner
Membership No: 076124

Place : Gurugram
Date : May 24, 2022

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


Anil Vinayak
Director
DIN: 02407380

Place : Gurugram
Date : May 24, 2022


Bidesh Chander Paul
Whole Time Director
DIN: 07854645

Place : Gurugram
Date : May 24, 2022

ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

Note 1. Corporate Information

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

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

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.

(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 two decimals, except per share data.

The financial statements have been authorized for issue by the Company's Board of Directors on 24 May, 2022.

(ii) Functional and presentation currency

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

(iii) Historical cost convention

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

(iv) Consolidated financial statements

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

(b) Current versus non-current classification

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 realized 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 realized 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.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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) Critical estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

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

- Leasing arrangement (classification) – Note 34
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 36, 37, 38, 50 and 51

Assumptions and estimation uncertainties

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

- Leasing arrangement (accounting) – Note 34
- Financial instruments - Note 40
- Fair value measurement – Note 40
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(f)(iii)
- Recognition and estimation of tax expense including deferred tax– Note 32
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 39
- Estimated impairment of financial assets and non-financial assets – Note 6, 7, 8 and 11

(d) Measurement of fair values

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

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

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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.

(e) Borrowing Costs

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

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

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

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

(i) Property, plant and equipment

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

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

(ii) Intangible assets

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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

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

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

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

Estimated useful lives of the intangible assets are as follows:

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

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

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

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

(iv) Derecognition

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

(g) Non-current assets held for sale

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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

(h) Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortized cost

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

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

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

Debt instrument at FVPL

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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

Financial guarantee contracts

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

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

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

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

Equity investments

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

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

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

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

Impairment of financial assets

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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

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

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

Offsetting

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

(i) Inventories

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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

(j) Cash and cash equivalents

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

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

(k) Contingent liabilities and contingent Assets

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

Contingent assets are neither recognized 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 recognized in the period in which the change occurs.

(l) Provisions

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

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

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

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

(m) Revenue recognition

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

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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. 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 recognized upon transfer of control of products to customers at the time of delivery of goods to the customers

Revenue from medical tests is recognized on accrual basis when the reports are generated and released to customers, net of discounts, if any.

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

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

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

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

(n) Interest Income

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

(o) Dividend Income

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

(p) Employee benefits

Short-term employee benefits

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

Post-employment benefits

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

a) Gratuity

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

b) Provident fund

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

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

- (ii) The Company's contribution to the provident fund is charged to Statement of Profit and Loss.

Other long-term employee benefits:

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

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

Actuarial valuation

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

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

Past service cost is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognized immediately in the Statement of



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(q) Income tax

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

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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized 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 can control the timing of the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future; and

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

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

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

(r) Ind AS 116 – Leases

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

- 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 based on their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non- lease components and account for the lease and non-lease components as a single lease component.

(i) As a lessee

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

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

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

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

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

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

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

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

(s) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(t) Statement of Cash flows

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

(u) Segment reporting

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

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

(v) 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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2022

shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

Note 3. Recent Pronouncements but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 4: Property, plant and equipment

(Rupees in Lacs)

Particulars	Buildings	Plant & equipment	Medical equipment	Furniture & fittings	Computers	Office equipment	Vehicles	Total
Gross carrying value								
As at April 01, 2020	3,159.08	1,622.37	9,568.19	204.23	116.15	113.37	605.85	15,389.24
Additions	35.62	27.33	187.75	5.30	21.63	24.34	-	301.97
Disposals	-	(17.47)	(1,660.76)	(2.41)	(0.65)	(0.97)	(186.94)	(1,869.20)
As at March 31, 2021	3,194.70	1,632.23	8,095.18	207.12	137.13	136.74	418.91	13,822.01
Additions	-	41.95	480.37	49.18	51.37	75.33	-	698.20
Disposals	-	(4.09)	(42.93)	(0.73)	-	-	(1.38)	(49.13)
As at March 31, 2022	3,194.70	1,670.09	8,532.62	255.58	188.50	212.07	417.52	14,471.08
Accumulated Depreciation								
As at April 01, 2020	893.07	621.76	3,217.60	95.66	77.42	94.22	454.58	5,454.31
Charge for the year	183.65	121.48	704.59	21.86	21.18	14.34	80.05	1,147.15
Disposals	-	(6.23)	(610.84)	(1.08)	(0.65)	(0.94)	(186.52)	(806.26)
As at March 31, 2021	1,076.72	737.01	3,311.35	116.44	97.95	107.62	348.11	5,795.20
Charge for the year	178.90	106.47	733.89	21.30	29.84	42.12	41.68	1,154.20
Disposals	-	(3.46)	(41.57)	(0.73)	(0.71)	-	-	(46.47)
As at March 31, 2022	1,255.62	840.02	4,003.67	137.01	127.08	149.74	389.79	6,902.93
Net carrying value								
As at March 31, 2021	2,117.98	895.22	4,783.83	90.68	39.18	29.12	70.80	8,026.81
As at March 31, 2022	1,939.08	830.07	4,528.95	118.57	61.42	62.33	27.73	7,568.15

Notes :

(a) Certain assets included under property, plant and equipment are held as pledge against loans taken by the Company [refer note 17 and 20].

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

(Rupees in Lacs)

	As at	
	31-Mar-22	31-Mar-21
Opening Balance	44.42	68.32
Additions *	667.18	278.07
Transfer to property, plant and equipment	(698.20)	(301.97)
Closing balance	13.40	44.42

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

Note 4(a)(i) For Capital-work-in progress, following ageing schedule shall be given:

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Civil Project	2.05	-	-	-	2.05
Engineering Project	7.38	-	-	-	7.38
IT Project	3.97	-	-	-	3.97
Total	13.40	-	-	-	13.40

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

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Civil Project	29.07	-	-	-	29.07
Medical Equipment Project	8.29	-	-	-	8.29
Engineering Project	7.06	-	-	-	7.06
Total	44.42	-	-	-	44.42

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 4 (b): Right of use assets

(Rupees in Lacs)

Particulars	Amount
As at April 01, 2020	398.22
Charge for the year	-
As at March 31, 2021	398.22
Charge for the year	-
As at March 31, 2022	398.22

Notes :

(i) During the financial year 2005-06, Delhi Development Authority has terminated all the allotment letter lease/ deeds for which the Company has filed appeal in the Delhi High Court. Repossession of land has been stayed by an interim stay order passed by Delhi High Court (refer note 38).

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

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 5 : Intangible assets

Particulars	(Rupees in Laacs)		
	Software	Business Rights	Total
Gross Carrying Value			
As at April 01, 2020	782.68	420.00	1,202.68
Additions	420.55	-	420.55
Deletions	-	-	-
As at March 31, 2021	1,203.23	420.00	1,623.23
Additions	20.72	-	20.72
Deletions	-	-	-
As at March 31, 2022	1,223.95	420.00	1,643.95
Accumulated amortization and impairment			
As at April 01, 2020	772.56	420.00	1,192.56
Charge for the year	55.62	-	55.62
Deletions	-	-	-
As at March 31, 2021	828.18	420.00	1,248.18
Charge for the year	74.34	-	74.34
Deletions	-	-	-
As at March 31, 2022	902.52	420.00	1,322.52
Net Carrying Value			
As at March 31, 2021	375.05	-	375.05
As at March 31, 2022	321.43	-	321.43

Note 5(a) Intangible assets under development

	(Rupees in Laacs)	
	As at 31-Mar-22	As at 31-Mar-21
Opening Balance	5.79	162.35
Additions *	14.93	263.99
Transfer to Intangible assets	(20.72)	(420.55)
Closing balance	-	5.79

* The Company accounts for all capitalisation of intangible assets through intangible assets under development and therefore the movement in intangible assets under

Note 5(b) For Intangible assets under development, ageing schedule is as below:

Intangible assets under development	As at 31-Mar-22				
	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
NIL	-	-	-	-	-
Total	-	-	-	-	-

There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Intangible assets under development	As at 31-Mar-21				
	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
IT Project	5.79	-	-	-	5.79
Total	5.79	-	-	-	5.79

There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
6 Investments		
Non Current		
Unquoted investments (fully paid)		
(a) Investments in subsidiaries (measured at cost)		
(I) Investments in equity instruments		
i) Fortis Asia Healthcare Pte Limited 32,722,596 (32,722,596 as at March 31, 2021) ordinary shares of SGD 1 each Less: Impairment in value of investment (refer note 42)	12,720.52 (12,720.52) 147.46	12,720.52 (12,720.52) 147.46
ii) Fortis Healthstaff Limited 4,900,000 (4,900,000 as at March 31, 2021) equity shares of Rupees 10 each (refer note 42) Less: Impairment in value of investment (refer note 42)	(147.46)	(147.46)
iii) Fortis Healthstaff Limited 1,20,000 (Nil as at March 31, 2021) 10% Non-Cumulative Redeemable Preference Shares of face value of Rupees 10 each Less: Impairment in value of investment (refer note 42)	12.00 (12.00)	-
Total	<u>-</u>	<u>-</u>
(II) Investment in debt instruments		
Fortis Asia Healthcare Pte Limited* 10,000,000 (10,000,000 as at March 31, 2021) Redeemable preference shares of SGD 1, each redeemable on expiry of 5 years from date of allotment at a premium of 4.6% p.a. (Previous year: 5% p.a.) (refer note 43b) Less: Impairment in value of investment (refer note 42)	3,454.10 (2,811.05)	3,454.10 (2,703.05)
* The Company had subscribed to the preference shares of Fortis Asia Healthcare Pte. Limited on December 14, 2010. The shares were allotted on December 15, 2010 and were redeemable on December 15, 2015. As per the revised addendum dated November 29, 2019, the shares were redeemable on March 31, 2022. However considering the management's recoverability assessment, these are not considered recoverable in the next 12 months. (refer note 43b)		
Aggregate unquoted investments in subsidiaries	<u>643.05</u>	<u>751.05</u>
Aggregate carrying value of unquoted investments in subsidiaries	<u>643.05</u>	<u>751.05</u>
Aggregate amount of impairment in value of investments in subsidiaries	<u>(15,691.03)</u>	<u>(15,571.03)</u>
(b) Investment in fellow subsidiary (measured at cost)		
Investment in equity instruments: compulsory convertible preference shares		
Fortis Hospitals Limited 13,000,000 (13,000,000 as at March 31, 2021) 0.01% Non-Cumulative Compulsory Convertible Preference Shares of face value of Rupees 10 each compulsory convertible into equal number of equity shares on expiry of 10 years from date of allotment, i.e. (60,00,000 on February 18, 2026 and 70,00,000 on May 30, 2026) purchased @ Rupees 500 per share (refer note 43c)	65,000.00	65,000.00
Aggregate unquoted investments in fellow subsidiary	<u>65,000.00</u>	<u>65,000.00</u>
Aggregate carrying value of unquoted investments in fellow subsidiary	<u>65,000.00</u>	<u>65,000.00</u>
Aggregate amount of impairment in value of investments in fellow subsidiary	<u>-</u>	<u>-</u>
Aggregate carrying value of unquoted investments	<u>65,643.05</u>	<u>65,751.05</u>
Aggregate amount of impairment in value of investments	<u>(15,691.03)</u>	<u>(15,571.03)</u>
7 Loans		
Current - at amortised cost		
Unsecured, credit impaired		
(a) Loans to subsidiary company (refer note 43)	850.15	850.15
(b) Loans to body corporates and others	966.92	966.92
Less: Allowances for credit losses	(1,817.07)	(1,817.07)
Total	<u>-</u>	<u>-</u>
8 Other financial assets		
Non current - at amortised cost		
Unsecured, considered good		
(a) Deposit accounts with banks*	11.39	10.32
(b) Interest accrued and due on bank deposits	0.98	0.25
(c) Other recoverable from fellow subsidiary (refer note 33)	459.75	459.75
(d) Security Deposits	95.27	79.27
Total	<u>567.39</u>	<u>549.59</u>
*Fixed deposits are under lien with banks and are restricted from being exchanged for more than 12 months from the Balance Sheet date.		
Current - at amortised cost		
Unsecured, considered good		
(a) Staff advance	-	0.16
(b) Interest accrued and due on bank deposits	14.26	6.22
(c) Security Deposits	12.00	44.11
(d) Other recoverable from staff	31.82	-
Total	<u>58.08</u>	<u>50.49</u>
Considered doubtful		
(a) Advances recoverable	16.07	16.07
(b) Advances to subsidiary company	172.41	172.41
(c) Other recoverable from staff	156.43	125.40
Less: Allowances for credit losses	(344.91)	(313.88)
Total	<u>58.08</u>	<u>50.49</u>



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

9 Deferred tax (net)

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

Recognized in Standalone Statement of Profit and Loss and Other Comprehensive Income

Deferred tax in relation to	Deferred tax recognised as at April 01, 2021	Credit / (Charge) to Profit or loss	(Credit) / Charge to Other Comprehensive Income	Deferred tax recognised as at March 31, 2022	Unrecognised deferred tax as at March 31, 2022
Deferred tax assets ('DTA')/(liabilities)					
Property, plant and equipment	(58.77)	-	-	(58.77)	(35.53)
Intangible assets	99.64	-	-	99.64	(44.62)
Allowance for expected credit loss on advances	337.33	-	-	337.33	41.11
Allowance for expected credit loss on receivables	779.86	-	-	779.86	30.26
Employee benefits	601.76	-	-	601.76	(95.24)
Carried forward loss	2,629.11	(94.84)	-	2,534.27	1,339.85
Deferred tax assets (net)	4,388.93	(94.84)	-	4,294.09	1,285.83

Deferred tax in relation to	Deferred tax recognised as at April 01, 2020	Credit / (Charge) to Profit or loss	(Credit) / Charge to Other Comprehensive Income	Deferred tax recognised as at March 31, 2021	Unrecognised deferred tax as at March 31, 2021
Deferred tax assets/(liabilities)					
Property, plant and equipment	(58.77)	-	-	(58.77)	(11.69)
Intangible assets	99.64	-	-	99.64	(25.63)
Allowance for expected credit loss on advances	337.33	-	-	337.33	(5.26)
Allowance for expected credit loss on receivables	779.86	-	-	779.86	(130.83)
Employee benefits	601.76	-	-	601.76	(51.55)
Carried forward loss	2,629.11	-	-	2,629.11	994.19
Deferred tax asset (net)	4,388.93	-	-	4,388.93	769.23

No deferred tax asset has been recognised on

	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
Business losses	2,426.89	2,533.06
Unabsorbed Depreciation	1,401.32	1,416.49
Loan and advance to subsidiary	1,022.56	1,022.56
	4,850.77	4,972.11

Particulars	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
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10 Non-current tax assets		
Advance Income tax (net of Provision for Taxation of Rs 18,182.00 lacs, previous year Rs 18,182.00 lacs) *	3,173.45	2,662.85
	3,173.45	2,662.85

* Including refund adjusted by tax authorities against demand orders of earlier years which are being contested by the Company under various forums.

11 Other assets (Unsecured)

Non-current
Considered good

(a) Capital advances	13.81	2.20
(b) Balances with customs excise and other authorities paid under protest (also refer note 38(c))	650.00	650.00
(c) Prepaid expenses	2.25	3.69
	666.06	655.89

Current

Considered good

(a) SEIS licenses receivable	161.71	172.73
(b) Advance to vendors	91.03	95.78
(c) Prepaid expenses	141.24	143.36
(d) Advances others	31.29	31.39
(e) Balances with Government authorities	2.87	-
	428.14	443.26

Considered doubtful

(a) SEIS licenses in hand	86.43	86.43
(b) Advance to vendors	17.49	28.49
(c) Advances others	48.55	48.56
	152.47	163.48

Less: Loss allowances

	(152.47)	(163.48)
	-	-
	428.14	443.26

12 Inventories

Valued at lower of cost and net realisable value

Medical consumables, drugs and others	276.60	162.93
	276.60	162.93



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
13 Trade Receivables		
Current (Unsecured, unless otherwise stated)		
(a) Considered good		
- From others		
Billed	4,759.72	4,555.51
Unbilled	914.20	557.02
- From related party	76.70	11.31
(b) Credit Impaired		
- From others	790.03	804.58
Less: Allowances for credit losses	(3,091.72)	(2,578.81)
	<u>3,448.93</u>	<u>3,349.61</u>

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

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	97.03	1,785.37	894.61	477.78	166.81	1,414.82	4,836.42
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	782.66	782.66
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	4.49	-	2.88	7.37
Total	97.03	1,785.37	894.61	482.27	166.81	2,200.36	5,626.45
Less: Loss allowance for doubtful trade receivables - billed							(3,091.72)
							2,534.73
Unbilled Revenue							914.20
Total							3,448.93

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	70.05	2,194.16	343.10	347.79	464.68	888.75	4,308.53
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	789.68	789.68
(iv) Disputed Trade Receivables – considered good	-	-	-	13.69	79.41	165.19	258.29
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	4.49	-	10.41	14.90
Total	70.05	2,194.16	347.59	361.48	544.09	1,854.03	5,371.40
Less: Loss allowance for doubtful trade receivables - billed							(2,578.81)
							2,792.59
Unbilled Revenue							557.02
Total							3,349.61

Ageing	Expected Credit Allowance %	
	March 31, 2022	March 31, 2021
0 - 1 year	0% - 43%	3% - 56%
1 - 2 year	14% - 53%	14% - 54%
2 - 3 year	33% - 77%	27% - 80%
More than 3 years	100%	100%

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

	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
Balances at the beginning of the year	2,578.81	3,098.61
Creation of the allowance for credit losses	549.94	402.96
Utilisation of allowance	(37.03)	(560.59)
Reversal of allowance	-	(362.17)
Balances at the end of the year	3,091.72	2,578.81

Current assets are held as pledge against loan taken by the company (refer note no 17 and 20)

14 (a) Cash and cash equivalents

For the purposes of the standalone statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the standalone statement of cash flows can be reconciled to the related items in the standalone balance sheet as follows:

(a) Balances with Banks		
- on current accounts	16.41	81.14
(b) Cash on hand	41.18	26.87
Cash and cash equivalents as per balance sheet	57.59	108.01
Bank overdraft (refer note 20)	(4,679.56)	(2,481.39)
Cash and cash equivalents as per statement of cash flows	(4,621.97)	(2,373.38)
14 (b) Bank balances other than above		
Other bank balances		
Deposits with maturity of less than 3 months *	-	12.98
Deposits with maturity of more than 3 months and less than 12 months *	129.26	119.99
Other bank balances as per balance sheet	129.26	132.97

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

15. Assets classified as held for sale

Building*	49.87	49.87
	<u>49.87</u>	<u>49.87</u>

* Include one flat for which registration of transfer is pending with the authorities expected to be completed in next year.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
16 Share capital		
Authorized share capital:		
2,250,000 (2,250,000 as at March 31, 2021) Equity Shares of Rupees 10 each	225.00	225.00
450,000 (450,000 as at March 31, 2021) 0.01% Compulsory Convertible Preference Shares ("CCPS") of Rupees 10 each	45.00	45.00
Total authorized share capital	270.00	270.00
Issued, subscribed and fully paid up shares		
2,161,117 (2,161,117 as at March 31, 2021) Equity Shares of Rupees 10 each	216.11	216.11
401,769 (401,769 as at March 31, 2021) 0.01% CCPS of Rupees 10 each	40.18	40.18
Total issued, subscribed and fully paid up share capital	256.29	256.29

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, 2022		As at March 31, 2021	
	Number	(Rupees in Lacs)	Number	(Rupees in Lacs)
At the beginning of the year	2,161,117	216.11	2,000,310	200.03
Add :- Share issued during the year		-	160,807	16.08
Outstanding at the end of the year	2,161,117	216.11	2,161,117	216.11

Preference Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	(Rupees in Lacs)	Number	(Rupees in Lacs)
At the beginning of the year	401,769	40.18	401,769	40.18
Outstanding at the end of the year	401,769	40.18	401,769	40.18

(b) Terms/ rights attached to equity shares

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

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

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

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

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

Equity Shares

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	(Rupees in Lacs)	No. of Shares held	(Rupees in Lacs)
Fortis Healthcare Limited*, the Holding company	2,161,117	216.11	2,161,117	216.11

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

Compulsory convertible preference shares

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	(Rupees in Lacs)	No. of shares held	(Rupees in Lacs)
Fortis Hospitals Limited, fellow subsidiary	401,769	40.18	401,769	40.18



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Equity Shares

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited, the Holding company	2,161,117	100%	2,161,117	100%

Compulsory convertible preference shares

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, fellow subsidiary	401,769	100%	401,769	100%

(f) Details of shares held by promoters

Equity Shares

As at 31 March 2022

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

As at 31 March 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Healthcare Limited*, the Holding company	2,000,310	160,807	2,161,117	100.00%	8.04%

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

Compulsory convertible preference shares

As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Hospitals Limited, fellow subsidiary	401,769	-	401,769	100.00%	-

As at 31 March 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Hospitals Limited, fellow subsidiary	401,769	-	401,769	100.00%	-



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

17(a) Changes in liabilities arising from financing activities

Particulars	Non- current borrowings	Current borrowings	Interest accrued
As at 01 April 2020	14,329.67	2,272.00	961.32
Proceeds from borrowings	796.72	3,470.00	-
Repayment of borrowings	(7,806.67)	(420.24)	-
Conversion of interest accrued into borrowing	-	706.62	(706.62)
Finance cost expenses	-	-	1,722.97
Finance cost paid	-	-	(907.48)
As at 31 March 2021	7,319.72	6,028.38	1,070.19
As at 01 April 2021	7,319.72	6,028.38	1,070.19
Proceeds from borrowings	5,216.72	-	-
Repayment of borrowings	(3,774.88)	(4,084.00)	-
Conversion of interest accrued into borrowing	-	837.93	(837.93)
Finance cost expenses	-	-	1,337.37
Finance cost paid	-	-	(983.75)
As at 31 March 2022	8,761.56	2,782.31	585.88



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
17. Non current borrowings		
Secured - at amortised cost		
(a) Term loans - from banks		
- HSBC Bank (foot note 1)	615.00	458.33
- DBS Bank (foot note 2)	849.65	764.48
Current maturities of Long term borrowings (refer Note 20)		
- HSBC Bank	(83.33)	(83.33)
- DBS Bank	(254.17)	(156.68)
	<u>1,127.15</u>	<u>982.80</u>
Unsecured - at amortised cost		
(b) Loan from fellow subsidiaries (refer note 20)	-	3,500.00
(c) Loan from holding company (refer note 20)	3,402.60	2,564.67
Current maturities of loan from others (refer note 20)	(3,402.60)	(6,064.67)
	<u>-</u>	<u>-</u>
	<u>1,127.15</u>	<u>982.80</u>

Note 1 :-During the current year the Company has taken term loan from HSBC Bank Rs. 240 lacs with rate of interest being HSBC 3 month MCLR i.e. 6.95% (as on 22 March 2022) with quarterly reset linked to 3 month MCLR or any other rate as may be mutually agreed from time to time. The loan is secured by exclusive charge on the certain fixed assets (immovable) with minimum assets cover of 1.33X on cumulative property value of Escorts Heart and Super Speciality Hospital Limited, International Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospotel Limited and corporate guarantee from Fortis Healthcare Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited along with first pari passu charge on the current assets and movable fixed assets of the borrower (Company). Further, remaining term loan facility is repayable in 7 years with 2 year moratorium.

During the earlier years the Company had taken term loan from HSBC Bank Rs. 1,140 lacs with rate of interest being HSBC 3 month MCLR i.e. 6.95% (as on 22 March 2022) with quarterly reset linked to 3 month MCLR or any other rate as may be mutually agreed from time to time. The loan is secured by exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X on cumulative property value of Escorts Heart and Super Speciality Hospital Limited, International Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospotel Limited and corporate guarantee from Fortis Healthcare Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited along with first pari passu charge on the current assets and movable fixed assets of the borrower (Company). During the year the Company has rapid loan of Rs 83.3 lacs. Further, remaining term loan facility is repayable in 7 years with 1 year moratorium in 24 equal quarterly installments started from November 20, 2020.

As on March 31, 2022, the outstanding balance of term loan from HSBC is Rupees 615.00 lacs (Previous year Rupees 458.33 lacs).

Note 2 :- During the previous year, DBS bank has sanctioned term loan of Rs. 573 Lacs and Capex facility of Rs. 500 lacs. Out of total facility available, the Company has availed term loan facility to refinance loan from HSBC bank of Rs. 573 lacs along with availment of Capex loan facility of Rs. 500 lacs. The loan is secured by:

- (i) First pari passu charge over current assets and moveable fixed assets of the borrower,
- (ii) 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,
- (iii) Corporate guarantees from Fortis Hospitals Limited, Fortis Healthcare Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited.

The term loan facility is availed at rate of interest of 3 months MCLR+ 100 bps and is repayable over a period of 6 years (in 20 equal quarterly installments) with a put/call option at the end of 18 months and annually thereafter. Capex loan facility is availed at rate of interest of 3 months MCLR+ 100 bps and is repayable in 16 quarterly instalments beginning from December 01, 2021.

18. Other financial liabilities

Non-Current

Secured - at amortised cost

- Financial guarantee liability	177.33	744.51
	<u>177.33</u>	<u>744.51</u>

Current

Secured - at amortised cost

(a) Financial guarantee liability	51.00	159.25
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Unsecured - at amortised cost

(a) Security deposits	54.13	64.68
(b) Interest accrued and due on borrowings from related party	542.29	1,054.26
(c) Interest accrued but not due on borrowings from banks	32.95	5.29
(d) Interest accrued and due on MSME vendors (refer note 47)	10.64	10.64
(e) Capital creditors*	104.44	156.55
(f) Employee payable	51.92	56.13
	<u>847.37</u>	<u>1,506.80</u>

* This also includes amount payable to micro and small enterprises amounting to Rupees 9.93 Lacs as at March 31,2022 (Rs 60.79 Lacs as on March 31,2021)



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at	As at
	March 31, 2022 (Rupees in Lacs)	March 31, 2021 (Rupees in Lacs)
19. Provisions		
Non current		
Provision for employees benefits		
- Provision for gratuity (refer Note 39)	1,240.12	1,307.37
- Provision for compensated absences	235.45	-
	<u>1,475.57</u>	<u>1,307.37</u>
Current		
Provision for employees benefits		
(a) Provision for gratuity (refer Note 39)	285.72	266.57
(b) Provision for compensated absences	59.43	612.20
Others		
(a) Provision for contingencies*	78.39	47.56
(b) Provision for litigation **	678.02	678.02
	<u>1,101.56</u>	<u>1,604.35</u>

*** Provision for contingencies :**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening balance	47.56	75.61
Add: provision made during the year	30.83	-
Less: provision reversed during the year	-	(28.05)
Closing balance	<u>78.39</u>	<u>47.56</u>

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

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

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

20. Current borrowings

Secured - repayable on demand		
- Bank overdraft (refer note (a))	4,679.56	2,481.39
Secured -Working capital Demand Loan		
- Loan from HSBC Bank (refer note (a))	2,500.00	-
- Loan from DBS Bank	-	-
Secured -Current Maturities of long term Borrowings (refer note 17)		
- Loan from HSBC Bank	83.33	83.33
- Loan from DBS Bank	254.17	156.68
Unsecured		
- Loans from fellow subsidiaries (refer note (b) (ii))	-	1,884.00
- Loan from holding company (refer note (c))	4,176.62	4,176.63
Unsecured- Current Maturities of long from others (refer note 17)		
- Loans from fellow subsidiaries (refer note (b) (i))	-	3,500.00
- Loan from holding company (refer note (c))	3,402.60	2,564.67
	<u>15,096.28</u>	<u>14,846.70</u>

Note (a) The company has availed bank working capital facility of Rupees 8,000 lacs from HSBC Bank (Rupees 2,500 lacs in previous year) at the interest rate of 6.80 % p.a i.e. HSBC overnight / 1 month MCLR (6.80% as on 22 March 2022) with monthly reset linked to HSBC overnight MCLR or any other rate as may be mutually agreed from time to time.

Working capital facility is secured by first pari passu charge on the current assets and movable fixed assets of the borrower (Company) and corporate guarantee from Fortis Healthcare Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited. Previously, these were also secured by 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). As on March 31, 2022, the outstanding balance of overdraft is Rupees 7,179.56 lacs (Previous year 2,481.39 lacs).

Note (b) (i) :- The term loan had been taken for Rs. 3,500 lakhs from Fortis Malar Hospitals Limited at an interest rate of 10.50% p.a. which is repayable on or before January 31, 2022. Interest is repayable on demand or maturity. The loan is secured by irrevocable and unconditional corporate guarantee from Fortis Healthcare Limited. Entire Loan amount has been repaid in January 2022. Outstanding as at March 31, 2022 is Rs.Nil (Previous year Rs. 3,500.00 lakhs).



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note (b) (ii) During the year ended on March 2020, the Company had converted balance of trade payable for fellow subsidiary 'SRL Limited' amounting to Rs. 2,800 lacs into current borrowings. The repayment had been started as per the agreement. Entire loan has been repaid in current year. Outstanding as at March 31, 2022 is Rs. Nil (Previous year Rs. 1,884 lakhs)

Note (c): The term loan has been taken from Fortis Healthcare Limited at an interest rate 7.95% (Previous year 8.85% p.a.). The loan is repayable on or before March 31,2023 and interest is repayable on demand or maturity. Further, during the current year, the holding Company ('lender') has converted balance payable of interest accrued amounting to Rs.837.93 lacs as a part of original borrowing. Outstanding as at March 31, 2022 is Rs. 7,579 lakhs (Previous year Rs. 6,741 lakhs)

21. Trade payables

(a) Total outstanding dues of micro enterprises and small enterprises. (refer note 47)	664.04	493.33
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises *	6,772.79	6,875.13
	<u>7,436.83</u>	<u>7,368.46</u>

* Includes payable to related parties, refer note 33.

Particulars	Outstanding for following periods from due date of payment						As at 31-Mar-22
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	549.68	114.36	-	-	-	664.04
(ii) Others	2,571.34	1,163.18	1,834.55	5.44	11.97	1,186.31	6,772.79
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	2,571.34	1,712.86	1,948.91	5.44	11.97	1,186.31	7,436.83

Particulars	Outstanding for following periods from due date of payment						As at 31-Mar-21
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	493.33	-	-	-	-	493.33
(ii) Others	2,295.81	1,587.11	962.65	788.82	433.63	522.87	6,590.89
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	37.02	247.22	284.24
Total	2,295.81	2,080.44	962.65	788.82	470.65	770.09	7,368.46

22. Other current liabilities

(a) Contract liability	700.73	492.83
(b) Statutory dues payable	421.63	336.40
(c) Deferred revenue	15.78	-
	<u>1,138.14</u>	<u>829.23</u>

23 Liabilities directly associated with assets classified as held for sale

Advance against building held for sale	128.21	128.21
	<u>128.21</u>	<u>128.21</u>



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Year ended March 31, 2022 (Rupees in Laacs)	Year ended March 31, 2021 (Rupees in Laacs)
24 Revenue from operations		
(a) Sale of services		
Healthcare services		
-Operating income - in patient department	31,861.91	23,284.80
-Operating income - out patient department	4,367.20	2,650.79
-Income from medical services	86.82	49.80
-Income from satellite centers	-	-
-Income from clinical research	44.16	18.89
Less: Trade discounts	3,029.35	1,925.93
	<u>33,330.74</u>	<u>24,078.35</u>
(b) Sale of products-trading pharmacy	<u>141.22</u>	<u>-</u>
	<u>33,471.96</u>	<u>24,078.35</u>
(c) Other operating revenues		
i) Income from rent	181.93	259.40
ii) Sponsorship income	12.52	75.29
iii) Scrap sale	14.07	6.68
iv) Sale of plasma	7.08	6.14
v) Provision/liability no longer required written back	227.54	714.45
vi) Income from Academic Services	20.00	-
vii) Miscellaneous income	2.24	0.16
	<u>465.38</u>	<u>1,062.12</u>
Total revenue from operations (a+b+c)	<u>33,937.34</u>	<u>25,140.47</u>
25 Other income		
(a) Interest income on		
i) Bank deposits	9.16	9.94
ii) Interest on Income tax refund	-	210.52
iii) Interest on loans	11.01	6.90
(b) Foreign exchange gain (net)	-	15.01
(c) Others non - operating income		
i) Profit on sale of property, plant and equipment (net)	-	60.45
ii) Income on corporate guarantees given	675.47	330.43
Total other income (a+b+c)	<u>695.64</u>	<u>633.25</u>



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Year ended March 31, 2022 (Rupees in Lacs)	Year ended March 31, 2021 (Rupees in Lacs)
26 Changes in inventories of medical consumable and drugs		
(a) Inventory at the beginning of the year	162.93	193.84
(b) Inventory at the end of the year	<u>276.60</u>	<u>162.93</u>
Changes in inventories [(a)-(b)]	<u><u>(113.67)</u></u>	<u><u>30.91</u></u>
27 Employee benefits expense		
(a) Salaries, wages and bonus	6,652.25	6,770.91
(b) Gratuity expense (refer note 39)	112.00	121.76
(c) Compensated absences	33.09	45.10
(d) Contribution to provident and other funds (refer note 39)	347.69	358.31
(e) Staff welfare expenses	<u>133.14</u>	<u>116.06</u>
	<u><u>7,278.17</u></u>	<u><u>7,412.14</u></u>
28 Finance costs		
(a) Interest expense		
- on term loans	215.55	91.69
- on cash credit	166.79	140.72
- on others	955.02	1,490.56
- on defined benefit plan and other long term benefits	129.08	148.24
(b) Other borrowing cost (including bank charges)	<u>122.31</u>	<u>93.55</u>
	<u><u>1,588.75</u></u>	<u><u>1,964.76</u></u>
29 Depreciation and amortisation expense		
(a) Depreciation of property, plant and equipment	1,154.20	1,147.15
(b) Amortisation of intangible assets	<u>74.34</u>	<u>55.62</u>
	<u><u>1,228.54</u></u>	<u><u>1,202.77</u></u>
30 Other expenses		
(a) Contractual manpower	901.37	823.57
(b) Power, fuel and water	1,130.11	885.39
(c) Housekeeping expenses including consumables	720.25	716.91
(d) Patient food and beverages	312.48	260.40
(e) Pathology laboratory expenses	1,723.03	1,385.91
(f) Radiology expenses	99.80	44.93
(g) Professional and consultation fees to doctors	6,208.35	4,631.40
(h) Repairs and maintenance		
- Building	4.30	3.21
- Plant and machinery	712.15	570.66
- Others	402.05	398.39
(i) Rent (refer note 34)		
- Equipment	82.72	64.70
- Others	117.95	99.51
(j) Legal and professional fee (refer note (i) below)	177.21	270.70
(k) Travel and conveyance	68.84	64.70
(l) Rates and taxes	78.34	282.53
(m) Recruitment & training	11.90	9.86
(n) Printing and stationary	117.16	77.67
(o) Communication expenses	23.72	20.53
(p) Directors' sitting fees	-	0.12
(q) Insurance	387.00	263.93
(r) Marketing and business promotion	766.05	489.52
(s) Loss on sale of property, plant and equipment (net)	0.71	-
(t) Foreign exchange fluctuation loss (net)	10.73	-
(u) Allowance for credit losses (refer note 13) (net of amount written back)	489.90	-
(v) Allowance for doubtful advances	21.13	7.85
(w) Corporate social responsibility expenses (refer note 47)	-	267.39
(x) Provision for contingency (net of amount written back)	-	-
(y) Miscellaneous expenses	<u>9.95</u>	<u>26.10</u>
	<u><u>14,577.20</u></u>	<u><u>11,665.88</u></u>



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Year ended March 31, 2022 (Rupees in Lacs)	Year ended March 31, 2021 (Rupees in Lacs)
Note (i) : Auditor's remuneration comprises (including GST)		
a. Statutory audit fees	25.96	25.96
b. Tax audit fees	3.72	3.72
c. Certifications	1.18	1.17
d. Out of pocket expenses	1.54	0.93
	<u>32.40</u>	<u>31.78</u>

31 Exceptional Loss

Expenses:

(a) Exceptional loss (refer note 42)	(120.00)	(59.05)
	<u>(120.00)</u>	<u>(59.05)</u>

32 Income tax

Recognized in Profit or loss account

Current tax

(a) In respect of the current year	-	-
------------------------------------	---	---

Deferred tax

(a) In respect of the current year	94.84	-
	<u>94.84</u>	<u>-</u>

Tax expense/(credit) recognized through profit & loss account

	<u>94.84</u>	<u>-</u>
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Recognized in Other Comprehensive Income

Deferred tax

In respect of the current year	-	-
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Tax credit recognized through Other Comprehensive income

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

Profit/(Loss) before tax for the year	742.74	(2,950.70)
Enacted income tax rate in India	27.820%	25.168%
Income tax expense	206.63	(742.63)
Effect of expenses not deductible in determining taxable profit		
- Corporate Gaurantee fees	(187.91)	(83.16)
- Donation	-	67.29
- Diminution in value of investments	33.38	14.86
- Others	12.24	(16.86)
Previous year adjustment of deferred tax assets	33.95	(1.97)
Others	(3.45)	(4.69)
Deferred tax not recognised based on the projected future taxable profits	-	767.16
Tax expense recognized in profit or loss	<u>94.84</u>	<u>-</u>

Details of losses on which deferred tax asset is not recognised

Expire year

	As on 31 Mar 2022		As on 31 Mar 2021	
	Gross Amount	Tax effect	Gross Amount	Tax effect
Unabsorbed depreciation				
Never expire	1,401.32	389.85	1,416.49	356.50
Total	<u>1,401.32</u>	<u>389.85</u>	<u>1,416.49</u>	<u>356.50</u>
Unabsorbed Business Loss				
2029-30	2,426.89	675.16	2,533.06	637.52
Total	<u>2,426.89</u>	<u>675.16</u>	<u>2,533.06</u>	<u>637.52</u>



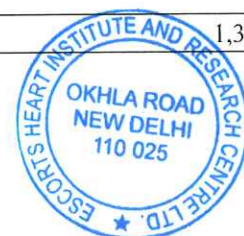
ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

33. Related party disclosures

Names of Related Parties and related party relationship	
Ultimate Holding Company	IHH Healthcare Berhad
Intermediate Holding Companies	Integrated Healthcare Holdings Limited Parkway Pantai Limited Northern TK Venture Pte Ltd
Holding Company	Fortis Healthcare Limited
Subsidiary Companies	Fortis Asia Healthcare Pte Limited Fortis Healthstaff Limited
Fellow Subsidiaries or joint venture (with whom transactions have been taken place)	SRL Limited Fortis Hospitals Limited (and an associate) Fortis Malar Hospitals Limited Fortis Emergency Services Limited Fortis CSR Foundation Fortis Health Management (East) Limited Fortis C-Doc Healthcare Limited Escorts Heart and Super Specialty Hospital Limited Fortis Hospotel Limited International Hospital Limited Hospitalia Eastern Private Limited Hiranandani Healthcare Private Limited
Key Management Personnel	Mr. Avinash Khaitan (Director) (upto 22 October 2020) Mr. Bidesh Chandra Paul (Whole time Director) Mr. Anil Vinayak (Director) (w.e.f 24 September 2020) Mr. Manu Kapila (Director) (w.e.f 24 September 2020) Dr. Aparna Jaswal (Director)

(Rupees in Lacs)

Transaction details	Year ended	Year ended
	March 31, 2022	March 31, 2021
Operating income (including income from medical services, rental, and other income)		
Fortis Hospitals Limited	6.80	4.45
Fortis C-Doc Healthcare Limited	5.79	4.47
Fortis Emergency Services Limited	1.89	-
Fortis Healthcare Limited	2.60	-
SRL Limited	0.11	0.28
Interest expense		
Fortis Malar Hospitals Limited	276.88	367.50
SRL Limited	36.55	217.19
Fortis Healthcare Limited	602.55	905.87
Pathology expenses		
SRL Limited	1,667.45	1,336.58



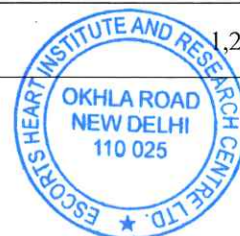
ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

Transaction details	Year ended	Year ended
	March 31, 2022	March 31, 2021
Travel and conveyance		
Fortis Emergency Services Limited	22.10	18.69
Consultation fees to doctor		
Fortis Healthcare Limited	-	0.96
Fortis Hospitals Limited	27.99	6.34
Rent expense		
Fortis Hospotel Limited	82.85	41.85
Sale of fixed assets (Property, plant, and equipment)		
Fortis Hospitals Limited	-	1,038.43
Purchase of intangible assets		
Fortis Hospitals Limited	-	218.16
Transfer of medical consumables and drugs from		
Fortis Hospitals Limited	84.51	9.77
Fortis Healthcare Limited	1.36	3.25
Fortis C-Doc Healthcare Limited	0.63	0.01
Fortis Malar Hospitals Limited	3.00	-
Transfer of medical consumables and drugs to		
Fortis Healthcare Limited	0.12	4.82
Fortis Hospitals Limited	36.74	7.36
Fortis C Doc Healthcare Limited	59.07	0.99
Fortis Malar Hospitals Limited	0.91	-
Allotment of Equity Shares (Including securities premium)		
Fortis Healthcare Limited	-	4,999.97
Managerial remuneration (Refer note 1)		
Mr. Bidesh Chandra Paul	65.92	49.66
Dr. Aparna Jaswal	93.39	74.55
Director's sitting fee		
Mr. Avinash Khaitan	-	0.12
Advances given		
Fortis Healthstaff Limited	0.70	0.70



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

Transaction details	Year ended	Year ended
	March 31, 2022	March 31, 2021
Loans repaid		
Fortis Healthcare Limited	-	7,125.00
Fortis Malar Hospitals Limited	3,500.00	-
SRL Limited	1,884.00	388.00
Loans received		
Fortis Healthcare Limited	-	3,470.00
Conversion of liabilities into borrowings		
Fortis Healthcare Limited	837.93	706.62
Expenses incurred on behalf of		
Fortis Hospitals Limited	-	23.86
Fortis Healthstaff Limited	0.78	3.83
Fortis CSR Foundation	-	1.83
Fortis Emergency Services Limited	0.02	4.94
Fortis C-Doc Healthcare Limited	5.58	9.36
SRL Limited	-	103.32
Transfer of employee benefit liability by Company to		
Fortis C-Doc Healthcare Limited	5.06	3.48
Fortis Healthcare Limited	-	0.23
Fortis Hospitals Limited	2.38	1.89
Fortis Hospotel Limited	4.28	-
Transfer of employee benefit liability to Company from		
Fortis Hospitals Limited	-	0.15
Fortis Healthcare Limited	-	0.38
Collection by Company on behalf of		
Fortis Healthcare Limited	2.64	1.05
Fortis Hospitals Limited	75.54	30.12
Collection on behalf of Company by		
Fortis Hospitals Limited	4.57	15.69
Fortis Healthcare Limited	9.97	61.93
Corporate guarantees received (for loans)		
Fortis Healthcare Limited	6,500.00	4,780.00
Fortis Hospitals Limited	6,500.00	1,280.00
Escorts Heart and Super Specialty Hospital Limited	6,500.00	1,280.00



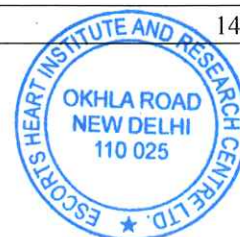
ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

Transaction details	Year ended	Year ended
	March 31, 2022	March 31, 2021
Fortis Hospotel Limited	6,500.00	1,280.00
International Hospital Limited	6,500.00	1,280.00
Hospitalia Eastern Private Limited	6,500.00	-
Corporate guarantees received earlier for loans withdrawn by		
Fortis Healthcare Limited	3,625.00	640.00
Fortis Hospitals Limited	125.00	640.00
Escorts Heart and Super Specialty Hospital Limited	125.00	640.00
Hospitalia Eastern Private Limited	125.00	640.00
International Hospital Limited	125.00	640.00
Fortis Hospotel Limited	125.00	640.00
Corporate guarantees given to banks/related party by company for loans availed by		
International Hospital Limited	11,600.00	3,500.00
Fortis Hospitals Limited	6,500.00	33,330.00
Fortis Healthcare Limited	2,400.00	11,075.82
Fortis Hospotel Limited	7,500.00	3,000.00
Hiranandani Healthcare Private Limited	2,400.00	-
Hospitalia Eastern Private Limited	3,300.00	-
Corporate guarantees given to banks/related party by company for loans availed by related party withdrawn		
Fortis Healthcare Limited	42,176.00	2,510.00
Fortis Hospitals Limited	28,533.00	27,590.00
Fortis Hospotel Limited	833.00	-
International Hospital Limited	4,875.00	-
Provision for impairment of investment		
Fortis Asia Healthcare Pte Limited	108.00	59.05
Fortis Healthstaff Limited	12.00	-
Provision for doubtful loans and advances		
Fortis Healthstaff Limited	0.70	0.70



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

Balances outstanding at year end:	As at 31 March 2022	As at 31 March 2021
Loan given		
Fortis Healthstaff Limited	850.15	850.15
Provision for loss allowance on loan		
Fortis Healthstaff Limited	850.15	850.15
Unsecured borrowings		
Fortis Healthcare Limited	7,579.22	6,741.29
Fortis Malar Hospitals Limited	-	3,500.00
SRL Limited	-	1,884.00
Interest accrued and due on borrowings		
Fortis Healthcare Limited	542.29	837.93
Fortis Malar Hospitals Limited	-	169.50
SRL Limited	-	46.83
Trade payables		
SRL Limited	120.95	461.61
Fortis Hospitals Limited	1,041.18	1,082.22
Fortis Healthcare Limited	269.84	227.67
Fortis Emergency Services Limited	-	10.77
Fortis Hospotel Limited	44.82	39.20
Trade receivables		
Fortis C-Doc Healthcare Limited	75.75	11.29
Fortis Health Management (East) Limited	0.02	0.02
Hiranandani Healthcare Private Limited	0.93	-
Other financial assets		
Recoverable from		
Fortis Hospitals Limited	459.75	459.75
Fortis Healthstaff Limited	172.41	172.41
Provisions for loss allowance		
Fortis Healthstaff Limited	172.41	172.41
Investments in equity/ debt instruments		
Fortis Hospitals Limited	65,000.00	65,000.00
Fortis Asia Healthcare Pte Limited (Refer note 2)	16,174.62	16,174.62
Fortis Healthstaff Limited	159.46	147.46



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

Balances Outstanding at Year End:	As at	As at
	March 31, 2022	March 31, 2021
Impairment of investment		
Fortis Asia Healthcare Pte. Limited (Equity Instruments)	12,720.52	12,720.52
Fortis Asia Healthcare Pte. Limited (Debt Instruments)	2,811.05	2703.05
Fortis Healthstaff Limited	159.46	147.46
Compulsory Convertible Preference Shares		
Fortis Hospitals Limited	40.18	40.18
Outstanding Corporate guarantee given to banks/related party for loans availed by		
Fortis Hospitals Limited	50,847.00	72,880.00
Hiranandani Healthcare Private Limited	2,450.00	50.00
Fortis Healthcare Limited	48,679.42	88,455.82
International Hospital Limited	14,025.00	7,300.00
Fortis Hospotel Limited	12,917.00	6,250.00
Hospitalia Eastern Private Limited	3,300.00	-
Outstanding Corporate guarantee given to banks/ related party for loans availed by the Company by		
Fortis Healthcare Limited	11,155.00	8,280.00
Escorts Heart and Super Specialty Hospital Limited	11,155.00	4,780.00
Fortis Hospitals Limited	11,155.00	4,780.00
Fortis Hospotel Limited	11,155.00	4,780.00
International Hospital Limited	11,155.00	4,780.00
Hospitalia Eastern Private Limited	9,875.00	3,500.00

Notes:

- 1) As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.
- 2) Refer note 43(b) for investment in Non-Cumulative Redeemable Preference Shares of Fortis Asia Healthcare Pte Limited.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

34. Leases:

(a) As a lessee:

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

Amounts recognized in Statement of Profit and Loss	Year ended March 31 2022	Year ended March 31 2021
Variable lease payments not included in the measurement of lease liabilities	71.74	62.22
Expenses relating to short-term leases	128.93	101.99

(b) As a lessor:

Assets given on operating lease:

The Company has sub-leased some portion of hospital premises under a cancellable lease arrangement. Total lease income recognized in respect to such leases in the Statement of Profit and Loss for the year are Rupees 181.93 lacs (March 31, 2021: Rupees 259.40 lacs).

35. Commitments:

Particulars	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2021 (Rupees in lacs)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances of Rs. 13.81 lacs, Previous Year: Rs. 2.20 lacs)	114.36	118.89

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

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

36. Contingent liabilities:

A. Guarantees:

Outstanding guarantees furnished to banks on behalf of the group companies are Rupees 132,218.42 lacs (March 31, 2021: Rupees 174,935.82 lacs).



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

- B. Claims against the Company, disputed by the Company, not acknowledged as debt (In addition, refer claims assessed as contingent liability described in Note 38 below. Also refer note 49, 50 and 51):**

(Rupees in lacs)

Particulars	As at	As at
	31-Mar-22	31-Mar-21
Medical related	8,894.56	7,461.40
Income tax*	32,451.68	28,696.05
Others#	50,336.53	50,336.53

* Refer note 37 below

Refer note 38(c) below

- i) On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There are numerous interpretative issues relating to this judgement as to how the liability should be calculated, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.
- ii) Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations, and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The management based on its internal evaluation and advice obtained from its external advisors is of the opinion that the demand is not tenable and does not expect any economic outflow. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums

37. There was tax demand in the Company of Rupees 6,497.31 lacs [(after adjusting Rupees 16,471.75 lacs as at March 31, 2022) {As at March 31, 2021 Rupees 7,063.75 lacs (after adjustment of Rupees 15,905.31 lacs as at March 31, 2021)} of an escrow account which was maintained out of sale consideration payable by the holding Company to the erstwhile promoters of the Company] for various assessment years. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to Rupees 2,165.77 lacs (March 31, 2021: Rupees 2,354.58 lacs) after adjusting the recovery from escrow account, would be borne by the said erstwhile promoters of the Company and the rest by the Company. During the year ended March 31, 2015, the Commissioner of Income Tax (Appeals) decided the case in favor of the Company. Income Tax Department had filed an appeal before Income Tax Appellate Tribunal (ITAT) and during the year ended March 31, 2020, ITAT decided the case in favor of the Company.

Income Tax Department has contested the decision of ITAT before the Hon'ble High Court of Delhi.

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

- (a) The Delhi Development Authority ('DDA') vide its Order dated October 6, 2005 ('DDA Order') had terminated the lease deeds and allotment letters of the Company. The Company had filed an Original Miscellaneous Petition ('OMP') and Civil Suit in the Hon'ble High Court of Delhi seeking a declaration that the DDA Order is illegal and praying for a permanent injunction restraining DDA from dispossessing the Company without the due process of law. The Hon'ble High Court of Delhi had granted a stay restraining DDA from recovering physical possession of the property and had made the interim order granted in the OMP absolute till the award is passed. The Company also filed an application for appointment of sole Arbitrator and reference of disputes to Arbitration in the Hon'ble High Court of Delhi.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

The arbitration application has been dismissed during the year 2013-14. The Civil Suit is still pending with the Hon'ble High Court of Delhi.

- (b) Pursuant to the above order in note 38(a), The Estate Officer of the DDA issued a show cause notice dated November 9, 2005, and initiated eviction proceedings against the Company. The Company filed a Civil Writ Petition in the Hon'ble High Court of Delhi challenging the show cause notice issued by the Estate Officer, which was dismissed by the Hon'ble Single Judge. The Company had filed Letters Patent Appeal ('LPA') against the above order before the Hon'ble High Court of Delhi. The Division bench of the Hon'ble High Court of Delhi vide its order dated September 3, 2007 had dismissed the LPA. The Estate Officer issued a notice under section 4(1) of Public Premises Act dated October 8, 2007 to the Company for resuming the proceedings under the said Act. The eviction proceedings initiated before the Estate Officer were challenged before the Hon'ble Supreme Court. Hon'ble Supreme Court vide its order dated November 14, 2019 has quashed the show cause notice for eviction proceedings.

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

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

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

A party ("Plaintiff") has filed a Civil Suit before the District Court, Delhi in February 2018 against various entities including the Holding Company (together "the defendants") and has, *inter alia*, claimed implied ownership of brands "Fortis", "SRL" and "La-Femme" in addition to certain financial claims and for passing a decree alleging that consequent to a Term Sheet dated December 6, 2017 ('Term Sheet'), between the Holding Company and a Third Party, the Holding Company is liable for claims owed by the Plaintiff to the Third Party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Plaintiff shall be subject to orders passed in the said suit.

The above referred Third Party has sought to be substituted as a Plaintiff in the District Court proceedings.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

The Holding Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Holding Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party has approached Delhi High Court for seeking certain interim reliefs against the Holding Company under the provisions of The Arbitration and Conciliation Act, 1996. This Third party had also filed a claim for damages and injunctive reliefs against the Holding Company before International Chamber of Commerce (ICC). The Holding Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Holding Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the year ended March 31, 2022, signatories of Third Party to the Term Sheet have also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Holding Company before them nor did it ever come in force.

During the year ended March 31, 2022, another Party, claiming to be one of the assignee of Third Party has filed a case against 28 named defendants, including the Holding Company and its ultimate parent Company IHH, and 21 non-party defendants, including the Company in the United States District Court, District of New Jersey, USA. Notice of the case has not yet been served on the Company under the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. In December 2021, a notice of this case was served to IHH which was subsequently disclosed by it to Bursa Stock Exchange, Malaysia. Company is given to understand that the case has been filed for alleged violation of, inter-alia, the U.S. Racketeer, Influenced and Corrupt Organizations Act, copyright infringement, tortious interference with contracts, etc. and Party has claimed damages in excess of USD 6.5 billion against all the defendants. Company has made disclosure about this case to stock exchange. It has also sought legal advice and will pray for dismissal of this case, as and when served.

In addition, in the year 2018, the Holding Company had received four notices from the Plaintiff claiming (i) Rupees 1,800.00 lacs as per notices dated May 30, 2018 and June 1, 2018 (ii) Rupees 21,582.00 lacs as per notice dated June 4, 2018; and (iii) Rupees 1,962.00 lacs as per notice dated 4 June, 2018. All these notices were responded to by the Holding Company denying any liability whatsoever.

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

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

39. Employee Benefits:

Defined Contribution Plan

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

The Company has recognized Rupees 160.58 lacs (Previous year Rupees 166.68 lacs) for Provident Fund and Employee state insurance contribution in the Statement of Profit and Loss. The Contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

Defined Benefit Plan

(i) **Gratuity**

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

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

Particulars	(Rupees in lacs)	
	As at March 31, 2022	As at March 31, 2021
i. Movement in Net Liability		
Present value of obligation at the beginning of the year	1,573.94	1,756.46
Current service cost	112.00	121.76
Interest cost	100.41	108.96
Amount recognized to OCI	(80.06)	(125.42)
Plan Amendments Cost / (Credit)	-	-
Benefits paid	(172.88)	(284.50)
Acquisition credit / (cost)	(7.57)	(3.32)
Present value of obligations at the end of the year	1,525.84	1,573.94

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of unfunded obligation	1,525.84	1,573.94
Amounts in the Balance Sheet		
(a) Liabilities	1,525.84	1,573.94
(b) Assets	-	-
(c) Net liability/(asset) recognized in the balance sheet	1,525.84	1,573.94
Current Liability	285.72	266.57
Non-Current Liability	1,240.12	1,307.27
	1,525.84	1,573.84

ii. Expense recognized in Statement of Profit and Loss is as follows:	Year ended	
	March 31, 2022	March 31, 2021
Employee Benefit Expense		
Service cost	112.00	121.76
Past Service Cost	-	-
Finance Cost		
Interest cost	100.41	108.96
Amount charged to Statement to Profit and Loss	212.41	230.72



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

iii. Expense/ (income) recognized in Statement of Other comprehensive income is as follows:	Year ended	
	March 31, 2022	March 31, 2021
Net actuarial loss / (gain) due to experience adjustment recognized during the year	(80.06)	(125.42)
Net actuarial loss / (gain) due to assumptions changes recognized during the year	-	-
Expense/ (Income) charged to Other Comprehensive income	(80.06)	(125.42)

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

Principal Actuarial assumptions for Gratuity and compensated absences	Year ended	
	March 31, 2022	March 31, 2021
Rate for discounting liabilities (p.a)	7.00%	6.75%
Expected salary increase rate	7.50%	7.50%
Withdrawal / Employee Turnover Rate (Per annum)		
Age up to 30 years	18%	18%
Age from 31 to 44 years	6%	6%
Age above 44 years	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience (gain)/loss adjustments on plan liabilities (Rupees in lacs)	(80.06)	(125.42)

Notes:

- a) Expected benefit payment for the future years.

(Rupees in lacs)				
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
295.55	258.18	166.07	102.58	166.46

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

Particulars	(Rupees in lacs)			
	Year ended March 31, 2022		Year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5%	(41.65)	44.41	(46.44)	49.57
Change in Salary escalation rate by 1%	90.53	(81.16)	100.83	(90.27)
Change in withdrawal rate by 5%	(16.70)	16.55	(23.70)	23.44



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

(ii) **Provident Fund**

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Such contribution for the current year is Rupees 187.11 lacs (Previous year Rupees 191.63 lacs). Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees.

Assumptions:	March 31, 2022	March 31, 2021
Discount rate	7.00% p.a.	6.75% p.a.
Expected return on exempt fund	8.50% p.a.	8.50% p.a.
Expected EPFO return	8.10% p.a.	8.50% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate

Withdrawal Rate

Ages	March 31, 2022	March 31, 2021
From 20 – 30	18.00%	18.00%
From 31 – 44	6.00%	6.00%
From 45 – 58	2.00%	2.00%

Asset Category	March 31, 2022	March 31, 2021
Government of India Securities (Central and State)	52.01%	52.94%
High quality corporate bonds (including Public Sector Bonds)	38.84%	38.19%
Equity and Mutual Funds	8.38%	5.47%
Cash	0.77%	3.40%
Total	100.00%	100.00%

40. 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 17, 20 and 14(a) offset by cash and cash equivalents) and total equity of the Company.

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

Gearing ratio

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

Particulars	(Rupees in lacs)	
	As at March 31, 2022	As at March 31, 2021
Debt*	16,798.68	16,889.04
Cash and cash equivalents	(57.59)	(108.01)
Net debt	16,741.09	16,781.03
Total equity	58,565.27	57,837.31
Net debt to equity ratio	28.59%	29.01%

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

(ii) Financial risk management

Financial risk management objectives

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

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

Market Risk

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

(a) Foreign currency risk management

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

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

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		FC in lacs	Equivalent Rupees in lacs	FC in lacs	Equivalent Rupees in lacs
Import Trade payable	USD	0.61	45.96	1.80	131.55



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

Foreign currency sensitivity analysis

The Company is mainly exposed to USD currency.

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

Particulars	(Rupees in lacs)	
	Currency Impact USD	
	Year ended March 31, 2022	Year ended March 31, 2021
If increase by 5%		
Increase / (decrease) in profit or loss for the year	(2.30)	(6.58)
Increase / (decrease) in total equity as at the end of the reporting period	(2.30)	(6.58)

Particulars	(Rupees in lacs)	
	Currency Impact USD	
	Year ended March 31, 2022	Year ended March 31, 2021
If decrease by 5%		
Increase / (decrease) in profit or loss for the year	2.30	6.58
Increase / (decrease) in total equity as at the end of the reporting period	2.30	6.58

(b) Interest rate risk management

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

Interest rate sensitivity analysis

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

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

Particulars	(Rupees in lacs)	
	Interest impact	
	Year ended March 31, 2022	Year ended March 31, 2021
If increase by 50 basis point		
Impact on profit or loss for the year	(43.22)	(18.52)
Impact on total equity as at the end of the reporting period	(43.22)	(18.52)



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

If decrease by 50 basis point	(Rupees in lacs)	
	Interest impact	
	Year ended	Year ended
Particulars	March 31, 2022	March 31, 2021
Impact on profit or loss for the year	43.22	18.52
Impact on total equity as at the end of the reporting period	43.22	18.52

(c) Other price risk

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

(d) Credit risk management

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

Refer note 13 of the financial statements for carrying amount and maximum credit risk exposure for trade receivables.

Expected credit loss on financial assets other than trade receivables:

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

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

Particulars	(Rupees in lacs)	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2,130.94	2,123.09
Loss allowance recognized	31.04	7.85
Balance at the end of the year	2,161.98	2,130.94

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

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the Management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

As at March 31, 2022

Particulars	(Rupees in lacs)	
	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	1,375.00	760.00
HSBC Bank (overdraft facility)	8,000.00	820.44
DBS Bank (term loan)	912.15	230.35
DBS Bank (overdraft facility) *	200.00	200.00

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

As at March 31, 2021

Particulars	(Rupees in lacs)	
	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	500.00	-
HSBC Bank (overdraft facility)	2,500.00	18.61
DBS Bank (term loan)	1,073.44	276.72
DBS Bank (overdraft facility) *	200.00	200.00

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.

Disclosure as at 31 March 2022 and 31 March 2021, includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	(Rupees in lacs)			
	Within 1 year	More than 1 year	Total	Carrying amount
As at March 31, 2022				
Borrowings – non-current (including current maturity)	432.16	1,276.27	1,708.43	1,464.65
Working Capital demand loan	2,500.00	-	2,500.00	2,500.00
Bank overdraft	4,679.56	-	4,679.56	4,679.56
Loan from a fellow subsidiary	-	-	-	-
Trade payables	7,436.84	-	7,436.83	7,436.83
Loan from holding Company	8,181.77	-	8,181.77	7,579.22
Security deposits	54.13	-	54.13	54.13
Interest accrued and due on borrowings from related party	542.29	-	542.29	542.29
Interest accrued but not due on borrowings from banks	32.95	-	32.95	32.95
Interest accrued and due on MSME vendors	10.64	-	10.64	10.64
Capital creditors	104.44	-	104.44	104.44
Employee payable	51.92	-	51.92	51.92
Financial guarantee liability	51.00	177.33	228.33	228.33
Total	24,077.60	1,453.60	25,531.29	24,684.96



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

Particulars	(Rupees in lacs)			
	Within 1 year	More than 1 year	Total	Carrying amount
As at March 31, 2021				
Borrowings – non-current (including current maturity)	323.15	1,120.00	1,443.15	1,222.81
Bank overdraft	2,481.39	-	2,481.39	2,481.39
Loan from a fellow subsidiary	5,727.56	-	5,727.56	5,384.00
Trade payables	7,368.46	-	7,368.46	7,368.46
Loan from holding Company	7,337.90	-	7,337.90	6,741.29
Security deposits	64.69	-	64.69	64.69
Interest accrued and due on borrowings from related party	1,054.26	-	1,054.26	1,054.26
Interest accrued but not due on borrowings from bank	5.29	-	5.29	5.29
Interest accrued and due on MSME vendors	10.64	-	10.64	10.64
Capital creditors	156.55	-	156.55	156.55
Employee payable	56.09	-	56.09	56.09
Financial guarantee liability	159.25	744.51	903.76	903.76
Total	24,745.23	1,864.51	26,609.74	25,449.23

Also refer note 48 for disclosure on going concern and the working capital position of the Company.

(iii) Fair value measurement

Notes	(Rupees in lacs)	
	Carrying value as at	
	As at March 31, 2022	As at March 31, 2021
Financial assets		
Measured at amortised cost		
Other financial assets - Non-current	(b) 567.39	549.59
Trade receivables	(a) 3,448.93	3,349.61
Cash and cash equivalents ('CCE')	(a) 57.59	108.01
Bank balance other than CCE	(a) 129.26	132.97
Other financial assets – Current	(a) 58.08	50.49
Total	4,261.25	4,190.67
Financial liabilities		
Measured at amortised cost		
Borrowings- Non-current ('NC')	(c) 1,127.15	982.80
Borrowings – Current ('C')	(a) 15,096.28	14,846.70
Trade payables	(a) 7,434.83	7,368.46
Other financial liabilities (C and NC)	(a), (b) 1,024.70	2,251.32
Total	24,682.96	25,449.28



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

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

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

There are no transfers between Level 1, Level 2 and Level 3 for the above financial assets and liabilities during the year ended March 31, 2022 and March 31, 2021.

41. Earnings per share

Earnings per share (EPS)	Denomination	Year ended	Year ended
		March 31, 2022	March 31, 2021
Profit/(Loss) for the year as per statement of profit and loss	Rupees in lacs	647.90	(2,950.69)
Weighted average number of equity shares in calculating Basic EPS	Numbers	2,562,886	2,446,135
Weighted average number of equity shares in calculating Diluted EPS	Numbers	2,562,886	2,446,135
Basic EPS	Rupees	25.28	(120.63)
Diluted EPS	Rupees	25.28	(120.63)

42. Exceptional items:

Particulars	(Rupees in lacs)	
	Year ended	Year ended
	March 31, 2022	March 31, 2021
Provision for impairment of equity and debt investment in Fortis Asia Healthcare Pte Limited	108.00	59.05
Provision for impairment of redeemable preference shares of Fortis Healthstaff Limited	12.00	-
Total	120.00	59.05

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

The management based on its impairment test and considering the recoverable value of its investment, has recognized an impairment loss of Rupees 108.00 lacs (previous year Rupee 59.05 lacs) towards the amount invested. Value of investment is based on quoted market price of one step-down investment in an associate which represents substantial portion of the recoverable amount.

Further, investment made in redeemable preferable shares of Fortis Healthstaff Limited, a wholly owned subsidiary has been impaired in the current year on account of no visibility on recoverability of this amount.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

43. Details of loans and investments

a. Details of loans given

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

(Rupees in lacs)

Name of the party	Rate of Interest	Due date	Secured/unsecured	Maximum Amount Outstanding		Closing Balance	
				31 March 2022	31 March 2021	31 March 2022	31 March 2021
Fortis Healthstaff Limited (Subsidiary)	8.85%	March 31, 2022	Unsecured	850.15	850.15	850.15	850.15
Reliant Healthcare Consultancy Private Limited	11.00%	Repayable on demand	Unsecured	966.92	966.92	966.92	966.92
Total				1,817.07	1,817.07	1,817.07	1,817.07

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

b. Investment in Non-cumulative Redeemable Preference shares

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

As per the revised addendum dated November 20, 2019, these preference shares are redeemable on March 31, 2022 and the redemption premium will be 4.6% p.a. from 1 April 2019 to 31 March 2022.

Now, as per the Extension letter dated 14th April 2022, these preference shares are further extended for redemption on March 31, 2023.

The Company has not accrued for any premium receivable on redemption of Preference Shares due to uncertainty of the recoverability of premium amount, in view of the inability of the subsidiary company to generate surplus cash required for payment of premium due on redemption. Accordingly, the Company has not recognized income aggregating to Rupees 249.13 lacs for the current year (March 31, 2020: 238.17 lacs) and cumulative income of Rupees 2,210.91 lacs as at March 31, 2021 (March 31, 2020: 2,210.91 lacs). Also refer note 42.

c. Investment in compulsory convertible preference shares (CCPS):

The Company had made investment in compulsory convertible preference shares (CCPS) of Fortis Hospitals limited (FHsL) for Rupees 30,000.00 lacs on February 18, 2016 and Rupees 35,000.00 lacs on May 30, 2016 aggregating to Rupees 65,000.00 lacs, which is outstanding as on March 31, 2021 and March 31, 2022. These are compulsory convertible into equal number of equity shares on expiry of 10 years from date of allotment. i.e. (6,000,000 on February 18, 2026 and 7,000,000 on May 30, 2026). The Company uses judgement while classifying its investment. The Company while making classification assessment of the investment in CCPS of FHsL has referred to the criteria of significant influence given in Ind AS 28 "Investment in associates and joint venture" and primarily concluded that Company meets the criteria of significant influence in FHsL and therefore, has classified these investments as investment in Associate. In terms of Ind AS 27 "Separate Financial Statements" the Company has measured this Investment in Associate at cost.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

44. 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 external customers by location of customers

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

Particulars	(Rupees in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
India	33,937.34	25,140.47
Outside India	-	-
Total	33,937.34	25,140.47

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

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

Particulars	(Rupees in lacs)	
	As at March 31, 2022	As at March 31, 2021
India	12,706.87	12,169.03
Outside India	-	-
Total	12,706.87	12,169.03

Major customer:

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

45. The Company has foreign currency payables of Rupees. 42.37 lacs (March 31, 2021: Rupees 40.87 Lacs) which are outstanding for more than 3 years. As per Foreign Exchange Management Act, 1999 and the applicable rules/regulations, in case of any foreign currency dues which are not remitted within a period of 3 years or foreign currency receivables which are not realized within the stipulated time period of 9 months, prior approval from Reserve Bank of India (RBI) is required. Management is in the process of obtaining these approvals through authorised dealers and believes that the Company would be able to obtain these approvals, if required, from the authorities with levy of nominal penalty, if any.

46. Corporate social responsibility (CSR)

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

Particulars	(Rupees in lacs)	
	March 31, 2022	March 31, 2021
i. Amount required to be spent by the Company during the year	-	-
ii. Amount of expenditure incurred,	-	267.39
iii. Shortfall at the end of the year	-	-
iv. Total of previous years shortfall,	-	267.39
v. Reason for shortfall	-	-
vi. Nature of CSR activities	NA	Donation to Indian Council of Medical Research
vii. Details of related party transactions, e.g, contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant accounting standard,	-	-



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

* Actual amount spent during the year pertains to unspent amount for the year ended on 31 March 2020. There is no amount of shortfall at the end of the year out of the amount required to be spent by the Company during the years ended March 31, 2022 and March 31, 2021.

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

The Ministry of Micro and Small Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the micro enterprises and the small enterprises should mention in their correspondences with their customers the Entrepreneur Memorandum Number as allocated after filing of the memorandum. Accordingly, the below information regarding dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company:

Particular	(Rupees in lacs)	
	As at March 31, 2022	As at March 31, 2021
Details of dues to micro and small enterprises as per MSMED Act, 2006		
- principal amount *	673.97	554.12
- interest amount	10.64	10.64
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	10.64	10.64
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

* Including payable to micro enterprises and small enterprises included in other financial liabilities of Rupees 9.93 Lacs as at March 31, 2022 (Rs 60.79 Lacs as on March 31, 2021) (refer note 18)

48. Going concern

For the year ended March 31, 2022, the financial statements of the Company reflect that current liabilities exceed its current assets by Rupees 21,299.92 lacs. Additionally, the ongoing litigations in the Fortis Group, events in previous years (refer note 49) and the impact of COVID-19 (refer note 54) have adversely impacted the performance and cash flow position of the Company. These events or conditions raise doubt on the ability of the Company to continue as a Going Concern which is dependent on obtaining support and working capital financing from its Holding Company.

The Management has implemented few costs reduction measures which has significantly improve the financial performance and cash flows of the Company in current year and will improve in subsequent years also. As at March 31, 2022, the Company has funds available of Rupees 186.85 lacs and unutilized borrowing facilities sanctioned by banks amounting to Rupees 2,275.79 lacs. The Management believes that the going concern assumption used in preparation of these financial statements is appropriate, based on its future cash flow projections and continued financial and operational support from its Holding Company.



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

A. Background

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

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

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

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

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

B. Additional procedures/enquiries by the reconstituted Board

(i) The holding Company’s Board of Directors initiated additional procedures/ enquiries of certain entities of Fortis Healthcare Limited and its subsidiaries (“the Group”) including the Company that were impacted in respect of the matters investigated by the external legal firm. Pending the additional procedures/enquiries



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

("Additional Procedures/ Enquiries") and since the investigation was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report, as disclosed in the audited financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020 certain audit qualifications were made in respect of the holding Company's and the Companies' financial statements for those financial years, as the statutory auditors were unable to comment on the nature of those matters, the provisions established thereof, or any further potential impact on the financial statements. In order to resolve the same, the Board of holding Company mandated the management to undertake review of certain areas in relation to historical transactions for the period April 1, 2014 to September 30, 2018 involving additional matters by engaging independent experts with specialized forensic skills to assist with the Additional Procedures/Enquiries and provide inputs and expert advice in connection therewith. The independent experts submitted their report which was discussed and considered by the holding Company's Board in its meeting held on September 16, 2020.

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

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

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

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

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

Therefore, with this conclusion, the initial investigation which was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers has been addressed through the additional procedures/enquiries by independent experts. In addition, the current Board of holding Company had initiated specific improvement projects to strengthen the process and control environment. The projects included revision of authority levels, both operational and financial and oversight of the Board of holding Company, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance with regulatory requirements and systems design & control enhancement for which the assessment work was done and corrective action plans were implemented.

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

50. Matters in relation to Regulatory Authorities:

a) In the above backdrop, during financial year 2017-18 the Holding Company received a communication from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Holding Company. In the aforesaid letter, SEBI required the Holding Company under section 11C (3) of the SEBI Act, 1992 to furnish certain information and documents relating to the short-term investments of Rupees 473 Crores reported in the media. SEBI had appointed forensic auditors to conduct a forensic audit, of collating information from the Holding Company and certain of its subsidiaries. The Holding Company / its subsidiaries furnished requisite information and documents requested by SEBI.

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

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



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

necessary steps to recover Rupees 40,300 lacs along with due interest from erstwhile-promoters and various other entities, as mentioned in the Order.

The Holding Company and FHsL had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and various other entities to the Holding Company and FHsL. SEBI vide its letter dated June 14, 2019, has stated that provisions of Section 28A of SEBI Act, 1992 cannot be invoked at this stage hence, the Holding Company and FHsL may take necessary steps to comply with SEBI's direction. Accordingly, FHsL has filed a civil suit for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

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

By an order dated November 12, 2020, SEBI revoked its Interim orders read with Confirmatory Order qua Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd. and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Company and FHsL were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN- 1) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN- 1, it was inter-alia alleged that the consolidated financials of the Company at the relevant period were untrue and misleading for the shareholders of the Company and the Company had circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Company and FHsL on December 28, 2020 praying for quashing of the SCN- 1 by inter alia reiterating that the Company and FHsL, were in fact victims of the schemes of the erstwhile Promoters (Malvinder Mohan Singh and Shivinder Mohan Singh) and justice, equity and fairness demands that the victim ought not be punished for the offences of the wrongdoers. All acts impugned in the SCN- 1 relate to the period when the erstwhile Promoters controlled the affairs of Company and FHsL and the erstwhile Promoters are no longer involved in the affairs of the Company and FHsL. The erstwhile Promoters were responsible for financial misrepresentation and not the Company and FHsL. Post resignation of the erstwhile Promoters in February 2018, the Board of Directors of the Company, solely comprising independent Directors looked after its welfare until a new promoter, invested and took control of the Company, till such time as the new promoters of the Company (i.e. NTK Venture Pte. Ltd.) assumed control of the Company pursuant to a preferential allotment which was approved by the Competition Commission of India and SEBI which approved the open offer which was triggered by such preferential allotment. Any adverse orders against the Company and FHsL would harm their existing shareholders, employees and creditors. The Company and FHsL have taken substantial legal actions against the erstwhile Promoters and significant steps to recover the diverted amounts. Oral submissions in response to the SCN- 1 were made in a personal hearing before the SEBI Whole Time Member on January 20, 2021 and written submissions were filed. SEBI has passed an order dated April 19, 2022 w.r.t SCN -1 and directed the Company & FHsL to pursue the measures taken to recover the amount of INR 397.12 Crores (approx.) along with the interest from erstwhile Promoters; & Audit Committee to regularly monitor the progress of such measures and report the same to board of directors at regular intervals. Based on the aforesaid allegations and actions taken by the Company against the erstwhile promoters and related entity. SEBI has imposed a penalty of Rs. 100 lacs and Rs. 50 lacs on FHL and FHsL respectively. Lawyers are evaluating the outcome, implications and next steps w.r.t to Order dated April 19, 2022.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various noticees including the Company. In the said SCN-2, with respect to the Company, it has been alleged that INR 567 crore was lent by the holding Company to the Company in 2011, which was subsequently transferred by the Company to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the holding Company through the Company and



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

another entity Lowe, was then transferred to RHC Holdings Private Limited (“RHC Holdings”). It has been stated in the said SCN-2 that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchase of land had been paid back with interest in the year 2011. It is alleged that the holding Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the holding Company and Fortis Hospitals Limited funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

In the SCN-2, the Company has been clubbed along with the other noticees, and has been painted with the same brush as the other noticees in alleging that certain noticees, including the Company, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. FHL, amounting to approximately Rupees 397.12 crore for the ultimate benefit of RHC Holdings and the erstwhile promoters. Thereby, it is alleged, that the Company has aided and abetted the routing of funds from the holding Company, ultimately to RHC Holdings, for the benefit of the promoter entities.

SEBI w.r.t SCN-2, has passed an order dated May 18, 2022 imposing penalty against several erstwhile promoters’ entities and certain individuals. Based on the aforesaid allegations and actions taken by the Company against the erstwhile promoters and related entities, it has also imposed a penalty of Rs. 100 lacs on EHIRCL. Lawyers are evaluating the outcome, implications and next steps w.r.t to Order dated May 18, 2022.

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

b) During year ended March 31, 2018, the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, *inter alia*, had also sought information in relation to the Holding Company. All requisite information in this regard has been duly shared by the Holding Company with the ROC.

c) The Serious Fraud Investigation Office (SFIO) of the Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, *inter alia*, initiated an investigation and sought information in relation to the Holding Company, its subsidiaries, joint ventures and associates. The Holding Company has submitted requisite information in this regard with SFIO, as requested from time to time. The outcome of the SFIO investigation, if any, cannot be ascertained as of now keeping in view the present stage of the investigation.

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

Based on management’s analysis, a provision has been made and recognised in the previous year by Holding Company for any contingency that may arise from the aforesaid issues. The Holding Company being a parent entity for the Company, has undertaken that it will reimburse such penalty/fine which it shall finally pay, if required after exhausting available legal remedies. This is not to be regarded as admission in any manner whatsoever by the Holding Company of any of the violations, as alleged by any of the authorities or otherwise, against it. Further, as per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

51. Ratio Analysis and its elements

S. No.	Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
1	Current ratio (in times)	Total Current Assets	Current Liabilities	0.17	0.16	5.67%	
2	Debt- Equity Ratio (in times)	Total Debt	Total equity	0.28	0.27	1.21%	
3	Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance costs + Other non-cash adjustments	Debt service = Interest & Lease Payments + Principal Repayments	0.34	(0.08)	-520.56%	The Company has moved from losses to profit during the year. Further, there has been debt repayment during the year.
4	Return on Equity ratio (%)	Net Profits after taxes – Preference Dividend	Average total equity	1.32%	-5.10%	-125.89%	The Company has moved to profit from losses in the current year.
5	Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	41.40	35.99	15.03%	
6	Trade Receivable Turnover Ratio (in times)	Revenue from operations except Provision/ liability no longer required written back	Average Trade Receivable	9.92	7.43	33.43%	Trade Receivable Turnover ratio has increased due to better collections during the year.
7	Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.24	0.78	60.33%	During the current year, there has been higher purchases resulting in increase in Trade Payable Turnover ratio.
8	Net Capital Turnover Ratio (in times)	Revenue from operations except Provision/ liability no longer required written back	Working capital = Current assets – Current liabilities	(1.58)	(1.11)	42.46%	There has been increase in Revenue in current year with no significant change in working capital as compared to previous year.



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
 MARCH 31, 2022

S. No.	Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
9	Net Profit ratio (in %)	Net Profit	Revenue from operations except Provision/ liability no longer required written back	2.28%	-11.84%	-119.24%	Company has earned profit in current year as compared to losses in the previous year
10	Return on Capital Employed (in %)	Profit before tax and finance costs	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	3.29%	-1.26%	-360.29%	Company has earned profit in current year as compared to losses in the previous year

52. Reclassification

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Company has modified the classification of certain assets and liabilities. Comparative amounts in the notes to the financial statements were reclassified for consistency.

Particulars	Classification as per Previous year financials	Classification as per Current year financials	Amount (Rs. in lacs)
Balance Sheet			
Reclassification of current maturity of term loans	Other Financial Liabilities - Current Maturities of term loans	Short Term borrowings - Current Maturities of term loans	2,837.50
Reclassification of security deposits (Non-Current)	Loans (Non-Current) - Security deposits	Other financial Assets (Non-Current) - Security Deposits	95.27
Reclassification of security deposits (Current)	Loans (Current) - Security deposits	Other financial Assets (Current) - Security Deposits	12.00

53. Other Statutory Information

- (i) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries



ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2022

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Company is not declared willful defaulter by any bank or financial institution or other lender.

(vii) The Company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956:

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

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

54. During the previous year, the COVID – 19 pandemic impacted the revenues and profitability of the Company with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. The Company took various initiatives to support operations and optimize the cost. With a slew of these measures, the Company has been able to significantly reduce the negative impact on its business.

The Company has a well- capitalized Balance Sheet and has managed its liquidity position via cost efficiency initiatives, better working capital management and external funding.

The Company has considered internal and external information while finalizing various estimates in relation to these financial statements. Going forward, the actual impact of the Covid-19 pandemic may still be different from that what has been estimated. However, the Company is and will continue to closely monitor any material changes to future economic conditions.


As per our report even date attached

For B S R & 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
Escorts Heart Institute and Research Centre Limited



Anil Vinayak **Bidesh Chander Paul**
Director *Whole Time Director*
DIN: 02407380 DIN: 08596135

Place: Gurugram
Date: May 24, 2022

Place: Gurugram Place: Gurugram
Date: May 24, 2022 Date: May 24, 2022