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## INDEPENDENT AUDITOR'S REPORT

### To The Members of International Hospital Limited Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of International Hospital Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Ind AS 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Material uncertainty related to Going Concern

We draw attention to Note 47 to the standalone Ind AS financial statements, which indicates that the Company has incurred a net loss of ₹ 2,521.58 lakhs during the year ended March 31, 2019. Also, the Company's current liabilities exceeded its current assets by ₹ 6,804.74 lakhs. These events or condition, along with other matters as set forth in Note 46, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the standalone Ind AS financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.



**Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Board of Directors report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information to be identified when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS 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 financial 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 system 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

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



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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has certain pending litigations as on March 31, 2019. However, there is no impact on the financial position of the Company for the reasons stated in note 44.
  - 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.



**Deloitte  
Haskins & Sells LLP**

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**Khazat A. Kotwal**  
Partner  
(Membership No. 103707)

Place: Gurugram  
Date: 23 May 2019



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of International Hospital Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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"). 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



*Khazat A. Kotwal*  
**Khazat A. Kotwal**  
Partner  
(Membership No. 103707)

Place: Gurugram  
Date: 23 May 2019

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification of property, plant and equipment to cover all the items once in every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As part of this program, the Company had performed its last physical verification of property, plant and equipment on March 31, 2018 and no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

<b>Particulars of the land and building</b>	<b>Carrying amount</b>	<b>Remarks</b>
Freehold land located at:		
- Faridabad	₹ 6,151.08 lakhs	The title deeds are in the name of Escorts Hospital and Research Centre Limited, erstwhile Company that was merged with the Company subsequent to a scheme of merger sanctioned by the High Court of Punjab and Haryana, which came into effect on January 17, 2014.
- Mulund, Mumbai	₹ 30,190.00 lakhs	The title deeds are in the name of Kanishka Healthcare Limited, erstwhile Company that was merged with the Company subsequent to a scheme of merger sanctioned by the High Court of Punjab and Haryana, which came into effect on January 17, 2014.

In respect of immovable properties of land and buildings whose title deeds have been pledged as security for non-convertible debentures are held in the name of the Company based on the confirmations directly received by us from lender's trustee.





In case of immovable property situated at Anandpur – Kolkata location where the title deed is under dispute, in respect of such dispute, the Company has been legally advised that it has the title deed in its name for the aforesaid immovable properties and that it will be able to defend any counter claims to such party.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Act, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, prejudicial to the Company's interest as in accordance with the terms of loan agreement, the interest on inter corporate deposits granted were receivable on demand but have not been called for by the Company during the year. Also, the interest on optionally convertible debentures subscribed by the Company is payable on monthly basis and the payment of such interest was deferred as mutually agreed with the issuer but has not been called for by the Company during the year even after the expiry of 5 years from the date on which such interest was first due and payable.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Further, according to the information and explanations given to us, there are no unclaimed deposits, hence the provisions of Sections 73 to 76 of the Act do not apply to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities.

We are informed that operations of the Company during the year did not give rise to any liability for excise duty, sales tax and value added tax.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹)	Amount Unpaid (₹)
Income Tax Act, 1961	Disallowance of bad debts pursuant to assessment under section 143(3)	Income Tax Appellate Tribunal	AY 2011-12	16.01 lakhs	16.01 lakhs
Income Tax Act, 1961	Transfer pricing adjustment on the interest expense claimed relating to the Compulsorily Convertible Debentures	Commissioner of Income Tax (Appeals)	AY 2013-14	1,501.92 lakhs	1,501.92 lakhs
Income Tax Act, 1961	Transfer pricing adjustment on the interest expense claimed relating to the Compulsorily Convertible Debentures	Commissioner of Income Tax (Appeals)	AY 2014-15	1,265.47 lakhs	1,265.47 lakhs
Income Tax Act, 1961	Disallowance under Section 14A for amount of ₹ 864.13 lakhs	Commissioner of Income Tax (Appeals)	AY 2013-14 (Income Tax)	63.72 lakhs	63.72 lakhs
Haryana Value Added Tax Act, 2003	Tax on medical consumables used on in - patients and out - patients	Hon'ble Supreme Court of India	2007-08	312.66 lakhs	312.66 lakhs
			2008-09	412.59 lakhs	412.59 lakhs
			2009-10	259.11 lakhs	259.11 lakhs
			2010-11	496.35 lakhs	496.35 lakhs



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders, except as under:

(a) In case of defaults in the repayment of dues to the debenture holders:

Particulars	Amount of default of repayment of dues (₹ in lakhs)		Period of default
	Principal	Interest	
Due to Debenture-holders	-	22,719.35	July 12, 2017 to March 31, 2019

The Company has not taken any loans or borrowings from financial institutions and government.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence, reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.



(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)


**Khazat A. Kotwal**  
Partner  
(Membership No. 103707)

Place: Gurugram  
Date: 23 May 2019

International Hospital Limited (CIN: U74999HR1994PLC048225)  
Standalone Balance Sheet as at March 31, 2019

(Amount in ₹ lakhs)

Particulars	Notes	As at	
		March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Property, plant and equipment	5a	92,622.96	95,183.40
(b) Capital work-in-progress	5b	15,692.57	12,189.77
(c) Goodwill	6	122.50	122.50
(d) Other intangible assets	7	3.25	4.73
(e) Financial assets			
(i) Investments			
a) Investment in fellow subsidiary	8	24,346.56	84,094.32
b) Other investments	9	7.20	4.00
(ii) Loans	16	-	130.75
(iii) Other financial assets	10	471.27	27,803.43
(f) Non-current tax assets	11	9,832.77	8,312.08
(g) Other non-current assets	12	269.14	381.40
<b>Total non-current assets (A)</b>		<b>143,368.22</b>	<b>228,226.38</b>
<b>B. Current assets</b>			
(a) Inventories	13	23.23	23.20
(b) Financial assets			
(i) Investments			
a) Investment in fellow subsidiary	8	61,995.00	-
b) Other investments	9	5,069.06	10,717.07
(ii) Trade receivables	14	4,491.26	6,431.33
(iii) Cash and cash equivalents	15a	174.65	2,547.08
(iv) Bank balances other than (iii) above	15b	85.72	95.61
(v) Loans	16	129.75	-
(vi) Other financial assets	10	31,852.53	642.39
(c) Other current assets	12	123.21	76.13
<b>Total current assets (B)</b>		<b>103,944.41</b>	<b>20,532.81</b>
<b>Total assets (A+B)</b>		<b>247,312.63</b>	<b>248,759.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(a) Equity share capital	17	33,963.13	15,453.66
(b) Other equity	18	49,579.17	(16,115.79)
<b>Total equity (A)</b>		<b>83,542.30</b>	<b>(662.13)</b>
<b>Liabilities</b>			
<b>B. Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	47,129.08	204,059.75
(ii) Other financial liabilities	20	644.92	32,264.32
(b) Provisions	21	178.64	166.19
(c) Deferred tax liabilities (net)	22	4,890.69	3,814.88
(d) Other non-current liabilities	25	177.85	262.99
<b>Total non-current liabilities (B)</b>		<b>53,021.18</b>	<b>240,568.13</b>
<b>C. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	60,806.29	1,657.15
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises.	24	143.08	154.29
- Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1,749.39	1,966.32
(iii) Other financial liabilities	20	47,245.96	1,419.42
(b) Provisions	21	18.64	19.10
(c) Other current liabilities	25	785.79	3,636.91
<b>Total current liabilities (C)</b>		<b>110,749.15</b>	<b>8,853.19</b>
<b>Total liabilities (B+C)</b>		<b>163,770.33</b>	<b>249,421.32</b>
<b>Total equity and liabilities (A+B+C)</b>		<b>247,312.63</b>	<b>248,759.19</b>

See accompanying notes forming part of the Standalone Ind AS financial statements  
In terms of our report attached 1-48

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Khazat A. Kotwal  
Partner

Place : Gurugram  
Date :



23 MAY 2019



For and on behalf of the Board of Directors of  
International Hospital Limited

Manu Kapila  
Chairman  
DIN: 03403696

Anurag Kalra  
Director  
DIN: 06987504

Utkarsh Gupta  
Company Secretary

Ravi Bhatta  
Chief financial officer

Place : Gurugram  
Date :

Place : Gurugram  
Date :

23 MAY 2019

23 MAY 2019

International Hospital Limited (CIN: U74999HR1994PLC048225)  
Standalone Statement of Profit and Loss for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	Notes	For the Year ended March 31, 2019	For the Year ended March 31, 2018
<b>I Revenue from operations</b>	26	29,601.92	29,107.51
<b>II Other income</b>	27	8,129.19	8,188.84
<b>III Total income (I+II)</b>		<b>37,731.11</b>	<b>37,296.35</b>
<b>IV Expenses</b>			
i) Purchases of medical consumables and drugs		520.95	567.58
ii) Change in inventories of medical consumables and drugs	28	(0.03)	(2.34)
iii) Employee benefits expense	29	1,516.85	1,399.11
iv) Finance costs	30	25,228.29	25,656.46
v) Depreciation and amortisation expense	31	2,708.75	3,282.68
vi) Other expenses	32	9,201.49	8,856.09
<b>Total expenses (IV)</b>		<b>39,176.30</b>	<b>39,759.58</b>
<b>V Loss before tax (III-IV)</b>		<b>(1,445.19)</b>	<b>(2,463.23)</b>
<b>VI Tax expense</b>			
i) Current tax		-	-
ii) Deferred tax	22	1,076.39	3,688.32
		<b>1,076.39</b>	<b>3,688.32</b>
<b>VII Loss for the year (V-VI)</b>		<b>(2,521.58)</b>	<b>(6,151.55)</b>
<b>VIII Other comprehensive income/ (loss)</b>			
i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(1.66)	8.13
ii) Income tax relating to items that will not be reclassified to profit or loss	22	0.58	(2.84)
<b>Total other comprehensive income/ (loss)</b>		<b>(1.08)</b>	<b>5.29</b>
<b>IX Total comprehensive loss for the year (VII+VIII)</b>		<b>(2,522.66)</b>	<b>(6,146.26)</b>
Loss per equity share of ₹100 each			
i) Basic (in ₹)	40	(7.42)	(39.81)
ii) Diluted (in ₹)	40	(7.42)	(39.81)
See accompanying notes forming part of the Standalone Ind AS financial statements	1-48		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Khazat A. Kotwal  
Partner

Place : Gurugram  
Date :

23 MAY 2019



For and on behalf of the Board of Directors of  
International Hospital Limited

Manu Kapila  
Chairman  
DIN: 03403696

Anurag Kalra  
Director  
DIN: 06987504

Utkarsh Gupta  
Company Secretary  
Place : Gurugram  
Date :

Ravi Bhatia  
Chief financial officer

23 MAY 2019

International Hospital Limited (CIN: U74999HR1994PLC048225)  
Standalone Statement of Cash Flows for the year ended March 31, 2019

Particulars	(Amount in ₹ lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Loss before tax	(1,445.19)	(2,463.23)
Adjustments for:		
Finance costs recognised in profit and loss	25,228.29	25,656.46
Interest income recognised in profit and loss	(7,996.06)	(8,097.47)
Loss on disposal of property, plant and equipment	14.72	13.81
Net (gain)/loss arising on financial assets measured at FVTPL	(83.34)	(42.53)
Bad debts and sundry balances written off	9.65	32.40
Advance income tax written off	260.50	
Allowance (reversed)/created for expected credit loss	71.78	(12.93)
Liabilities no longer required written back	(41.76)	(19.56)
Depreciation and amortisation expense	2,708.75	3,282.68
	<b>18,727.34</b>	<b>18,349.63</b>
(Increase)/decrease in trade and other receivables	1,858.64	(3,489.33)
(Increase)/decrease in inventories	(0.03)	(2.34)
(Increase)/decrease in other assets	(117.98)	(14.16)
(Increase)/decrease in financial assets	13.99	(57.93)
Increase / (decrease) in trade payables	(416.52)	537.30
Increase / (decrease) in financial liabilities	(82.19)	(100.40)
Increase / (decrease) in provisions	10.33	19.32
Increase/(decrease) in other liabilities	(2,874.39)	1,736.50
<b>Cash generated from operations</b>	<b>17,119.19</b>	<b>16,998.79</b>
Income taxes paid (including tax deducted at source)	(1,781.19)	(112.82)
<b>Net cash generated by operating activities (A)</b>	<b>15,337.99</b>	<b>16,885.97</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	2.45	0.11
Payments for purchase of property, plant and equipment	(3,499.80)	(5,082.73)
Payments for purchase of intangible assets	-	(2.65)
Fixed deposits matured with banks	-	76.16
Fixed deposits placed with banks	13.82	(80.21)
Loans given to related parties	-	(95.00)
Repayments of loans by related parties	1.00	144.00
Investment in equity shares of other companies	(3.20)	-
Interest received	1,791.06	127.89
Investment in mutual funds	-	(11,408.00)
Proceeds from sale of investment in mutual funds	5,731.35	1,414.19
<b>Net cash (used in)/generated by investing activities (B)</b>	<b>4,036.68</b>	<b>(14,906.24)</b>
<b>Cash flows from financing activities*</b>		
Proceeds from non current borrowings	-	17,000.00
Repayment of non current borrowings	(87.69)	(7,215.86)
Proceeds/(repayment) of current borrowings	(1,657.15)	(350.34)
Interest paid	(20,002.26)	(9,045.41)
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>(21,747.10)</b>	<b>388.39</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,372.43)</b>	<b>2,368.12</b>
Cash and cash equivalents at the beginning of the year	2,547.08	178.96
<b>Cash and cash equivalents at the end of the year</b>	<b>174.65</b>	<b>2,547.08</b>

\*Note: Changes in liabilities on account of financing activities

	As at March 31, 2018	Cash Flows	Non cash changes	As at March 31, 2019
Borrowings- Non current(refer note 1 and 2)	204,059.75	(119.43)	(156,811.24)	47,129.08
Borrowings- Current(refer note 2)	1,657.15	(1,657.15)	60,806.29	60,806.29
Other financial liabilities	90.99	31.74	-	122.73
	<b>205,807.89</b>	<b>(1,744.84)</b>	<b>(96,004.95)</b>	<b>108,058.10</b>

Note:

1. During the year ended March 31, 2019, carrying value of liability component of compulsorily convertible debentures amounting to ₹ 96,004.95 lakhs has been converted into the equity shares (refer note 36(b)(x),(xi),(xii)).

2. During the current year the company has re-classified non convertible debentures of ₹ 42,760.00 lakhs and Optionally convertible debentures of ₹ 17,775.00 lakhs from non-current borrowings to current borrowings on account of reasons stated in note no. 36.

See accompanying notes forming part of the Standalone Ind AS financial statements  
In terms of our report attached

1-48

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors of  
International Hospital Limited

Khazat A. Kotwal  
Partner

Mamukapila  
Chairman  
DIN: 08287408

Anurag Kalra  
Director  
DIN: 06987504

Place : Gurugram  
Date :

Utkarsh Gupta  
Company Secretary

Ravi Bhatia  
Chief financial officer

23 MAY 2019

Place : Gurugram  
Date :

23 MAY 2019

(Amount in ₹ lakhs)

Particulars	
<b>a. Equity share capital</b>	
Balance at April 1, 2017	15,453.66
Changes in equity share capital during the year	-
<b>Balance at March 31, 2018</b>	<b>15,453.66</b>
Changes in equity share capital during the year (refer note 36(A)(b)(x), 36(A)(b)(xi), & 36(A)(b)(xii))	18,509.47
<b>Balance at March 31, 2019</b>	<b>33,963.13</b>

Particulars	Equity Component of Compound Financial Instruments (refer note-36(b)(xii))	Reserve and surplus			Total other equity
		Capital redemption reserve	Securities premium	Retained earnings	
<b>Balance as at April 1, 2017</b>	10,085.05	46.00		(20,100.58)	(9,969.53)
Loss for the year	-	-		(6,151.55)	(6,151.55)
Other comprehensive Income for the year, net of income tax	-	-		5.29	5.29
<b>Total comprehensive loss for the year</b>	-	-		(6,146.26)	(6,146.26)
<b>Balance as at March 31, 2018</b>	10,085.05	46.00		(26,246.84)	(16,115.79)
<b>Balance as at April 1, 2018</b>					
Issue of equity shares on premium upon conversion of Compulsorily Convertible Debentures (Refer Note 1)	-	-	87,580.53	-	87,580.53
Re-classification of equity component of Compound Financial Instrument to securities premium (Refer Note 1)	(10,085.05)	-	10,085.05	-	-
Difference between conversion value and carrying value of liability component of Compound Financial instrument adjusted in securities premium account (Refer Note 1)	-	-	(19,132.78)	-	(19,132.78)
Share issue expense	-	-	-	(230.13)	(230.13)
Loss for the year	-	-	-	(2,521.58)	(2,521.58)
Other comprehensive loss for the year, net of income tax	-	-	-	(1.08)	(1.08)
<b>Total comprehensive loss for the year</b>	(10,085.05)	-	78,532.80	(2,752.79)	65,694.96
<b>Balance as at March 31, 2019</b>	-	46.00	78,532.80	(28,999.63)	49,579.17

Note 1: Pursuant to Master Purchase Agreement dated February 12, 2018, 106,09,000 Compulsorily Convertible Debentures (CCD's) of the original value of ₹106,090.00 lakhs issued by the Company to Fortis Global Healthcare Services Pte. Limited have been sold to Fortis Healthcare Limited on January 15, 2019. As per the terms of the original agreement these CCD's were due for conversion on or before 18 years from the date of issuance. On March 29, 2019, the Board of Directors of the Company passed a resolution to convert these CCDs into 3,689,824, 14,526,785 and 292,862 equity shares of face value of ₹100/- each at a premium of ₹922.00, ₹348.00 and ₹1,026.81 each respectively aggregating ₹106,090.00 lakhs. The carrying value of liability component of compound financial instrument on March 29, 2019 was ₹86,957.22 lakhs.

Thereby, ₹10,085.05 Lakhs appearing as equity component of the compound financial instrument have been transferred to securities premium reserve and the difference between conversion value and carrying value of liability component of Compound Financial instrument amounting to ₹19,132.78 Lakhs has been adjusted in securities premium account.

See accompanying notes forming part of the Standalone Ind AS financial statements

1-48

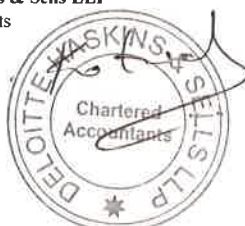
In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Khazat A. Kotwal  
Partner

Place : Gurugram  
Date :

23 MAY 2019



For and on behalf of the Board of Directors of  
International Hospital Limited

Manu Kapila  
Chairman  
DIN: 08287408

Utkarsh Gupta  
Company Secretary

Place : Gurugram  
Date :

Anurag Kalra  
Director  
DIN: 06987504

Ravi Bhatia  
Chief financial officer

23 MAY 2019



## 1. Corporate information

International Hospital Limited (“the Company”) was incorporated in India in the year 1994 and is a subsidiary of Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL). The Company is engaged in the business of providing clinical establishment services including certain out-patient department (OPD) and radio diagnostic services at Amritsar, Faridabad, Noida, Anandpur (Kolkata), Bannerghatta Road (Bengaluru), Mulund (Mumbai) and Kalyan (Mumbai) and running hospital operations in Rajajinagar (Bengaluru). The ultimate holding company is IHH Healthcare Berhad. The Company has entered into Hospital and Medical Services Agreements (HMSA) with Fortis Hospitals Limited (FHsL) and shall provide FHsL on an exclusive principal to principal basis, hospital services including clinical establishment services, OPD services and radio diagnostic services and shall receive service fee in respect thereof.

The registered office of the Company is located at Fortis Memorial Research Institute, Sector-44, Gurugram-122002, Haryana, India and the corporate office of the Company is located at Tower A, Unitech Business Park, Block – F, South City 1, Sector – 41, Gurugram, 122001, Haryana, India.

2. During the current year w.e.f. January 15, 2019, Fortis Healthcare Limited (FHL) became the holding company of the Company pursuant to the Master Purchase Agreement dated February 12, 2018, wherein the Shares and CCDs held by FGHIPL in the Company have been sold to Fortis Healthcare Limited.

Further, the NCDs held by RHT Health Trust Services Pte. Limited (RHSPL) have also been sold to Fortis Healthcare Limited on January 15, 2019 pursuant to the MPA.

## 3. Significant accounting policies

### 3.1 Basis of preparation

The standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 (the “Act”). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone Ind AS financial statements are presented in INR and all values are rounded to the nearest lacs except when otherwise indicated.

The standalone Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each financial year.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone Ind AS financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS 17.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Handwritten signatures and official stamps of Deloitte Haskins & Sells LLP. The stamps include the company name 'DELOITTE HASKINS & SELLS LLP', 'Chartered Accountants', and 'International Hospital Limited'.

### 3.2 New and amended standards and interpretations

The Company applied for the first time following amendment to the Ind AS which are effective for annual periods beginning on or after April 01, 2018. The nature and the impact of the amendment is described below:

#### i. New Indian Accounting Standard 115 (Ind AS) effective during the year.

**Ind AS 115 'Revenue from contracts with customers'** was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognised when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The adoption of above Ind AS does not have material effect on the Company's standalone Ind AS financial statements.

#### ii. Amendments to Ind AS effective during the year

##### **Amendments to Ind AS 12 - Recognition of deferred tax assets for unrealised losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The adoption of above Ind AS does not have effect on the Company's standalone Ind AS financial statements.

##### **Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

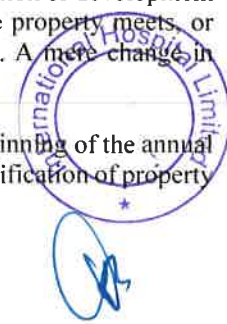
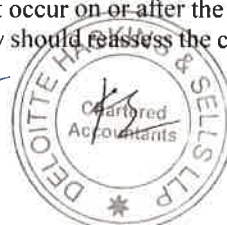
- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the standalone Ind AS financial statements of the reporting period in which the entity first applies the Appendix.

The adoption of above Ind AS does not have effect on the Company's standalone Ind AS financial statements.

##### **Amendments to Ind AS 40 - Transfers of investment property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property



held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The Company does not have any investment property and thus, these amendments have no impact on standalone Ind AS financial statements.

**Amendments to Ind 112 - Disclosure of interests in other entities: clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. These amendments are not applicable to the Company.

**Ind AS 28 Investments in associates and joint ventures – clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

These amendments are not applicable to the Company.

**3.3 Recent accounting pronouncements**

**(i) New Indian Accounting Standard (Ind AS) issued but not yet effective**

**Ind AS 116 Leases**

Ind AS 116 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term.

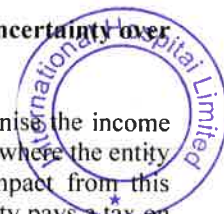
The new standard permit lessees to use either a full retrospective or a modified retrospective approach on transition for leases existing at the date of transition, with options to use certain transition reliefs.

Ind AS 116, was notified on 30 March 2019 by Ministry of Corporate Affairs and will be effective for periods beginning on or after 1 April 2019. This standard will replace the existing lease standard, Ind AS 17 *Leases*, and related interpretations. The Company is currently evaluating the impact that the adoption of this standard will have on its standalone Ind AS financial statements.

**(ii) Amendment to Ind AS issued but not yet effective**

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

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





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

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

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

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

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

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

#### **Ind AS 23 Borrowing Costs**

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

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

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

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

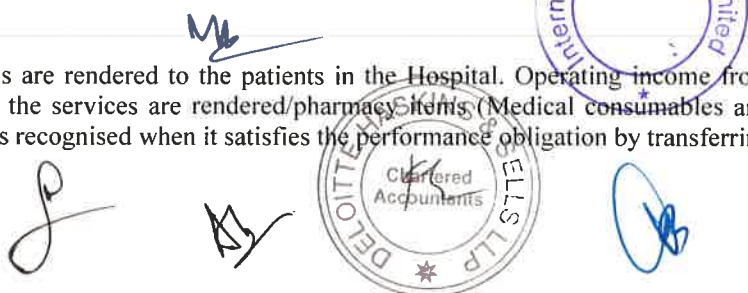
The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect this amendment to have any impact on its standalone Ind AS financial statements.

### **3.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised;

#### **(a) Income from hospital operation**

Hospital Income is recognised when services are rendered to the patients in the Hospital. Operating income from hospital services is recognised as and when the services are rendered/pharmacy items (Medical consumables and drugs) are sold. Revenue from sale of goods is recognised when it satisfies the performance obligation by transferring



the promised services to customers at amount that will be the consideration to which the Company expects to be entitled in exchange for those services.

**(b) Services fee**

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

**(c) Rental income**

Revenue is recognised in accordance with terms of agreements entered into with the respective lessees.

**(d) Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**b. Leasing**

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessee**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Standalone statement of profit and loss.

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Leasehold lands are considered as finance lease where:

- i. change in economic value of the land is transferred to the Company;
- ii. the Company has right to transfer the title of such lands; and
- iii. at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. Such leasehold land are presented under property, plant and equipment and depreciated over the primary lease period.

**The Company as lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating lease.

**c. Foreign currencies**

Items included in the Standalone Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Standalone Ind AS financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

**d. Borrowing cost**

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

Handwritten signatures and stamps at the bottom of the page. On the left, there are three handwritten signatures in blue ink. In the center, there is a circular stamp for 'DELOITTE HASKINS & SELLS LLP Chartered Accountants'. On the right, there is another circular stamp for 'International Hospital Limited' and a handwritten signature in blue ink.

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

**e. Employee benefits**

Employee benefits include provident fund, superannuation fund, employee's state insurance, gratuity fund and compensated absence.

**(a) Defined benefit plan**

Defined retirement benefit plans comprises of gratuity, which is recognised based on the present value of defined benefit obligation and is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each year. Defined benefit costs are categorised as follows:

- service cost;
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Standalone statement of profit and loss in the line item 'Employee benefits expense'.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Standalone statement of profit and loss.

Remeasurement, comprising actuarial gains and losses, is reflected immediately in the Standalone balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Standalone statement of profit and loss.

The retirement benefit obligation recognised in the Standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans.

**(b) Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Standalone statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the Standalone balance sheet; to the extent it does not have an unconditional right to defer its settlement for a period beyond 12 months after the end of the financial year. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

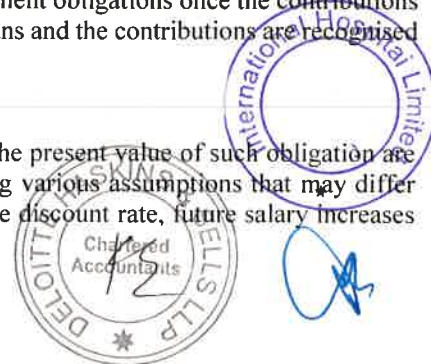
**(c) Defined contribution plan**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and contribution to Employee State Insurance in accordance with Employees State Insurance Act 1948. Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**(d) Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases



and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**a) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the financial year.

Current Income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India.

**b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Ind AS financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable company and the same taxation authority.

**c) Current and deferred tax for the year**

Current and deferred tax are recognised in the Standalone statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**g. Property, plant and equipment(PPE)**

Leasehold land held at Noida, Greater Noida, Anandpur (Kolkata) and Mulund (Mumbai); Building held at Amritsar, Faridabad, Noida, Anandpur (Kolkata), Bannerghatta Road (Bengaluru), Mulund (Mumbai) and Kalyan (Mumbai) and leasehold improvements held at Rajajinagar (Bengaluru) held for use in the supply of services, or for administrative purposes, are stated in the Standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land at Amritsar, Faridabad, Bannerghatta Road (Bengaluru) and Kalyan (Mumbai) are not depreciated. Plant and machinery, medical equipment, furniture and fittings, computers, office equipment and vehicles are stated at cost less accumulated depreciation and accumulated impairment losses, if any.





**Components of costs**

The cost of an asset includes the purchase cost including import duties and non-refundable taxes, borrowing costs if capitalisation criteria are met and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Standalone statement of profit and loss during the year in which they are incurred.

Projects under which tangible assets are not yet ready for their intended use are carried at cost, comprising of direct cost, related incidental expenses and attributable interest and such properties are classified to the appropriate categories of property, plant and equipment when completed and ready to use.

The carrying amount of a property, plant and equipment is de-recognised upon disposal of property, plant and equipment or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Standalone statement of profit and loss.

Depreciation on leasehold improvements is provided over the primary period of lease or over the useful life of the respective assets, whichever is shorter.

Buildings constructed over the land under lease at Noida, Anandpur (Kolkata) and Mulund (Mumbai) are depreciated over the shorter of estimated life or lease period.

The useful life of property, plant and equipment are reviewed at the end of each financial year if the expected useful life of the asset changes significantly from previous estimates, the effect of such change in estimates are accounted for prospectively.

Depreciation is provided at the following rates based on the management’s estimates of the useful lives of the property, plant and equipment, which are different from the useful life prescribed under Schedule II to the Companies Act, 2013. For these class of assets, useful life has been assessed based on internal assessment and technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, etc.

<b>Property, plant and equipment</b>	<b>Useful life</b>
Buildings	10-60 years
Plant and machinery	20 years
Medical equipment	8-16 years
Computers	3-6 years
Furniture and fittings	16 years
Office equipment	4 years
Leasehold improvement	9 years

**h. Intangible assets other than goodwill**

Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortisation and accumulated impairment losses, if any.

Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction, or, when applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Ind AS.

**i. Goodwill**

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.









For the purposes of impairment testing, goodwill is allocated to Company's cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Standalone statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss in Standalone statement of profit and loss.

**j. Impairment of tangible and intangible asset other than goodwill**

The Company reviews the carrying amounts of its intangible assets and property, plant and equipment (including capital works-in-progress) of a cash generating unit to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Standalone statement of profit and loss.

An assessment is made annually as to see if there are any indications that impairment losses recognised earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognised. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversal of impairment loss is recognised in the Standalone statement of profit and loss.

**k. Inventories**

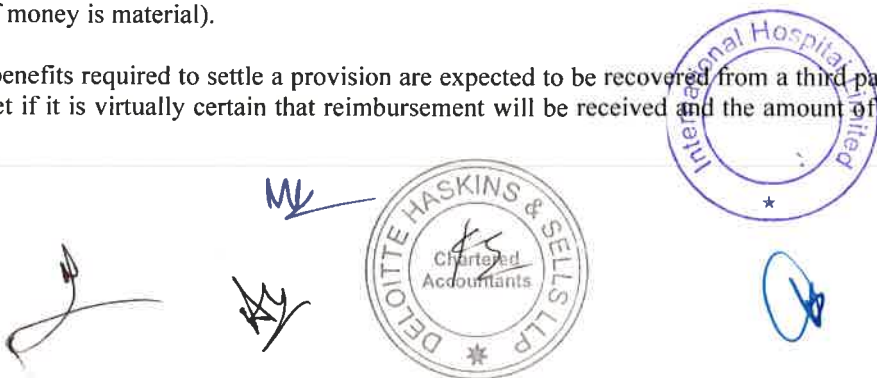
Medical consumables and drugs held at Rajajinagar, Bengaluru hospital are valued at lower of cost or net realisable value. Cost is determined on first in first out basis. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

**l. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



**m. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Standalone Ind AS financial statements.

**n. Segment reporting**

The Board of Directors of the Company has been identified as chief operating decision maker (CODM). Information reported to CODM for the purposes of resource allocation and assessment of segment performance focuses on the type of services delivered or provided. CODM have chosen to organise the Company around differences in services provided. The Company is engaged in the business of providing clinical establishment services and running hospital operations, but running hospital operations does not fall under the threshold for reportable segment as defined under Ind AS 108 Operating segments. Hence, the Company business activity primarily falls within a single segment

**o. Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of common shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year presented.

**p. Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**q. Financial instrument**

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Standalone statement of profit and loss.

**Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

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### **Classification of financial assets**

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial asset other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in Standalone statement of profit and loss and is included in the "other income" line item.

### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are measured at fair value at the end of each year, with any gains or losses arising on re-measurement recognised in Standalone statement of profit and loss. The net gain or loss recognised in Standalone statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at fair value through profit or loss is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on its financial assets measured at amortised cost.

For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company use a practical expedient as permitted under Ind AS 109. This expected credit loss (ECL) allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.



### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Standalone statement of profit and loss if such gain or loss would have otherwise been recognised in Standalone statement of profit and loss on disposal of that financial asset.

### **Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Standalone statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Compound financial instruments**

The component parts of compound financial instruments (compulsory convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

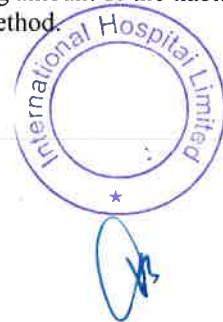
At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Standalone statement of profit and loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

#### **Financial liabilities**

All financial liabilities of the Company are subsequently measured at amortised cost.





The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item, in the Standalone statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Financial guarantee contracts**

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

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

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

#### **r. Cash and cash equivalents (for the purpose of Standalone statement of cash flows)**

Cash and cash equivalents in Standalone statement of cash flows comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **s. Investment in subsidiary and associate**

Investment in equity instruments of subsidiary and associate are measured at cost less impairment, if any, in accordance with Ind AS 27.

#### **t. Critical accounting judgement, estimates and assumptions**

The preparation of the Standalone Ind AS financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Standalone Ind AS financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone Ind AS financial statements are included in the following accounting policies and/or notes:

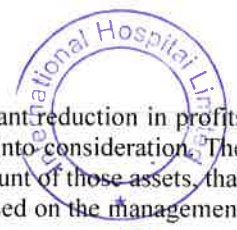
#### **Significant accounting estimates**

##### **(a) Useful life of property, plant and equipment**

Management reviews the estimate of the useful life of depreciable assets at each year, based on the expected utility of the assets.

##### **(b) Impairment of assets**

In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as the Company's business plans and changes in regulatory environment are taken into consideration. The carrying value of the assets of a cash generating unit is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management



estimates of market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

**(c) Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**4. Significant judgement**

**4.1 Accounting for HMSAs'**

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

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

The Company has entered into HMSAs' with FHsL wherein the Company is required to provide and maintain the Company's clinical establishment along with other services like outpatient diagnostic and radio diagnostic. The Company needs to exercise judgement to analyse whether the arrangement involves providing the right to use the Company's clinical establishment and whether the out-patient diagnostic and radio diagnostic services in the arrangement are significant to the overall arrangement.

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

**4.2 Straight lining of service fees as per HMSAs'**

The Company has entered into HMSAs' with Fortis Hospitals Limited where the Company will provide and maintain the clinical establishment along with providing other services towards out-patient diagnostics and radio diagnostic.

The clinical establishment owned by the Company are specifically customised and duly fitted with all fixture, fittings, medical equipment and infrastructure required for running and operating a hospital, offering:

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

The term of the individual HMSA is 15 year and the Company receives a composite service fees i.e. base and variable fee. The base fee is fixed and increases 3% year on year. The variable fee is based on a percentage of the FHsL's net operating income in accordance with the HMSA.

The Company has analysed increase in base fee payments and has determined that such increase is to compensate the companies expected cost inflation, being in line with general cost inflation.

Accordingly, the escalation increase of 3% year on year is not factored for straight lining over the period of HMSA.



**4.3 Going concern**

The Company has prepared its Standalone Ind AS financial statements using the going concern assumption. Refer note 47 of Standalone Ind AS financial statements.



The image shows several handwritten signatures and official stamps. On the left, there are two handwritten signatures in black ink. In the center, there is a circular stamp for 'DELOITTE HASKINS & SELLS LLP Chartered Accountants' with a signature over it. To the right, there is a circular stamp for 'International Hospital Limited' with a signature below it.

International Hospital Limited  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

5a. Property, plant and equipment

Particulars	(Amount in ₹ lakhs)										Total
	Land under finance lease	Freehold land (refer note (a))	Building	Leasehold improvements	Plant and machinery	Medical equipment (refer note- (b))	Furniture and fittings	Computers	Office equipment	Vehicles	
As at March 31, 2017	8,061.14	52,708.86	33,376.49	238.45	3,494.87	4,152.60	263.63	22.80	30.37	21.72	102,370.93
Additions	-	-	656.26	60.27	243.86	115.75	2.22	6.80	14.58	-	1,099.74
Disposals	-	-	-	-	(56.18)	(5.78)	(19.62)	-	(0.09)	-	(81.67)
As at March 31, 2018	8,061.14	52,708.86	34,032.75	298.72	3,682.55	4,262.57	246.23	29.60	44.86	21.72	103,389.00
Additions	-	-	23.68	16.79	47.39	61.44	2.18	2.18	12.52	-	164.00
Disposals	-	-	-	-	(68.71)	(72.92)	(7.58)	(0.69)	-	-	(149.90)
As at March 31, 2019	8,061.14	52,708.86	34,056.43	315.51	3,661.23	4,251.09	238.65	31.09	57.38	21.72	103,403.10
Accumulated depreciation											
As at March 31, 2017	202.87	-	3,060.76	91.34	674.92	887.27	55.84	8.62	10.05	1.26	4,992.93
Depreciation expense	101.43	-	1,975.88	30.08	380.96	747.04	30.18	3.36	9.62	1.87	3,280.42
Disposal of asset	-	-	-	-	(45.51)	(5.08)	(17.07)	-	(0.09)	-	(67.75)
As at March 31, 2018	304.30	-	5,036.64	121.42	1,010.37	1,629.23	68.95	11.98	19.58	3.13	8,205.60
Depreciation expense	100.89	-	1,702.68	35.21	324.06	499.73	27.76	4.21	10.86	1.87	2,707.27
Disposal of asset	-	-	-	-	(53.24)	(71.22)	(7.58)	(0.69)	-	-	(132.73)
As at March 31, 2019	405.19	-	6,739.32	156.63	1,281.19	2,057.74	89.13	15.50	30.44	5.00	10,780.14
Carrying amount (As at March 31, 2018)	7,756.84	52,708.86	28,996.11	177.30	2,672.18	2,633.34	177.28	17.62	25.28	18.59	95,183.40
Carrying amount (As at March 31, 2019)	7,655.95	52,708.86	27,317.11	158.88	2,380.04	2,193.35	149.52	15.59	26.94	16.72	92,622.96

Notes :

(a) The freehold land located at Amritsar with carrying amount of ₹ 2,214.00 lakhs, Noida with carrying amount of ₹ 181.15 lakhs, Faridabad with carrying amount of ₹ 5932.18 lakhs, Kalyan with carrying amount of ₹ 530.00 lakhs, Greater Noida with carrying amount of ₹ 4,719.35 lakhs has been pledged with the Axis Trustee Services Limited for the non-convertible debentures issued to RHT Health Trust Services Pte. Limited (now transferred to Fortis Healthcare Limited). The charge has been created during the previous year. (refer note- 36(a)(v), 36(a)(vi), 36(a)(vii)).

(b) Certain medical equipment of the Company has been hypothecated for the loan taken from SREI Equipment Finance Limited (refer note- 36(a)(ii))

(c) Movable fixed assets of the Company have been pledged with the Axis Trustee Services Limited for the non-convertible debentures issued to RHT Health Trust Services Pte. Limited (now transferred to Fortis Healthcare Limited). (refer note- 36(a)(v), 36(a)(vi), 36(a)(vii), 36(a)(viii))

5b. Capital work-in-progress

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	15,692.57	12,189.77



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**International Hospital Limited**

Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

**6. Goodwill**

Particulars	(Amount in ₹ lakhs)
	Goodwill on acquisition
<b>Gross block</b>	
As at April 1, 2017	122.50
Additions	-
Deletions	-
<b>As at March 31, 2018</b>	122.50
Additions	-
Deletions	-
<b>As at March 31, 2019</b>	122.50
<b>Accumulated amortisation and impairment</b>	
As at April 1, 2017	-
Charge for the year	-
Deletions	-
<b>As at March 31, 2018</b>	-
Charge for the year	-
Deletions	-
<b>As at March 31, 2019</b>	-
<b>Carrying amount (As at March 31, 2018)</b>	122.50
<b>Carrying amount (As at March 31, 2019)</b>	122.50

Note :

(a) Goodwill amounting to ₹4.98 lakhs and ₹117.52 lakhs is for Bannerghatta road and Kalyan clinical establishment respectively.

**7. Other intangible assets**

Particulars	(Amount in ₹ lakhs)
	Computer software
As at April 1, 2017	27.05
Additions	2.65
Deletions	-
<b>As at March 31, 2018</b>	29.70
Additions	-
Deletions	-
<b>As at March 31, 2019</b>	29.70
<b>Accumulated amortisation and impairment</b>	
As at April 1, 2017	22.71
Charge for the year	2.26
Deletions	-
<b>As at March 31, 2018</b>	24.97
Charge for the year	1.48
Deletions	-
<b>As at March 31, 2019</b>	26.45
<b>Carrying amount (As at March 31, 2018)</b>	4.73
<b>Carrying amount (As at March 31, 2019)</b>	3.25

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**International Hospital Limited**  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>8. Investment in fellow subsidiary</b>		
<b>Non-current</b>		
<b>Unquoted investment</b>		
<b>Investment in redeemable preference shares at amortised cost</b>		
Fortis Health Management Limited		
29,000 (29,000 as at March 31, 2018) preference shares of ₹10,000 each (including premium of ₹9,990 per share)	6,684.37	5,996.85
62,803 (62,803 as at March 31, 2018) Preference shares of ₹12,000 each (including premium of ₹11,990 per share)*	15,206.37	13,646.65
<b>Total investment in preference shares</b>	<b>21,890.74</b>	<b>19,643.50</b>
<b>Investment in equity instruments measured at cost</b>		
Fortis Health Management Limited	1,156.88	1,156.88
1,200,000 (1,200,000 as at March 31, 2018) equity shares of ₹10 each		
<b>Total investment in equity shares</b>	<b>1,156.88</b>	<b>1,156.88</b>
<b>Investment in debentures measured at amortised cost</b>		
Fortis Health Management Limited		
5,419,500 (5,419,500 as at March 31, 2018) unsecured 9% optionally convertible debentures of ₹1,000 each	-	54,195.00
Hospitalia Eastern Private Limited		
780,000 (780,000 as at March 31, 2018) unsecured 9% optionally convertible debentures of ₹1,000/- each	-	7,800.00
<b>Total investment in debentures</b>	<b>-</b>	<b>61,995.00</b>
<b>Investment in equity instruments measured at cost</b>		
Escorts Heart and Super Speciality Hospital Limited	1,298.94	1,298.94
12,990,000 (12,990,000 as at March 31, 2018, out of these 6 shares are held by nominee shareholders) ordinary shares of ₹10/- each		
<b>Total investment in equity shares</b>	<b>1,298.94</b>	<b>1,298.94</b>
<b>Total non-current investments in fellow subsidiaries (A)</b>	<b>24,346.56</b>	<b>84,094.32</b>
<b>Current</b>		
<b>Unquoted investment</b>		
<b>Investment in debentures</b>		
Fortis Health Management Limited		
5,419,500 (Nil as at March 31, 2018) unsecured 9% optionally convertible debentures of ₹1,000 each	54,195.00	-
<b>Investment in debentures</b>		
Hospitalia Eastern Private Limited		
780,000 (Nil as at March 31, 2018) unsecured 9% optionally convertible debentures of ₹1,000/- each	7,800.00	-
<b>Total current investments (B)</b>	<b>61,995.00</b>	<b>-</b>
<b>Aggregate carrying value of unquoted investments (A) + (B)</b>	<b>86,341.56</b>	<b>84,094.32</b>

**9. Other investments**

**Non-current**

**Unquoted investment**

**Investments in equity instruments as at amortised cost**

Renew Wind Energy AP Private Limited

72,000 (40,000 as at March 31, 2018) equity shares of ₹10 each\*

7.20 4.00

**Total investments in equity instruments**

7.20 4.00

**Total non current investment (A)**

7.20 4.00

\*The Company has entered into an energy purchase agreement with Renew Wind Energy AP Private Limited (the "issuer"). As per terms of the agreement, the Company needs to keep the money invested in the equity shares of issuer till the period electricity would be purchased from the issuer. The shares would be redeemed at the time of termination of the contract upon mutual consent by the parties. The Company can't sell these shares in active market. Given these fact, the Company has accounted these instruments at cost.



**International Hospital Limited**

Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
<b>Quoted investment</b>		
Investment in mutual funds measured at fair value through profit or loss (refer note- 39)	5,069.06	10,717.07
NIL units (as at March 31, 2018: 1,892,417 units of ₹231.0732) of Birla Sun Life Mutual Fund; 416,752 units (as at March 31, 2018: 1,022,058 units) of ₹299.01 each (₹278.2338 each) fully paid up of Birla Sun Life Mutual Fund - Cash Plus and 14,553,175 units (as at March 31, 2018: 14,553,175 units) of ₹26.27 (₹24.0531 each) fully paid up of Franklin Templeton Mutual Fund		
<b>Total investment in mutual fund (B)</b>	<b>5,069.06</b>	<b>10,717.07</b>
<b>Aggregate carrying value of investments (A) + (B)</b>	<b>5,076.26</b>	<b>10,721.07</b>
<b>10. Other financial assets</b>		
<b>Non-current</b>		
<b>Unsecured, considered good-measured at amortised cost</b>		
Security deposits	470.76	498.77
Deposits with maturity of more than 12 months	0.51	4.43
Interest accrued but not due on optionally convertible debentures and inter corporate deposits	-	27,300.23
	<b>471.27</b>	<b>27,803.43</b>
<b>Current</b>		
<b>Unsecured, considered good-measured at amortised cost</b>		
Security deposits	96.10	10.05
Interest accrued but not due on optionally convertible debentures and inter corporate deposits	31,467.41	277.99
Receivable from related parties	241.67	305.57
Receivable from other than related parties	32.76	22.81
Unbilled revenue	14.59	25.97
	<b>31,852.53</b>	<b>642.39</b>
<b>11. Non-current tax assets</b>		
<b>Unsecured, considered good</b>		
Advance tax including tax deducted at source receivable (net of provision for taxation ₹500.58 lakhs (₹500.58 lakhs as at March 31, 2018))	9,832.77	8,312.08
	<b>9,832.77</b>	<b>8,312.08</b>
<b>12. Other assets</b>		
<b>Non-current</b>		
Capital advances	93.84	277.00
Less: Allowance for doubtful capital advances	(17.82)	-
	<b>76.02</b>	<b>277.00</b>
Prepaid rent	33.96	37.31
Technology renewal fund	151.00	64.91
Prepaid expenses	8.16	2.18
	<b>269.14</b>	<b>381.40</b>
<b>Current</b>		
Prepaid rent	7.04	7.04
Advances to employees	0.21	0.16
Advance to vendor	5.57	10.94
Prepaid expenses	107.56	56.19
Others advances	2.83	1.80
	<b>123.21</b>	<b>76.13</b>
<b>13. Inventories</b>		
(Valued at lower of cost and net realisable value)		
Medical consumables and drugs	23.23	23.20
	<b>23.23</b>	<b>23.20</b>

The cost of inventory recognised as an expense for the year ended March 31, 2019 was ₹285.65 lakhs (for the year ended March 31, 2018: ₹288.22 lakhs)



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**International Hospital Limited**  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>14. Trade receivables measured at amortised cost</b>		
<b>Current</b>		
(a) Secured, considered good	-	-
(a) Unsecured, considered good	4,491.26	6,431.33
(b) Unsecured, considered doubtful	149.56	98.87
Allowance for doubtful debts (expected credit loss allowance)	(149.56)	(98.87)
	<b>4,491.26</b>	<b>6,431.33</b>

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 delay and default in collection

The Company has separate credit period for each class of customer. For the clinical establishment units, the average credit period allowed to customer is 05-11 days. For the outlet vendor average credit period is upto 30 days. For hospital at Rajajinagar, the average credit period agreed with third party administrator is 30 days, corporates is 60 days and with public sector undertakings/government companies is 90 days. Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the overdue balance (except balance pertaining to service fees for clinical establishments), regardless of the age of the balance. The management has carried out the assessment of the customer and doesn't foresee any default in the payment.

The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each year. The provision matrix used to compute the allowance for expected credit loss for different categories of trade receivables is as follows:

**(i) Provision matrix for the expected credit allowance except hospital**

Particulars	Expected credit loss (%)
0 - 6 months	-
More than 6 months	100%

**(ii) Provision matrix - Rajajinagar hospital**

Type of customers	Allowance for deduction (on current year bills)	Expected credit loss (%)		
		365-730 days	730-1095 days	More than 1095 days
Third party administrator	6%	100%	100%	100%
Corporates	3%	100%	100%	100%
Public sector undertakings/ Government companies	13%	100%	100%	100%

In addition to above, additional provision can be made on partly paid invoices with the approval of management

**Age of receivables- Clinical establishments(gross)**

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
0 - 6 months	4,332.03	6,322.29
More than 6 months	72.00	24.27
	<b>4,404.03</b>	<b>6,346.56</b>

**Age of receivables as at March 31, 2019- Rajajinagar Hospital(gross)**

Type of customers	(Amount in ₹ lakhs)				
	Less than 180 days	180-365 days	365-730 days	730-1095 days	More than 1095 days
Third party administrator	97.27	48.15	40.25	12.09	6.86
Corporates	11.13	4.93	2.34	1.41	0.65
Public sector undertakings/ Government companies	9.43	0.47	1.45	0.32	0.06
<b>Total</b>	<b>117.83</b>	<b>53.55</b>	<b>44.04</b>	<b>13.82</b>	<b>7.57</b>

**Age of receivables as at March 31, 2018- Rajajinagar Hospital(gross)**

Type of customers	(Amount in ₹ lakhs)				
	Less than 180 days	180-365 days	365-730 days	730-1095 days	More than 1095 days
Third party administrator	113.37	21.58	19.47	12.47	0.14
Corporates	2.23	2.01	1.43	3.62	0.50
Public sector undertakings/ Government companies	3.61	1.47	0.32	1.42	-
<b>Total</b>	<b>119.21</b>	<b>25.06</b>	<b>21.22</b>	<b>17.51</b>	<b>0.64</b>

**Movement in allowance for expected credit loss**

Particulars	(Amount in ₹ lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	98.87	111.80
Creation of the allowance for expected credit loss	71.78	8.23
Utilisation of the allowance for expected credit loss	(21.09)	-
<b>Balance at the end of the year</b>	<b>149.56</b>	<b>98.87</b>

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**International Hospital Limited**  
**Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>15a. Cash and cash equivalents</b>		
For the purpose of the Standalone statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the year 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		
- in current accounts	170.33	2,542.00
(b) Cash on hand	4.32	5.08
	174.65	2,547.08
<b>15b. Other bank balances</b>		
Deposits with original maturity of more than 3 months but less than 12 months	85.72	95.61
	85.72	95.61
<b>16. Loans</b>		
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Loan to related parties	-	130.75
	-	130.75
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loan to related parties	129.75	-
	129.75	-

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(Amount in ₹ lakhs)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>17. Equity share capital</b>		
<b>Authorised share capital</b>		
33,970,000 (15,620,000 as at March 31, 2018) equity shares of ₹100/- each	33,970.00	15,620.00
	<u>33,970.00</u>	<u>15,620.00</u>
<b>Issued, subscribed and fully paid up share capital</b>		
33,963,130 (15,453,659 as at March 31, 2018) equity shares of ₹100/- each	33,963.13	15,453.66
	<u>33,963.13</u>	<u>15,453.66</u>

Notes :

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

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of shares	Amount in ₹ lakhs	Number of shares	Amount in ₹ lakhs
At the beginning of the year	15,453,659	15,453.66	15,453,659	15,453.66
Add: Shares issued during the year upon conversion of CCDs	18,509,471	18,509.47	-	-
<b>At the end of the year</b>	<b>33,963,130</b>	<b>33,963.13</b>	<b>15,453,659</b>	<b>15,453.66</b>

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹100 per share. Each holder of equity shares is entitled to one vote per share.

(c) Equity shares held by the holding company and its fellow subsidiary

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	Amount in ₹ lakhs	Number of shares held	Amount in ₹ lakhs
Fortis Healthcare Limited#	26,627,094	26,627.09	-	-
Fortis Global Healthcare Infrastructure Pte Limited #	-	-	8,117,833	8,117.83
Fortis Health Management Limited, fellow subsidiary*	7,336,036	7,336.04	7,335,826	7,335.83

#Till January 14, 2019 shares of the Company were held by Fortis Global Healthcare Infrastructure Pte Limited. On January 15, 2019, these shares have been acquired by Fortis Healthcare Limited (Refer Note 2)

\*including 6 equity shares held by its nominees

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

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Fortis Healthcare Limited #	26,627,094	78.40%	-	-
Fortis Global Healthcare Infrastructure Pte Limited #	-	-	8,117,833	52.53%
Fortis Health Management Limited, fellow subsidiary*	7,336,036	21.60%	7,335,826	47.47%

#Till January 14, 2019 shares of the Company were held by Fortis Global Healthcare Infrastructure Pte Limited. On January 15, 2019, these shares have been acquired by Fortis Healthcare Limited (Refer Note 2)

\*including 6 equity shares held by its nominees

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

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>18. Other equity</b>		
<b>(A) Capital redemption reserve</b>		
Opening balance	46.00	46.00
Transfer from surplus in Standalone statement of profit and loss	-	-
<b>Closing balance</b>	<b>46.00</b>	<b>46.00</b>
<b>(B) Equity component of compound financial instruments (refer note- 36(b)(xi)(xii)(xiii))</b>		
Opening balance	10,085.05	10,085.05
Addition/ deduction	(10,085.05)	-
<b>Closing balance</b>	<b>-</b>	<b>10,085.05</b>
<b>(C) Securities premium</b>		
Opening balance	-	-
Additions on account of issue of equity shares upon conversion of CCDs	87,580.53	-
Re-classification of equity component of compound financial instrument to securities premium account	10,085.05	-
Difference between conversion value and carrying value of liability component of compound financial instrument adjusted in securities premium account	(19,132.78)	-
<b>Closing balance</b>	<b>78,532.80</b>	<b>-</b>
<b>(D) Deficit in the Standalone statement of profit and loss</b>		
Opening balance	(26,246.84)	(20,100.58)
Loss for the year	(2,521.58)	(6,151.55)
Share issue expense	-	-
Other comprehensive (loss) / income arising from remeasurement of defined benefit obligation net of income tax	1,044.84	5.29
<b>Net deficit in the Standalone statement of profit and loss</b>	<b>(28,999.63)</b>	<b>(26,246.84)</b>
<b>Total (A+B+C+D)</b>	<b>49,579.17</b>	<b>(16,115.79)</b>



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International Hospital Limited  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>19. Non-current borrowings</b>		
<b>Secured - measured at amortised cost</b>		
(a) Term loans from:		
- Body corporate (refer note- 36(a)(ii))	409.01	531.74
(b) Non-convertible debentures (refer note- 36(a)(iv),36(a)(v), 36(a)(vi) and 36(a)(vii))	-	42,760.00
	<b>409.01</b>	<b>43,291.74</b>
<b>Unsecured - measured at amortised cost</b>		
(a) Non-convertible debentures (refer note- 36(b)(viii))	46,716.77	46,716.77
(b) Liability component of compulsorily convertible debentures (refer note- 36(b)(x),36(b)(xi), 36(b)(xii))	-	96,004.95
(c) Optionally convertible debentures (refer note- 36(b)(ix))	-	17,775.00
(d) Buyer Credit	3.30	-
(e) Loan from related parties (refer note- 36(b)(xiii))	-	271.29
	<b>46,720.07</b>	<b>160,768.01</b>
	<b>47,129.08</b>	<b>204,059.75</b>
<b>20. Other financial liabilities</b>		
<b>Non-current</b>		
(a) Interest accrued but not dues on borrowings	-	31,595.83
(b) Retention money	138.21	86.66
(c) Technology renewal fund	506.35	581.83
(d) Security deposits	0.36	-
	<b>644.92</b>	<b>32,264.32</b>
<b>Current</b>		
(a) Security deposits	94.96	88.92
(b) Interest accrued but not dues on borrowings	45,883.01	13.42
(c) Current maturities of non-current borrowings (refer note- 36(a)(ii))	122.73	90.99
(d) Capital creditors	994.22	1,061.94
(e) Technology renewal fund	135.00	158.62
(f) Payable to related parties	16.04	5.53
	<b>47,245.96</b>	<b>1,419.42</b>
	<b>47,890.88</b>	<b>33,683.74</b>
<b>21. Provisions</b>		
<b>Non-current</b>		
<b>Provision for employees' benefits</b>		
(a) Provision for gratuity (refer note- 37)	122.72	110.27
(b) Provision for compensated absences	55.92	55.92
	<b>178.64</b>	<b>166.19</b>
<b>Current</b>		
<b>Provision for employees' benefits</b>		
(a) Provision for gratuity (refer note- 37)	9.03	9.01
(b) Provision for compensated absences	9.61	10.09
	<b>18.64</b>	<b>19.10</b>










International Hospital Limited  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>22. Deferred tax (net)</b>		
<b>Deferred tax assets</b>		
Impact of expenditure charged to the Standalone statement of profit and loss but allowed for tax purposes on payment basis	68.94	64.75
On carry forward business losses and unabsorbed depreciation	2,354.30	2,871.51
Allowance for expected credit loss	52.26	34.55
	<u>2,475.50</u>	<u>2,970.81</u>
<b>Deferred tax liabilities</b>		
Difference between book base and tax base of property plant and equipment	4,953.75	4,994.61
Amortised cost of preference shares	1,613.67	1,189.75
Mutual fund recognised at fair value through profit or loss	-	78.14
Interest accrued on non-convertible debentures at amortised cost	798.77	523.19
	<u>7,366.19</u>	<u>6,785.69</u>
<b>Deferred tax liabilities recognised in books</b>	<u>(4,890.69)</u>	<u>(3,814.88)</u>

The following is the analysis of deferred tax assets/(liabilities) recognised in the Standalone statement of profit and loss and presented in the Standalone balance sheet

For the year ended March 31, 2019

Deferred tax assets/(liabilities) in relation to:	(Amount in ₹ lakhs)			
	As at March 31, 2018	Recognised in Standalone statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2019
Property, plant and equipment	(4,994.61)	40.86	-	(4,953.75)
Carry forward business losses and unabsorbed depreciation	2,871.51	(517.21)	-	2,354.30
Allowance for expected credit loss	34.55	17.71	-	52.26
Defined benefit obligation	64.75	3.61	0.58	68.94
Amortised cost of preference shares	(1,189.75)	(423.92)	-	(1,613.67)
Mutual fund recognised at fair value through profit or loss	(78.14)	78.14	-	-
Interest accrued on non convertible debentures at amortised cost	(523.19)	(275.58)	-	(798.77)
	<u>(3,814.88)</u>	<u>(1,076.39)</u>	<u>0.58</u>	<u>(4,890.69)</u>

For the year ended March 31, 2018

Deferred tax assets/(liabilities) in relation to:	(Amount in ₹ lakhs)			
	As at March 31, 2017	Recognised in Standalone statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2018
Property, plant and equipment	(5,057.11)	62.50	-	(4,994.61)
Carry forward business losses and unabsorbed depreciation	5,800.37	(2,928.86)	-	2,871.51
Allowance for expected credit loss	38.69	(4.14)	-	34.55
Defined benefit obligation	60.25	7.34	(2.84)	64.75
Amortised cost of preference shares	(803.92)	(385.83)	-	(1,189.75)
Mutual fund recognised at fair value through profit or loss	7.36	(85.50)	-	(78.14)
Demerger expenses under section 35DD of Income Tax Act, 1961	5.39	(5.39)	-	-
Interest accrued on non convertible debentures at amortised cost	(174.75)	(348.44)	-	(523.19)
	<u>(123.72)</u>	<u>(3,688.32)</u>	<u>(2.84)</u>	<u>(3,814.88)</u>

The unused tax losses and unabsorbed depreciation expire as detailed below:

Financial Year	Business loss	Short Term Capital Loss	Long Term Capital Loss	Unabsorbed depreciation	(Amount in ₹ lakhs)	
					Business loss and long term capital loss can be carried forward up to financial year	Unabsorbed depreciation can be carried forward up to financial year
2009-10	-	-	-	693.96	2017-18	Unlimited
2010-11	-	-	-	331.34	2019-20	Unlimited
2012-13	1,654.02	-	-	1,243.80	2020-21	Unlimited
2013-14	3,584.87	-	-	3,477.84	2021-22	Unlimited
2014-15	3,080.86	-	-	3,284.05	2022-23	Unlimited
2015-16	3,323.65	-	-	3,413.57	2023-24	Unlimited
2016-17	4,278.93	-	3,943.68	3,071.94	2024-25	Unlimited
2017-18	-	23.59	-	-	2025-26	Unlimited
<b>Total</b>	<b>15,922.33</b>	<b>23.59</b>	<b>3,943.68</b>	<b>15,516.50</b>		

A reconciliation of income tax expense applicable to accounting profit/(loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	(Amount in ₹ lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit/(loss) before tax	(1,445.19)	(2,463.23)
Statutory income tax rate	34.94%	34.61%
Tax at statutory income tax rate	(504.95)	(852.47)
Effect of expenses that are not deductible in determining taxable profit	3,501.47	4,955.42
Effect of income not considered in determining taxable profit	(361.36)	181.09
Effect of items on which deferred tax is not reversible	(744.43)	(615.24)
(Credit)/charge in respect of previous years	(798.27)	(14.07)
Effect of change in tax rate considered for deferred tax	-	33.59
Others	(16.07)	-
<b>Total</b>	<b>1,076.39</b>	<b>3,688.32</b>
Tax expense recognised in Standalone statement of profit and loss	1,076.39	3,688.32





**International Hospital Limited**

Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>23. Current borrowings</b>		
<b>Secured - measured at amortised cost</b>		
(a) Bank overdraft (refer note- 36(a)(iii))	-	1,657.15
(b) Non-convertible debentures (refer note- 36(a)(iv), 36(a)(v), 36(a)(vi) and 36(a)(vii) )	42,760.00	
	<b>42,760.00</b>	<b>1,657.15</b>
<b>Unsecured - measured at amortised cost</b>		
(a) Optionally convertible debentures (refer note- - 36(b)(ix))	17,775.00	-
(b) Loan from related parties (refer note- 36(b)(xiii))	271.29	-
	<b>60,806.29</b>	<b>1,657.15</b>
<b>24. Trade payables</b>		
(a) Total outstanding dues of micro enterprises and small enterprises. (refer note- 41)	143.08	154.29
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,749.39	1,966.32
	<b>1,892.47</b>	<b>2,120.61</b>
<b>25. Other liabilities</b>		
<b>Non-current</b>		
(a) Deferred interest income	162.51	219.66
(b) Lease equilisation reserve	15.34	43.33
	<b>177.85</b>	<b>262.99</b>
<b>Current</b>		
(a) Advance from patients	3.76	14.82
(b) Statutory payable	719.78	3,556.51
(c) Deferred interest income	57.15	61.87
(d) Other advances	5.10	3.71
	<b>785.79</b>	<b>3,636.91</b>



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International Hospital Limited  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>26. Revenue from operations</b>		
<b>(a) Sale of services*</b>		
i) Operating income - in patient department	2,326.24	2,031.15
ii) Operating income - out patient department	239.28	238.18
iii) Income from hospital and medical services	26,227.58	25,970.53
	<b>28,793.10</b>	<b>28,239.86</b>
<b>(b) Other operating revenues</b>		
i) Income from rent (refer note-34)	808.82	867.65
	<b>808.82</b>	<b>867.65</b>
<b>Total revenue from operations (a+b)</b>	<b>29,601.92</b>	<b>29,107.51</b>
<p>* The Company has applied Ind AS 115 'Revenue from contracts with customers' with effect from April 1, 2018, using the modified retrospective method of adoption. Under this method, the Company is required to adjust the cumulative effect of initially applying Ind AS 115 in the opening balance of retained earnings as at April 1, 2018.</p> <p>The Company provides services in relation to clinical establishments and hospital services. In terms of requirements of Ind AS 115, there is single performance obligation which is satisfied on a point in time when service is delivered to customer. The management has assessed that there is no impact in the revenue recognition on adoption of Ind AS 115.</p>		
<b>27. Other income</b>		
<b>(a) Interest income on:</b>		
i) Optionally convertible debentures (at amortised cost)	5,579.55	5,579.55
ii) Preference shares (at amortised cost)	2,247.24	2,051.88
iii) Loan to related parties (at amortised cost)	14.43	19.53
iv) Term deposits (at amortised cost)	7.46	7.20
v) Income tax refund	-	52.66
vi) Late receipt of service fees	140.51	303.58
vii) Others	6.87	83.07
<b>(b) Other non-operating income</b>		
i) Allowance reversed for expected credit loss (refer note- 14)	-	12.93
ii) Liabilities no longer required written back	41.76	19.56
iii) Miscellaneous income	8.03	16.35
<b>(c) Others gains and losses</b>		
i) Net gain arising on financial assets designated at fair value through profit or loss	83.34	42.53
<b>Total other income (a+b+c)</b>	<b>8,129.19</b>	<b>8,188.84</b>
<b>28. Change in inventories of medical consumables and drugs</b>		
Inventory at the beginning of the year	23.20	20.86
Inventory at the end of the year	23.23	23.20
<b>(Increase)/decrease in inventories [(a)-(b)]</b>	<b>(0.03)</b>	<b>(2.34)</b>
<b>29. Employee benefits expense</b>		
(a) Salaries, wages and bonus	1,373.96	1,270.42
(b) Gratuity expense (refer note- 37)	27.63	28.32
(c) Contribution to provident and other funds (refer note- 37)	76.75	77.17
(d) Staff welfare expenses	38.51	23.20
	<b>1,516.85</b>	<b>1,399.11</b>
<b>30. Finance costs</b>		
(a) Interest expense on:		
- Optionally convertible debentures measured at amortised cost	1,599.75	1,599.75
- Compulsorily convertible debentures measured at amortised cost	15,935.30	16,409.79
- Non convertible debentures measured at amortised cost	7,396.17	7,014.47
- Loan from related parties measured at amortised cost	32.56	60.36
- Others	125.36	326.21
(b) Other borrowing costs		
- Finance charges on bank overdraft	139.15	245.88
	<b>25,228.29</b>	<b>25,656.46</b>



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International Hospital Limited

Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>31. Depreciation and amortisation expense</b>		
(a) Depreciation of property, plant and equipment (refer note- 5a)	2,707.27	3,280.42
(b) Amortisation of intangible assets (refer note- 6 and 7)	1.48	2.26
	<b>2,708.75</b>	<b>3,282.68</b>
<b>32. Other expenses</b>		
(a) Contractual manpower	55.21	56.56
(b) Power, fuel and water	282.44	281.44
(c) Housekeeping expenses including consumables	1,590.40	1,619.71
(d) Patient food and beverages	25.98	32.18
(e) Pathology laboratory expenses	238.49	209.05
(f) Radiology expenses	646.94	684.37
(g) Consultation fees to doctors	2,064.59	2,131.80
(h) Professional charges to doctors	1,237.78	1,224.32
(i) Repairs and maintenance		
- Building	22.14	21.54
- Plant and machinery	590.54	519.26
- Others	221.06	208.28
(j) Rent (refer note- 34)	323.66	245.51
(k) Legal and professional fee	217.78	158.89
(l) Travel and conveyance	9.43	8.96
(m) Rates and taxes	183.53	292.97
(n) Printing and stationary	12.14	11.89
(o) Communication expenses	10.48	10.52
(p) Directors' sitting fees	0.59	0.35
(q) Insurance	28.98	37.63
(r) Marketing and business promotion	36.89	40.54
(s) Loss on disposal of property, plant and equipment	14.72	13.81
(t) Payment to auditors (inclusive of goods and services tax/ service tax)		
- Audit fee	92.47	62.69
- Other services	43.04	18.40
- Out of pocket expenses	17.87	15.93
(u) Vehicle running and maintenance	11.10	10.63
(v) Bad debts and sundry balances written off	9.65	32.40
(w) Allowance created for expected credit loss	71.78	-
(x) Advances income tax written off	260.50	-
(y) License fees for software	0.43	33.53
(z) Security expenses	772.89	737.58
(aa) Miscellaneous expenses	95.95	125.48
(ab) Bank charges	12.04	9.87
	<b>9,201.49</b>	<b>8,856.09</b>



**33. Related Party disclosures**

**(a) Names of related parties and related party relationship**

Ultimate holding company	IHH Healthcare Berhad (w.e.f. January 15, 2019) RHT Health Trust (up to January 14, 2019)
Intermediate Holding Company	Integrated Healthcare Holdings Limited (w.e.f. January 15, 2019)
	Parkway Pantai Limited (w.e.f. January 15, 2019)
	Northern TK Venture Pte Ltd (w.e.f. January 15, 2019)
Holding company	Fortis Healthcare Limited (w.e.f. January 15, 2019) Fortis Global Healthcare Infrastructure Pte. Limited (up to January 14, 2019)
Subsidiary	Escorts Heart and Super Speciality Hospital Limited (up to January 14, 2019)
Associate	Fortis Health Management Limited (up to January 14, 2019)
Fellow subsidiaries	Hospitalia Eastern Private Limited
	RHT Health Trust Services Pte. Limited (up to January 14, 2019)
	SRL Limited (w.e.f. January 15, 2019)
	Fortis Hospitals Limited (w.e.f. January 15, 2019)
	Fortis Health Management Limited (w.e.f. January 15, 2019)
	Escorts Heart Institute and Research Centre Limited (w.e.f. January 15, 2019)
	Fortis Hospotel Limited (w.e.f. January 15, 2019)
Key management personnel	Dr. Virender Kumar Sobti, Director (up to January 14, 2019)
	Md. Faizal Imtiaz, Whole time director (up to January 14, 2019)
	Mrs. Shalini Tyagi, Director (up to January 14, 2019)
	Mr. Utkarsh Gupta, Company Secretary (w.e.f. January 15, 2019)
	Mr. Naveen Bhatia, Chief financial officer (up to December 14, 2017)
	Mr. Siddhant Jain, Chief financial officer (w.e.f. December 14, 2017) (up to January 14, 2019)
	Mr. Sunil Kumar Singla, Company secretary (up to January 14, 2019)
	Ms. Aarti Singh, Independent Director (up to January 14, 2019)
	Mr. Sangeet Kumar Singla, Independent Director (up to January 14, 2019)
	Mr. Arun Kumar Tripathy, Independent Director (up to December 02, 2017) (up to January 14, 2019)
	Mr. Manu Kapila, Independent Director (w.e.f. January 15, 2019)
	Mr. Anurag Kalra, Independent Director (w.e.f. January 15, 2019)
	Mr. Jitender Kumar, Independent Director (w.e.f. January 15, 2019)
	Ms. Stutee Premi, Independent Director (w.e.f. January 15, 2019)
	Enterprise having significant influence
Group entities of enterprise having significant influence	SRL Limited (up to January 14, 2019)
	RWL Healthworld Limited (up to February 16, 2018)
	Fortis Hospitals Limited (up to January 14, 2019)
	Escorts Heart Institute and Research Centre Limited (up to January 14, 2019)
	Fortis Hospotel Limited (up to January 14, 2019)

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International Hospital Limited  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

(b) (i) Transaction with related parties

Particulars	For the year ended March 31, 2019				For the year ended March 31, 2018				Group entities of enterprise having significant influence			
	Holding company	Subsidiary	Fellow subsidiaries	Associate	Key managerial personnel (KMP)	Group entities of enterprise having significant influence	Holding company	Subsidiary		Fellow subsidiaries	Associate	Key managerial personnel (KMP)
<b>Income from hospital and medical services</b>												
- Fortis Hospitals Limited			26,227.58									25,970.53
<b>Income from rent</b>												
- RWL Healthworld Limited												499.39
<b>Interest income</b>												
<b>On inter corporate loan to related parties</b>												
- Hospitalia Eastcom Private Limited			14.40							13.60		
- Fortis Health Management Limited			0.03								5.93	
<b>On optionally convertible debentures</b>												
- Hospitalia Eastcom Private Limited			702.00							702.00		
- Fortis Health Management Limited			4,877.55									4,877.55
<b>On preference shares</b>												
- Fortis Health Management Limited			2,247.24									2,051.88
<b>On late receipt of service fees</b>												
- Fortis Hospitals Limited			140.51									303.58
<b>Finance Cost</b>												
<b>On inter corporate loan from related parties</b>												
- Escorts Heart and Super Speciality Hospital Limited			32.40					19.45				
- Fortis Hospital Limited			0.16									
<b>On optionally convertible debentures</b>												
- Fortis Hospital Limited			1,599.75					1,592.75				
<b>On compulsorily convertible debentures</b>												
- Fortis Global Healthcare Infrastructure Pte. Limited			3,213.47				16,409.79					
- Fortis Healthcare Limited (holding company)												3,662.10
<b>On non-convertible debentures</b>												
- RHT Health Trust Services Pte. Limited			1,004.38									
- Fortis Healthcare Limited (holding company)												3,352.38
- Fortis Hospital Limited												814.02
<b>Expenses incurred on behalf of the company by</b>												
- Fortis Hospitals Limited			97.07									
<b>Expenses incurred on behalf of</b>												
- Fortis Hospitals Limited			2,414.92									2,100.49
<b>Collection on behalf of</b>												
- Fortis Hospitals Limited			0.66									18.53

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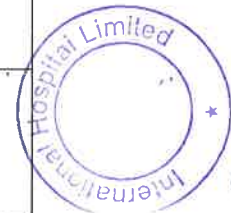
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International Hospital Limited  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019				For the year ended March 31, 2018				Group entities of enterprise having significant influence	
	Holding company	Subsidiary	Fellow subsidiaries	Associate	Holding company	Subsidiary	Fellow subsidiaries	Associate		
<b>Compensation of key management personnel</b>										
Short term benefits										
- Md Faizal Imtiaz					66.10					47.81
- Mr Siddhant Jain					70.04					22.23
- Mr Sunil Kumar Sinela					25.99					17.01
- Mr Navoon Bhatia										56.04
Termination benefits										
- Md Faizal Imtiaz					7.09					0.57
- Mr Siddhant Jain					2.00					0.28
- Mr Sunil Kumar Sinela					4.40					4.34
- Mr Navoon Bhatia										
Other long term benefits										
- Md Faizal Imtiaz										0.50
- Mr Siddhant Jain										0.44
- Mr Sunil Kumar Sinela										0.24
- Mr Navoon Bhatia										4.38
Director sitting fee										
- Mr Arun Kumar Tripathy					0.30					0.10
- Mr Sanjeet Kumar Sinela					0.30					0.20
- Ms Anri Sinoh										
<b>Pathology laboratory expense</b>										
- SRL Limited			131.65							126.51
<b>Balances written off</b>										
- Fortis Hospitals Limited										
<b>Purchase of property, plant and equipment</b>										
- Fortis Hospitals Limited			11.16							3.90
<b>Inter corporate loan received back during the year</b>										
- Fortis Health Management Limited			1.00							
<b>Inter corporate loan given during the year</b>										
- Fortis Health Management Limited								144.00		
- Hospitalia Eastern Private Limited							10.00			
<b>Inter corporate loan taken during the year</b>										
- Fortis Hospital Limited									575.00	
- Escorts Heart and Super Speciality Hospital Limited										1,275.00
<b>Inter corporate loan repaid during the year</b>										
- Fortis Hospital Limited									305.00	
- Escorts Heart and Super Speciality Hospital Limited										
<b>Non-current borrowings obtained during the year</b>										
- Fortis Hospital Limited										
- RHT Health Trust Services Pte. Limited							17,000.00			



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International Hospital Limited  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

(b) (ii) Balance outstanding with related parties

Particulars	As at March 31, 2019					As at March 31, 2018						
	Holding company	Subsidiary	Fellow subsidiaries	Associate	Group entities of enterprise having significant influence	Enterprises having significant influence	Holding company	Subsidiary	Fellow subsidiaries	Associate	Group entities of enterprise having significant influence	Enterprises having significant influence
<b>Balance outstanding at the year end</b>												
<b>Investment in associate</b>												
- Fortis Health Management Limited	-	-	1,156.88	-	-	-	-	-	-	1,156.88	-	-
<b>Investment in preference shares</b>												
- Fortis Health Management Limited	-	-	21,890.74	-	-	-	-	-	-	19,643.50	-	-
<b>Non-current</b>												
<b>Investment in optionally convertible debentures</b>												
- Fortis Health Management Limited	-	-	54,195.00	-	-	-	-	-	-	54,195	-	-
<b>Current</b>												
<b>Investment in subsidiary</b>												
- Escorts Heart and Super Speciality Hospital Limited	-	-	1,298.94	-	-	-	-	1,298.94	-	-	-	-
<b>Other investments</b>												
<b>Non-current</b>												
<b>Investment in optionally convertible debentures</b>												
- Hospitalia Eastern Private Limited	-	-	7,800.00	-	-	-	-	7,800.00	-	-	-	-
<b>Other financial assets</b>												
<b>Non-current</b>												
<b>Interest accrued but not due on optionally convertible debentures</b>												
- Fortis Health Management Limited	-	-	4,436.21	26,967.00	-	-	-	-	-	23,484.55	-	-
- Hospitalia Eastern Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
<b>Interest accrued but not receivable on loans</b>												
- Fortis Health Management Limited	-	-	60.42	-	-	-	-	-	-	7	-	-
- Hospitalia Eastern Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other financial assets</b>												
<b>Current</b>												
<b>Interest accrued but not due on optionally convertible debentures</b>												
- Fortis Health Management Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Hospitalia Eastern Private Limited	-	-	-	-	-	-	-	-	-	-	-	-



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International Hospital Limited  
Notes to the Standalone Ind AS financial statements as at and for the year ended March 31, 2019

Particulars	As at March 31, 2019					As at March 31, 2018						
	Holding company	Subsidiary	Fellow subsidiaries	Associate	Group entities of enterprise having significant influence	Enterprises having significant influence	Holding company	Subsidiary	Fellow subsidiaries	Associate	Group entities of enterprise having significant influence	Enterprises having significant influence
<b>Interest accrued but not receivable on loans</b>												
- Fortis Health Management Limited												
- Hospitalia Eastern Private Limited												
<b>Interest on late receipt of service fee</b>												
- Fortis Hospitals Limited							18 07					273 22
<b>Receivable for expenses</b>												
- Fortis Hospitals Limited												89 17
- Fortis Global Healthcare Infrastructure Pte Limited												198 32
- Fortis Hospitals Limited			274 43									
<b>Trade receivables</b>												
- Fortis Hospitals Limited			3 715 48									
- RWL Healthworld Limited												6 003 86
												257 18
<b>Loans</b>												
<b>Non-current</b>												
<b>Inter corporate loan</b>												
- Fortis Health Management Limited												
- Hospitalia Eastern Private Limited			120 00									
- Escorts Heart Institute and Research Centre Limited			9 75							1 00		
<b>Current</b>												
<b>Inter corporate loan</b>												
- Fortis Health Management Limited												
- Hospitalia Eastern Private Limited												
- Escorts Heart Institute and Research Centre Limited												
<b>Other assets</b>												
<b>Non-current</b>												
<b>Technology renewal fund</b>												
- Fortis Hospitals Limited												64 91
<b>Non-current borrowings</b>												
<b>Compulsorily convertible debentures</b>												
- Fortis Global Healthcare Infrastructure Pte Limited							96 004 95					
<b>Non convertible debentures</b>												
- Fortis Hospital Limited			46 716 77									46 716 77
<b>Non current borrowings</b>												
<b>Optionally convertible debentures</b>												
- Escorts Heart and Super Speciality Hospital Limited												
<b>Non-convertible debentures</b>												
- RHT Health Trust Sen Jee Pte Limited								17 775 00				
<b>Inter corporate loan</b>												
- Fortis Hospital Limited												
- Escorts Heart and Super Speciality Hospital Limited								270 00				1 29
<b>Current borrowings</b>												
<b>Optionally convertible debentures</b>												
- Escorts Heart and Super Speciality Hospital Limited			17 775 00									
<b>Non-convertible debentures</b>												
- RHT Health Trust Sen Jee Pte Limited			42 760 00									
<b>Inter corporate loan</b>												
- Fortis Hospital Limited												
- Escorts Heart and Super Speciality Hospital Limited												



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## 34. Leases

## (a) Assets taken on operating lease

Hospital premises, hostel premises for nurses' accommodation at Rajajinagar, Bengaluru hospital have been obtained on operating lease by the Company. In all the cases, the agreements are further renewable at the option of the Company. There are escalation clauses in the respective lease agreements. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. The total lease payments in respect of such leases recognised in the standalone statement of profit and loss for the year ended March 31, 2019 is ₹ 102.82 lakhs (for the year ended March 31, 2018 is ₹ 245.51 lakhs).

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Minimum lease payments:</b>		
Not later than one year	108.71	65.13
Later than one year but not later than five years	128.93	140.19
Later than five years	-	-
<b>Total</b>	<b>237.64</b>	<b>205.32</b>

## (b) Assets given on operating lease

The Company has leased out some portion of hospital premises on operating lease. The agreements are further renewable at the option of the Company. There are no restrictions imposed by lease agreements and the rent is not determined based on any contingency. The total lease payment received/receivable in respect of the above leases recognised in the standalone statement of profit and loss for the year ended March 31, 2019 are ₹808.82 lakhs (for the year ended March 31, 2018 are ₹867.65 lakhs).

## (c) Revenue from Hospital Medical and Service Agreements (HMSAs')

The Company has entered into HMSAs' with hospital operating company wherein the Company is required to provide and maintain the clinical establishments along with other services like out-patient diagnostics and radio diagnostic. The term of the individual HMSA is 15 years and the Company is entitled to receive composite service fee i.e. base and variable fee. The base fee is fixed and increases 3% year on year. The variable fee is based on a percentage of hospital operating company's net operating income in accordance with the HMSAs'. Future minimum base fee receivable at the end of the year is as follows:

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Minimum service fee:</b>		
Not later than one year	17,328.92	16,824.20
Later than one year but not later than five years	74,672.68	72,497.75
Later than five years	69,067.53	88,571.38
<b>Total</b>	<b>161,069.13</b>	<b>177,893.33</b>

## 35. Commitments

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (Net of capital advances of ₹ 93.84 lakhs (₹277.00 lakhs as at March 31, 2018))	1,434.89	2,421.94

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

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**36. Borrowings**

**(a) Secured Borrowings**

**(i) Term loan from Axis Bank Limited**

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount (₹ in lakhs)	-	-
Rate of interest (p.a.)	Base Rate +.85%	Base Rate +.85%
Borrowing cost capitalised as tangible capital work-in-progress during the year (₹ in lakhs)	-	422.68

The above mentioned term loan was repayable on June 8, 2019 but the same have been repaid in full in the previous year ended March 31, 2018. The loan was secured by:

- hypothecation charge on the movable assets of the Company pertaining to Bannerghatta Road, Bengaluru clinical establishment;
- mortgage of immovable tangible assets comprising of land admeasuring 2.93 acres and building thereon situated at Bannerghatta Road, Bengaluru clinical establishment;
- first pari-passu charge on the cash flows of Fortis Global Healthcare Infrastructure Pte. Limited; and
- corporate guarantee of RHT Health Trust and Fortis Global Healthcare Infrastructure Pte. Limited.

**(ii) Loan from SREI Equipment Finance Limited**

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount (₹ in lakhs)	531.74	622.73
Rate of interest (p.a.)	11.50%	11.50%
Repayment:		
- Within 1 year	122.73	90.99
- 1 to 5 years	409.01	531.74
- More than 5 years	-	-

The loan is secured by creating hypothecation charge on certain medical equipment of the Company.

**(iii) Bank overdraft facility from IndusInd bank**

Particulars	As at March 31, 2019	As at March 31, 2018
Principal Amount (₹ in lakhs)	-	1,657.15
Accrued interest (₹ in lakhs)	-	-
Rate of Interest (p.a.)	-	9.25%

During the current year, the Company had withdrawn the overdraft facility taken from IndusInd Bank.

The above mentioned bank overdraft facility was secured till January 11, 2019 by:

- exclusive charge by way of hypothecation on movable fixed assets of the Fortis Malar Hospital asset, Chennai, held by Fortis Health Management Limited. The said assets had also been pledged against the bank overdraft facilities availed by its related parties i.e. Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited;
- exclusive mortgage on immovable fixed assets of Fortis Malar Hospital, Chennai, held by Fortis Health Management Limited.
- financial guarantee by Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited;
- financial guarantee by Fortis Global Healthcare Infrastructure Pte. Limited.

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## (iv) Non-Convertible Debentures (NCD's)

- A. The Company had issued the NCDs to RHT Health Trust Services Pte. Limited on October 14, 2015 which was sold to Fortis Healthcare Limited on January 15, 2019 (refer note 2). The details are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of debentures	1,205,000	1,205,000
Principal amount (₹ in lakhs)	12,050.00	12,050.00
Accrued interest (₹ in lakhs)	5,629.81	4,017.03
Rate of interest (p.a.)	14.30%	14.30%
Terms of redemption	The maturity date of NCD's is October 13, 2033.	

As per the terms of the original agreement dated October 14, 2015, the debentures were not secured with any of the assets of the Company. On July 12, 2017, the debenture agreement has been amended wherein a charge has been created against the debentures issued. As per the terms of the revised agreement, NCDs has been secured through Axis Trustee Services Limited by way of:

- first and exclusive charge over the Company's investment in equity shares of Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited;
  - pledging of bank accounts maintained in Noida, Faridabad, Kolkata, Mulund, Kalyan, Amritsar, BG Road and IHL Corporate;
  - first ranking and pari passu charge by the Company on all the freehold rights of the Company over the immovable property, moveable fixed and current assets of Faridabad Hospital and Noida Hospital;
  - first and pari passu charge on all the present and future moveable fixed assets under the common deed of hypothecation by way of first ranking and pari passu charge related to clinical establishments owned by company and situated at BG Road, Kalyan and Amritsar;
  - financial guarantee by Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited; and
  - Charge has been created on the bank accounts at Faridabad, Noida, Kolkata, Mulund, Kalyan, Corporate, Amritsar and Bangalore locations w.e.f. January 15, 2019.
- B. The principal amount of NCD is repayable on October 13, 2033 and the interest on NCDs is payable on the half yearly basis i.e. July 13 and January 13 of every year.

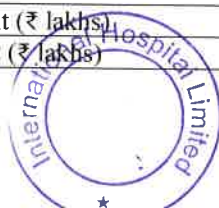
During the year ended March 31, 2018, the Company had defaulted in payment of interest as per the terms of the agreement. As per the amended agreement, consequent to the default in payment of interest, the outstanding principal and interest was repayable on demand. However, subsequent to the year ended March 31, 2018, the Board of Directors of RHT Health Trust Services Pte. Limited (RHSPL), the erstwhile lender of NCDs had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the extension letter received from RHSPL as mentioned above became invalid due to change in holder of the instrument from RHSPL to Fortis Healthcare Limited (refer note 2 for details). The Company continues with the default in the payment of interest and consequent to the default in the current year, the outstanding principal and interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

## (v) Non-Convertible Debentures (NCD's)

- A. The Company had issued the NCDs to RHT Health Trust Services Pte. Limited on October 14, 2016 which was sold to Fortis Healthcare Limited on January 15, 2019 (refer note 2). The details are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of debentures	1,296,000	1,296,000
Principal amount (₹ lakhs)	12,960.00	12,960.00
Accrued interest (₹ lakhs)	4,269.26	2,546.82



Rate of interest (p.a.)	14.20%	14.20%
Terms of redemption	The maturity date of NCD's is October 13, 2034.	

As per the terms of the original agreement dated October 14, 2016, the debentures were not secured with any of the assets of the Company. On July 12, 2017, the debenture agreement has been amended wherein a charge has been created against the debentures issued. As per the terms of the revised agreement, NCDs has been secured through Axis Trustee Services Limited by way of:

- first and exclusive charge over the Company's Investment in equity shares of Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited;
  - pledging of bank accounts maintained in Noida, Faridabad, Kolkata, Mulund, Kalyan, Amritsar, BG Road and IHL Corporate;
  - first ranking and pari pasu mortgage by the Company on all the freehold rights of the Company over the immovable property, moveable fixed and current assets of Faridabad Hospital and Noida Hospital;
  - first and pari pasu charge on all the present and future moveable fixed assets under the common deed of hypothecation by way of first ranking and pari pasu charge related to clinical establishments owned by company and situated at BG Road, Kalyan and Amritsar;
  - financial guarantee by Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited; and
  - Charge has been created on the bank accounts at Faridabad, Noida, Kolkata, Mulund, Kalyan, Corporate, Amritsar and Bangalore locations w.e.f. January 15, 2019.
- B. The principal amount of NCD is repayable on October 13, 2034 and the interest on NCDs is payable on the half yearly basis i.e. July 13 and January 13 of every year.

During the year ended March 31, 2018, the Company had defaulted in payment of interest as per the terms of the agreement. As per the amended agreement, consequent to the default in payment of interest, the outstanding principal and interest was repayable on demand. However, subsequent to the year ended March 31, 2018, the Board of Directors of RHT Health Trust Services Pte. Limited (RHSPL), the erstwhile lender of NCDs had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the extension letter received from RHSPL as mentioned above became invalid due to change in holder of the instrument from RHSPL to Fortis Healthcare Limited (refer note 2 for details). The Company continues with the default in the payment of interest and consequent to the default in the current year and hence, the outstanding principal and interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

**(vi) Non-Convertible Debentures (NCD's)**

- A. The Company had issued the NCDs to RHT Health Trust Services Pte. Limited on January 12, 2017 which was sold to Fortis Healthcare Limited on January 15, 2019 (refer note 2). The details are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of debentures	75,000	75,000
Principal amount (₹ in lakhs)	750.00	750.00
Accrued interest (₹ in lakhs)	205.79	113.48
Rate of interest (p.a.)	13.15%	13.15%
Terms of redemption	The maturity date of NCD's is January 11, 2035.	

As per the terms of the original agreement dated January 12, 2017 and the debentures were not secured with any of the assets of the Company. On July 12, 2017, the debenture agreement has been amended wherein a charge has been created against the debentures issued. As per the terms of the revised agreement, NCDs has been secured through Axis Trustee Services Limited by way of:

- first and exclusive charge over the Company's Investment in equity shares of Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited;



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- b) pledging of bank accounts maintained in Noida, Faridabad, Kolkata, Mulund, Kalyan, Amritsar, BG Road and IHL Corporate;
  - c) first ranking and pari pasu mortgage by the Company on all the freehold rights of the Company over the immovable property, moveable fixed and current assets of Faridabad Hospital and Noida Hospital;
  - d) first and pari pasu charge on all the present and future moveable fixed assets under the common deed of hypothecation by way of first ranking and pari pasu charge related to clinical establishments owned by company and situated at BG Road, Kalyan and Amritsar;
  - e) financial guarantee by Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited; and
  - f) Charge has been created on the bank accounts at Faridabad, Noida, Kolkata, Mulund, Kalyan, Corporate, Amritsar and Bangalore locations w.e.f. January 15, 2019.
- B. The principal amount of NCD is repayable on January 11, 2035 and the interest on NCDs is payable on the half yearly basis i.e. October 11 and April 11 of every year.

During the year ended March 31, 2018, the Company had defaulted in payment of interest as per the terms of the agreement. As per the amended agreement, consequent to the default in payment of interest, the outstanding principal and interest was repayable on demand. However, subsequent to the year ended March 31, 2018, the Board of Directors of RHT Health Trust Services Pte. Limited (RHSPL), the erstwhile lender of NCDs had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the extension letter received from RHSPL as mentioned above became invalid due to change in holder of the instrument from RHSPL to Fortis Healthcare Limited (refer note 2 for details). The Company continues with the default in the payment of interest and consequent to the default in the current year, the outstanding principal and interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

**(vii) Non-Convertible Debentures (NCD's)**

- A. The Company had issued the NCDs to RHT Health Trust Services Pte. Limited on October 24, 2017 which was sold to Fortis Healthcare Limited on January 15, 2019 (refer note 2). The details are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of debentures	1,700,000	1,700,000
Principal amount (₹ in lakhs)	17,000	17,000
Accrued interest (₹ in lakhs)	2,972.92	880.61
Rate of interest (p.a.)	13.15%	13.15%
Borrowing cost capitalized as tangible capital work-in-progress during the year (Amount in ₹ lakhs)	-	930.95
Terms of redemption	The maturity date of NCD's is October 23, 2035.	

W.e.f October 24, 2017, the above mentioned NCDs are secured by:

- a) first and exclusive charge over the Company's Investment in equity shares of Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited;
- b) pledging of bank accounts maintained in Noida, Faridabad, Kolkata, Mulund, Kalyan, Amritsar, BG Road and IHL Corporate;
- c) first ranking and pari pasu mortgage by the Company on all the freehold rights of the Company over the immovable property, moveable fixed and current assets of Kalyan Hospital, BG Road Hospital, Greater Noida and Amritsar clinical establishment;
- d) first and pari pasu charge on the moveable asset under the common deed of hypothecation by way of first ranking and pari pasu charge related to clinical establishments owned by Company and situated at BG Road, Kalyan and Amritsar;
- e) financial guarantee by Fortis Health Management Limited and Escorts Heart and Super Speciality Hospital Limited and Hospitalia Eastern Private Limited; and
- f) Charge has been created on the bank accounts at Faridabad, Noida, Kolkata, Mulund, Kalyan, Corporate, Amritsar and Bangalore locations w.e.f. January 15, 2019.



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- B. The principal amount of NCD is repayable on October 23, 2035 and the interest on NCDs is payable on the half yearly basis i.e. June 29 and December 29 of every year.

During the year ended March 31, 2018, the Company had defaulted in payment of interest as per the terms of the agreement. As per the amended agreement, consequent to the default in payment of interest, the outstanding principal and interest was repayable on demand. However, subsequent to the year ended March 31, 2018, the Board of Directors of RHT Health Trust Services Pte. Limited (RHSPL), the erstwhile lender of NCDs had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the extension letter received from RHSPL as mentioned above became invalid due to change in holder of the instrument from RHSPL to Fortis Healthcare Limited (refer note 2 for details). The Company continues with the default in the payment of interest and consequent to the default in the current year, the outstanding principal and interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

**(b) Unsecured borrowings**

**(viii) Non-convertible debentures (NCD's) issued to Fortis Hospotel Limited**

- A. The Company issued NCDs' to Fortis Hospotel Limited on October 14, 2016. The details are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of debentures	4,671,677	4,671,677
Principal amount (₹ lakhs)	46,716.77	46,716.77
Accrued interest (₹ lakhs)	9,641.57	4,234.15
Rate of interest (p.a.)	9.30%	9.30%
Redemption date	October 14, 2026	October 14, 2026

**(ix) Optionally convertible debentures issued to Escorts Heart and Super Speciality Hospital Limited**

- A. The Company issued OCDs' to Escorts Heart and Super Speciality Hospital Limited on September 17, 2012. The details are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Number of debentures	1,777,500	1,777,500
Principal amount (₹ in lakhs)	17,775.00	17,775.00
Accrued interest (₹ in lakhs)	9,436.52	7,839.97
Rate of interest (p.a.)	9% to 22% depending up on Earnings before interest and tax (EBIT) of Company. For the year ended March 31, 2019, EBIT is less than ₹ 20,500 lakhs (for year ended March 31, 2018, EBIT is less than ₹ 20,500 lakhs), therefore, interest rate is 9% p.a. (for the year ended March 31, 2018 @ 9% p.a.)	
Redemption	The maturity date of OCDs is September 16, 2030 or earlier by giving a six month notice	

- B. In case of these OCDs, only the lender has the option to convert the outstanding amount into the equity shares of the Company. The interest on OCDs is payable on monthly basis or can be deferred upto a period of five years on a mutually agreed basis.

During the previous year ended March 31, 2018, the Company had defaulted in payment of the interest amount as per the terms of the agreement. As per the amended agreement, consequent to the default in payment of interest, the outstanding principal and interest were repayable on demand. However, subsequent to the year ended March 31, 2018, the Board of Directors of Escorts Heart and Super Speciality Hospital Limited (EHSSL) had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time the Company is not in a position to make these payments. The Company did not



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expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the letter provided by EHSSHL has been revoked. The Company continues with the default in the payment of interest and consequent to the default as per the terms of agreement, the outstanding principal and interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

**(x) Compulsorily convertible debentures (CCDs)**

The Company issued 6,508,000 CCDs during the year ended March 31, 2013 by amalgamating companies Kanishka Healthcare Limited, Escorts Hospital and Research Centre Limited and Escorts Heart and Super Speciality Institute Limited to Fortis Global Healthcare Infrastructure Pte. Limited and were acquired as part of the scheme of amalgamation. These CCDs were issued for an aggregate consideration of ₹ 65,080.00 lakhs.

Post amalgamation scheme, these CCD's were convertible into equity shares as per detail given below:

- 14,526,785 equity shares of the Company at a price of ₹ 448.00 each

The CCDs originally issued to FGHIPL were sold to Fortis Healthcare Limited (FHL) on January 15, 2019 (refer note 2 for details). The investor of CCD had a right to convert each CCD into share at any time on or prior to the maturity date which is 18 (eighteen) years from the date of issuance of CCDs. These CCDs carried interest @ 17% p.a. which is payable on quarterly basis (or such other period mutually agreed between the parties).

During the previous year ended March 31, 2018, the Company had defaulted in payment of interest as per the terms of the agreement subsequent to which, the Board of Directors of FGHIPL, the erstwhile lender of CCDs had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the extension letter received from FGHIPL as mentioned above became invalid due to change in holder of the instrument from FGHIPL to FHL (refer note 2 for details). The Company continues with the default in the payment of interest and consequent to the default in the current year the outstanding interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

**(xi) Compulsorily convertible debentures (CCDs)**

The Company originally issued 330,000 CCDs for an aggregate consideration of ₹ 3,300.00 lakhs to Fortis Global Healthcare Infrastructure Pte. Limited in the year ended March 31, 2014 which were sold to Fortis Healthcare Limited (FHL) on January 15, 2019 (refer note 2 for details). These CCDs were convertible into 292,862 equity shares of the Company at a price of ₹ 1,126.81 per share. The investor of CCDs had a right to convert each CCD into shares on the maturity date which is 18 (eighteen) years from the date of issuance of the CCDs. These CCDs carried interest @ 16.75% p.a. which is payable on quarterly basis or such other period as mutually agreed between the parties.

During the previous year ended March 31, 2018, the Company had defaulted in payment of interest as per the terms of the agreement subsequent to which, the Board of Directors of FGHIPL, the erstwhile lender of CCDs had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the extension letter received from FGHIPL as mentioned above became invalid due to change in holder of the instrument from FGHIPL to FHL (refer note 2 for details). The Company continues with the default in the payment of interest and consequent to the default in the current year, the outstanding interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.



(xii) Compulsorily convertible debentures (CCDs)

The Company originally issued 3,771,000 CCDs for an aggregate consideration of ₹ 37,710.00 lakhs to Fortis Global Healthcare Infrastructure Pte. Limited in the year ended March 31, 2013 which were transferred to Fortis Healthcare Limited (FHL) on January 15, 2019 (refer note 2 for details). These CCDs were convertible into 3,689,824 equity shares of the Company at a price of ₹ 1,022.00 per share. The investor of CCDs had right to convert each CCD into shares at maturity date which is 18 (eighteen) years from the date of issuance of the CCDs. These CCDs carried interest @ 17.5% p.a. which is payable on quarterly basis or such other period as mutually agreed between the parties.

During the previous year ended March 31, 2018, the Company had defaulted in payment of interest as per the terms of the agreement subsequent to which, the Board of Directors of FGHIPL, the erstwhile lender of CCDs had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the extension letter received from FGHIPL as mentioned above became invalid due to change in holder of the instrument from FGHIPL to FHL (refer note 2 for details). The Company continues with the default in the payment of interest and consequent to the default in the current year and hence, the outstanding interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

The CCDs contained two components:

1. Financial liability i.e., repayment of accrued interest as per contractual arrangement. Interest has been charged using effective interest rate of 18.14% per annum for CCDs stated in note no. 36(b)(x), 36(b)(xi) and 36(b)(xii) and included under finance cost. Interest accrued has been calculated after deducting interest paid as per contract from interest charged using effective interest rate and included in other financial liabilities – current amounting to ₹15,949.68 lakhs as at March 31, 2019. (As at March 31, 2018: ₹11,944.53 lakhs included in other financial liabilities – non – current).
2. Equity i.e. contractual right of conversion into a fixed number of equity shares of the Company.

Proceeds of issue	: ₹106,090.00 lakhs
Less: Liability component	: ₹96,004.95 lakhs
Equity component	: ₹10,085.05 lakhs

On March 29, 2019, the Board of Directors of the Company passed a resolution to convert all CCDs stated above in note no. 36(b)(x), 36(b)(xi) and 36(b)(xii) into 14,526,785; 292,862 and 3,689,824 equity shares of face value of ₹10 each at a premium of ₹348.00, ₹1,026.81 and ₹922.00 each against CCDs stated in note no. 36(b)(x), 36(b)(xi) and 36(b)(xii) respectively aggregating ₹106,090.00 lakhs. The carrying value of liability component of compound financial instrument on the date of conversion was ₹86,957.22.

Thereby, ₹10,085.05 lakhs appearing as equity component of the compound financial instrument have been transferred to securities premium reserve and the difference between conversion value and carrying value of liability component of Compound Financial instrument amounting to ₹19,132.78 lakhs has been adjusted in securities premium account.

(xiii) Inter corporate loan from related party

A. The Company obtained loan from Fortis Hospotel Limited. The details are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Principal Amount (₹ in lakhs)	1.29	1.29
Rate of interest (p.a.)	12%	12%
Accrued interest (₹ in lakhs)	1.87	1.73



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As per the terms of loan agreement dated March 31, 2017, principal amount is repayable on March 31, 2019 and the interest is payable on demand or as mutually agreed between the parties.

Subsequent to the year ended March 31, 2018, the Board of Directors of the Fortis Hospotel Limited had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the letter provided by the Fortis Hospotel Limited has been revoked. As per the terms of agreement, the outstanding principal and interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

B. The Company obtained inter corporate loan from Escorts Heart Super Specialty Hospital Limited. The details are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Principal Amount (₹ in lakhs)	270.00	270.00
Rate of interest (p.a.)	12%	12%
Accrued interest (₹ in lakhs)	49.83	17.50

As per the terms of loan agreement dated March 31, 2017, principal amount is repayable on March 31, 2019 and the interest is payable on demand or as mutually agreed between the parties.

Subsequent to the year ended March 31, 2018, the Board of Directors of the Escorts Heart Super Specialty Hospital Limited had confirmed through an extension letter dated September 24, 2018 that they will not call for the outstanding interest or/and principal till the time, the Company is not in a position to make these payments. The Company did not expect to repay the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding liabilities as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the letter provided by the Escorts Heart Super Specialty Hospital Limited has been revoked. As per the terms of agreement, the outstanding principal and interest are repayable on demand. Therefore, the outstanding liabilities has been re-classified from non-current to current as at March 31, 2019.

### 37. Employee benefit plans

#### (a) Defined contribution plan

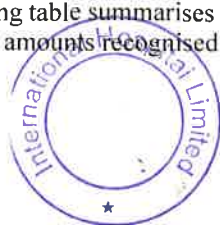
Under the defined contribution plans, the Company makes provident fund (PF), superannuation fund (SF) and employee state insurance (ESI) contributions for qualifying employees. The Company is required to contribute a specified percentage of the payroll costs to fund the benefits based on rates specified in the rules of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 respectively. During the year, the Company has recognised the following amounts in the standalone Ind AS statement of profit and loss under the defined contribution plans:

Particulars	(Amount in ₹ lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to provident fund	58.38	57.83
Contribution to superannuation fund	0.37	0.41
Contribution to employees state insurance	13.52	14.11

#### (b) Defined benefit plan

The Company has a defined benefit gratuity plan, under which 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 scheme is unfunded.

The following table summarises the components of net benefit expenses recognised in the standalone statement of profit and loss and the amounts recognised in the standalone balance sheet:



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## (i) Movement in net liability:

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of obligation at the beginning of the year	119.28	111.22
Current service cost	19.20	18.74
Interest cost	8.43	7.47
Actuarial (gain)/loss recognised in the statement of other comprehensive income	1.66	(8.13)
Plan amendments cost / (credit)	-	2.11
Benefits paid	(16.82)	(12.13)
<b>Present value of obligations at the end of the year</b>	<b>131.75</b>	<b>119.28</b>
Present value of obligations at the end of the year-Current	9.03	9.01
Present value of obligations at the end of the year-Non-Current	122.72	110.27

## (ii) Expense recognised in standalone statement of profit and loss:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	19.20	18.74
Past service cost	-	2.11
Interest cost	8.43	7.47
<b>Amount charged to standalone statement of profit and loss</b>	<b>27.63</b>	<b>28.32</b>

## (iii) Expense recognised in statement of other comprehensive income:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net actuarial loss / (gain) due to experience adjustment recognised during the year	0.51	(2.62)
Net actuarial loss / (gain) due to assumptions changes recognised during the year	1.15	(5.51)
<b>Amount charged/ (credited) to other comprehensive income</b>	<b>1.66</b>	<b>(8.13)</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Rate for discounting liabilities	7.50%	7.60%
<b>Expected salary increase rate</b>		
Noida	7.50%	7.50%
Kalyan and Kolkata	8%	8%
BG Road, Mulund and Rajajinagar	8%	8%
Faridabad and Amritsar	7.50%	7.50%
<b>Withdrawal / employee turnover rate</b>		
<b>Age up to 30 years</b>		
Faridabad and Amritsar	18%	18%
Noida	18%	18%
Kolkata, Kalyan, Mulund, Rajajinagar, BG Road	10%	10%
<b>Age from 31 to 44 years</b>		
Faridabad and Amritsar	6%	6%
Noida	6%	6%
Kolkata, Kalyan, Mulund, Rajajinagar, BG Road	5%	5%
<b>Age above 44 years</b>		
Faridabad and Amritsar	2%	2%
Noida	2%	2%
Kolkata, Kalyan, Mulund, Rajajinagar, BG Road	3%	3%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)




The Gratuity scheme is a final salary defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of services and paid lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

- a) Interest rate risk- The defined benefit obligation calculated uses discount rate based on government bonds. If bond yields fall the defined benefit obligation will tend to increase.
- b) Salary inflation risk - Higher than expected increase in salary will increase the defined obligation.
- c) Demographic risk - This is the risk variability of results due to unsystematic nature of decrements that include mortality, withdrawal disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

**Notes:**

- a) The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- b) Significant actuarial assumption for the determination of the defined obligation are discounted rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions at the end of the financial year, while holding all other assumptions constant.
  - If the discount rate is 0.5% higher (lower), the defined benefit obligation would decrease by ₹ 6.01 lakhs (increase by ₹5.58 lakhs) (as at March 31, 2018: decrease by ₹5.15 lakhs (increase by ₹5.55 lakhs)).
  - If the expected salary growth increases (decreases) by 1% (previous year 0.5%) the defined benefit obligation would increase by ₹12.36 lakhs (decrease by ₹10.83 lakhs) (as at March 31, 2018: increase by ₹5.52 lakhs (decrease by ₹5.17 lakhs)).
  - If the withdrawal rate increases (decreases) by 5% the defined benefit obligation would decrease by ₹2.96 lakhs (increase by ₹2.61 lakhs) (as at March 31, 2018: decrease by ₹2.23 lakhs (increase by ₹2.49 lakhs)).

**Method used for sensitivity analysis:**

The above sensitivity results determine their individual impact on the plan's year end defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the standalone balance sheet.

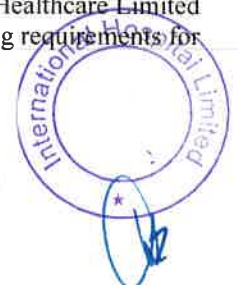
There was no change in the methods and assumption, except the discount rate used in the preparing the sensitivity analysis from prior year.

**38. Financial Instruments**

**38.1 Capital management**

The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

The Company's Board review the capital structure of the Company on need basis. The funding requirements are met through a mixture of internal fund generation, convertible debt securities, borrowings from bank and other borrowings from related parties. The Company has received support letter from its holding company, i.e. Fortis Healthcare Limited for continuous unconditional financial support enabling it to meet its operating, capital and financing requirements for at least 12 months from the date of the Ind AS financial statements.



## 38.2 Categories of financial instruments

(i) Details of financial assets measured at fair value through profit or loss is as follows:

Particulars	(Amount in ₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Investments in mutual funds	5,069.06	491.53
<b>Total</b>	<b>5,069.06</b>	<b>491.53</b>

(ii) Details of financial assets measured at amortised cost is as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amortised cost	Fair value	Amortised cost	Fair value
Investment in optionally convertible debentures: non-current(including accrued interest)	-	-	89,241.84	89,241.84
Investment in optionally convertible debentures: current(including accrued interest) *	93,401.99	93,398.20	-	-
Investment in preference shares: non-current(including accrued interest)**	21,890.74	18,812.46	19,643.50	19,643.50
Trade receivables	4,491.26	4,491.26	6,431.32	6,431.32
Cash and cash equivalents	174.65	174.65	2,547.08	2,547.08
Other bank balances	85.72	85.72	95.61	95.61
Intercorporate loan from related parties: non-current (including accrued interest)	-	-	184.14	184.14
Intercorporate loan from related parties: current (including accrued interest) ***	190.17	190.17	-	-
Other financial assets (current)	385.12	385.12	642.39	642.39
Other financial assets (non-current)	471.27	444.08	503.20	503.20
<b>Total</b>	<b>1,21,090.92</b>	<b>117,981.66</b>	<b>1,19,289.08</b>	<b>1,19,289.08</b>

\* During the year ended March 31, 2019, optionally convertible debentures subscribed of Fortis Health Management Limited and accrued interest thereon has been reclassified from non-current to current on account of the reasons stated in note no. 46(iv) of this standalone Ind AS financial statements. The carrying value of financial assets measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be received.

\*\* During the year ended March 31, 2019, Preference shares subscribed of Fortis Health Management Limited and accrued interest thereon has been classified to non-current on account of the reasons stated in note no. 46(iii) of this standalone Ind AS financial statements.

\*\*\*During the year ended March 31, 2019, intercorporate loan given to Hospitalia Eastern private Limited, Fortis Health Management Limited and Escorts Heart Institute and Research Centre Limited accrued interest thereon has been reclassified from non-current to current on account of the reasons stated in note no. 46(i) of this standalone Ind AS financial statements. The carrying value of financial assets measured at amortised cost in the standalone Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be received.



(iii) Details of financial liabilities measured at amortised cost is as follows:

(Amount in ₹ lakhs)

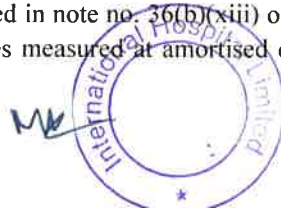
Particulars	As at March 31, 2019		As at March 31, 2018	
	Amortised cost	Fair value	Amortised cost	Fair value
Term loan from body corporate	543.20	543.20	622.73	622.73
Buyer's credit	3.30	3.30	-	-
Bank overdraft	-	-	1,657.15	1,657.15
Optionally convertible debentures: non-current (including accrued interest)	-	-	25,614.97	25,614.97
Optionally convertible debentures: current (including accrued interest) *	27,211.52	27,211.52	-	-
Non-convertible debentures: current (including accrued interest) **	55,837.79	55,837.79	50,950.92	50,950.92
Non convertible debentures: non-current (including accrued interest)	54,072.62	54,072.62	50,317.94	50,317.94
Liability component of compulsorily convertible debentures: non-current (including accrued interest) ***	-	-	107,949.48	107,949.48
Interest accrued on liability component of compulsorily convertible debentures***	15,949.68	15,949.68	-	-
Intercorporate loan from related parties: non-current (including accrued interest)	-	-	290.52	290.52
Intercorporate loan from related parties current (including accrued interest)	323.00	323.00	-	-
Trade payable	1,892.47	1,892.47	2,120.61	2,120.61
Other financial liabilities (current)	1,240.22	1,240.22	1,328.43	1,328.43
Other financial liabilities (non-current)	644.92	422.41	668.50	668.50
<b>Total</b>	<b>157,718.72</b>	<b>157,496.21</b>	<b>2,41,521.25</b>	<b>2,41,521.25</b>

\*During the year ended March 31, 2019, Optionally convertible debentures issued to Escorts Heart and Super Speciality Hospital Limited and accrued interest thereon has been reclassified from non-current to current on account of the reasons stated in note no. 36(b) of this standalone Ind AS financial statements. The carrying value of financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be settled.

\*\* During the year ended March 31, 2019, Non-convertible debentures originally issued to RHT Health Trust Services Pte. Limited and subsequently sold to Fortis Healthcare Limited on January 15, 2019 and accrued interest thereon has been reclassified from non-current to current on account of the reasons stated in note no. 36(a)(iv), 36(a)(v), 36(a)(vi) and 36(a)(vii) of this standalone in Ind AS financial statements. The carrying value of financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be settled.

\*\*\* During the year ended March 31, 2019, interest accrued on liability component of Compulsory convertible debentures originally issued to Fortis Global Healthcare Services Pte. Limited and subsequently sold to Fortis Healthcare Limited on January 15, 2019 has been reclassified from non-current to current on account of the reasons stated in note no. 36(b)(x), 36(b)(xi) and 36(b)(xii) of this standalone Ind AS financial statements. The carrying value of financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be settled.

\*\*\*\* During the year ended March 31, 2019, Intercorporate loan received from Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited and accrued interest thereon has been reclassified from non-current to current on account of the reasons stated in note no. 36(b)(xiii) of this standalone Ind AS financial statements. The carrying value of financial liabilities measured at amortised cost in the Ind AS financial statements are a

reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be settled.

### **Financial risk management objectives**

The Company's financial liabilities mainly comprise of borrowings, trade payables and other payables. The Company's financial assets mainly comprise of cash and cash equivalents, loan to related parties and trade receivables and other financial assets. The Company's management provides services to the business, co-ordinates access to domestic financial markets, monitors and manages financial risks relating to operations of the Company. These risks include market risk, credit risk and liquidity risk.

Below mentioned disclosures summaries the Company's exposure to financial risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

#### **(i) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk, and other price risk. The Company is not exposed to other price risk.

##### **(a) Currency Risk**

The Company has no exposure from the international market as the Company operations are in India only. Hence the company is not exposed to currency risk

##### **(b) Interest rate risk management**

The Company is exposed to interest rate risk because Company borrows funds at both fixed and floating interest rates and invests in debt oriented mutual funds. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. These exposures are reviewed by appropriate levels of management. The Company invests cash and current financial asset investments in debt mutual funds to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns. Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements. The Company regularly monitors the market rate of interest to mitigate the risk exposure. The Company's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

##### **Interest rate sensitivity analysis**

The sensitivity analysis is determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year 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.

As at March 31, 2019 (As at March 31, 2018: Nil) there are no outstanding liabilities which are exposed to interest rate changes.

#### **(ii) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from trade receivables.

##### **Trade receivable**

Majority of trade receivables at the clinical establishments are from hospital operating company which is a related party. For other trade receivables at clinical establishment and hospital at Rajajinagar, majority of them represent corporate clients which are credit worthy parties. The management has carried out the assessment of the customer and doesn't foresee any default in the payment.



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**Other financial assets**

For other financial assets comprising investments, cash and cash equivalents, other balances with banks, loans, security deposits and receivables from related parties, the Company minimises credit risk by dealing with creditworthy counterparties.

**(iii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors for the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company had access to financing facilities unused till January 11, 2019 and thereafter the overdraft facility had been withdrawn by the Company. The Company expects to meet its other obligation from operating cash flows and proceeds of maturing financial assets.

**Financing facilities**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured bank overdraft facility</b>		
Amount used	-	1,657.15
Amount unused	-	942.85
<b>Total (A)</b>	-	<b>2,600.00</b>
<b>Secured bank loan facilities</b>		
Amount used	-	-
Amount unused	-	-
<b>Total (B)</b>	-	-
<b>Total (A + B)</b>	-	<b>2,600.00</b>

The following tables give details of 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 (refer note 47). The tables include both interest and principal cash flows.

(Amount in ₹ lakhs)

Particulars	Within 1 year	1-2 years	More than 2 years	Total	Carrying amount
<b>As at March 31, 2019</b>					
<b>Fixed interest rate instruments</b>					
Buyer's credit	1.37	1.37	0.56	3.30	3.30
Compulsorily convertible debentures (including accrued interest)	15,949.68	-	-	15,949.68	15,949.68
Optionally convertible debentures (including accrued interest)	27,211.52	-	-	27,211.52	27,211.52
Non-convertible debentures (non-current) (including accrued interest)	-	-	90,175.80	90,175.80	54,072.61
Non-convertible debentures (current) (including accrued interest)	55,837.78	-	-	55,837.78	55,837.78
Loan from body corporate (including accrued interest)	134.19	409.01	-	543.20	543.20
Loan from related party (including accrued interest)	323.00	-	-	323.00	323.00
<b>Other financial liabilities</b>				-	
Trade payables	1,892.49	-	-	1,892.49	1,892.49
Other financial liabilities – Current	1,240.22	-	-	1,240.22	1,240.22
Other financial liabilities – Non Current	-	-	644.92	644.92	644.92
<b>Total</b>	<b>102,590.25</b>	<b>410.38</b>	<b>90,821.28</b>	<b>193,821.91</b>	<b>157,718.72</b>



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Particulars	Within 1 year	1-2 years	More than 2 years	Total	Carrying amount
<b>As at March 31, 2018</b>					
<b>Variable interest rate instruments</b>					
Bank overdraft	1,657.15	-	-	1,657.15	1,657.15
<b>Fixed interest rate instruments</b>					
Compulsorily convertible debentures (including accrued interest)	-	36,431.20	1,92,527.86	2,28,959.06	1,07,949.48
Optionally convertible debentures (including accrued interest)	-	7,839.97	17,775.00	25,614.97	25,614.97
Non-convertible debentures (non-current) (including accrued interest)	-	-	90,175.80	90,175.80	50,950.92
Non-convertible debentures (current) (including accrued interest)	-	7,557.94	42,760.00	50,317.94	50,317.94
Loan from body corporate (including accrued interest)	159.00	179.00	431.50	769.50	636.15
Loan from related party (including accrued interest)	-	19.24	271.26	290.50	290.50
<b>Other financial liabilities</b>					
Trade payables	2,120.63	-	-	2,120.63	2,120.63
Other financial liabilities – Current	1,315.01			1,315.01	1,315.01
Other financial liabilities – Non Current		135.00	772.38	907.68	668.49
<b>Total</b>	<b>5,251.79</b>	<b>52,162.35</b>	<b>3,44,713.80</b>	<b>4,02,128.24</b>	<b>2,41,521.24</b>

### 39. Fair value measurement

Fair value of the Company's financial assets that are measured at fair value on a recurring basis is as follows:

(Amount in ₹ lakhs)

Particulars	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2019	As at March 31, 2018		
Investment in mutual fund	5,069.06	10,717.07	Level 1	Quoted price in active market

There was no transfer between Level 1, Level 2 and Level 3 during the year. The carrying amount of financial assets and financial liabilities measured at amortised cost in the standalone Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be received or settled.







40. Loss per share (EPS)

Particulars	Denomination	Year ended March 31, 2019	Year ended March 31, 2018
(Loss)/Profit as per standalone statement of profit and loss	₹ in lakhs	(2,521.58)	(6,151.55)
Weighted average number of equity shares in calculating Basic EPS	Numbers in lakhs	339.63	154.53
Weighted average number of equity shares in calculating Diluted EPS	Numbers in lakhs	339.63	154.53
Basic and diluted EPS	₹	7.42	(39.81)

The Company has issued optionally convertible debentures to Escorts Heart and Super Speciality Hospital Limited (lender) on September 17, 2012. These debentures are convertible at the option of lender at any time on or prior to the maturity date as specified in the agreement in to such number of shares and at such price per share as the parties may mutually agree. Number of shares are not fixed in the agreement, therefore, impact of these potential equity shares has not been considered while computing diluted earnings per share.

The following potential equity shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share.

(Numbers in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Compulsory convertible debentures	-	387.99

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

During the period ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the micro, small and medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the supplier. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year*	154.21	154.29
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year*	4.91	2.95
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, 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	-	-

\*this also includes amount due to capital creditors amounting ₹ 11.13 lakhs.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



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**42. Segment reporting**

The board of directors of the Company have been identified as chief operating decision maker (CODM). Information reported to CODM for the purposes of resource allocation and assessment of segment performance focuses on the type of services delivered or provided. CODM have chosen to organise the Company around differences in services provided. The Company is engaged in the business of providing clinical establishment services and running hospital operations. However, there are no reportable segment for the Company as per the requirement of Ind AS-108 "Operating Segments. There are no geographical segments as all the operations of the Company are only in India.

**43. Transfer pricing**

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of international transactions with the associated enterprises during the financial year and expects such records to be in existence latest by the due date of filing of accountant's report under Section 92E of Income Tax Act, 1961. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the standalone Ind AS financial statements, particularly on the amount of tax expense and that of provision for taxation.

**44. Contingent liabilities**

**Claims against the company not acknowledged as debt**

(Amount in ₹ lakhs except otherwise stated)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	Demand for service tax and penalty raised by service tax department	1,097.00	1,097.00
2.	Litigation with respect to medical cases	19.00	19.00

Based on a review of the legal position, the management believes that it is possible, but not probable, that the demands mentioned above will arise and accordingly no provision for any liability has been made in these Ind AS financial statements.

As at March 31, 2019, the Company has certain other outstanding assessments/litigations for tax, litigations with respect to medical cases and other legal matters pending with different authorities. Based on the management's own assessment, the Company believes that an unfavorable outcome is remote for these outstanding assessments/ litigations. Hence, not disclosed as contingent liabilities.

Further, as per the sponsor agreement/share purchase agreement dated September 18, 2012, the Company is indemnified by Fortis Healthcare Limited for any losses suffered or to be suffered arising from the following cases:

(Amount in ₹ lakhs except otherwise stated)

S.No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	Litigation with respect to land	422.00	422.00

**45. Financial guarantee contracts**

(a) Till previous year; the Company has issued financial guarantee to IndusInd bank in respect of overdraft facilities availed for working capital requirements. In accordance with the policy of the Company (refer note 2.20), the Company has designated such guarantees as 'Insurance Contracts'. The Company has classified financial guarantees as contingent liabilities. Accordingly, there are no liabilities recognised in the standalone balance sheet under these contracts.

(i) Refer below for details of the guarantee issued in respect of overdraft facilities availed for working capital requirements for the following related parties.

(Amount in ₹ lakhs)

Name of related party	Relationship	As at March 31, 2019	As at March 31, 2018
Escorts Heart and Super Speciality Hospital Limited	Subsidiary	-	1,500.00
Fortis Health Management Limited	Associate	-	700.00
Fortis Hospotel limited	Fellow Subsidiary up to October 12, 2016,	-	-



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**International Hospital Limited**

**Notes to the standalone Ind AS financial statements as at and for the year ended March 31, 2019**

	Enterprise having significant influence w.e.f. October 13, 2016 up to January 14, 2019 and Fellow Subsidiary w.e.f. January 15, 2019.		
<b>Total</b>		-	<b>2,200.00</b>

(ii) Details of the financial guarantees issued by the Company on behalf of related parties to the debenture trustee i.e. Axis Trustee Services Limited for non-convertibles debentures issued by these related parties

Name of related party	Date of guarantee given	(Amount in ₹ lakhs)	
		As at March 31, 2019	As at March 31, 2018
Fortis Health Management Limited	12 July 2017	1,160.00	1,160.00
Escorts Heart and Super Specialty Hospital Limited	12 July 2017	31,304.00	31,304.00
Hospitalia Eastern Private Limited	24 Oct 2017	7,000.00	7,000.00
<b>Total</b>		<b>39,464.00</b>	<b>39,464.00</b>








**46. Disclosure as per Section 186 (4) of Companies Act, 2013**

- i) The particulars of the loan given by the Company for the purpose of business expansion as required to be disclosed by Section 186 (4) of Companies Act, 2013 are as follows:

(Amount in ₹ lakhs)

Borrower	Rate of Interest/ Premium on redemption	Redemption/ Termination date	Secured/ Unsecured	Principal outstanding amount as at	
				March 31, 2019	March 31, 2018
Fortis Health Management Limited[Note 1]	12%	March 31, 2019	Unsecured	-	1.00
Hospitalia Eastern Private Limited[Note 2]	12%	March 31, 2019	Unsecured	120.00	120.00
Escorts Heart Institute and Research Centre Limited	Interest free loan	Repayable on demand	Unsecured	9.75	9.75

Note 1: As per the terms of the loan agreement dated March 31, 2017, principal amount is receivable on March 31, 2019 and the interest is receivable on demand or as mutually agreed between the parties.

During the previous year March 31, 2018; the Board of Directors of the Company had agreed to extend the amount of principal and interest receivable as long as Fortis Health Management Limited is not in a position to make these payments. The Company did not expect to receive the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding receivables as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the letter provided by the Company has been revoked and hence, the outstanding receivable on account of principal and interest as at March 31, 2019 has been re-classified from non-current to current.

Note 2: As per the terms of the loan agreement dated March 31, 2017, principal amount is receivable on March 31, 2019 and the interest is receivable on demand or as mutually agreed between the parties.

During the previous year March 31, 2018; the Board of Directors of the Company had agreed to extend the amount of principal and interest receivable as long as Hospitalia Eastern Private Limited is not in a position to make these payments. The Company did not expect to receive the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding receivables as at March 31, 2018 on account of principal and interest were re-classified from current to non-current.

During the current year ended March 31, 2019, the letter provided by the Company has been revoked and hence, the outstanding receivable on account of principal and interest as at March 31, 2019 has been re-classified from non-current to current.

- (ii) The particulars of the investments in equity shares by the Company for the purpose of business expansion as required to be disclosed by Section 186 (4) of Companies Act, 2013 are as follows:

(Amount in ₹ lakhs)

Issuer's name	Redemption/ Termination date	Secured/ Unsecured	Principal outstanding amount as at	
			March 31, 2019	March 31, 2018
Escorts Heart and Super Speciality Hospital Limited	NA	Unsecured	1,298.94	1,298.94
Fortis Health Management Limited	NA	Unsecured	1,156.88	1,156.88
Renew Wind Energy AP Private Limited	At the time of termination of agreement	Unsecured	7.20	4.00



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**International Hospital Limited**

**Notes to the standalone Ind AS financial statements as at and for the year ended March 31, 2019**

- (iii) The particulars of the investments in redeemable preference shares by the Company for the purpose of business expansion as required to be disclosed by Section 186 (4) of Companies Act, 2013 are as follows:

(Amount in ₹ lakhs)

Issuer's name	Premium on redemption	Redemption date as per the terms of the original agreement	Secured/ Unsecured	Principal outstanding amount as at	
				March 31, 2019	March 31, 2018
Fortis Health Management Limited [Refer Note 1 below]	11.50%	July 27, 2016 or prior by giving 10 days' notice	Unsecured	6,684.37	5,996.85
Fortis Health Management Limited [Refer Note 2 below]	11.50%	October 19, 2017 or prior by giving 10 days' notice	Unsecured	15,206.37	13,646.65

Note 1: The agreement for preference shares were amended. As per the terms of the amended agreement the repayment date has been extended from July 27, 2016 to July 26, 2021 and hence the investment in redeemable preference shares has been classified as non-current as at March 31, 2019.

The above loans and investments have been made for the purpose of business expansion.

Note 2: The agreement for preference shares were amended. As per the terms of the amended agreement the repayment date has been extended from October 19, 2017 to October 19, 2022 and hence the investment in redeemable preference shares has been classified as non-current as at March 31, 2019.

The above loans and investments have been made for the purpose of business expansion.

- (iv) The particulars of the investments in optionally convertible debentures for the purpose of business expansion by the Company as required to be disclosed by Section 186 (4) of Companies Act, 2013 are as follows:

(Amount in ₹ lakhs)

Issuer's name	Premium on redemption	Redemption Date	Secured/ Unsecured	Principal outstanding amount as at	
				March 31, 2019	March 31, 2018
Fortis Health Management Limited [Refer Note 1 below]	9% to 22% depending up on Earnings before tax (EBT) of Company. At present, EBT is less than ₹ 1,200 lakhs, therefore interest rate is 9% p.a.	September 17, 2030 or prior to the maturity date by giving 6 months' notice	Unsecured	54,195.00	54,195.00
Hospitalia Eastern Private Limited [Refer Note 2 below]	9% to 22% depending up on Earnings before interest and tax (EBIT) of Company. At present, EBIT is less than ₹ 3,900 lakhs, therefore interest rate is 9% p.a.	September 17, 2030 or prior to the maturity date by giving 6 months' notice	Unsecured	7,800.00	7,800.00

Note 1: The redemption date specified above are the dates as per the terms of the agreement. The interest on the optionally convertible debentures is receivable on monthly basis or can be deferred up to a period of 5 years on a mutual agreement basis. During the year ended March 31, 2018, the Company has not received the interest amount and subsequent to the year ended March 31, 2018, the Board of Directors of the Company has agreed to extend timelines for the principal and interest receivable for the optionally convertible debentures as long as Fortis Health Management Limited is not in a position to make these payments. The Company does not expect to receive the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding receivable on account of principal and interest has been re-classified to non-current as at March 31, 2018.



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During the current year ended March 31, 2019, the Company has reclassified the outstanding amount from non-current to current as both the parties of the instrument have the option of early redemption.

The above loans and investments have been made for the purpose of business expansion.

Note 2: The redemption date specified above are the dates as per the terms of the agreement. The interest on the optionally convertible debentures is receivable on monthly basis or can be deferred up to a period of 5 years on a mutually agreement basis. During the year ended March 31, 2018, the Company has not received the interest amount and subsequent to the year ended March 31, 2018, the Board of Directors of the Company has agreed to extend timelines for the amount of principal and interest receivable for the optionally convertible debentures as long as Hospitalia Eastern Private Limited is not in a position to make these payments. The Company does not expect to receive the principal and interest amount in its normal operating cycle i.e. 12 months and hence, the outstanding receivable on account of principal and interest has been re-classified to non-current as at March 31, 2018.

During the current year ended March 31, 2019, the letter provided by the Company has been revoked and hence, the outstanding receivable on account of principal and interest as at March 31, 2019 has been re-classified from non-current to current.

The above loans and investments have been made for the purpose of business expansion.

- (v) During the previous year ended March 31, 2018, the Company has issued financial guarantee in respect of overdraft facilities availed for working capital requirements from IndusInd bank limited for the related parties in the table below. However during the current year, the Company had withdrawn the overdraft facility taken from Indus Ind Bank. In accordance with the policy of the Company, the Company has designated such guarantees as 'Insurance Contracts'. The Company has classified financial guarantees as contingent liabilities. Accordingly, there are no liabilities recognised in the standalone Ind AS Financial Statement under these contracts.

**(Amount in ₹ lakhs)**

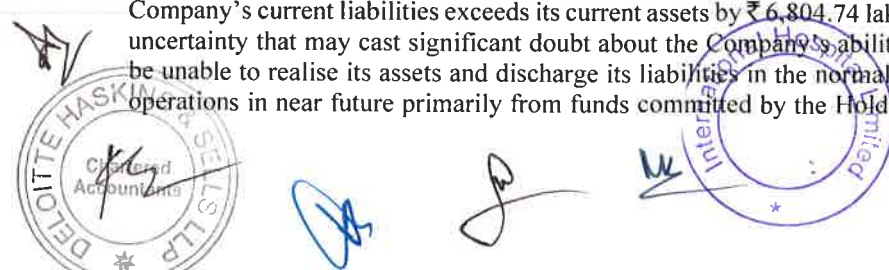
<b>Company name</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Escorts Heart and Super Speciality Hospital Limited	-	1,500.00
Fortis Health Management Limited	-	700.00
Fortis Hospotel limited	-	-
<b>Total</b>	-	<b>2,200.00</b>

- (vi) The Company has issued financial guarantee to debenture trustee (Axis Trustee Services Limited) for Non convertibles debentures issued by the borrower for expansion and development of business and for general corporate purpose for the related parties in table below. In accordance with the policy of the Company, the Company has designated such guarantees as 'Insurance Contracts'. The Company has classified financial guarantees as contingent liabilities. Accordingly, there are no liabilities recognised in the balance sheet under these contracts.

<b>Company name</b>	<b>Date of guarantee given</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Fortis Health Management Limited	12 July 2017	1,160.00	1,160.00
Escorts Heart and Super Specialty Hospital Limited	12 July 2017	31,304.00	31,304.00
Hospitalia Eastern Private Limited	24 Oct 2017	7,000.00	7,000.00
<b>Total</b>		<b>39,464.00</b>	<b>39,464.00</b>

#### 47. Going Concern

The Company has accumulated losses of ₹ 28,999.63 lakhs as at March 31, 2019 including loss of ₹ 2,721.58 lakhs incurred during the current year as against equity share capital of ₹ 33,963.13 lakhs and securities premium of ₹ 78,532.80 lakhs. Further, the Company has current liabilities of ₹ 1,10,749.15 lakhs and current assets of ₹ 1,03,944.41 lakhs as at March 31, 2019. The Company's current liabilities exceeds its current assets by ₹ 6,804.74 lakhs. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Company proposes to fund its operations in near future primarily from funds committed by the Holding Company i.e., Fortis Healthcare Limited which has



**International Hospital Limited**

**Notes to the standalone Ind AS financial statements as at and for the year ended March 31, 2019**

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confirmed that it will provide continuous unconditional financial support to the Company enabling it to meet its operating, capital and financing requirements for at least 12 months from the date of the standalone Ind AS Balance Sheet. This will enable the Company to settle its obligations as and when they fall due and operate as a going concern. The management of the Company expects to generate positive operating cash flows in the foreseeable period. Accordingly, the standalone Ind AS financial statements of the Company have been prepared using the going concern assumption.

**48. Approval of standalone Ind AS financial statements**

The standalone Ind AS financial statements were approved for issue by the Board of Directors on May 23, 2019

**For and on behalf of Board of Directors of International Hospital Limited**



**Manu Kapila**  
Chairman  
DIN: 08287408



**Anurag Kalra**  
Director  
DIN: 06987504





**Utkarsh Gupta**  
Company Secretary





**Ravi Bhatia**  
Chief financial officer

Place:  
Date:

**23 MAY 2019**