B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITORS' REPORT

To the Members of Hospitalia Eastern Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hospitalia Eastern Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 29 of the financial statements, which describes the economic and social consequences the entity is facing as a result of COVID-19 which is impacting supply chains/ demand/ personnel available for work and/ or being able to access of offices/ hospitals.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report thereon

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Other Matter

The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 30 September 2020.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

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

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAADN7457

Place: Gurugram
Date: 16 September 2021

Annexure "A" to the Independent Auditor's Report on the financial statements of Hospitalia Eastern Private Limited for the year ended 31 March 2021

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

(i) (a) According to information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets (i.e. property, plant and equipment).

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in every two years. In accordance with this programme, all fixed assets were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noted on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Company does not have any revenue generating activities. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there has been a serious delay in one case of deposit of income tax.

We are informed that operations of the Company during the year did not give rise to any liability for Provident Fund, Employees' State Insurance, Duty of Customs, Cess, Duty of Excise, Service tax, Sales tax and Value Added Tax.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Income- tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues in respect of Income tax, Duty of customs, Duty of excise, Sales tax, Goods and service tax, Service tax and Value added tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of dues to debenture holders, except as under:

Particulars	**Amount of default as at 31 March 2021 (Rs. in lacs)**		**Period of default**
	Principal	**Interest**	
Due to Debenture holders			
Non-convertible debentures	-	1,280.16	June 2019 to October 2020
Optionally convertible debentures	-	5,726.18	October 2017 to February 2021

The Board of Directors of the respective lenders have agreed that they will not call for the outstanding interest and/ or principal till the time, the Company is in a position to make these payments. Also refer note 20 of the financial statements.

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

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(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 on the Company by its officers or employees has been noticed or reported during the year.

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

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

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

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAADN7457

Place: Gurugram
Date: 16 September 2021

Annexure B to the Independent Auditors' report on the financial statements of Hospitalia Eastern Private Limited for the year ended 31 March 2021

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Hospitalia Eastern Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAADN7457

Place: Gurugram
Date: 16 September 2021

HOSPITALIA EASTERN PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Notes	As at March 31, 2021 (Rupees in lacs)	As at March 31, 2020 (Rupees in lacs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	4a	6,124.71	6,124.71
(b) Capital work-in-progress	4b	6,492.86	6,492.86
(c) Other non-current assets	5	6.07	6.07
Total non-current assets (A)		**12,623.64**	**12,623.64**
B. Current assets			
(a) Financial assets			
Cash and cash equivalents	6	1.54	3.43
(b) Other current assets	5	3.28	2.98
Total current assets (B)		**4.82**	**6.41**
Total assets (A+B)		**12,628.46**	**12,630.05**
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	7	5.10	5.10
(b) Other equity		(12,294.99)	(10,594.89)
Total equity (A)		**(12,289.89)**	**(10,589.79)**
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	8	-	392.40
(ii) Other financial liabilities	12	12.73	12.73
Total non-current liabilities (B)		**12.73**	**405.13**
C. Current liablities			
(a) Financial liabilities			
(i) Borrowings	8	16,868.40	16,307.40
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises.	11	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	11	12.49	20.86
(iii) Other financial liabilities	12	7,844.85	6,265.11
(c) Current tax liabilities (net)	9	89.91	89.91
(d) Other current liabilities	10	89.97	131.43
Total current liabilities (C)		**24,905.62**	**22,814.71**
Total liabilities (B+C)		**24,918.35**	**23,219.84**
Total equity and liabilities (A+B+C)		**12,628.46**	**12,630.05**
See accompanying notes forming part of the these financial statements	1-31		

In terms of our report attached

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

Rajesh Arora
Partner
Membership No: 076124

Place: Gurugram
Date: 16 September 2021

For and on behalf of the board of directors of HOSPITALIA EASTERN PRIVATE LIMITED

Rajeev Kumar Dua

Ranjan Bihari Pandey
Director
DIN: 07752372

Place: Gurugram
Date: 16 September 2021

Rajeev Kumar Dua
Director
DIN: 06974102

Place: Gurugram
Date: 16 September 2021

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

HOSPITALIA EASTERN PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

	Particulars	Notes	For the year ended March 31, 2021 (Rupees in lacs)	For the year ended March 31, 2020 (Rupees in lacs)
I	**Income**			
	Other income	13	0.38	41.16
	Total income (I)		**0.38**	**41.16**
II	**Expenses**			
	(i) Finance cost	14	1,673.28	1,874.10
	(ii) Employee benefits expense	15	-	13.62
	(iii) Other expenses	16	27.20	32.35
	Total expenses (II)		**1,700.48**	**1,920.07**
III	**Loss before tax (I-II)**		**(1,700.10)**	**(1,878.91)**
IV	Tax expense			
	(i) Current tax	17	-	85.74
	(ii) Deferred tax	17	-	(77.97)
V	**Loss after tax for the year (III-IV)**		**(1,700.10)**	**(1,886.68)**
	Other comprehensive income			
	Items that will not be subsequently reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		-	0.05
	(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total other comprehensive income (VI)		-	0.05
VII	**Total comprehensive loss for the year (V+VI)**		**(1,700.10)**	**(1,886.63)**
	Loss per equity share of Rs. 10 each			
	(i) Basic (in ₹)	23	(3,333.53)	(3,699.37)
	(ii) Diluted (in ₹)	23	(3,333.53)	(3,699.37)

See accompanying notes forming part of the these financial statements 1-31

In terms of our report attached

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

Rajesh Arora
Partner
Membership No: 076124

Place: Gurugram
Date: 16 September 2021

For and on behalf of the board of directors of
HOSPITALIA EASTERN PRIVATE LIMITED

Ranjan Bihari Pandey
Director
DIN: 07752372

Place: Gurugram
Date: 16 September 2021

Rajeev Kumar Dua
Director
DIN: 06974102

Place: Gurugram
Date: 16 September 2021

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

HOSPITALIA EASTERN PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the year ended March 31, 2021 (Rupees in lacs)	For the year ended March 31, 2020 (Rupees in lacs)
Cash flows from operating activities		
Loss before tax	(1,700.10)	(1,878.91)
Adjustments for:		
Net gain arising on financial assets estimated at fair value through profit and loss	-	(41.16)
Finance cost	1,673.28	1,874.10
Liabilities no longer required written back	(0.38)	-
Operating profit before changes in following assets and liabilities	**(27.20)**	**(45.97)**
Change in operating assets and liabilities:		
Increase in other assets	(0.30)	(2.98)
(Decrease)/ increase in trade payables and other liabilities	(49.46)	119.59
Cash (used in)/ generated from operations	**(76.96)**	**70.64**
Income taxes paid (including tax deducted at source)	-	(7.77)
Net cash (used in)/ generated from operating activities (A)	**(76.96)**	**62.87**
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(6.45)
Proceeds from sale of investment in mutual funds	-	2,900.82
Net cash generated from investing activities (B)	-	**2,894.37**
Cash flows from financing activities (Refer note 8(c))		
Proceeds from non-current borrowings	-	20.00
Proceeds from current borrowings	165.00	-
Repayment of borrowings	-	(1,458.93)
Interest paid	(89.93)	(1,555.56)
Net cash generated from/ (used in) financing activities (C)	**75.07**	**(2,994.49)**
Net decrease in cash and cash equivalents (A+B+C)	**(1.89)**	**(37.25)**
Total cash and cash equivalents at the beginning of the year	3.43	40.68
Cash and cash equivalents at the end of the year	**1.54**	**3.43**
Cash and cash equivalents comprise of:		
Balances with banks in current accounts	1.54	3.43
Total	**1.54**	**3.43**

See accompanying notes forming part of the these financial statements 1-31

In terms of our report attached

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

Rajesh Arora
Partner
Membership No: 076124

Place: Gurugram
Date: 16 September 2021

For and on behalf of the board of directors of HOSPITALIA EASTERN PRIVATE LIMITED

Ranjan Bihari Pandey
Director
DIN: 07752372

Place: Gurugram
Date: 16 September 2021

Rajeev Kumar Dua
Director
DIN: 06974102

Place: Gurugram
Date: 16 September 2021

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

HOSPITALIA EASTERN PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(Rupees in lacs)

Particulars	Equity	Other equity			Total
	Equity share capital	Deemed Equity*	Retained earnings	Total other equity	
Balance at April 01, 2019	**5.10**	**217.26**	**(8,936.40)**	**(8,719.14)**	**(8,714.04)**
Loss for the year	-	-	(1,886.68)	(1,886.68)	**(1,886.68)**
Deemed equity	-	10.88	-	10.88	**10.88**
Other comprehensive loss for the year, net of income tax	-	-	0.05	0.05	**0.05**
Balance as at March 31, 2020	**5.10**	**228.14**	**(10,823.03)**	**(10,594.89)**	**(10,589.79)**
Loss for the year	-	-	(1,700.10)	(1,700.10)	**(1,700.10)**
Other comprehensive loss for the year, net of income tax	-	-	-	-	-
Balance as at March 31, 2021	**5.10**	**228.14**	**(12,523.13)**	**(12,294.99)**	**(12,289.89)**

*Deemed equity represents the difference between the fair value and the carrying value of the interest free loan granted by Fortis Healthcare Limited, the Intermediate Holding Company and Fortis Hospitals Limited, fellow subsidiary in earlier years.

See accompanying notes forming part of the these financial statements 1-31

In terms of our report attached.

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

Rajesh Arora
Partner
Membership No: 076124

Place: Gurugram
Date: 16 September 2021

B S R & Co. LLP Gurugram

For and on behalf of the Board of Directors of HOSPITALIA EASTERN PRIVATE LIMITED

Ranjan Bihari Pandey
Director
DIN: 07752372

Place: Gurugram
Date: 16 September 2021

Rajeev Kumar Dua
Director
DIN: 06974102

Place: Gurugram
Date: 16 September 2021

HOSPITALIA EASTERN PRIVATE LIMITED

1. Corporate information

Hospitalia Eastern Private Limited ("HEPL" or "the Company") was incorporated on September 21, 1988. The Company is a subsidiary of Fortis Health Management Limited ("FHML") w.e.f. October 1, 2011. The ultimate holding company is IHH Healthcare Berhad. The Company is in the process of developing clinical establishments in two cities i.e. Chennai and Ludhiana.

The registered office of the Company is located at Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025 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. Significant accounting policies

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

(a) Basis of preparation

(i) *Statement of compliance*

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

Also refer para 31 of these financial statements.

The financial statements have been authorised for issue by the Company's Board of Directors on 16 September 2021.

(ii) *Functional and presentation currency*

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

(iii) *Historical cost convention*

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

(b) Current versus non-current classification

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

An asset is treated as current when:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

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

(c) Measurement of fair values

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(d) Property, plant and equipment (PPE)

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

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

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

Freehold land is not depreciated.

Derecognition

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

(e) Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

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

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

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

(f) Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

Debt instrument at FVOCI

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

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

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Debt instrument at FVPL

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

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

Financial guarantee contracts

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

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'.

Equity investments

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

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

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

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

Impairment of financial assets

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

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

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

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

Write-off of financial assets

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off.

Financial liabilities

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

Derecognition of financial liabilities

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

Interest free loan

The Company has taken interest free loans from its group companies. Such interest free loans are measured at fair values determined using a present value technique with inputs that include future cash flows and discount rates that reflect assumptions that market participants would apply in pricing such loans. The difference between the transaction price and the fair value of such loans have been recognised as a deemed equity in the financial statements of the Company. The loan component is subsequently measured at amortised costs and recognised using effective interest rate method.

(g) Cash and cash equivalents

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

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

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

(h) Contingent liabilities and contingent assets

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

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(i) Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with thatcontract.

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

(j) Borrowing costs

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

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

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

(k) Taxation

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

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

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

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

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

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

(l) Leases

As a lessee

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

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

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

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

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

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

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Short-term leases and leases of low-value assets

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

(m) Statement of cash flows

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

(n) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit/ (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3. (a) Critical estimates and judgements

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

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

Assumptions and estimation uncertainties

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

- Financial instruments - Note 22
- Fair value measurement – Note 22(v)
- Estimated impairment of financial assets and non-financial assets – Note 5
- Going concern – Note 31

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

(b) Recent Pronouncements but not yet effective

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

Balance Sheet:

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

Statement of profit and loss:

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

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

Further on June 18, 2021, the MCA through a notification, issued Companies (Indian Accounting Standards) Amendment Rules 2021 which includes amendments in 21 standards. The amendments to Ind ASs are in terms of insertion of certain paragraphs, substituting definition of certain terms used in the standard along with aligning the bare text of Standards with Conceptual Framework of Financial reporting under Ind ASs. The amendments are effective from 18 June 2021. The Company does not expect any significant impact of these amendments on its financial statements.

4a. Property, plant and equipment

(Rupees in lacs)

Particulars	Freehold land	Total
Gross carrying amount		
As at April 01, 2019	**6,124.71**	**6,124.71**
Additions	-	-
Disposals	-	-
As at March 31, 2020	**6,124.71**	**6,124.71**
Additions	-	-
Disposals	-	-
As at March 31, 2021	**6,124.71**	**6,124.71**
Accumulated depreciation		
As at April 01, 2019	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2021	-	-
Carrying amount:		
As at March 31, 2021	**6,124.71**	**6,124.71**
As at March 31, 2020	**6,124.71**	**6,124.71**

Note:

The above Property, Plant and Equipment includes immovable property located at Ludhiana and Chennai. There is a exclusive charge on these assets against the cumulative borrowings obtained from "The Hong Kong and Shanghai Banking Corporation Limited" by Fortis Healthcare Limited, Fortis Hospitals Limited, International Hospital Limited, Escorts Heart Institute and Research Centre Limited and Hiranandani Healthcare Private Limited.

4b. Capital work-in-progress

Particulars	As at March 31, 2021 (Rupees in lacs)	As at March 31, 2020 (Rupees in lacs)
Opening balance	6,492.86	6,469.61
Additions	-	23.25
Transfer to property, plant and equipment	-	-
Closing balance	**6,492.86**	**6,492.86**

	Particulars	As at March 31, 2021 (Rupees in lacs)	As at March 31, 2020 (Rupees in lacs)
5	**Other assets (Unsecured)**		
	Non-current		
	Considered good		
	Capital advances	6.07	6.07
		6.07	**6.07**
	Considered doubtful		
	Advance against leasehold land (refer note - 27)	194.78	194.78
	Less: Loss allowance	(194.78)	(194.78)
		-	-
		6.07	**6.07**
(b)	**Current**		
	Considered good		
	Advance to vendors	-	0.05
	Prepaid expenses	3.28	2.93
		3.28	**2.98**

6 Cash and cash equivalents

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

Balances with banks		
-in current accounts	1.54	3.43
	1.54	**3.43**

Particulars	As at March 31, 2021 (Rupees in lacs)	As at March 31, 2020 (Rupees in lacs)
7 Equity share capital		
Share capital		
Authorised		
4,500,000 (4,500,000 as at March 31, 2020) equity shares of Rs. 10 each	450.00	450.00
500,000 (500,000 as at March 31, 2020) 10% redeemable non cumulative preference shares of Rs. 10 each	50.00	50.00
Total authorised share capital	**500.00**	**500.00**
Issued, subscribed and fully paid up		
51,000 (51,000 as at March 31, 2020) equity shares of Rs. 10 each	5.10	5.10
Total issued, subscribed and fully paid up share capital	**5.10**	**5.10**

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

Equity shares

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number	(Rupees in lacs)	Number	(Rupees in lacs)
At the beginning of the year	51,000	5.10	51,000	5.10
Outstanding at the end of the year	**51,000**	**5.10**	**51,000**	**5.10**

(b) Terms/ rights attached to equity shares

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

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	(Rupees in lacs)	No. of shares held	(Rupees in lacs)
Fortis Health Management Limited, the holding company*	51,000	5.10	51,000	5.10

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Fortis Health Management Limited, the holding company*	51,000	100	51,000	100

*including 6 equity shares held by its nominees.

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Particulars	As at March 31, 2021 (Rupees in lacs)	As at March 31, 2020 (Rupees in lacs)
8 Borrowings		
(a) Non-current		
Unsecured - measured at amortised cost		
Loan from related parties (refer note - 20 (iii) and (iv)	-	392.40
	-	**392.40**
(b) Current		
Unsecured - measured at amortised cost		
700,000 (700,000 as at March 31, 2020) 13.15% Non-convertible debentures (NCDs) of Rs. 1,000 each (refer note -20(i))	7,000.00	7,000.00
490,000 (as at March 31, 2020: 490,000) 10% redeemable non cumulative preference shares of Rs. 10 each (refer note - 20(vii))	1,390.00	1,390.00
780,000 (780,000 as at March 31, 2020) Optionally convertible debentures (OCDs) of Rs. 1,000 each (refer note - 20(ii))	7,800.00	7,800.00
Loan from related parties (refer note - 20 (iii), (iv) and (v))	557.40	-
Interest free loan from related party (refer note - 20(vi))	121.00	117.40
	16,868.40	**16,307.40**

(c) Changes in liabilities from financing activies

Particulars	Non current borrowings	Current borrowings	Interest accrued
As at April 1, 2019	**1,576.42**	**16,562.40**	**5,840.91**
Proceeds from borrowings	20.00	-	-
Repayment of borrowings	(1,458.93)	-	-
Finance cost expenses	-	-	1,863.31
Finance cost paid	-	-	(1,555.56)
Non cash changes	254.91	(255.00)	-
As at March 31, 2020	**392.40**	**16,307.40**	**6,148.66**
As at 1 April 2020	**392.40**	**16,307.40**	**6,148.66**
Proceeds from borrowings	-	165.00	-
Finance cost expenses	-	3.60	1,669.68
Finance cost paid	-	-	(89.93)
Non cash changes	(392.40)	392.40	-
As at March 31, 2021	-	**16,868.40**	**7,728.41**

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

HOSPITALIA EASTERN PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	Particulars	As at March 31, 2021 (Rupees in lacs)	As at March 31, 2020 (Rupees in lacs)
9	**Current tax liabilities (net)**		
	Provision for income-tax	89.91	89.91
		89.91	**89.91**
10	**Other liabilities**		
	Current		
	Statutory dues payables	89.97	131.43
		89.97	**131.43**
11	**Trade payables**		
	- Total outstanding dues of micro enterprises and small enterprises (refer note - 24)	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	12.49	20.86
		12.49	**20.86**
12	**Other financial liabilities (unsecured)**		
(a)	**Non-current**		
	Payable to related parties	12.73	12.73
		12.73	**12.73**
(b)	**Current**		
	(a) Interest accrued and due on borrowings (Refer note 20(i), 20(ii), 20(iii), 20(iv), 20(v))	7,328.52	5,734.44
	(b) Interest accrued but not due on borrowings (Refer note 20(i))	399.89	414.23
	(c) Capital creditors*	116.44	116.44
		7,844.85	**6,265.11**

*includes payable to micro enterprises and small enterprises amounting to Rs. 6.33 lacs (previous year: Rs. 9.09 lacs)

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Particulars	For the year ended March 31, 2021 (Rupees in lacs)	For the year ended March 31, 2020 (Rupees in lacs)
13. Other income		
(a) Net gain arising on financial assets estimated at fair value through profit and loss	-	41.16
(b) Liabilities no longer required written back	0.38	-
	0.38	41.16
14. Finance cost		
(a) Interest expenses		
- on optionally convertible debentures	702.00	702.00
- on interest free loan from related parties	3.60	211.86
- on non convertible debentures measured at amortised cost	920.50	920.50
- on loans from related parties	47.18	39.74
	1,673.28	1,874.10
15. Employee benefits expense		
(a) Salaries and wages	-	12.00
(b) Gratuity (Refer note 21)	-	0.49
(c) Compensated absences	-	0.53
(d) Contribution to provident and other funds	-	0.60
	-	13.62
16. Other expenses		
(a) Legal and professional fee (Refer note below)	8.34	11.52
(b) Rates and taxes	2.46	2.18
(c) Directors sitting fees	0.84	4.01
(d) Power and fuel	0.36	0.20
(e) Rent	2.12	2.12
(f) Travel and conveyance	-	0.33
(g) Insurance	5.27	2.29
(h) Security expenses	7.81	7.81
(i) Bank charges	-	0.16
(j) Miscellaneous expenses	-	1.73
	27.20	32.35
Note:		
(i) Auditors' remuneration comprises* (inclusive of indirect tax)		
(a) Audit fee	2.36	7.47
(b) Certification and other services	0.39	1.40
(c) Out of pocket expenses	0.12	0.32
	2.87	9.19

*Previous year fee represents amount paid to previous auditors of the Company.

17. Tax expense		
Recognised in statement of profit and loss		
Current tax		
(a) In respect of the current year	-	85.74
	-	85.74
Deferred tax		
(a) In respect of the current year	-	(77.97)
	-	(77.97)
Tax expense recognised through statement of profit and loss	-	7.77
Recognised in other comprehensive income		
Deferred tax		
(a) In respect of the current year	-	-
Tax credit recognised through other comprehensive income	-	-

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

18. Related party disclosures

Names of the related parties and related party relationship

Ultimate holding company	IHH Healthcare Berhad
Intermediate Holding Company	Integrated Healthcare Holdings Limited
	Parkway Pantai Limited
	Northern TK Venture Pte Limited
	Fortis Healthcare Limited ('FHL')
Holding company	Fortis Health Management Limited ('FHML')
Fellow subsidiaries (parties with whom transactions have taken place)	International Hospital Limited ('IHL')
	Fortis Hospitals Limited ('FHsL')
	Escorts Heart Institute and Research Centre Limited
	Fortis Hospotel Limited
	Escort Heart and Super Speciality Hospital Limited
	Hiranandani Healthcare Private Limited
Key management personnel ('KMP') / Director (with whom transactions have been taken place)	Mr. Akshay Kumar Tiwari, Non-Executive Director (up to October 07, 2020)
	Mr. Arun Kumar Rastogi, Non-Executive Director (up to October 07, 2020)
	Mr. Jitender Kumar, Non-Executive Director (up to October 08, 2020)
	Mr. Rajneesh Kumar Mittal, Non-Executive Director (up to October 08, 2020)

Summary of related party transactions

Transactions details	Year ended March 31, 2021 (Rupees in lacs)	Year ended March 31, 2020 (Rupees in lacs)
Finance cost		
Interest on non-convertible debentures		
Fortis Healthcare Limited	920.50	920.50
Interest on loan from related parties		
Fortis Health Management Limited	24.11	27.14
International Hospital Limited	10.62	12.60
Fortis Healthcare Limited	12.45	-
Interest on optionally convertible debentures		
International Hospital Limited	702.00	702.00
Interest on interest free loan (at effective interest rate)		
Fortis Hospitals Limited	2.74	209.29
Fortis Healthcare Limited	0.86	2.57
Repayment of interest free loan (undiscounted)		
Fortis Hospitals Limited	-	1,660.00
Directors sitting fees		
Mr. Akshay Kumar Tiwari	0.12	0.94
Mr. Arun Kumar Rastogi	0.24	1.06
Mr. Jitender Kumar	0.24	1.06
Mr. Rajneesh Kumar Mittal	0.24	0.94

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

HOSPITALIA EASTERN PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Summary of related party transactions

Transactions details	Year ended March 31, 2021 (Rupees in lacs)	Year ended March 31, 2020 (Rupees in lacs)
Loan taken during the year from related parties		
Fortis Health Management Limited	-	20.00
Fortis Healthcare Limited	165.00	-
Gratuity and leave liability transferred		
International Hospital Limited	-	10.68
Financial guarantee issued withdrawn		
International Hospital Limited	-	17,000.00
Fortis Healthcare Limited	2,510.00	-
Fortis Hospitals Limited	27,590.00	-
Escorts Heart Institute and Research Centre Limited	640.00	-
Financial guarantees issued on the behalf of		
Fortis Hospotel Limited	-	3,250.00
Escorts Heart Institute and Research Centre Limited	-	4,140.00
Fortis Healthcare Limited	-	79,890.00
Fortis Hospitals Limited	-	67,140.00
Hiranandani Healthcare Private Limited	-	50.00
International Hospital Limited	-	3,800.00
Financial guarantees received disposed		
Escorts Health and Super Speciality Hospital Limited	-	7,000.00
Fortis Health Management Limited	-	7,000.00
International Hospital Limited	-	7,000.00

Balance outstanding at the year end

Particulars	As at March 31, 2021	As at March 31, 2020
Loan from related parties		
Fortis Health Management Limited	272.40	272.40
International Hospital Limited	120.00	120.00
Fortis Healthcare Limited	165.00	-
Non-convertible debentures		
Fortis Healthcare Limited	7,000.00	7,000.00
Optionally convertible debentures		
International Hospital Limited	7,800.00	7,800.00
Interest accrued on		
Loan from related parties		
Fortis Health Management Limited	168.31	144.57
International Hospital Limited	82.72	72.39
Fortis Healthcare Limited	11.52	-

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Particulars	As at March 31, 2021	As at March 31, 2020
Optionally convertible debentures		
International Hospital Limited	5,785.80	5,103.11
Non-convertible debentures		
Fortis Healthcare Limited (including interest accrued, but not due amounting to Rs. 399.89 lacs (previous year: Rs. 414.23 lacs))	1,680.05	828.59
Redeemable preference shares		
Fortis Health Management Limited	1,390.00	1,390.00
Other payables		
International Hospital Limited	10.48	10.48
Fortis Health Management Limited	2.25	2.25
Interest free loans (undiscounted)		
Fortis Hospitals Limited	101.85	101.85
Fortis Healthcare Limited	31.83	31.83
Financial guarantees issued on the behalf of		
Fortis Hospotel Limited	3,250.00	3,250.00
Escorts Heart Institute and Research Centre Limited	3,500.00	4,140.00
Fortis Healthcare Limited	77,380.00	79,890.00
Fortis Hospitals Limited	39,550.00	67,140.00
Hiranandani Healthcare Private Limited	50.00	50.00
International Hospital Limited	3,800.00	3,800.00

19. Commitments

(Rupees in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount for contracts remaining to be executed on capital account and not provided for (Net of capital advance of ₹ 6.07 lacs (Previous year: ₹ 6.07 lacs))	1,712.20	1,712.20

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

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

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

20. Borrowings

i) Non-convertible debentures (NCDs)

A. The Company issued NCDs to RHT Health Trust Services Pte. Limited on October 24, 2017. On January 15, 2019 RHT Health Trust Services Pte. Limited sold these NCDs to Fortis Healthcare Limited. The details are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Number of NCDs	700,000	700,000
Principal amount outstanding (Rupees in lacs)	7,000.00	7,000.00
Accrued interest	1,680.05	828.59
Payment made against accrued interest (Rupees in lacs)	-	1,224.00
Rate of Interest (p.a.)	13.15%	13.15%
Terms of redemption	The maturity date of NCDs' is October 30, 2035.	

As per the terms of the agreement dated October 24, 2017, the above NCDs were secured through Axis Trustee Services Limited ("Trustee"), wherein the following charge was created against the debentures issued:

1. by pledging freehold land at Ludhiana (along with buildup property)
2. current and future fixed movable assets of Ludhiana clinical establishment.
3. Charge has been created on the bank accounts maintained at Ludhiana and Corporate locations w.e.f. January 15, 2019
4. Corporate Guarantee by EHSSHL, FHML and IHL.

Effective December 23, 2019 Axis Trustee Services Limited had satisfied the above said charge based on the no objection certificate dated September 4, 2019 from Fortis Healthcare Limited. Accordingly, these NCDs were disclosed as unsecured.

B. The principal amount of NCDs is repayable on October 30, 2035 and the interest on NCDs is payable on half yearly basis i.e. June 29 and December 29 of every year.

As per the terms of the agreement, consequent to the default in payment of interest, the outstanding principal and interest is repayable on demand. During the year ended March 31, 2019, the Company had defaulted in payment of interest and the Company continues with the default. Accordingly, the outstanding liabilities have been classified as current.

Further, the Board of Directors of Fortis Healthcare Limited have confirmed through an extension letter that they will not call for the outstanding interest and/ or principal till the time, the Company is in a position to make these payments.

ii) Optionally convertible debentures (OCDs)

a. The Company issued OCDs to International Hospital Limited on September 17, 2012. The details of OCDs are summarised below:

Particulars	As at March 31, 2021	As at March 31, 2020
Number of OCDs issued	780,000	780,000
Principal amount (Rupees in lacs)	7,800	7,800
Rate of interest (p.a.)	9% to 22% depending up on Earnings before interest and tax (EBIT) of Company. At present, EBIT is less than 3,900 lacs, therefore interest rate is 9% p.a.	
Accrued interest (Rupees in lacs)	5,785.80	5,103.11
Repayment term	The maturity date of OCD is September 16, 2030 or earlier by giving six months' notice.	

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

b. In case of OCDs, only the lender has the option to convert the outstanding amount into equity shares of the Company. Also, both the parties have the option of early redemption by giving six months' notice. The interest on the OCDs is payable on monthly basis or can be deferred up to a period of 5 years on a mutually agreed basis which has already been expired.

During the year ended March 31, 2019, the Company had defaulted in payment of interest. The Company continues with the default in the payment of interest in the current year. The principal amount has been classified as current due to the option of early redemption available with both the parties.

Further, the Board of Directors of International Hospital Limited have confirmed through an extension letter that they will not call for the outstanding interest and/ or principal till the time, the Company is in a position to make these payments.

iii) Loan from related party

A. The Company had obtained a loan from Fortis Health Management Limited. The details are as follows:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Principal amount (Rupees in lacs)	272.40	272.40
Rate of interest (p.a.)	8.85%	10.50%
Accrued interest (Rupees in lacs)	168.31	144.57

B. During the previous year, the Company and Fortis Health Management Limited had entered into a Memorandum of Understanding ("MOU") dated October 31, 2019 amended vide supplementary agreement dated December 27, 2019 to amend the term of the original loan agreement dated March 31, 2017 and as per the amended agreement the principal amount of loan is repayable on March 31, 2022 and the interest on loan is payable on an yearly basis. Also, the rate of interest has been changed from 12% p.a. to 10.50% p.a. w.e.f. April 1, 2019 which has been subsequently changed to 8.85% p.a. w.e.f. April 1, 2020. As per the amended agreement the Company continues to default in payment of interest.

C. Further, the Board of Directors of Fortis Health Management Limited have confirmed through an extension letter that they will not call for the outstanding interest and/ or principal till the time, the Company is in a position to make these payments.

iv) Loan from related party

A. The Company had obtained loan from International Hospital Limited. The details are as follows:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Principal amount (Rupees in lacs)	120.00	120.00
Rate of interest (p.a.)	8.85%	10.50%
Accrued interest (Rupees in lacs)	82.72	72.39

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

During the year ended March 31, 2019, the Company had defaulted in payment of amount of principal and interest as per the terms of the agreement. As per the agreement, consequent to the default in payment of amount of principal and interest, the outstanding amount of principal and interest was repayable on demand.

Subsequently, the Company and International Hospital Limited entered into a Memorandum of Understanding ("MOU") dated June 16, 2020 to amend the term of the original loan agreement dated March 31, 2017 and as per the amended agreement the principal amount of loan is repayable on March 31, 2022 and the interest on loan is payable on yearly basis. Also, the rate of interest has been changed from 12% to 10.50% w.e.f. April 1, 2019 and from 10.50% to 8.85% w.e.f. April 1, 2020. As per the amended agreement the Company continues to default in payment of interest.

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

C. Further, the Board of Directors of International Hospital Limited have confirmed through an extension letter that they will not call for the outstanding interest and/ or principal till the time, the Company is in a position to make these payments.

v) Loan from related party

A. During the year the Company has obtained loan from Fortis Healthcare Limited. The details are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount (Rupees in lacs)	165.00	-
Rate of interest (p.a.)	8.85%	-
Accrued interest (Rupees in lacs)	11.53	-

B. As per the terms of the loan agreement dated April 30, 2020, the principal amount is repayable on 31 March 2022 and the interest is payable on a yearly basis.

C. Further, the Board of Directors of Fortis Healthcare Limited have confirmed through an extension letter that they will not call for the outstanding interest and/ or principal till the time, the Company is in a position to make these payments.

vi) Interest free loan from related party

The Company had received interest free loan amounting to Rs. 1,761.85 lacs from Fortis Hospitals Limited and Rs. 31.83 lacs from Fortis Healthcare Limited in tranches starting from July 2014 till February 2016. This loan is refundable upon completion of construction of clinical establishment at Ludhiana or as mutually agreed between the parties. Using prevailing market interest rate of interest (9%) for an equivalent loan, fair value of the loan was computed and difference between transaction value and fair value was recognised as advance received from customer since as per terms of agreement, the loan amount is adjustable against service fees as per HMSA which will be entered up on completion of hospital. Interest expense is computed at effective rate of interest at end of each financial year.

Details of loan is as follows:

(Rupees in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Amount received (Rupees in lacs)	1,793.68	1,793.68
Fair value of loan (a)	1,576.42	1,576.42
Advance received from customer	-	-
Interest expense (b)	3.60	211.86
Interest accrued (c)		-
Amount repaid (Rupees in lacs) (d)	1,660.00	1,660.00
Deemed equity recognized during the year (e)	-	10.88
Amount of loan outstanding (f)= (a)+(b)+(c)-(d)-(e)	121.00	117.40

Further, the Board of Directors of Fortis Healthcare Limited and Fortis Hospitals Limited have confirmed through an extension letter that they will not call for the outstanding interest and/ or principal till the time, the Company is in a position to make these payments.

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

vii) 10% Redeemable non-cumulative preference share capital

i) The Company issued 10% redeemable non-cumulative preference shares to Fortis Health Management Limited (originally to Vectra Pharmaceuticals Private Limited) on April 4, 2011.

Particulars	As at March 31, 2021	As at March 31, 2020
Number of preference shares issued	90,000	90,000
Principal amount (Rupees in lacs)	9.00	9.00
Redemption amount (Rupees in lacs)	1,350.00	1,350.00
Terms of redemption	The maturity date of preference shares is April 03, 2021 or early redemption by giving notice of 30 days	

The Board of Directors of Fortis Health Management Limited have agreed to extend timelines via extension letter that they will not call for the outstanding amount till the time, Hospitalia Eastern Private Limited is in a position to make these payments.

ii) The Company issued 10% redeemable non-cumulative preference shares to Fortis Health Management Limited on October 1, 2011.

Particulars	As at March 31, 2021	As at March 31, 2020
Number of preference shares issued	400,000	400,000
Principal amount (Rupees in lacs)	40.00	40.00
Redemption amount (Rupees in lacs)	40.00	40.00
Terms of Redemption	The maturity date of preference shares is September 30, 2022 or early redemption by giving notice of 30 days.	

The Board of Directors of Fortis Health Management Limited have agreed to extend timelines via extension letter that they will not call for the outstanding amount till the time, Hospitalia Eastern Private Limited is in a position to make these payments.

21. Employee benefits plan:

Defined contribution plan

During the previous year, the Company had recognised Rs. 0.60 lacs to statement of profit and loss as provident fund (PF) contributions for qualifying employees. As there are no employees in the Company, no such contribution was made during the year.

Defined benefit plan- Gratuity

The Company had a defined benefit gratuity plan, wherein the 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 occured upon completion of 5 years of service. The gratuity scheme was unfunded.

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

(Rupees in lacs)

Particulars	As at March 31, 2020
Present value of obligation at the beginning of the year	7.98
Current service cost	0.19
Interest cost	0.30
Amount recognised to OCI	(0.05)
Acquisitions (credit)/ cost	(8.42)
Benefits paid	-
Total	-

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Expense recognised in Statement of Profit and Loss is as follows:

(Rupees in lacs)

Particulars	For the year ended March 31, 2020
Service cost	0.19
Interest cost	0.30
Amount charged to statement of profit and loss	**0.49**
Net actuarial (gain)/ loss due to experience adjustment recognised during the year	0.33
Net actuarial loss due to assumptions changes recognised during the year	(0.38)
Amount charged to other comprehensive income	**(0.05)**

22. Financial instruments

a) Capital management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 8 and 12 offset by cash and bank balances) and total equity of the Company.

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

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Company has received support letter from its intermediate holding company i.e. Fortis Healthcare Limited for unconditional continuous financial support enabling it to meet its operating, capital and financing requirements for at least 12 months from the date of the financial statements.

Gearing ratio

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

(Rupees in lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Debt*	24,596.81	22,848.46
Cash and bank balances	(1.54)	(3.43)
Net debt	**24,595.27**	**22,845.03**
Total equity	**(12,289.89)**	**(10,589.79)**
Net debt to equity ratio	(200.13%)	(215.72%)

*Debt is defined as borrowings and interest accrued.

b) Financial risk management objectives

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

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

(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 risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company is not exposed to the currency risk and other price risks.

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

(ii) Interest rate risk management

The Company is not exposed to interest rate risk as the Company does not have any floating rate borrowings outstanding as on the reporting date.

(iii) Credit risk management

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

Refer note 6 of the financial statements for carrying amount and maximum credit risk exposure for cash and cash equivalents.

The cash and cash equivalent balances are held with reputable banks in India.

(iv) Liquidity risk management

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

Further, the intermediate holding company i.e. Fortis Heallthcare Limited has also agreed to provide unconditional continuous financial support to the company as may be required enabling it to meet its operating, capital and financing requirements for at least 12 months from the date of the financial statements.

Liquidity and interest risk tables

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

(Rupees in lacs)

Particulars	**Within 1 year**	**1-2 year**	**More than 2 year**	**Total**	**Carrying amount**
As at 31 March, 2021					
Optionally convertible debentures*# (including accrued interest)	13,585.81	-	-	13,585.81	13,585.81
Non-convertible debentures*# (including accrued interest)	8,680.05	-	-	8,680.05	8,680.05
Loan from related parties*# (including accrued interest)	819.95	-	-	819.95	819.95
Interest free loan from related parties*#	121.00	-	-	121.00	121.00
Redeemable preference shares*#	1,390.00	-	-	1,390.00	1,390.00
Trade payables	12.49	-	-	12.49	12.49
Other financial liabilities-Non-current	12.73	-	-	12.73	12.73
Other financial liabilities-current	116.44	-	-	116.44	116.44
Total	**26,360.97**	**1,622.50**	**12,603.04**	**24,738.47**	**24,738.47**

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

(Rupees in lacs)

Particulars	Within 1 year	1-2 year	More than 2 year	Total	Carrying amount
As at March 31, 2020					
Optionally convertible debentures*# (including accrued interest)	12,903.12	-	-	12,903.12	12,903.12
Non-convertible debentures*# (including accrued interest)	7,828.59	-	-	7,828.59	7,828.59
Loan from related parties*# (including accrued interest)	216.96	392.40	-	609.36	609.36
Interest free loan from related parties*#	117.40	-	-	117.40	117.40
Redeemable preference shares*#	1,390.00	-	-	1,390.00	1,390.00
Trade payables	20.86	-	-	20.86	20.86
Other financial liabilities-Non-current	12.73	-	-	12.73	12.73
Other financial liabilities-current	116.44	-	-	116.44	116.44
Total	**22,606.10**	**392.40**	**-**	**22,998.50**	**22,998.50**

*The Board of Directors of the respective lenders have agreed that they will not call for the outstanding interest and/ or principal till the time, the Company is in a position to make these payments. Also refer note 20(i), 20(ii), 20(iii), 20(iv), 20(v), 20(vi) and 20(vii)

excludes interest payable for future periods.

(v) **Fair value measurement**

31 March, 2021 (Rupees in lacs)

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial assets					
Cash and cash equivalents	(a)	-	1.54	1.54	1.54
Total		-	**1.54**	**1.54**	**1.54**

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial Liabilities					
Trade payables	(a)	-	12.49	12.49	12.49
Redeemable preference share capital: current	(a)	-	1,390.00	1,390.00	1,390.00
Optionally convertible debentures: current (including accrued interest)	(a)	-	13,585.81	13,585.81	13,585.81
Loan from related parties (including accrued interest)	(a)	-	819.95	819.95	819.95
Non-convertible debentures: current (including accrued interest)	(a)	-	8,680.05	8,680.05	8,680.05
Interest free loan from related party-current	(a)	-	121.00	121.00	121.00
Other financial liabilities – non-current	(b)	-	12.73	12.73	12.73
Other financial liabilities – current	(a)	-	116.44	116.44	116.44
Total		-	**24,738.47**	**24,738.47**	**24,738.47**

31 March, 2020 **(Rupees in lacs)**

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial assets					
Cash and cash equivalents	(a)	-	3.43	3.43	3.43
Total		-	**3.43**	**3.43**	**3.43**

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial Liabilities					
Trade payables	(a)	-	20.86	20.86	20.86
Redeemable preference share capital: current	(a)	-	1,390.00	1,390.00	1,390.00
Optionally convertible debentures: current (including accrued interest)	(a)	-	12,903.12	12,903.12	12,903.12
Loan from related parties: current and Non-current (including accrued interest)	(b)		609.36	609.36	609.36
Non-convertible debentures: current (including accrued interest)	(a)		7,828.59	7,828.59	7,828.59
Interest free loan from related party-current	(a)		117.40	117.40	117.40
Other financial liabilities – non-current	(b)		12.73	12.73	12.73

BSR & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Particulars	Note	Carrying value			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Other financial liabilities – current	(a)		116.44	116.44	116.44
Total		**-**	**22,998.50**	**22,998.50**	**22,998.50**

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

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.

(b) Fair valuation of non-current financial liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021 and March 31, 2020.

Financial instruments measured at amortized cost

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

23. Loss per share

(Rupees in lacs)

Loss per share	Denomination	For the year ended March 31, 2021	For the year ended March 31, 2020
Loss as per statement of profit and loss	Rs. in lacs	(1,700.10)	(1,886.68)
Weighted average number of equity shares in calculating basic EPS	Numbers in lacs	0.51	0.51
Weighted average number of equity shares in calculating diluted EPS	Numbers in lacs	0.51	0.51
Basic EPS	(In Rs.)	(3,333.53)	(3,699.37)
Diluted EPS*	(In Rs.)	(3,333.53)	(3,699.37)

*The Company has issued optionally convertible debentures to International Hospital Limited (lender) on September 17, 2012. These debentures are convertible at the option of the lender at any time on or prior to the maturity date as specified in the agreement i.e. September 17, 2030 into 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.

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

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

(Rupees in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the year (including payable for PPE).	6.33	9.09
(ii)Interest due thereon remaining unpaid to any supplier as at the end of the year.	3.07	6.11

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Particulars	As at March 31, 2021	As at March 31, 2020
(iii)The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(iv) 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.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) 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.	-	-

25. Segment reporting

The Board of Directors of the Company, which have been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. There are no geographical segments as all the operations of the Company are in India. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments"

26. Effective tax reconciliation

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

(Rupees in lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting loss before tax	**(1,700.10)**	**(1,878.91)**
Statutory income tax rate	27.820%	25.168%
Tax at statutory income tax rate	(472.97)	(472.88)
Deferred tax asset not recognised	-	(0.10)
Non-deductible expenditure	472.97	480.75
Total	-	**7.77**
Tax expense recognised in statement of profit and loss	-	7.77

27. On November 8, 2010, the Government of Andhra Pradesh permitted Hyderabad Metropolitan Development Authority to lease out the land to Company for 33 years for the establishment of international quality specialty hospital. The Company had paid an advance amounting to Rs. 194.78 lacs as at March 31, 2021 (Rs. 194.78 lacs as at March 31, 2020) for obtaining the land under lease which is included in advance against leasehold land (included in note 5). However, due to the uncertainties involved in respect to the registration of land, the Company had recognised a provision in books against the advance paid.

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

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

During the previous year, the Company had issued corporate guarantee in respect of term loan, overdraft, letter of credit, bank guarantee facilities availed from The Hongkong and Shangai Banking Corporation Limited by the related parties as mentioned in the table below. In accordance with the policy of the Company, the Company had designated such guarantees as 'Insurance Contracts'. The Company had classified the financial guarantees as contingent liabilities. Accordingly, there are no liabilities recognised in the financial statement under these contracts.

(Rupees in lacs)

Name of related party	Relationship	As at March 31, 2021	As at March 31, 2020
Fortis Hospotel Limited	Fellow subsidiary	3,250.00	3,250.00
Escorts Heart Institute and Research Centre Limited	Fellow subsidiary	3,500.00	4,140.00
Fortis Healthcare Limited	Holding Company	77,380.00	79,890.00
Fortis Hospitals Limited	Fellow subsidiary	39,550.00	67,140.00
Hiranandani Healthcare Private Limited	Fellow subsidiary	50.00	50.00
International Hospital Limited	Fellow subsidiary	3,800.00	3,800.00
Total		**127,530.00**	**158,270.00**

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

For the year ended March 31, 2021, the Board of Directors have considered possible effects due to COVID 19 in its assessment of going concern assumption, the liquidity position and recoverability of assets comprising property, plant and equipment, Capital work in progress and other assets. While assessing the recoverable amount of property, plant and equipment, capital work in progress and other assets, the Company has used significant assumptions such as future projections for occupancy rates, terminal growth rate and weighted average cost of capital.

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

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

31. The Company has accumulated losses of ₹ 12,523.13 lakhs as at March 31,2021 including loss of ₹ 1,700.10 lakhs incurred during the current year as against equity share capital of ₹ 5.10 lakhs. Further, the Company has current liabilities of ₹ 24,905.62 lakhs (including. ₹ 24,609.53 payable to related parties) and current assets of ₹ 4.82 lakhs as at March 31, 2021. The Company's current liabilities exceed its current assets by ₹ 24,900.80 lakhs.

The Company intends to develop clinical establishments in Chennai and Ludhiana. The construction and other activities required prior to commencement of operations are 60-70% complete at the Ludhiana location and based on the current business plan approved by the board of directors of Fortis Healthcare Limited, the Company expects to commence its revenue generating operations by FY 2022-23. In the interim period, the Company proposes to fund its operations in near future primarily from funds committed by the Intermediate Holding Company i.e., Fortis Healthcare Limited which has confirmed that it will provide continuous unconditional financial support to the Company enabling it to meet its operating, capital and financing requirements from the date of the financial statements.

B S R & Co. LLP Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED

Further, till such time the financial condition of the Company improves, FHL (Intermediate Holding Company), FHML (Holding company) and IHL (fellow subsidiary) have extended the period for repayment of principal and interest liability outstanding in books as at year end in respect to preference shares, debentures and inter company loans.

This will enable the Company to settle its obligations as and when they fall due and operate as a going concern. Accordingly, the financial statements of the Company have been prepared using the going concern assumption.

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

Rajesh Arora
Partner
Membership Number: 076124

Place: Gurgaon
Date: 16 September 2021

For and on behalf of Board of Directors
HOSPITALIA EASTERN PRIVATE LIMITED

Rajeev kumar

Ranjan Bihari Pandey
Director
DIN: 07752372

Place: Gurgaon
Date: 16 September 2021

Rajeev Kumar Dua
Director
DIN: 06974102

Place: Gurgaon
Date: 16 September 2021

B S R & Co. LLP
Gurugram

HOSPITALIA EASTERN PRIVATE LIMITED