HERE TO GIVE THE GIFT CALLED LIFE.

FORTIS FOR ORGAN DONATION.

MORE TO GIVE

BE AN ORGAN DONOR

ANNUAL REPORT 2016-2017

Fortis

THE MAN WHO GAVE US OUR VISION

Late Dr Parvinder Singh
Founder Chairman, Fortis Healthcare Limited

To create a world-class integrated healthcare delivery system, entailing the finest medical skills combined with compassionate patient care.

Company Information

Board of Directors

EXECUTIVE DIRECTOR
Mr Malvinder Mohan Singh

NON-EXECUTIVE DIRECTORS
Dr Brian William Tempest
Mr Harpal Singh
Ms Joji Sekhon Gill
Mr Pradeep Ratilal Raniga
Dr Preetinder Singh Joshi
Dr Shivinder Mohan Singh
Ms Shradha Suri Marwah

Chief Executive Officer
Mr Bhavdeep Singh

Chief Financial Officer
Mr Gagandeep Singh Bedi

Company Secretary and Compliance Officer
Mr Rahul Ranjan

Auditors
M/s Deloitte Haskins & Sells LLP
Chartered Accountants, New Delhi

Registered Office
Fortis Healthcare Limited
CIN: L85110PB1996PLC045933

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Tel: +91-172-5096001
Fax: +91-172-5096002
Website: www.fortishealthcare.com

Registrar and Transfer Agent
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32 Gachibowli,
Financial District, Nanakramguda
Hyderabad – 500 032
Tel.: +91- 40 – 67161500
Website: www.karvycomputershare.com

Content

Message from the Executive Chairman

Malvinder Mohan Singh
Executive Chairman

Dear Shareholders,

It gives me great pleasure to communicate with you through the Annual Report for the year 2016-17. At the very outset, I warmly acknowledge the trust reposed on us by each one of our valued shareholders who have contributed to our continued success.

These are both exciting and challenging times for healthcare in India with the sector offering a plethora of lucrative opportunities as well as facing some regulatory changes. It is also fast emerging as one of India's largest economic sectors, both in terms of revenue and employment, with rising disposable income and the consequent growth in demand for quality healthcare services. Apart from a robust domestic market, India is also making a mark as a 'healthcare hub' for international patients looking for world-class clinical care at affordable costs. The future continues to look bright. According to a May 2017 report by the India Brand Equity Foundation (IBEF), the domestic healthcare industry is expected to touch USD 160 billion by the end of 2017 and USD 280 billon by 2020.

India's competitive advantage lies in its large pool of high-quality clinical talent, well-trained nursing and paramedical professionals and the availability of modern medical infrastructure, especially in the country's thriving private sector. The significantly lower cost of healthcare delivery as compared to its counterparts in Asia and the West adds to its attractiveness as a global healthcare destination. Given the emerging scenario, I firmly believe that our decision to stay focused on India has been highly rewarding. In line with our vision, we are firmly committed towards providing quality healthcare services whilst exploring innovative ways to improve accessibility and affordability.

CLINICAL EXCELLENCE

Your Company is widely acknowledged as a pioneer in the healthcare delivery space in the region. The credit for Fortis Healthcare's leadership position goes to our doctors, who are performing highly complex and innovative medical procedures and

> "The credit for Fortis Healthcare's leadership position goes to our doctors, who are performing highly complex and innovative medical procedures and delivering consistently superlative outcomes, comparable with the best institutions in the world."

delivering consistently superlative outcomes, comparable with the best institutions in the world. With an unwavering focus on Clinical Excellence and Patient Centricity, we have substantially broadened the footprint and depth of our medical programmes in Organ Transplants, Cardiac Sciences, Orthopaedics, Mother and Child Health and Oncology, to name a few. In particular, Fortis has emerged as a major hub for complex multi-organ transplant surgeries in the country, underscoring its outstanding clinical expertise in the Organ Transplant domain. To add further impetus to the Organ Donation movement, a sustained multi-media campaign, 'More to Give,' has been launched with the objective of building a favourable public opinion and eventually creating a strong nationwide climate for organ donation.

CLINICAL OUTCOMES REPORTING

In FY16, Fortis became the first private network in India to introduce monitoring of its clinical outcomes based on ICHOM (International Consortium for Health Outcomes Management) standards – starting with Fortis Escorts Heart Institute (FEHI), New Delhi for two procedures, namely: Coronary Artery Bypass Graft (CABG) and Percutaneous Coronary Intervention (PCI, PTCA). In FY17, five additional hospitals, Fortis Mohali, Fortis Amritsar, Fortis Ludhiana, Fortis Malar and Fortis Vashi started reporting clinical outcomes for the two procedures. Currently, 16 Fortis units have implemented the ICHOM standard sets for Coronary Artery Disease. The clinical outcomes data for Kidney Transplant (1-year Survival) at Fortis Vasant Kunj is being published as well. It is encouraging to note that the clinical outcomes at Fortis are comparable with the globally accepted best-in-class benchmarks. Further, the portal is now being used for reporting Kidney Transplants and Cancer Registry.

TECHNOLOGY

Emerging medical technology is playing a decisive role in delivering superior clinical outcomes. In our quest to offer the best to our patients, we continue to harness the latest medical technologies. We have introduced precision robotic surgeries which have drastically reduced recovery time and significantly enhanced patient experience. Additionally, we are also at the forefront of leveraging the latest in information technology to drive smooth and efficient business operations, standardise the quality of service delivery, enable cost optimisation and enhance patient engagement. Fortis strives to stay abreast of the new developments and adopt digital health solutions

and applications to improve patient outreach and care. In the coming year, our focus will be on optimising technology to improve our business model, operational efficiency, resource management and patient data. The aim is to build innovative solutions focused on patient engagement and empowerment.

MEDICAL TOURISM

India is among the top three medical tourism destinations in Asia, along with Thailand and Singapore, mainly due to quality healthcare infrastructure, availability of highly skilled doctors and relatively low cost of treatment. As per FICCI, the Indian medical tourism industry is expected to reach USD 6 billion by 2018, with the number of people arriving in the country for medical treatment set to double over the next four years. On an average, Fortis receives 15% of its patients from Iraq in the Middle East; Kenya, Nigeria and Uganda from Africa; Uzbekistan, Kazakhstan, Ukraine and Turkmenistan from the CIS region and Pakistan, Bangladesh and Afghanistan from within Asia. We continue to expand this segment by offering greater value to international patients by way of providing customised services such as visa assistance, interpreter facility, concierge services, dedicated service managers, accommodation and food assistance among others.

DRIVING EFFICIENCIES AND VALUE CREATION

To deliver our mandate effectively and to fund our growth journey, we continue to undertake projects and initiatives that will significantly enhance our operating profitability. In October 2016, we completed the acquisition of 51% economic interest in Fortis Hospotel Limited (FHTL) from the RHT Health Trust in Singapore, providing a significant fillip to our operating profitability. We continue to evaluate ways and means to further optimise our financial structure vis-à-vis our asset light growth model.

To expand our reach and capacity, we are pursuing a multi-pronged approach, including Brownfield expansions. Concurrently, we are revisiting the usage of space within the existing hospital facilities to evaluate optimal capacity utilisation possibilities. We are also accelerating our Operate & Manage (O&M) outreach to hospitals across the country and other geographies without any financial investments from our side. Additionally, the company continues to progress towards a leaner cost structure which will give us resiliency to face any challenges as they come.

On a related note, we continue to pursue the efforts required to further optimise our capital structure and raise funds for

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the Company's growth to unlock value for our shareholders. In August 2016, the Board of Directors of Fortis Healthcare Limited had approved a proposal to demerge our majority owned diagnostics business 'SRL Diagnostics' into a listed company through a composite scheme of arrangement and amalgamation. The new arrangement resulting from the demerger will harness these unique capabilities and strengths, unlocking value through flexibility and by fueling our growth trajectory.

CORPORATE SOCIAL RESPONSIBILITY

With the growing need for better healthcare services, especially for the underprivileged, Fortis Foundation has been ardent in its quest to ease the pain and burden, physically and financially, of those needing help. Additionally, the Foundation has been focussing on preventive healthcare solutions for the society. The philosophy of the Foundation is centred around building partnerships with other like-minded organisations and people who support sustainable, scalable and high impact programmes. Two programmes under the ambit of the Foundation, SEWA and SAVERA are being supported by Fortis Healthcare. While SEWA is aimed at providing timely medical support in the event of a disaster, SAVERA provides open platforms for Healthcare Information.

In conclusion, I would like to reiterate that today, there is an increased demand for quality healthcare delivery services from our people. Greater awareness and expectations have led to an increased demand for advanced and modern treatment options. Your Company is striving to meet this by continuing to focus on building our clinical expertise, improving infrastructure and strengthening core specialities to serve patients with greater zeal and enthusiasm. I wish to thank all our stakeholders, investors and partners for believing in us. I am confident that our strengths in patient-centric healthcare delivery, strong associations and the credibility within the medical fraternity will propel Fortis to the next level of growth.

Malvinder Mohan Singh
Executive Chairman

Board of Directors

Dr Brian William Tempest
Chairperson of the Audit and Risk Management Committee

Harpal Singh
Chairperson of the Corporate Social Responsibility Committee

Joji Sekhon Gill
Chairperson of the Nomination and Remuneration Committee

Malvinder Mohan Singh
Executive Chairman

Pradeep Ratilal Raniga

Dr Preetinder Singh Joshi

Dr Shivinder Mohan Singh

Shradha Suri Marwah
Chairperson of the Stakeholders Relationship Committee

Message from the Chief Executive Officer

Bhavdeep Singh
Chief Executive Officer

Dear Shareholders,

A very warm greeting to all our esteemed stakeholders! It gives me great pleasure to share with you all, the performance of Fortis Healthcare in the year gone by. At the outset, I would like to convey my heartfelt gratitude to all our shareholders and stakeholders who have travelled with us through this journey and made it truly enriching and rewarding.

The healthcare landscape in India is going through a major transformation and shift. The sector in India is growing at a rapid pace; however, we still have a long way to go to provide affordable accessible high-quality healthcare to the common man. This year, the Government has increased the healthcare budget to almost 5% of the GDP, which is still comparatively lower vis-à-vis many developed nations. While we are seeing increasing penetration of health insurance over the last few years, there is a need to do much more in this sphere. Access to medical care remains a challenge with the availability of only one hospital bed per 1050 patients and a shortage of qualified staff. These gaps must be bridged with several steps over the next few years. We are excited about this journey and are confident that Fortis will continue to drive high-quality healthcare delivery to our patients with the support of our outstanding doctors and emerge as the leader in this space.

Despite some headwinds, we had a good performance this past financial year. During the year, the top 10 facilities contributed nearly 77% of the hospital business revenue compared to 76% in the previous year. Most facilities, including the larger ones at FMRI, Mohali, FEHI, Mulund, Noida, Shalimar Bagh, Anandapur and Ludhiana continued to exhibit growth momentum both in terms of revenues and operating margins. The contribution of International sales to the overall revenue of the Hospital business stood at 10.6% (₹ 395 Crore), a growth of more than 10% over the previous year. The overall business witnessed significant traction which was driven

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by a heightened level of on-ground activities, medical and surgical camps. The company further strengthened these initiatives with the opening of 4 new Information Centres in the Middle East and Myanmar. As a part of our focus on growth through the Operate and Manage (O&M) model, we also began operations in Rajasthan and Bangladesh and strengthened our presence in Mauritius by taking over the operations and management of an existing hospital – the model works on minimum guarantee basis with nil investments; in return for providing its robust systems and processes, high calibre clinical and administrative acumen and the well-established Fortis brand association. We are also extending our expertise to partners through the O&M contracts where CAPEX is being made by our partners and we bring in the skill sets.

Fortis is also deepening and widening its expertise base by developing comprehensive medical programmes in the chosen areas of Cardiac Sciences, Oncology, Organ transplant, Orthopaedics, Neurosciences, Gastrosciences and Mother & Child health, among others. These are core expertise areas and our intent is to replicate the skill sets at our other hospitals. In the area of procedures performed across various facilities, joint replacement surgeries (Knee and Hip) witnessed a strong growth of 28% with over 10,000 surgeries being performed during the year. Transplant surgeries (Liver and Kidney) also witnessed a robust growth of almost 20% and we successfully performed close to 100 heart transplants during the year.

In a growing sector such as healthcare, there will always be a need for good doctors, allied staff and caregivers, especially in oncology, organ transplant, neurology, paediatrics and mental health, where there is disproportionate shortage of clinicians. We are always looking for people who are not only highly qualified but are also caring, compassionate and courageous. It was heartening to note that a number of senior and renowned clinicians have joined us in the oncology, urology, nephrology, orthopaedics and general surgery specialities. They have brought on board their immense knowledge and vast experience, thus, enabling us to gain a sharper focus on enhancing patient care and clinical outcomes.

Many experts from our senior management team, as well as hospital units, received honourable accolades and prestigious honours for their clinical interventions and award winning campaigns.

Fortis's major community connect crusade of the year was organ donation. Our efforts have started bearing fruit with more and more people coming forward for donations and pledges. October 2016 was significant as we did heart, renal and liver transplants in New Delhi, Mumbai, Mohali, Noida, Kolkata, Bengaluru, Jaipur and Chennai. Our clinicians, as always, have been doing us proud by scaling the heights of medical excellence and establishing Fortis as a champion in the Organ Donation space.

We also pioneered the country's most comprehensive organ transplant programme in collaboration with NDTV - 'More To Give,' an initiative aimed at sensitising the masses about the need to donate organs. The campaign reached a crescendo with a multi-city 'More to Give' Walkathon with almost

10,000 people from all walks of life participating. In a first-of-its-kind effort, Fortis has decided to keep alive the memory of organ donors and honour their families by placing 'Wall of Tribute' across various hospitals to salute the organ donors. The initiative salutes the families who had the courage to rise above their intense moments of grief and display tremendous magnanimity by donating the organs of their loved ones, saving many critical patients.

Additionally, while not a formal or planned initiative, post the launch of the demonetisation drive announced by the Government of India in November 2016, we announced a series of initiatives to help patients and their families make cashless payments across all our hospitals for treatment, tests and medicines. Patents and their families were guided and helped with cashless and digital payment facilities. Fortis Foundation, our CSR wing with its 600 volunteers, reached out to more than 100,000 people standing in queues at more than 1,000 banks and ATMs across the nation with medical help, water and refreshments in the weeks after demonetisation.

Nurses are an indispensable part of the healthcare delivery landscape. At Fortis, we rely heavily on our nurses in the pursuit of our mission of 'saving and enriching lives' and have been making significant investments to empower our nurses. These initiatives have received validation and recognition in the form of National Accreditation Board for Hospitals (NABH) Nursing Excellence Certifications based on international standards followed by the hospital in professional, administrative and governance-related aspects of nursing. Fortis Anandapur, Kolkata became the first hospital in the network to receive this certification in May 2016, followed by 14 other Fortis facilities.

For the coming year too, we have some decisive goals for our hospitals and the key is patient-centric care. Our teams are making every effort to provide the best possible care to each and every patient. To boost business, we are looking at the use of technology driven areas such as robotics surgery as well as venturing into e-healthcare. Bringing technology into healthcare has brought health information at one's fingertips through smartphones. At the hospital, we are using technology to support complex surgeries to support specialities such as oncology, gynaecology and in the treatment of cardiovascular diseases. While the industry has already welcomed the use of advanced technology, in 2017-18 we are looking forward to its influence on business models, operational mechanism, staff needs and even cyber-security issues. Any successful company needs industry-leading expertise as well as youth with an energy that attracts workers whose energy matches their own. And thus at Fortis, we continue to invite both home grown and lateral talent to join us in our endeavour.

The last year was also an year of renewed alignment on patient experience, though our very in-house developed tool – Fortis Operating System (FOS), a key Pan-Fortis initiative that closely monitors and drives patient satisfaction parameters, critical in ensuring positive patient experience. It is a tool to measure certain critical patient facing non-clinical processes and

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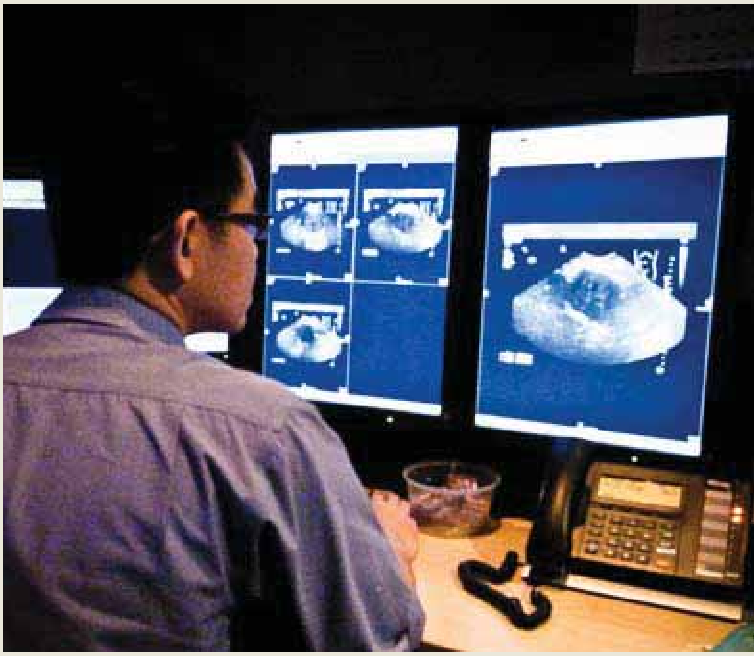

their efficiencies in delivering exceptional patient care. We took some very structured steps to ensure that the function was revitalised and we could leverage the outcomes to the benefit of our patients. All our hospitals joined in this effort to make our processes grow stronger, become more efficient and compliant. FOS, in its truest sense, is a key differentiator for us in today's competitive landscape.

As I bring this fruitful and eventful year to a close, I sincerely hope that as co-travellers in this momentous journey, we will jointly persevere to provide quality and integrated care to each and every patient who comes to us. Let us enhance and build our ecosystem of healthcare because we hope to reach all sections of our society and create sustained value for all those who have placed their belief and trust in us.

Thank you to each one of you for the conviction and confidence that you have in our vision and mission.

Best regards,

Bhavdeep Singh
Chief Executive Officer

Board of Directors - SRL

Archana Shiroor

Dr Brian William Tempest

Harpal Singh

Malvinder Mohan Singh

Meenu Handa

Dr Preetinder Singh Joshi

Shivinder Mohan Singh

Praneet Singh

Srinivas Chidambaram

Lt Gen Tejinder Singh Shergill

Message from the Chief Executive Officer - SRL

Arindam Haldar
Chief Executive Officer - SRL

Dear Shareholders,

Laboratory Medicine has been increasingly dominating decision making in therapeutic medicine. Close to 70% of medical decisions are now being made based on diagnostic results. This aspect is reinforced by the visibly increasing spends on healthcare infrastructure and greater awareness among customers. The Indian diagnostics industry is currently estimated at around USD 6 Billion, with the organised players having close to 15% of the total share. Ready access to funding and the easy availability of equipment on reagent rental basis are leading to low CAPEX and potentially attractive ROI's for the industry. Additionally, the absence of strong regulatory barriers has led to increasing competition, whether from already established players, individually owned labs offering personalised customer centric services, or start-up ventures focused on boutique market segments such as for screening of new-born babies, Human Leukocyte Antigen (HLA) or Genomics.

SRL Diagnostics, as the leading diagnostics company in the country, believes in providing the best possible solutions to its customers. These are, built on the foundations of a 20+ year legacy and the cumulative experience of the best doctors in the industry. We take pride in building trust with every interaction with our customers and partners, across the extensive SRL network of over 370 laboratories and 5000+ active collection points. Our business delivery philosophy stands on the four strong pillars of (1) Accurate and quality results, (2) Empathy towards our patients and partners, (3) Innovation in every process and (4) Transparency in our daily operations.

SRL continues to dominate the Public-Private Partnership (PPP) space in Indian diagnostics. Its partnerships with the Himachal Pradesh, Uttar Pradesh and Jharkhand Governments continue to flourish; and consequently, SRL has been able to positively impact customers at the bottom of the pyramid. The Jharkhand business has grown 6 times in the last financial year serving nearly 2.2 lac patients with over 4.5 lac tests. This is due to our progressive operational strategy where instead of waiting for patients to come to our door for testing,

↑ 7%

Revenue
₹ 992 Crores

↑ 112%

PAT
₹ 94 Crores

the team has proactively reached out to remote tribal areas. In Uttar Pradesh, the State Government has renewed its contract for the PPP with SRL. This has helped to strengthen diagnostic facilities in district hospitals. In Himachal Pradesh, SRL set up its pathology facilities in 24 locations and has served over 7 lac patients in FY17. SRL has also completed nearly 50% of the prestigious Comprehensive National Nutrition Survey in partnership with UNICEF, generating the nutrition profile of more than 25,000 children.

SRL is privileged to have many large Private and Public Hospitals, as its esteemed and largest Customers. SRL labs exist in more than 120 Hospitals, the highest in the country, reflective of the trust that SRL commands amongst doctors. There is also a seamless interface with the hospitals with the intent of enhancing patient care and providing the highest standards of service. Hospitals form a significant portion of our client base and this also allows SRL to continuously optimise and innovate its test menu by bringing in novel tests, especially in the realm of Critical Care and core speciality areas of Oncology, Gastrointestinal (GI) Pathology, Nephro-pathology and Cardiology, among others.

Last year, we launched 22 new tests in neurology (Auto-immune encephalitis Panel and VGKC), Oncology (MSI, MLH, PNH and TPMT), Genetics (Cardio Next, GD Next) and Organ Transplant (HLA CoE). We have introduced AMH on automated platforms to ensure accurate and timely delivery of reports to the clinicians and gynaecologists. This multi-pronged strategy to continuously improve efficiency, understand and address the needs of our customers and associates has been widely appreciated.

With innovation at the core of our service philosophy and customers at the focal point of our strategy, we have launched an interactive new SRL website and a new user-friendly mobile app – "SRL Diagnostics" – enabling individuals to access superior SRL Diagnostics' services conveniently, at the touch of a single button. The new app is secure and easy to use. One can book a convenient Home Collect sample with a single tap, schedule an in-lab Test to beat the long queues, locate the nearest SRL centre and keep track of personal medical records with a graphical representation of the medical history.

SRL Diagnostics presently has more than 40 accredited labs. We understand the needs of the healthcare sector and are duty-bound to fulfil it in an accurate and affordable manner. Our commitment to quality has been duly recognised by the College of American Pathologists (CAP) and the National Accreditation Board for Testing and Calibration of Laboratories

SRL is privileged to have many large Private and Public Hospitals as its esteemed Customers. SRL labs operate in more than 120 Hospitals, the highest in the country.

(NABL). Having achieved recognition, we re-dedicate our efforts to serve our doctors and clients with vigour, passion and commitment so we can fulfil our mission of becoming the path lab of choice, for customers in India.

To consolidate our leadership position in the Diagnostic industry, in each of our priority markets, we have redesigned our company strategy and have shifted focus from being a functional organisation to a business organisation. The key lever of this refreshed strategy is the empowerment of our business heads, so they can take decisions locally. To consolidate our ever-strong technical expertise we have instituted a new Centre of Excellence (CoE), led by subject matter experts (SMEs) drawn from various sub-specialities. We have also re-engineered and re-formulated our growth strategy keeping in mind the changing external business dynamics. Our thrust going forward is based on (i) Empowered regional leadership (ii) technical superiority (iii) The constitution of a Technical Centre of Excellence (CoE) for various sub-specialities and (iv) Focused on operational efficiency with measurable metrics.

I take this opportunity to thank all our stakeholders, investors, private equity partners, vendors, technical and business partners for their continued support and faith in the Company. I also thank the Board members for their continuing guidance and support at every step and place on record my appreciation for every employee of SRL whose hard work and dedication have contributed to our success and journey to become the largest diagnostic player in the country. I believe that our strengths in technology and people, strong relationships, respect within the medical fraternity and our new re-energised strategy focused on the customer will propel your company to its next phase of growth.

Arindam Haldar
Chief Executive Officer - SRL


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AWARDS AND ACCOLADES

Fortis adjudged 'Hospital of the Year in India' and 'Digital Savvy Hospital of the Year' at the 2016 APAC Healthcare and Medical Tourism Awards - The awards were presented at the 2016 Asia Pacific Healthcare & Medical Tourism MindXchange Conference, held in Bangkok, Thailand.

Fortis Hospital, BG Road, wins 'Best Medical Tourism Hospital' Award - The Federation of Karnataka Chambers of Commerce and Industry (FKCCI) named Fortis Hospital, BG Road, Bengaluru as the 'Best Medical Tourism Hospital' at the Karnataka Tourism Awards 2016. The hospital was also India's first to achieve medical tourism accreditation from the Medical Travel Quality Alliance (MTQUA), USA, in 2014.

Fortis Hospital, Mohali, wins coveted Asia Pacific Hand Hygiene Excellence Award - Fortis Mohali won the prestigious award for demonstrating outstanding leadership in the implementation of an effective hand hygiene campaign and strongly pursuing associated programmes to support the WHO First Global Patient Safety Challenge – 'Clean Care is Safer Care'.

Fortis Escorts Hospital, Jaipur, wins Quality Council of India recognition for the fourth time in a row - The hospital was recognised for the Lean Six Sigma project titled 'Dock to Stock Cycle Reduction Time in Critical Care – Kaizen'. The project led to the standardisation of Nursing care, improved bed side care, enhanced productivity and optimum utilisation of nurses by reducing paperwork, improving operational efficiency and eliminating of wastage resulting in better patient experience and outcomes.

Fortis C-DOC bags 'Best Diabetic Care Centre in India' award for the 3rd time in a row - The CIMS (Current Index of Medical Specialities) Healthcare Excellence Awards 2016 were held in Mumbai. The awards recognise and felicitate India's best healthcare providers.

Dr Bidhu K. Mohanti, Director and Head, Radiation Oncology, FMRI, receives Lifetime Achievement Award - Dr Mohanti was honoured at the joint Biennial Conference of the International Federation of Head and Neck Oncologic Societies (IFHNOS) and the Foundation of Head and Neck Oncology (FHNO). Dr Mohanti is the first non-surgical specialist selected for the award.

Fortis creates history at the CII 17th National Awards for Excellence in Energy Management; four hospitals win top honours - While Hiranandani Hospital, Vashi - A Fortis Network Hospital, was declared as the winner, Fortis Mohali, BG Road and Anandapur were named the runners-up.

Fortis Hospital, Ludhiana wins Best Multi-speciality Hospital and Best Quality in Service Delivery awards - Fortis Hospital, Ludhiana, was feted with the Best Multi-speciality Hospital in the Region (North) and the Best Quality in Service Delivery awards. The twin recognitions were announced at an event held in Singapore.

Fortis Mulund wins two awards each at CIMS Healthcare Excellence and 3rd Asia Healthcare Excellence Awards - The Best Hospital Unit in Cardiac Care award recognised the exemplary work being done by the Cardiac team, especially in the Heart Transplant space. The Best Medical Tourism Facility award was a testimony to the hospital's formidable reputation across the globe for its world-class patient care.

Dr Narottam Puri receives Lifetime Achievement Award at FICCI 8th Annual Healthcare Excellence Awards, 2016 - Fortis Hospital, Ludhiana, was feted with the Best Multi-speciality Hospital in the Region (North) and the Best Quality in Service Delivery awards. The twin recognitions were announced at an event held in Singapore.

Dr Ashok Seth, Chairman – FEHI and Dr Ashok Rajgopal, Executive Director & Chairman, the Fortis Bone and Joint Institute receive prestigious Dr. B.C. Roy Award - While Dr Seth was selected for the 'Eminent Medical Person' award, Dr Rajgopal was recognised as the 'Best Talent in Development of a Medical Speciality'.

Dr A K Kriplani of FMRI, Gurugram, honoured with the prestigious Dr. B. C. Roy National Award - Dr Kriplani, Director and HOD, Minimal Access, Bariatric & GI Surgery, FMRI, Gurugram, was honoured in recognition of his contributions to the development of the speciality of Minimal Access and Bariatric Surgery.

Operations Review

FINANCIAL PERFORMANCE

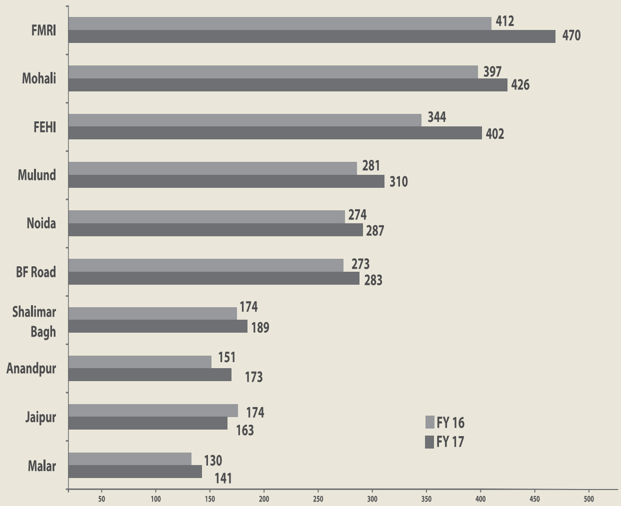
For the Financial Year 2016-17, the Company recorded an audited consolidated revenue from continuing operations of ₹ 4,574 Crore, a growth of 9% over the previous year's revenue of ₹ 4,199 Crore. Consolidated total income (including other income) from the operations for the Financial Year 2016-17 was at ₹ 4,740 Crore compared to ₹ 4,352 Crore in the previous year. The Operating EBITDAC before the net costs related to the Business Trust stood at ₹ 734 Crore, representing a margin of 16.1%. Operating profit from the continuing operations for the year stood at ₹ 353 Crore compared to ₹ 204 Crore in the previous year. The Net Profit after Tax but for the continuing operations stood at ₹ 479 Crore as against ₹ 39.8 Crore for the corresponding previous year. The Net Profit after Tax for the Company (including both continuing and discontinuing operations) stood at ₹ 479 Crore as against ₹ 41.8 Crore for the corresponding previous year.

INDIA HOSPITAL BUSINESS

The India Hospital business witnessed a steady performance with FY17 net revenue of ₹ 3,712 Crore compared to ₹ 3,428 Crore in the previous year, a growth of 8%. The Operating EBITDAC before the costs related to the Business Trust stood at ₹ 545 Crore, representing a margin of 14.7% similar to FY2016 EBITDAC margins.

International patient revenues for the hospital business during the year stood at ₹ 395 Crore representing 10.6% of overall hospital business revenue, compared to ₹ 341 Crore reported in the previous financial year.

The growth in the India Hospital business was primarily due to improvement in the key operating metrics across various hospitals in the network. For the Financial Year 2017, the Average Revenue Per Occupied Bed (ARPOB) stood at ₹ 1.45 Crore compared to ₹ 1.37 Crore in FY16, a growth of 5.5%. Average Occupancy across the Fortis network stood at 75% compared to 72% during the previous year. Average Length of Stay (ALOS) stood at 3.56 days in FY17 similar to the previous financial year.



Key Hospital-wise revenue performance (in ₹ Crores)

All financials are basis Ind-AS

The Company's various key facilities continue to perform well both in terms of revenue and operating profits. These facilities include FMRI, Fortis Mohali, Fortis Escorts Okhla Road, Fortis Mulund, Fortis Noida, Fortis Shalimar Bagh, Fortis Anandapur, Fortis Malar and Fortis Ludhiana. FMRI Gurugram, FEHI and Fortis Mulund reported net revenue of ₹ 479 Crore, ₹ 402 Crore and ₹ 319 Crore for FY2016-17, witnessing a strong growth of 16%, 17% and 14%, respectively, compared to the previous year. The Company's Ludhiana facility launched in FY14 reported revenues of ₹ 102 Crore during FY17, a growth of 40% over the previous financial year.

Fortis continues to launch new medical programmes and dedicated super speciality centres across its various facilities, for instance, a state-of-the-art Bone Marrow Transplant (BMT) unit was inaugurated at FMRI; Fortis Malar Hospital, Chennai has launched an All Women's Clinic; Fortis Hospital, Bannerghatta Road, has launched a dedicated Centre for Hepatobiliary Sciences and Liver Transplant and also launched a dedicated Fortis Centre for Advanced Heart Failure and Transplant. Fortis Escorts, Okhla Road has launched a specialised and dedicated 'Regional Fetal Cardiology Unit'.

The Fortis network currently has 4 JCI accredited hospitals, 19 NABH accredited hospitals, 6 NABH accredited blood banks and 15 hospitals with NABH accredited Nursing programmes.

HOSPITALS

The Fortis network is spread across three regions, each headed by a Chief Operating Officer (COO). These are – Region Delhi NCR, Region North & East and Region South & West.

The major hospitals in Region Delhi NCR include Fortis Memorial Research Institute, Gurugram; Fortis Escorts Heart Institute, New Delhi; Fortis Hospital, Noida and Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj, among others.

Fortis Memorial Research Institute, Gurugram

Fortis Memorial Research Institute (FMRI), Gurugram, the flagship hospital of Fortis Healthcare, completed four years of operation in May 2017. In the short span, the hospital has become synonymous with world-class clinical excellence and compassionate patient care.

During the year, four new Operation Theatres were inaugurated. A chemo day care lounge, a state-of-the-art Bone Marrow Transplant unit and a Pain Clinic were added. The hospital is one of the few centres in India capable of conducting robotic surgeries. So far, over 130 robotic surgical procedures in the specialities of Urology, Kidney Transplant, Orthopaedics and Gynae-Oncology have been conducted. An Orthopaedics team joined the hospital under the leadership of Dr Ashok Rajgopal, one of India's most experienced and reputed orthopaedic surgeons. New Liver Transplant and Cardiothoracic & Vascular Surgery teams also joined the Institute during the year.

Many new clinical benchmarks were established at FMRI in the course of the year. The hospital became the first in the country to perform Transarterial Radioembolisation with Rhenium Lipiodol. Asia's first paediatric LVAD was planted in a 12-year-old Iraqi child. One of the largest recorded cases of Meningomyelocele was operated upon successfully.

To spread greater awareness about health issues, the hospital organises Sunday Conversations, a weekly health forum that gives the community a chance to interact with doctors and receive answers to pertinent health-related questions. Support Groups for patients of Breast Cancer, Kidney Transplant, Paediatric Oncology, Asthma and Thyroid Cancer were constituted to provide an open forum for resolution of doubts and apprehensions through discussion with doctors and patients who have already undergone treatment.

Fortis Escorts, Okhla Road

Fortis Escorts, Okhla Road, a Joint Commission International (JCI) accredited facility, has been setting benchmarks in cardiac care with path breaking work over the past 29 years. It is recognised all over the world as a Centre of Excellence in cardiac care, providing the latest treatment such as Cardiac Bypass Surgery, Interventional Cardiology, Non-invasive Cardiology, Paediatric Cardiology and Paediatric Cardiac Surgery. The hospital is backed by the most advanced laboratories performing the entire range of investigative tests in the fields of Nuclear Medicine, Radiology, Biochemistry, Haematology, Transfusion Medicine and Microbiology. Critinext, Asia's first tele-ICU, provides 'intensive care beyond boundaries.'

In 2015-16, FEHI had added a programme in Liver & Digestive Diseases with the launch of the Fortis Escorts Liver & Digestive Diseases Institute. Extending its ambit of medical services further in 2016-17, FEHI added two new Institutes, namely the Fortis Escorts Kidney and Urology Institute (FEKUI) under the leadership of Dr Vijay Kher and Dr Rajesh Ahlawat; and the Fortis Bone & Joint Institute (FBJI), under the leadership of Dr Ashok Rajgopal. A state-of-the-art Da-Vinci Robot was also acquired.

By the end of Financial Year 2016-17, FEHI had achieved significant volumes in existing as well as the newly introduced medical specialities. So far, 41 Transcatheter Aortic Valve

Replacements (TAVRs), 78 Liver Transplants, 63 Kidney Transplants, 6 Heart Transplants and 163 Robotic procedures have been conducted.

Reinforcing its leadership position in Cardiac Sciences, the hospital continues to focus on high-end clinical offerings such as Heart Failure Programme, ECMO Programme, Minimally Invasive Cardiac Surgery and high-end Electrophysiology services, to name a few. The Fortis Bone & Joint Institute is additionally focusing on Spine-related disorders and Sports Medicine, apart from various other orthopaedic ailments. The Fortis Escorts Kidney & Urology Institute is leveraging robotic procedures including Kidney Transplants, Renal and Uro-Gynae procedures. The Fortis Escorts Liver & Digestive Disease Institute continues to focus on complex procedures such as Liver Transplants, Laparoscopic procedures, Endoscopic Retrograde Cholangio-Pancreatography (ERCP) and Endoscopic Ultrasound (EUS), among others.

Fortis Hospital, Noida

Fortis Hospital, Noida is located in a populous satellite suburb of Delhi that is a part of the National Capital Region (NCR). The second mega hub hospital, in the Fortis Healthcare group, it caters to the special needs of patients and their families. The hospital has been designed and developed to deliver patient care with maximum ease, warmth and effectiveness.

The NABH accredited hospital has an allocation space that exceeds the current Indian norm of 800-900 sq.ft/bed. This allows for better flexibility to adapt and accommodate future requirements of patient care. This tertiary care hospital is known for its highly successful Liver Transplant and Kidney Transplant programmes. It addresses a wide range of healthcare needs and prides itself in performing many first procedures in India and Uttar Pradesh. It was one of the first facilities in the state to carry out liver and bone marrow transplants. The hospital conducted 134 liver and 54 kidney transplants in the last one year. In view of the importance of its transplant programme, a full-fledged Transplant Block is being set up. Fortis Hospital, Noida also has an active joint replacements programme, with 734 joint replacements having being conducted during the last year.

The hospital received the Green OT certification, underscoring its sustainable and environment-friendly approach to healthcare. In line with its commitment to patient care, Fortis Hospital, Noida acquired one of the fastest and most powerful CT scanners and state-of-the-art MRI equipment. The hospital was recognised as the 'Comprehensive Neurosciences Service Provider Company of the Year' by Frost & Sullivan in 2015. The Cardiac Centre for Excellence at Fortis Hospital, Noida has carved a name for itself in the medical fraternity. The hospital is known for its high standards in excellence and cardiology and cardiac surgery amongst others.

Commitment towards patient welfare and providing quality healthcare is reflected in the unique design attributes of the hospital. The hospital won the third position at the National Energy Conservation Awards, 2016. The Society for Emergency Medicine, India, named Fortis Noida as a Centre of Excellence.

Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj

Fortis Flt Lt Rajan Dhall Hospital, spread over a sprawling 1.56-acre campus in South Delhi, provides world-class integrated healthcare services to a large number of patients from various parts of the world. The NABH accredited hospital offers a fine blend of medical skills and compassionate care across all major specialities.

During the year, the Renal Sciences department achieved the remarkable milestone of 1,000 kidney transplants. Doctors from the Department of Oncology successfully conducted a flap surgery on the face of a patient from Lucknow to treat his massive head tumour while the Minimal Access Surgery & Bariatric Surgery team excised one of the largest known Adrenaline gland tumours, weighing 12 kgs, from a middle aged man.

In line with its core competencies, the hospital conducted several activities to improve community health awareness. The hospital reached out to over 11,000 households via a mobile van as part of its community connect programme. The Pulmonology team conducted a lung health camp for the employees of a reputed automobile manufacturer. A cadaveric heart donation also took place wherein a Green Corridor was set up to transport the retrieved heart.

Region North & East comprises Fortis Hospital, Mohali; Fortis Escorts Hospital, Amritsar; Fortis Hospital, Ludhiana; Fortis Escorts Hospital, Jaipur and Fortis Hospital, Anandapur among others.

Fortis Hospital, Mohali

Established as the first hospital of Fortis Healthcare Ltd, Fortis Mohali continues to retain its laser sharp focus on clinical excellence. The hospital runs highly successful programmes in Cardiac Sciences, Cardiothoracic & Vascular Surgery (CTVS), Orthopaedics & Joint Replacement, Oncology, Transplants, Critical Care and Neuro Sciences.

In July 2014, the hospital added Fortis Cancer Institute to its fold, offering the latest, most technologically advanced and comprehensive cancer treatment in the region. The facility houses an array of state-of-the-art equipment and has expertise in Gynae-Onco, Uro-Onco, Paediatric-Onco, Ortho-Onco, Haemato-Onco, Neuro-Onco and Breast-Onco, besides capabilities to treat Endocrine, Liver, Head & Neck, Oral and Ocular cancers as well as Colorectal cancers.

In 2016-17, Fortis Mohali introduced Siemens Symbia Dual Head SPECT Gamma Camera, used for the functional imaging of the heart, skeletal system, kidneys and brain. The system is a valuable addition to the hospital's superior diagnostic capabilities. The addition of a Vascular Hybrid Operation Theatre enables specialists to perform complex surgeries as well as minimally invasive procedures. In the field of Neuro Sciences, a Neuro-navigation system and microscope was added to increase the accuracy and safety of neurosurgical procedures.

During the year, Fortis Mohali received the coveted Joint Commission International (JCI) re-accreditation. It also received the National Accreditation Board for Hospitals & Healthcare Providers (NABH) Nursing Excellence Certificate 2016, underscoring the high standards of nursing care.

Fortis Escorts Hospital, Amritsar

This NABH accredited facility is located in a populous city that attracts a large number of tourists. The multi-speciality

hospital has strong tertiary care capabilities in Cardiac Sciences, Urology, Neuro Sciences, Paediatrics, Internal Medicine and Gynaecology, among others. Fortis Amritsar is equipped with four major operation theatres, two cardiac operation theatres and two cardiac catheterisation labs.

The facility offers e-ICU facilities, leveraging technology to enhance reach and treat patients in remote ICUs from the e-ICU hub. Through 'InteleEYE,' an intensivist can monitor and interact with remotely located patients in several ICUs and hold discussions with the care delivery teams.

During the year, Fortis Amritsar added five new ICU beds, taking the total of operational beds to 158. A new MRI machine, Endoscopic Vessel Harvesting (EVH) System and Intravascular Ultrasound (IVUS) were among the latest technological additions to the hospital's strong diagnostics capabilities.

As a responsible corporate citizen, the hospital conducted several programmes to enhance health and safety awareness of society. Sessions on Fire Safety, Hand Hygiene and Basic Life Support were held throughout the year. The hospital organised interactive Continuing Medical Education (CME) sessions for the clinical and paramedical staff. Fortis Amritsar also runs a Post-graduate Diploma in Critical Care programme

recognised by the Indian Society of Critical Care Medicine (ISCCM).

Fortis Hospital, Ludhiana

Fortis Hospital, Ludhiana, a state-of-the-art 260-bed Greenfield hospital, was launched in January 2014 to address the growing need for specialised and quality medical care in the city. The hospital has built strong capabilities in Cardiac Sciences, Orthopaedics, Oncology, Mother & Child Health, Renal Sciences, Neuro Sciences, Critical Care, Emergency & Trauma and Gastroenterology to name a few specialities.

This multi-speciality hospital boasts of an array of well-equipped super-speciality departments, one of the best infrastructure in the city, an excellent team of experienced healthcare professionals and an undiluted commitment towards patients. In view of the growing incidence of cancer in the region, Fortis Ludhiana set up a Centre of Excellence in Oncology, offering medical, surgical and radiation therapy. A team of specialists, a dedicated day-care ward for medical chemotherapy patients and 24x7 critical care services for critically ill cancer patients are available. The facility has the latest Intensity Modulated Radiation Therapy (IMRT), 3 DRT, targeting the tumour more precisely while sparing the normal tissues. In addition, the hospital also offers the facility of the high-end PET CT Scan.

Fortis Hospital, Ludhiana has been recognised by the Sports Authority of India for Arthroscopy and Sports Medicine. The hospital offers the advanced 'stitch-less' Joints Replacement Surgery that provides added strength and protection to an incision, leading to better outcomes.

Fortis Ludhiana's Heart Failure Clinic offers comprehensive care for patients with heart diseases, including diagnosis, prevention, treatment, surgical care, cardiac rehabilitation and wellness services. The fully equipped Cath Lab is capable of performing percutaneous valve surgeries, complex aortic aneurysm interventions and minimally invasive cardiac procedures.

The hospital received the NABH Nursing Excellence Certificate and the NABL Certificate during the year. The facility also earned many awards and accolades, including the 'Best Multi-Speciality Hospital in the Region North' and the 'Quality in Service Delivery' titles at the CMO Asia Healthcare Awards, 2016.

Fortis Escorts Hospital, Jaipur

Fortis Escorts Hospital, Jaipur, is the first NABH accredited hospital in Rajasthan. It is also a recipient of the NABH Nursing Excellence Certificate. These accreditations testify to the high patient safety standards at the hospital. This 245-bed tertiary care facility has established itself as one of the best healthcare centres in the region.

Fortis Jaipur has built world-class capabilities in high-end procedures such as complex Kidney Transplants, computer navigation enabled Total Knee & Hip Replacement, Congenital Heart Defects, Gastrointestinal and Bariatric Surgery, minimally invasive computer guided Neuro Surgery, comprehensive Cardiac Care, Trauma and Critical Care.

Apart from well-equipped modular operation theatres, Cath Labs, Electrophysiology units and state-of-the-art ICUs, the hospital also has high-end diagnostic and therapeutic equipment such as 64 Slice CT Scan, 1.5 Tesla MRI and 100 Watt Holmium Laser machine. During the year, the hospital acquired Neuro Navigation and Neuro Intervention capabilities, further strengthening its clinical technology infrastructure.

In FY2016-17, the hospital notched up many clinical successes. A complex gastrointestinal surgery of bile duct cancer was conducted. In a rare feat, doctors performed 13 paediatric Cath procedures in a day. An 84-year-old patient suffering from heart arrhythmia was treated with a capsule sized leadless pacemaker device, acting as a single chamber pace maker. This innovative medical technology was reported for the first time in Rajasthan. A rare surgery was performed to treat 'Klippel–Feil syndrome' in a child.

The hospital has proven its leadership in the State as a trusted tertiary care multi-speciality. This is reflected in the numerous awards and recognitions it has received through the year. Fortis Jaipur received the Quality Council of India Award for the fourth consecutive time. The award was presented for CARE-EPIC (Comprehensive Assessment Record for Evaluation and Efficient Patient Integrated Care). It also won the 'Patients' Choice Award for Best Hospital in Rajasthan,' 'Best Multispeciality Hospital in Rajasthan' and the 'Best Corporate Social Responsibility' awards at various prestigious fora, including the Rajasthan Healthcare Summit.

Fortis JK Hospital, Udaipur

Fortis JK Hospital, Udaipur, a state-of-the-art 201-bed hospital, was launched in March 2017 to address the growing need for specialised and quality medical care in the city. This Operate & Manage (O&M) facility offers clinical services in various specialities, including Cardiac Sciences, Orthopaedics, Mother & Child Health, Renal Sciences, Neuro Sciences, Critical Care and Gastroenterology to name a few. It also has strong capabilities in Emergency & Trauma care. In a span of four months, the hospital conducted more than 140 surgeries and treated nearly 350 IPD patients as well as over 7000 OPD patients.

To cater to the city's demand for critical care services, Fortis JK Hospital, Udaipur, has set up a Centre of Excellence in Critical Care. The hospital has one of the most advanced Critical Care units in southern Rajasthan with 57 beds with online monitoring backup through Critinext. All critical care beds are equipped with cutting edge monitoring systems, ventilators, syringe pumps and infusion pumps. Facilities of Haemodialysis, CRRT, Endoscopy and Bronchoscopy are available by the bedside. ICUs are manned round the clock by critical care consultants, dedicated nurses and technicians with specialised training in critical care services.

The hospital's Cardiac Care unit offers all-round care, including diagnosis, prevention, treatment, surgical care to cardiac rehabilitation and wellness services. A fully equipped Cath Lab, high-tech equipment and monitoring devices necessary to perform percutaneous valve surgeries, complex, aortic aneurysm interventions and minimally invasive cardiac operations as well as a dedicated Interventional Cardiology team is available at all times to help patients.

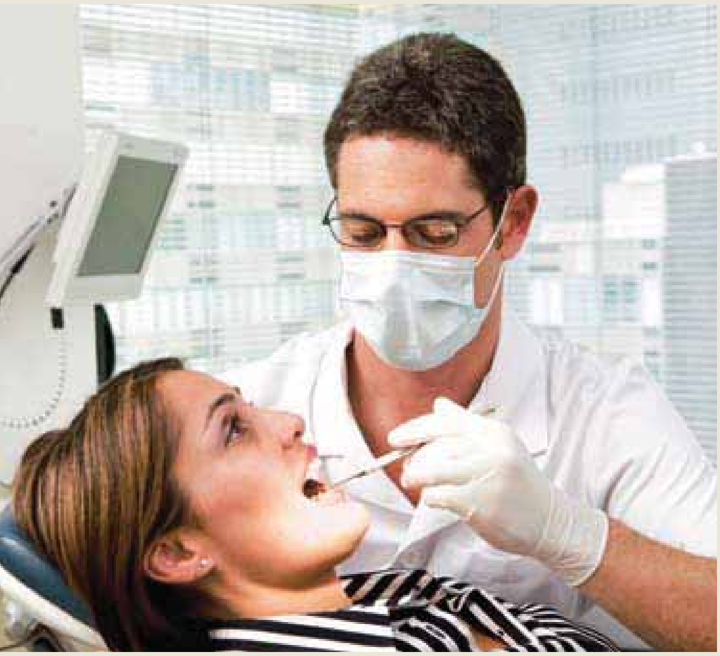
Fortis Hospital, Anandapur

Fortis Hospital, Anandapur, Kolkata has emerged as a trusted healthcare destination for patients from across Eastern India and the neighbouring countries. The multi-speciality hospital has strong focus on Cardiac Sciences, Gastroenterology, Pulmonology, Neuro Sciences, Orthopaedics and Renal Sciences.

During the year, the hospital became the first in Eastern India to earn the coveted NABH Nursing Excellence certification. The facility also received excellent recognition after Nano Crush, a new technique for the stenting of branching arteries developed by Dr Shuvanan Ray, Director - Cardiology and his team, was accepted at the European Bifurcation Society meet in Rotterdam, The Netherlands. The technique was published in the Journal of the American College of Cardiology.

The new clinical programmes launched in FY2016-17 included Eastern India's first Comprehensive Heart Failure Clinic & Advanced Therapy Programme. A Reach-Out Educational Clinic, a multi-disciplinary paediatric facility designed for special children, was also inaugurated.

The hospital continued a strong focus on research and medical education, conducting 10 projects in the areas of Respiratory Medicine, Cardiology, Endocrinology, Orthopaedics,



Rheumatology, Neuropsychology and Microbiology. Two DNB courses in Respiratory Medicine and Genito-urinary Surgery (Urology) are running at Fortis Hospital, Anandapur. Two more courses in Emergency Medicine and Anaesthesiology are being introduced. A two-year Dialysis Technician Certificate Programme and diploma courses in Operation Theatre Techniques, Radiology, Cath Lab Techniques, Perfusion Technology and Medical Laboratory Techniques are being offered in association with the State Medical Faculty of West Bengal. A nine-month Respiratory Technician course is also being conducted in association with Jadavpur University.

The hospital's Ethics Committee has been re-registered with the Drug Controller General of India, New Delhi, enabling it to participate in institutional research activities for the next three years. Currently, Phase III and Phase IV drug trials in specialities such as Pulmonology, Cardiology, General Medicine and Nephrology among others are being conducted. Fortis Anandapur has been chosen as the centre for the prestigious Phase I and Phase II trials – which is given to only very few selected centres.

Fortis Hospital & Kidney Institute, Kolkata

Fortis Hospital & Kidney Institute, Rashbehari Avenue, Kolkata, is a 60-bed hospital situated at a prime location in South Kolkata. The Foundation Stone of the hospital was laid by Mother Teresa and the facility was inaugurated in July 1999. The hospital has developed as a specialised centre for Renal Sciences, providing succour to patients from Eastern India and the adjoining countries.

The hospital has four operation theatres and a 12-bed Dialysis facility which runs all 24 hours and is equipped with the 4th generation shock wave Lithotripter. It offers complete solutions for Kidney Stones, Prostate Cancer, Urinary Incontinence, Laparoscopic Uro-Surgery, Reconstructive Urology, Hypospadias, Uro-Oncology, Uro-Gynaecology, Paediatric Urology and Urinary bladder disorders in addition to diseases of the Kidney and the Urinary tract. The facility also has 24-hour Renal Medical & Urological Emergency units in addition to OPDs for other specialities such as Diabetology, Gastroenterology, Cardiology, Orthopaedics and Psychiatry.

Fortis Medical Centre, Kolkata

Fortis Medical Centre, located on Sarat Bose Road in South Kolkata (Minto Park), offers highly specialised day care services in Ophthalmology and Dentistry. The Department of Ophthalmology offers advanced medical and surgical treatment for the diseases of the retina, oculoplasty and glaucoma. The Dentistry unit offers complete oral care in the specialities of Orthodontics, Endodontics, Oral Pathology, Dental Implants along with Prosthodontics.

The centre also has speciality clinics in Endocrinology, Gynaecology, General Medicine, ENT, Orthopaedics, Dermatology, Paediatrics and Nephrology. It is well-known for its Preventive Health Check and non-invasive Cardiology diagnostic offerings. The centre also has an optical shop and in- house pharmacy to cater to the patients.

The key hospitals in Region South & West are Fortis Hospital Cunningham Road; Fortis Hospital BG Road; Fortis Hospital, Mulund; and Fortis Malar Hospital, Chennai, among others.

Fortis Hospital, Cunningham Road

Fortis Hospital, Cunningham Road, Bengaluru, has a glorious history of excellent clinical work spanning over 25 years. The hospital has earned the trust of patients by setting new benchmarks. The facility is renowned for its work in the specialities of Cardiac Sciences and Cardiovascular & Thoracic Surgery; and has strong capabilities in Neuro Sciences, Urology, Orthopaedics, Gastroenterology among others. The hospital also runs a successful Kidney Transplant programme and is strongly focused on Diabetes management.

Fortis CG Road has a state-of-the-art Emergency and Critical Care team. The Heart Brigade, a dedicated team of Emergency Doctors, Nurses, EMT technicians and Ambulance drivers is available 24x7 to provide emergency care at a short notice. The facility's diagnostic capability includes CT scanners, Intravascular Ultrasound (IVUS), Rotablator, Vivid E9 Echo Machine with 4D probe and EP Study Lab.

During the year, the hospital received the coveted NABH Safe – I accreditation and the NABH Nursing Excellence Certificate. Fortis CG Road received a Heart Transplant Licence in June 2016. The facility also launched a Heart Rhythm Clinic for Heart Failure.

Fortis Hospital, BG Road

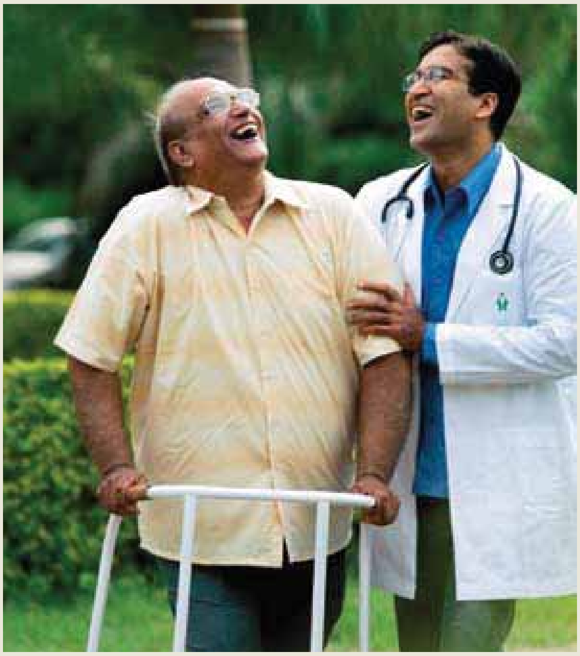
Fortis BG Road is a Tertiary Care hospital accredited by the Joint Commission International (JCI), the National Accreditation Board for Hospitals & Healthcare Providers (NABH) and the National Accreditation Board for Testing and Calibration Laboratories (NABL). Continuing its glorious tradition, the hospital earned the fourth JCI re-accreditation, NABH Nursing Excellence Certification and the NABH Safe-I re-certification during the year.

Several new clinical programmes were launched in the course of the year. These include the Liver Clinic and Liver Transplant Programme, Movement Disorder Clinic, Epilepsy Clinic, Headache Clinic, Stroke Clinic and Thyroid Clinic. The Diabetes Clinic was enhanced and Balloon Sinuplasty, a new procedure, was introduced.

To further enhance patient safety within the hospital, a training programme on Bio-medical Waste Segregation, 'Bin it Right' was conducted. Antimicrobial Stewardship and Radiation Safety related training was also imparted to staff members.

The hospital undertook an innovative campaign to spread the Organ Donation message by unveiling a 'Wall of Colours'. The staff members joined hands to participate in community awareness building activities on World Hand Hygiene Day and World Head Injury Day. The hospital also drove the cleanliness message by participating in the 'Cleaner Bengaluru, Greener Bengaluru' campaign.

Fortis BG Road won several recognitions through the year. Prominent among these were the Healthy Workplace Award, the D. L. Shah Gold award for the 'Smart Foetus' project, the Asian Hospital Management Award 2016 for 'Mission AAA' and the CIMS Healthcare Excellence Award 2016 for 'Sunday



Conversations,' which was adjudged the best community awareness initiative in healthcare.

Fortis Hospital, Mulund

Fortis Hospital, Mulund, the first hospital in South Asia to receive the coveted Joint Commission International (JCI) accreditation, is known for its clinical excellence in multiple specialities, including Cardiac Sciences, Orthopaedics, Oncology and Neuro Sciences among others. The hospital has carved a niche for itself in the organ transplants space, especially heart transplants, with over 40 cardiac transplants conducted thus far. The first heart and lung transplant was also successfully conducted at the hospital, heralding the beginning of a new chapter in the hospital's glorious history.

On the clinical excellence and patient care front, the hospital notched up several successes. A new LVAD and VAD programme was launched. The first paediatric bone marrow transplant was conducted on a 14-year-old child suffering from Hodgkin's Lymphoma. Geriatric and Heart Rhythm clinics were launched. An immunisation programme was also introduced. The hospital's first faecal microbiota transplant and the first Ventricular Assist Device implantation were also performed.

The facility continued its journey as a centre of academic excellence with the hospital receiving accreditation for DNB

programmes in Gastro-Intestinal Sciences, Anaesthesia and Emergency Medicine. The DNB - Neurology accreditation was renewed and fellows were enrolled as part of the Maharashtra University of Health Sciences (MUHS) Fellowship Programme in various specialities. The hospital was recognised as a regional centre for final examination by ISCCM. It has also become a facilitator for courses in radiology, nursing, dialysis and OT run by the Maharashtra Technical Institute. Several major symposiums, including the ones on 'Colorectal Cancer' and 'Bench to Bedside Infectious Diseases,' were organised.

The Emergency Department of Fortis Mulund became the first in the country to receive an NABH accreditation. The hospital also received the NABH Nursing Excellence and the Green OT certificates. Fortis Mulund won three Asian Patient Safety awards, two Asian Hospital Management 2016 awards and an Asian Healthcare Award for the 'Best Patient Safety' initiative apart from two CIMS Healthcare Excellence 2016 awards for 'Best Unit in Cardiac Care' and 'Best Medical Tourism Facilities.'

Fortis Hospital, Kalyan, Mumbai

From a modest beginning as a Referral Centre, Fortis Hospital, Kalyan has today transformed into a multi-speciality tertiary care hospital with capabilities to treat complex diseases. During the year, the hospital performed its first cerebral thrombectomy. A Cardiac Resynchronisation Therapy Defibrillator (CRTD) procedure and a Transjugular Intrahepatic Portosystemic Shunt (TIPS) procedure were conducted. Advanced procedures such as therapeutic neuro interventions (Carotid Stenting) and AV with Aneurysm repair were also conducted. These procedures underscore the hospital's growing capabilities.

During the year, a new Holter service was started and an Infectious Diseases speciality was added. To keep the staff updated, many training sessions were organised. All the nurses attended sessions and earned certificates pertaining to Hospital Acquired Pressure Ulcers (HAPU) prevention. A National Institute of Health (NIH) certified workshop on Stroke management was organised for junior doctors.

The hospital received its third NABH re-accreditation and earned its NABH Nursing Excellence Certificate during the year.

Hiranandani Hospital, Vashi - A Fortis Network Hospital

Hiranandani Hospital, Vashi - A Fortis Network Hospital is a multi-speciality hospital run under the Public Private Partnership model in collaboration with the Navi Mumbai Municipal Corporation (NMMC). The hospital received NABH re-accreditation in June 2016.

During Financial Year 2016-17, the hospital embarked on a fresh trail of clinical excellence with the launch of the Kidney Transplant programme. A new Headache & Vertigo Clinic was also launched. An innovative Primary Acute Myocardial Infarction (PAMI) Network was instituted, involving volunteers from the community as well as a network of local Cardiologists and General Physicians, who could be activated during heart-related medical emergencies.

The hospital received the NABH Nursing Excellence Certification in recognition of its world-class nursing care. To further strengthen the Nursing function, two educational programmes, CCNS-affiliated Fellowship in Critical Care Nursing and Fellowship in Neonatal Nursing & Dialysis, were instituted.

The facility worked actively towards improving community health by organising over 70 health camps during the year wherein more than 12,000 people were screened. Over 60 health camps were held in schools, colleges and residential societies, covering more than 15,000 people. Over 7,000 people participated in 45 Basic Life Support training programmes held through the year. The hospital utilised occasions such as World Cancer Day, International Women's Day and World No Tobacco Day to spread awareness.

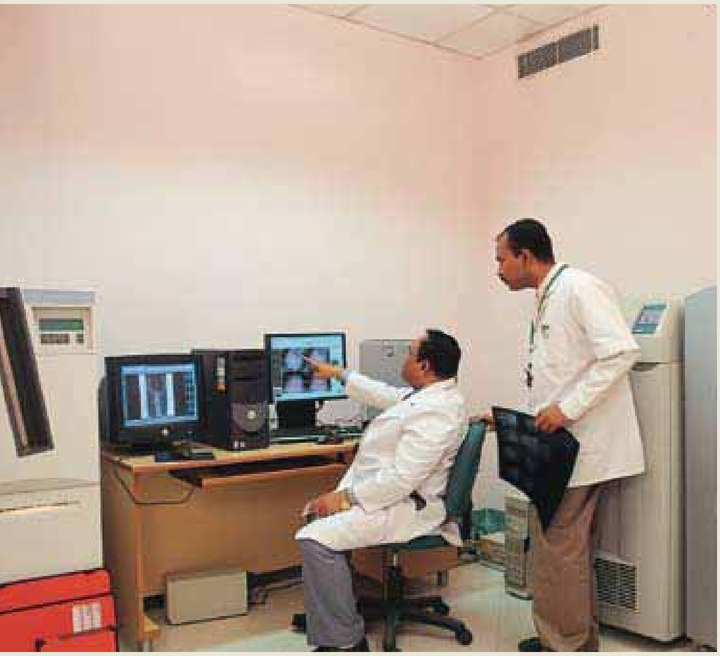
The hospital received several awards and recognitions through the year. It won two prestigious awards at the 5th CMO Asia World Quality Congress, including the 'National Quality Excellence Award' for Best Healthcare Services and the 'Dedicated Service Award' for FOS in the Service Excellence Awards category. It also won the 2nd prize at the poster presentation competition at CAAHO Conference in Bengaluru. The prestigious 'Golden Globe Tigers Awards' were bestowed on the hospital for Excellence & Leadership in Healthcare Management in the 'Best Patient Safety Initiative,' 'Best Quality Initiative,' 'Best Green Hospital' and 'Best Hospital in Paediatrics & Gynaecology' categories. The facility was also won the 'Most Innovative Patient Safety Initiative' award at the World Innovation Congress Awards.

S. L. Raheja Hospital - A Fortis Associate Hospital, Mahim

S. L. Raheja Hospital - A Fortis Associate Hospital, Mahim, Mumbai, is an advanced tertiary care, multi-speciality hospital equipped with 154 beds and spread over an area of 1,80,000 sq. ft. The unit runs on the O&M model and offers 10% free beds each to patients from the weaker section and indigent patients. The NABH accredited hospital has repositioned itself as a state-of-the-art facility by focusing on process improvement, talent acquisition and garnering new tie-ups. During the year, the hospital received the NABH accreditation as well as the NABH Nursing Excellence Certificate. The hospital also received NABL accreditation for its lab.

The Kidney Transplant Programme at the hospital commenced this year after the receipt of requisite licences from the Directorate of Health Services and subsequent registration with the Zonal Transplant Coordination Committee (ZTCC). Several new clinical programmes, including the Oncology, Pulmonology and ENT specialities were launched. The Obstetrics & Gynaecology department added a new maternity ward.

During the year, the hospital won a slew of awards, underscoring the patient-centric work being undertaken. Prominent among these were the Golden Star Awards won at an event organised by the World Quality Congress and CMO Asia in Bengaluru, for the 'Best Medical Programme' (for holistic Diabetes treatment programme with the team of consultants and infrastructure catering to the huge number of diabetic patients); 'Best Use of Technology' (for the Vocalizer App developed by consultants) and the 'Best Hospital' award. The hospital also won the 2nd place at the National Energy Conservation Awards, 2017.



Continuing its focus on academic activities, the facility successfully completed three batches of the Critical Care Nursing Programme (CCNP). A Nursing Fellowship in Critical Care was launched. In addition, several new CPS affiliated courses were launched, such as Diploma in Anaesthesia, Diploma in Orthopaedics and Diploma in Tropical Medicine & Health. While all approvals have been received for the Fellowship in Hepato-pancreatic Biliary surgery course, plans are afoot to launch MUHS-affiliated one year Fellowship courses in Pulmonary Critical Care and Medical Oncology.

In addition to the hospitals across India, Fortis operates two hospitals in Mauritius – Fortis Clinique Darné and Fortis Wellkin Hospital.

Fortis Clinique Darné

Fortis Clinique Darné is one of the oldest and most modern hospitals in Mauritius. Established in April 1953 by Dr Francois Darné, the hospital was renamed Fortis Clinique Darné in January 2009. The hospital enjoys the trust of patients as evidenced by the insistently high occupancy rates. This multi-speciality hospital offers services in most specialities, including Cardiac Sciences, Internal Medicine, Gastroenterology, Obstetrics & Gynaecology, Renal Sciences and Pulmonology, to name a few. Plans are afoot to introduce new specialities, such as Interventional Pulmonology, Visceral Surgery and Interventional Radiology. A new Stroke Centre and a Breast Clinic are also on the cards.

During the year, Tunnel Phototherapy, a new method of treatment, was introduced. The hospital has plans to upgrade diagnostic equipment such as the MRI and Ultrasound. Capsule Endoscopy, Holmium Laser for prostate surgery and C Arm with Vascular packages for the treatment of Varicose Veins are also being planned.

Fortis Wellkin Hospital

A new facility, Fortis Wellkin, was added to the Fortis network during the year. The JCI accredited hospital is reputed for its world-class quality and clinical excellence. It was the first hospital in Mauritius to launch Robotic Surgery and advanced eye surgeries, including corneal transplant and bladeless Lasik. Fortis Wellkin has a strong Kidney Transplant practice with high success rate and is capable of performing complex surgeries pertaining to cancer, trauma and joint replacements.

The facility intends to develop three Centres of Excellence in Cardiology, Mother and Child and Orthopaedics in the near future.

Fortis La Femme (Centre for Women) is a unique offering inspired by the core belief that a woman is a very special person with special needs.

Fortis La Femme

Women's health goes way beyond just their reproductive age. There exists a gap in terms of holistic healthcare solutions directed at physical and mental health issues of women across age groups adolescence, youth, midlife and later years. Internationally, this lacuna has been long acknowledged, spurring pioneers like the Mayo Clinic and The Women's in Australia to bridge the gap. La Femme is a healthcare offering dedicated to improving Women and Child health and well-being.

La Femme Vision, Mission & Values

La Femme's vision is to be a globally respected woman and child healthcare provider known for exemplary clinical and holistic wellness care. Its mission is to be the global healthcare destination for women and children, with world-class clinicians, superlative nursing and empathetic teams creating a culture of patient centricity where patients feel safe, cared for and nourished in mind, body and spirit.

Fortis La Femme Positioning

Across the country, most women and child centres are seen primarily as birthing centres with negligible focus on other specialities. Fortis La Femme breaks that stereotype and is positioned as an all encompassing 'Women's Health' provider. The addressable target group spans women in the age group of 15 to 65 years. The new positioning for Fortis La Femme has been conceptualised to provide a comprehensive; tailor made, clinical and holistic care offering designed just for women; caring for their complete health and wellness needs, in warm and nurturing spaces.

Being a women centric business, the focus is to create a powerful brand that touches the target group at an emotional level, becoming her true partner for all health and wellness issues.

La Femme takes an integrated approach to women's health and covers every medical aspect in Obstetrics, Gynaecology, IVF, Neonatology, Anaesthesia (Painless Labour), General & Laparoscopic Surgery, Cosmetic Surgery, Genetic and Foetal Medicine, and Preventive Medicine. La Femme also has a unique department catering to the holistic birthing care needs, Mamma Mia, which complements the Fortis La Femme brand, offering a range of complementary services like Lamaze classes, pre and postnatal fitness and yoga, massage therapy and fertility counselling.

New clinical programmes at Fortis La Femme, Delhi

La Femme launched an array of speciality services last year to focus on every medical care required across the life stages of a woman. The Department of Cardiology was launched to assess medical diagnosis and treatment of congenital heart defects, coronary artery disease, heart failure, heart disease and electrophysiology. Department of Internal Medicine was also introduced to provide expert advice and ongoing support to women during pregnancy, pre-pregnancy and postpartum. Uro-gynaecology services were also included in the foray to resolve clinical problems associated with dysfunction of the pelvic floor and bladder.

Expansion at Fortis La Femme, Richmond Road

The second La Femme hospital in Bengaluru, a 70-bed Greenfield project launched in October 2015 now offers the entire gamut of medical services like Cosmetology, Dentistry, IVF, Bariatric and Uro-gynaecology services among other core business specialities such as Obstetrics, Neonatology and Gynaecology. La Femme will soon be launching the Amaara Milk Bank in Bengaluru on the lines of the one at La Femme, Greater Kailash, New Delhi.

La Femme Box-in-Box: Shalimar Bagh, Delhi and Jaipur

During Financial Year 2016-17, Fortis La Femme consented to provide Mother and Child Healthcare services to Fortis Hospitals under a medical service arrangement, which is akin to a doctor providing services to the hospital via a separate legal entity.

The scope of medical services covers the provision of clinicians, nurses and certain non-medical staff only with key defined implications on billing, medical equipment and all other asset ownership, no re-application of licenses, no renegotiation with TPAs and patient ownership with the hospital.

The key driving force for having La Femme as a Box-in-Box (BIB) service provider is the singular enhanced focus on women's health. The model also promises exemplary service and aesthetics, priority on patient privacy and clinical excellence leading to much-improved patient experience. The aim is also to ensure considerable revenue upside by way of attracting new doctors with strong caregiver engagement and innovative business models. This leads to refining the status of La Femme specialities to Core from Ancillary.

Fortis La Femme has successfully launched two BIB units last year at Fortis Escorts Hospital, Jaipur and Fortis Hospital, Shalimar Bagh, New Delhi. The units cater to core specialities like Obstetrics and Gynaecology, Neonatology, Infertility,

IVF, Cosmetology and services like Mamma Mia and special diagnostics.

Launch of Priority Health Clinics

La Femme successfully launched the Priority Health Campaign in 2017. The campaign presents customised health clinics, namely Adolescent, Breast and Menopause, catering to various life stages and requirements of a woman. Each clinic offers comprehensive medical care, including consultation, diagnostic investigations and treatment.

The Adolescent Clinic offers counselling and treatment of all teenage, puberty, conception, hormonal and contraceptive related issues while the Breast Clinic provides consult on prevention, diagnosis, surgical reconstruction, post-treatment care and therapy for breast cancer. The Menopause Clinic offers treatment and management of all physical and emotional symptoms related to menopause.

CORPORATE FUNCTIONS

Medical Strategy & Operations Group

Clinical Outcomes

Clinical outcomes are the globally agreed upon, evidence based measurable changes in health or quality of life resulting from patient care with respect to a specific disease or procedure.

Pioneering Clinical Outcomes Monitoring: Fortis pioneered clinical outcomes monitoring in India in 2013 with the launch of clinical outcomes monitoring for Coronary Artery Bypass Graft (CABG), Percutaneous Coronary Interventions (PCI) and Total Knee Replacement (TKR).

In March 2014, Fortis was invited to be part of the Coronary Artery Disease (CAD) Standard Set Steering Committee of International Consortium for Health Outcomes Monitoring (ICHOM) - a non-profit organisation founded in 2012 by the Boston Consulting Group and Professor Michael E. Porter of Harvard Business School. In 2016, Fortis became the first healthcare chain to publish its ICHOM CAD outcomes data on its website.

Fortis has partnered with Vital Health (an ICHOM Certified Software Provider) for the use of Quest ManagerTM software to ensure complete compliance with respect to ICHOM norms. Currently, all Fortis hospitals are recording clinical outcomes data for major specialities and clinical outcomes are an important part of the monthly CEO Scorecard.

In FY17, the key focus areas and achievements the addition of nine more hospitals on to the Vital Health ICHOM network marked improvement in compliance reporting, and the addition of five hospitals to list of hospitals publishing clinical outcomes data on the Fortis Healthcare website.

Fortis hospitals have consistently beaten global benchmarks and the clinical outcomes data substantiates our claim of being amongst the best care providers in the world. Publishing clinical outcomes in the public domain is a move to strengthen patient centricity by bringing in more transparency to allow informed choice and decision making. Going forward, the plan is to add more specialities, including the remaining hospitals and bringing in technological enablers like electronic data validation and the use of mobile app for gathering Patient Reported Outcomes Measures (PROM).

Quality and Patient Safety Report

Patient care quality at Fortis facilities is of an exceptionally high standard and is managed through key clinical indicators.

Clinical Excellence Scorecard (CESC): This initiative aims to define quality parameters to be monitored across the Fortis network. Quality indicators were identified for which data was to be collected, analysed and shared with relevant stakeholders. Currently, 18 parameters are tracked as part of the CESC, including infection rates, medication errors and patient safety parameters.

Fortis hospitals have performed well against all the indicators and have outperformed industry benchmarks, confirming the high level of quality care being provided to our patients.

Clinical Risk Management and Emerging Patient Safety Threats: Hospitals face many clinical risks, the most prominent of which are healthcare-associated infections and hospital adverse events. These and other clinical risks are managed through different control measures and continuous process re-engineering.

Incident Reporting–Near miss, Adverse events and Sentinel events: Incidents are classified by the 'degree of harm' they cause. Our staff appreciates that we can prevent future harm to patients by learning from errors and identifying hazards. A robust incident reporting system ensures that nothing from near misses to adverse events or sentinel events are missed or ignored.

Each serious incident is subject to robust investigation and careful monitoring of the associated action plan. Adverse clinical events are monitored and reviewed, with detailed reports indicating the root cause and the necessary action to be taken to reduce further the chances of similar events occurring in the future.

Antimicrobial Stewardship: Antimicrobial resistance has been identified as a challenge to the effectiveness of healthcare globally, including India. Although antimicrobial resistance is a natural feature of bacterial evolution, inappropriate use of antimicrobials increases the potential for resistance. Inappropriate prescribing of antimicrobials continues to be an issue in India and recently the Government of India released the National Antimicrobial Resistance Strategy to guide the response to the threat of antibiotic misuse and resistance. In this regard, Fortis adopted Antimicrobial Stewardship as a method that entails a coordinated approach to improve the appropriate use of antimicrobials by promoting the selection of the optimal antimicrobial drug regimen. The purpose of this approach is to minimise harm to patients - those being currently treated as well as future patients.

Healthcare-associated Infection: Healthcare-associated infections ("HAIs") remain a major challenge often due to the significant increase in antimicrobial resistance. Thus, infection prevention and control is a key performance indicator and the Fortis hospitals are focused on this aspect of their operations.

Accreditation and Certifications: 19 units were NABH accredited (Fortis Memorial Research Institute, Gurugram;

Fortis Hospital, Okhla Road; Fortis Hospital, Noida; Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj; Fortis Hospital, Shalimar Bagh; Fortis Hospital, Mohali; Fortis Hospital, Anandapur; Fortis Escorts Hospital, Jaipur; Fortis Hospital, Mulund; Fortis Hospital, BG Road; Fortis Escorts Hospital, Faridabad; Fortis Escorts Hospital, Amritsar; Fortis Hospital, Ludhiana; Hiranandani Hospital, Vashi - A Fortis Network Hospital; Fortis Hospital, Kalyan; S. L. Raheja Hospital - A Fortis Associate Hospital, Mahim; Fortis Hospital, Nagarbhavi; Fortis Hospital, Kangra and La Femme, Greater Kailash, New Delhi). 3 units (at BG Road, CG Road and Malar) were NABH Safe - I certified. Also, 9 hospitals have NABH accredited blood banks (Fortis Memorial Research Institute, Gurugram; Fortis Hospital, Fortis Hospital, Noida; Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj; Fortis Hospital, Mohali; Fortis Escorts Hospital, Jaipur; Fortis Hospital, Mulund; S. L. Raheja Hospital - A Fortis Associate Hospital, Mahim and Fortis Malar Hospital, Chennai).

New Medical Programmes

Robotics: Fortis has taken the lead in Robotic Surgery in Delhi-NCR by deploying the latest 4th generation Da Vinci Xi System at Fortis Memorial Research Institute (FMRI), Gurugram and Fortis Escorts Heart Institute (FEHI), New Delhi. In fact, FMRI and FEHI are among the only three hospitals in the region to have the latest, 4-arm robot.

The Da Vinci Xi is the 4th generation surgical robot offering a high-precision, minimally invasive alternative to large-incision surgeries. The equipment offers 3D High Definition vision along with bend-and-rotate capabilities beyond the capacity of a human hand. The robot has four arms, providing four quadrant access to the site of the surgery. The Laser Targeting System provides precision, leading to superior outcomes.

Fortis Escorts Kidney & Urology Institute (FEKUI) has been developed as a Centre of Excellence for Robotic Surgery. A robotic surgery was webcast live from FEKUI as part of the 4th Worldwide Robotic Surgery 24-hour Event. Dr Rajesh Ahlawat, Chairman - Urology and Renal Transplant Surgery, conducted the operation. FEKUI was one of the 14 leading robotic surgery centres from four continents across the world to be selected to beam a surgery during the event.

Organ Donation: Over 5,00,000 patients across India die every year while awaiting an organ transplant. To avoid the preventable loss of lives, Fortis has pioneered the country's largest and most comprehensive organ transplant programme, taking up the challenge to drive change and spearhead an awareness campaign to promote organ donation. Fortis, in collaboration with NDTV, embarked upon 'More To Give,' an initiative aimed at sensitising the masses about the need to donate organs. Our efforts have started bearing fruit with more and more people coming forward for donations and pledges. Our clinicians have played a stellar role in establishing Fortis as a champion in the Organ Donation space.

Heart Transplant Programme: Fortis has taken a lead in setting up one of the world's best Heart Transplant programmes across the network with outcomes comparable to global benchmarks. Fortis Malar Hospital, Chennai, has done the largest number of heart transplants in the country last year. Dr K. R. Balakrishnan, a veteran who has conducted over 150 heart transplants, is an acknowledged expert in the management of end-stage heart failure and is credited with having conducted India's first LVAD and HVAD pump implant as destination therapy. He has been instrumental in starting India's first Comprehensive Centre for Heart Failure Management at Fortis Malar Hospital, Chennai.

In August 2015, Mumbai's first heart transplant in four decades was conducted at Fortis Hospital, Mulund. Dr Anvay Mulay is credited with making Mumbai a hotspot for heart transplants. He has since conducted over 40 heart transplants, including a heart and lung transplant. Dr Mulay has conducted over 4,000 successful beating heart bypass surgeries and has also done pioneering work in adult Cardiac Surgery, especially Coronary Bypass Artery Graft Surgery (CABG).

The Heart Transplant Programme at Fortis Escorts Heart Institute, New Delhi is led by Dr Z. S. Meharwal who has been part of the Institute's founding team. Dr Meharwal is a widely respected cardiac surgeon with more than 25 years of experience and over 20,000 surgeries, including four complex heart transplants under his belt.

Liver Transplant Programme: The Liver Transplant Programme in Delhi-NCR is among the largest programmes of its kind in the country. Dr Vivek Vij is a pioneering liver transplant surgeon credited with developing living donor surgery and standardising safety protocols. He is the first surgeon from the Indian subcontinent to publish a series on laparoscopic Donor Hepatectomy in 'Liver Transplantation' and the founder of Liver Transplantation and Hepatobiliary Sciences at Fortis. Dr Vij and his team has performed more than 2500 liver transplants with success rates comparable to global benchmarks.

Bone Marrow Transplant: A state-of-the-art Bone Marrow Transplant (BMT) unit was inaugurated at Fortis Memorial Research Institute, Gurugram. Dr Rahul Bhargava, Director – Clinical Haematology and Bone Marrow Transplant, leads this programme. The 14-bed BMT ICU has 12 beds for adults and 2 paediatric beds. The unit is spread over 6,000 sqft.

Strengthening Academic & Research: Academics & Research remains a strong area of focus at Fortis. The organisation fosters an academic environment while encouraging and supporting clinicians across levels to share their work with colleagues and peers across the world. Some of the key initiatives launched this year include:

Publication Repository: With the intent to construct a consortium of all the academic clinical work that is produced by the clinicians such as publications, chapters in books, presentations, cases studies and posters among others, which are either published or presented at various fora by Fortis clinicians, an online repository was created to capture the details and showcase them on the Fortis website.

Academic Sponsorship: To promote research and academic activity especially among junior doctors, a provision for providing financial assistance under the 'Academic Sponsorship Guidelines' was introduced. Financial assistance is provided to eligible clinicians who participate in national or international conferences, are invited as speaker or present

papers, abstracts or poster. Incentives are also provided for publishing articles in international or national indexed medical journals.

Nursing

Financial Year 2016-17 was a banner year for the Fortis Healthcare Nursing Team. During this eventful year, Fortis nurses left their mark in significant ways, enhancing patient safety, raising care quality and improving patient satisfaction, while supporting optimal management of hospital resources.

In the fourth quarter of the last fiscal, Fortis developed a new Nursing Leadership structure, with a National Chief Nursing Officer and three Regional Chief Nursing Officers. This year, the function strengthened its leadership structure and added an additional Regional Chief Nursing Officer to oversee the La Femme vertical. Some of the highlights of the Nursing function through the year include:

NABH Nursing Excellence Certification: 21 Fortis hospitals have received the National Accreditation Board for Hospitals & Healthcare Providers (NABH) Nursing Excellence Certification. This certification assesses nursing services on standards related to patient safety, competent and ethical nursing care, collaboration with patients, families and communities, and

nursing empowerment to provide great patient care. To date, only 67 hospitals across India have received this prestigious certification of which 30% are Fortis hospitals.

Nursing Attrition: FY2016-17 saw a 24% decrease in nursing attrition, from 56.7% (FY2015-16) to 43.1%. Attrition among nurses with less than one year experience at Fortis also showed an 18.8% reduction, from 44.2% (FY2015-16) to 35.9%. The shift was largely driven by effective use of the 5555 Conversation Tool, the Fortis Nursing Mentorship Programme, Advance Speciality Certification courses and Nurse Leadership Rounding.

Patient Satisfaction with Nurses: The year commenced with a score of 3.60 (on a 4.0 scale) and ended with a 3.75 score. This improvement can be attributed to the One Fortis Nursing training. The programme is being expanded further in FY2017-18 to further increase Patient Satisfaction through Nursing in the future.

Nurse Operating System (NOS): NOS has been developed to ensure standardised processes, documentation, education and auditing methods. The NOS scorecard allows the organisation to monitor the quality of nursing in different hospitals, identify best practices and assess needs pertaining to nursing services.

Business Development

Financial Year 2016-17 was significant for Fortis Healthcare, as the decision to pursue a growth strategy based on O&M model was firmed up. The model envisages that Fortis Healthcare with its skills in clinical delivery has the expertise to effectively operate and manage a hospital facility for a partner, in return for a management fee. Fortis brings knowledge and core strengths in hospital operations and management, clinical talent, brand recognition and brand salience to the table, which are highly leverageable assets. Capital investments under an O&M arrangement, in this case, would be made by the partner while Fortis would operate and run the facility.

Additionally, Fortis is also taking over project consultancy assignments of O&M projects, both in domestic and international markets to provide technical support for design and development of healthcare facilities. This helps to create clinical and non-clinical infrastructure as per Fortis standards.

In furtherance of this strategy, Fortis during the year has signed seven new contracts, four with domestic partners, in Bikaner, Hyderabad, Jabalpur and Bhubaneswar and three in international geographies (Mauritius and Bangladesh). The project in Bhubaneswar is Greenfield, whereas Hyderabad, Bikaner and Jabalpur are Brownfield projects, expected to be launched in FY17-18.

Among the international projects, an existing operational hospital in Mauritius has been taken over for operation and management and a Brownfield cardiac hospital in Chittagong, Bangladesh, has been commissioned. Another multi-speciality hospital project in Dhaka, a Greenfield project, is under construction and expected to be commissioned in two years. The Company intends to continue its focus on O&M contracts to expand its footprint in the domestic as well as international markets.

Human Resources

At Fortis, people are our greatest asset. Our HR practices and organisational environment are designed to engage and motivate employees that help them deliver superior performance at all times. The organisation acknowledges the value every employee brings with him or her and continuously strives to nurture their competence and potential. With that focus, Fortis conducts an employee engagement survey annually. The result this year indicated a score of 68%, an improvement of 3% over last year.

In 2016, to make the organisation lean, responsive and agile, a restructuring exercise was done. We moved from five regions to three regions. In January 2017, an assessment was done on the efficacy of the new structure and after the detailed assessment, it was established that the restructuring exercise helped in quicker decision making, effective span of control and standardised processes.

Fortis digitalised the Performance Management System (PMS) in FY16-17. It helped in bringing more transparency and efficiency in the process. The online process received positive feedback from both employees and leadership team.

We have also been successful in hiring senior level Clinical talent at our hospitals across the country. In FY16-17, our focus was on creating a talent pipeline at hospital leadership level and we have been by in large successful in our endeavour in this direction. We have also emphasised on succession planning at the senior level to avoid any leadership gap.

We introduced the Fortis Leadership Peer Exchange Programme that taps learning opportunity by creating a platform wherein knowledge sharing, peer learning and best practices sharing is possible. To enable the exchange of knowledge, the programme entails 'pairing' of Unit Leaders. The focus is on expanding leadership perspective by observing, shadowing, interacting with accomplished peers & diverse unit leadership team. Experiential learning with focus on 'learning by doing' entails application of concepts/learning by working through focus areas/business challenges.

New L&D programmes introduced are – i) m learning - Product Knowledge Certification aims to enhance the product knowledge of the sales team over medical specialities/products so as to further enrich their interaction / strengthen our value proposition with doctors and partners. ii) Leadership: Its Transformational Role iii) Supervisory Skills Programme part of the Leadership Training Framework initiated for our Supervisory cadre. iv) Functional Learning Path is a structured approach for enhancing necessary knowledge, skills and attitude of a new colleague in the respective function and role. The programme aims at getting the learner on board faster, thereby enabling him/her to perform better on the job.

Sales

Domestic Business: The Sales Team reached out to 13,000 doctors every month. Approximately 350 out-station and surgical OPDs were conducted and over 4000 patients were screened every month. The Sales Team conducted 270

camps and touched over 20,000 lives. On an average, the team conducted 35 Continuing Medical Education (CME) programmes and doctor engagement workshops every month. The Sales Force Automation (SFA) tool was launched to improve the team's efficiency.

The Credit Sales Team maintained and built relationships with 22 TPAs and 19 insurance companies across all units leading to a growth of 19% over the last year, which is higher than the industry growth. The team successfully empanelled with GIPSA, a group of four PSU general insurance companies, for Fortis Memorial Research Institute, Fortis Escorts Hospital, Jaipur, Fortis C-DOC and Fortis Aashlok, bridging the crucial TPA empanelment gap.

The Corporate Sales Team actively engaged with over 700 corporates and 150 PSUs. The team was successful in the renewal of contracts at current tariffs for over 40 PSUs across the country and was responsible for new empanelments with Coal India Ltd and Northern Railways.

Last year, a new Emerging Businesses vertical was launched to generate revenues through non-traditional ways, including Online, Tele Calling, HCF, Ambulance and Samaj among others. The vertical delivered ₹ 42 Crore of incremental revenue over the original baseline during FY16-17. For FY17-18, the plan is

to grow revenue by 50% YOY and generate an additional ₹ 60 Crore revenue over the baseline.

International Business: The International Sales Team was instrumental in intensifying Fortis Healthcare's reach across 130 countries and managed to touch the lives of more than 75,000 patients. During the year, 107 Business Development activities were conducted, including OPDs and CMEs. Seven Information Centres were established in FY17, further strengthening our overseas presence.

Information Technology

Fortis Healthcare strongly believes in the power of Information Technology in shaping the way healthcare is delivered and consumed. With increasing regulatory controls on the healthcare industry, technology is all set to play a pivotal role in ensuring consistent and standardised healthcare delivery across locations. In anticipation of a time when healthcare will be delivered through Technology platforms, Fortis has been steadfastly continuing on its technology consolidation journey, in keeping with the 'OneFortis' theme.

In November 2015, the Oracle E-Business Suite was deployed across hospitals. The benefit of the investment is now being realised across the Finance, Human Resources and Supply Chain functions. While Supply Chain has been able to automate demand-based ordering, the HR Team completed the entire Performance Appraisal and Yearly increments process online in record time this year.

While the in-house Hospital Information System (HIS) development project is facing some headwinds, the IT Team has succeeded in moving seven hospitals to a single instance on the Cloud by upgrading the TrakCare HIS. This will allow patients visiting these seven hospitals to have a single Hospital Id. The home grown HIS is expected to be completed by April 2018.

The Company's investments in Cloud technology has helped improve agility and manage scale. Having the enterprise backend and other related solutions on the Cloud has helped us maintain a secure and compliant environment. The Company plans to continue investments in the Cloud and have a Cloud-first approach to application deployment. All back-end core applications are hosted on the public Cloud now.

A new customer mobile app, Fortis 24x7, was launched to help patients reach any of the Fortis Clinicians in the specialities of Paediatrics, Internal Medicine, Psychiatry and Gynaecology at any time. The mobile application allows the user to place an urgent or normal call by paying an amount online and receive medical advice from our expert doctors.

Fortis also continues to invest in Technology Innovation by incubating start-ups who work on healthcare and patient care ideas. This will go a long way in delivering quality patient care at an affordable price while expanding the organisation's reach.

CORPORATE SOCIAL RESPONSIBILITY – Journey Through The Year (2016-17)

As a responsible corporate citizen and a member of the Indian healthcare ecosystem, we at Fortis Healthcare strongly believe that we can meaningfully alleviate the problem of inequitable access to quality healthcare. By creating and supporting social sector programmes linked to health and well-being, we seek to leverage our skills, experience, capabilities, technologies and facilities to address a critical social need for the vulnerable sections of society. We have continuously enabled programmes and initiatives, based on rigorous needs assessment, leading to not just improvement in healthcare service delivery but also creating social awareness and change. We believe this is the best way to have the greatest impact, because our interventions are capable of transforming lives, building aware communities and protecting the environment.

The CSR initiatives for Fortis Healthcare Limited are led through Fortis Charitable Foundation, its designated CSR vehicle. The work of the Foundation is supported and executed by two entities: The Fortis Charitable Foundation (FCF) - a Trust set up in 2005 and The Fortis Foundation (FF) - a Section 8 Company set up in 2013.

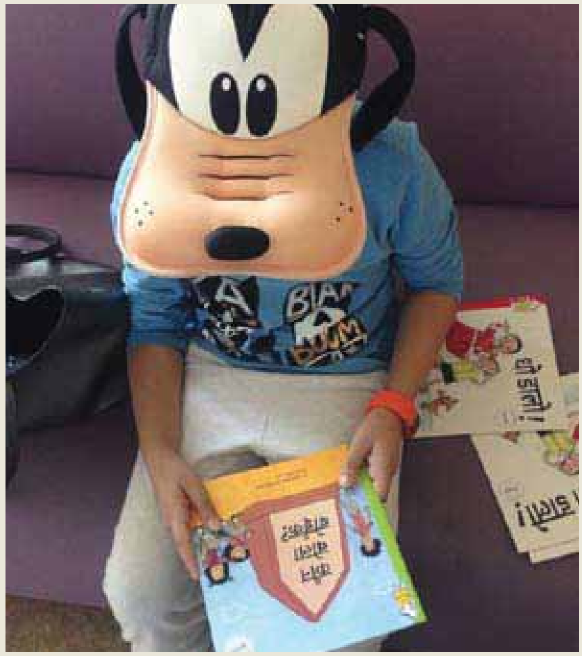
These entities work in a collaborative and inclusive manner not only to align and synergise the social enterprise work of the group companies but also to expand their circle of partnerships with Government, Non-Government Organisations (NGOs), other corporates and individuals. Working through a dedicated team of employees and volunteers, their work focuses on three programmes that work towards:

- The health and well-being of the Mother and Child (AANCHAL)
- The provision of timely medical support in the event of a disaster and enabling Charitable Medical Infrastructure (SEWA)
- Creating and supporting open platforms for Healthcare Information (SAVERA)

Fortis Healthcare Limited has chosen to support the SEWA in FY2015-16 and the SAVERA Programme in FY2015-16 and 2016-17.

About SAVERA Programme

SAVERA focuses on developing, collating and providing access to healthcare information. It leverages different channels of communication – children's books, audio-visuals, posters, and social media to create awareness on nutrition,



health and hygiene. SAVERA seeks to provide a platform to initiate and share research to create awareness on critical health issues and work towards driving opinion & public policy around viable options. SAVERA will create a credible knowledge repository of disease related information under an open platform for sharing.

The Programme is also a platform to communicate about the foundation's work, ideas, finances and partner ecosystem.

SAVERA has identified target intervention areas focusing on:

- Tobacco Control
- Skill Development - First Aid/ Basic Life Support (BLS Training
- E-Learning Platform for Health Information

In the past year, SAVERA has promoted awareness through the distribution of 59950 health publications, initiated the process of behavioural change through the distribution of 19709 illustrative books to children focusing on hygiene and nutrition through 90 NGOs.

SAVERA collaborated with Sambandh Health Foundation to launch a campaign on Tobacco Control in Haryana. In the past year, over 2000 police officials from 7 districts, 1800 officials from the education department have been made aware about COTPA (Cigarettes and Other Tobacco Products Act) together with over 1000 challans in Gurugram.

An academy for First Aid/ Basic Life Support (BLS) training was conceptualised and designed and implementation will start in 2017-18.

About SEWA

SEWA is a Programme that provides Medical Support in the event of a disaster and enables Charitable Medical Infrastructure.

The Programme focuses on two interventions:

Disaster Relief

India has been historically vulnerable to disasters with floods, cyclones, earthquakes and landslides being a recurrent phenomenon. In the event of a disaster, thousands of lives are affected and livelihoods worth millions are destroyed. The urgent need in such situations is access to medical care.

SEWA is a Disaster Relief Initiative that aims to provide emergency medical relief services in an organised and time sensitive manner to people affected by disasters. SEWA's core commitment is to support the government's efforts in providing medical relief during a calamity.

Supporting Charitable Infrastructure

An intervention of the SEWA Programme is CHHAYA that supports on-going Medical Facilities through Charitable Dispensaries and Health Camps.

CHHAYA's charitable dispensaries and heath camps aim to provide access to primary healthcare services for routine ailments and support community health services with a focus on promoting health awareness and education.

With the objective of serving as many patients as possible, the effort is to deliver services in communities in an efficient, low cost & affordable manner.

SRL Key Highlights: 2016-17

The diagnostics industry landscape is changing rapidly, driven by the introduction of new labs, the launch of new tests and technologies, digitalisation of equipment and payments along with consistently rising reliance of doctors on diagnostics to arrive at a conclusive diagnosis. The country has become one of the major destinations for various diagnostic services. Also, India's thriving economy is driving urbanisation and developing an expanding middle class, with rising disposable incomes to spend on healthcare. Though a major portion (around 85%) of the diagnostic business is being managed by the unorganised sector, the diagnostic services market is expected to become much more organised and consolidated with a lot of small and independent laboratory players becoming franchisees for the larger players. In terms of services, the market is dominated by pathology services, which account for approximately 70% of the market.

SRL Limited enjoys the leadership position in the diagnostics industry in terms of revenue as well as reach. SRL boasts of having the largest network comprising of 356 labs with a pan-India footprint, augmented by a network of over 5000 active revenue-churner collection points, including collection centres and direct clients. The collection points serve to pick samples across India and feed the satellite and reference labs through a robust logistics channel. SRL being the largest mass market player, is present across diagnostic services segments of pathology and radiology. SRL commands a strong position in the wellness or preventive healthcare segment, owing to over 25 wellness centres, with services ranging across all pathology segments such as screening, diagnostic, predictive, preventive and monitoring tests. SRL reaches out to over 60,000 doctors and on an average conducts over 125,000 tests every single day of the year.

In FY16-17, SRL worked hard to create brands in a highly commoditised pathology market and succeeded in garnering an estimated 5% of portfolio sales. SRL's HCP Plus is a household name today. Focus on indices of efficiency, bringing in of integrated platforms, decentralisation of tests basis customer demand and putting a plan in

place for creation of a new Centre of Excellence (COE) in "HLA and Transplant Immunology" were key operational areas of improvement. COE in HLA will be the 5th one as SRL already has Centres of Excellence in Histopathology, Hematology, Molecular Biology and Cytogenetics.

The SRL Team of Pathologists, Scientists and other Professionals maintained a close connection with the physicians in order to enhance the academic environment aiming eventually at improved patient outcomes. Hence, Clinicopathological meetings, Tumor Boards, the interaction of Microbiologists with critical care experts and one-on-one interactions with key opinion leaders, all contributed to making the critical difference in the nature of SRL's work and generating superior outcomes this year.

In the Hospital Lab Management space, SRL made significant inroads with the addition of key accounts like Indira IVF and KRIMS, Nagpur. SRL's association with the Fortis hospitals gives it the cutting edge expertise required for managing Labs within hospitals. The requirement for running a lab inside a hospital is very demanding and challenging. Further, hospital labs require a superior Microbiology set up and that helps all our hospital associates in controlling infections.

PUBLIC PRIVATE PARTNERSHIP

SRL continues to dominate the PPP space for diagnostics in India. Its partnership with Himachal Pradesh, Uttar Pradesh and Jharkhand government continues to flourish. SRL has been able to reach out to the bottom of the pyramid in these states. In Jharkhand, SRL chose a contrarian operational strategy where instead of waiting for the patient to come to its door for testing, the team went to remote tribal areas with the required paraphernalia. SRL has hosted various health camps in PHC/CHCs of many districts, which were deprived of basic testing facilities so far. SRL's testing facilities inside district hospitals have given a boost to government healthcare schemes like Janani Shishu Suraksha Karyakaram (JSSK) and have improved maternal and child health in the state. SRL served 2.2 lakh patients and conducted over 4.5 lakh tests as part of the Jharkhand PPP project.

In Uttar Pradesh, the Government has renewed its contract with SRL in view of good performance and quality reporting in 22 district hospitals of the State, led by Uttar Pradesh Health System Strengthening Project (UPHSSP), which has helped to strengthen diagnostic facilities in district hospitals. The initiative has benefitted over 2 lakh patients and helped clinicians take informed clinical decisions with the help of 4.5 lakh tests in FY17.

In Himachal Pradesh, SRL set up pathology facilities in 24 locations and served over 7 lakh patients in FY17. SRL conducted over 2.8 million tests for patients in Himachal Pradesh, in spite of difficult topology, tortuous terrain and extremes of weather in many months of the year.

INTERNATIONAL BUSINESS

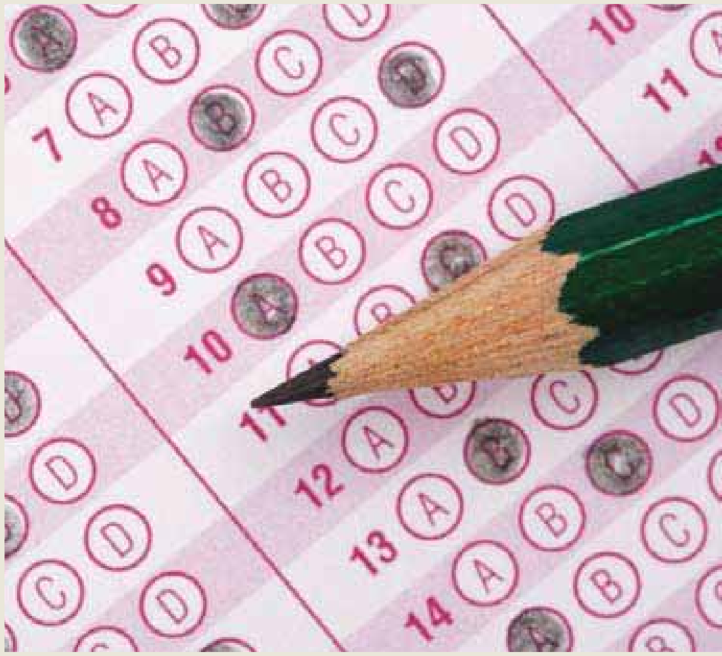
The International Operations of SRL comprise of our state-of-art labs in Dubai, Kathmandu and Colombo. In FY2016-17, SRL inaugurated its first franchise lab in Biratnagar, Nepal. SRL's international network also consists of more than 65 collection centres where the world-class Operational, Logistic and IT capabilities have enables it to satisfactorily process and report on the patients' samples flown in from this network spreading across South Asia, Gulf and the Middle East, South East Asia and parts of Africa. Along with laboratory services (both radiology and pathology), SRL also assists our international clients and partners in the planning and implementation of laboratory management services, along with complete IT support through indigenously developed lab management software - 'CLIMS'

RESEARCH AND DEVELOPMENT

The SRL R&D department focused on the Oncology, Neurology and Advanced Genomics segments. Currently, around 50 small and big labs across India offer Molecular diagnostics and Genomic tests. Despite growing regional competition, SRL leads the routine MDx segment. The overall growth of molecular and advanced molecular diagnostics tests revenue increased by 25.5%, with substantial growth for HBV Viral Load, HCV Viral Load, HCV Genotyping, GeneXpert MTB and Sepsiscreen tests. During the Chikungunya epidemic in North, the R&D team ensured smooth laboratory operations for the PCR test, where a total of over 5500 specimens were processed during the 3-month period. Successful absorption of automated Nucleic Acid Extractor for automating current workflow for HBV and HCV Viral Loads resulted in an expected annual cost savings of Rs 2 Crore.

FINANCIALS

The financial curves for SRL continue to move upwards with Revenue and EBITDA growing at a CAGR of 9% and 18% respectively over the last 3 years. The revenue at the end of FY16-17 was Rs 967 Crore, a growth of 7.6% while the EBITDA was Rs 191 Crore. The EBITDA margins have shown some growth and moved from 15.7% to 19.8% in the last 3 years.



BRAND INITIATIVES

SRL was created with the vision to provide superior quality tests, with accurate outcomes, at affordable prices, to the masses. While we have remained the preferred diagnostics partner of our valued customers, we have taken some progressive steps forward this year to bridge the gap between us and the end customer. As customers are increasingly becoming health conscious, SRL is also transforming itself to act as the decision-maker in the healthcare industry. SRL has always taken pride in providing its customers with the best solutions in diagnostic industry and treating them with the utmost respect. To build trust in every interaction, we have redefined our brand philosophy, by on-boarding the top expert of brand consultants to ensure better traction and brand visibility. Our business delivery stands on four strong pillars of (1) providing accurate and quality results, (2) empathy towards our patients and partners, (3) innovation in every process and (4) transparency in our daily operations.

In this fast-paced world, the need to cater to a growing internet-savvy population is imperative. SRL has revamped its website to better reflect its service offerings and highlight the best healthcare solutions and preventive packages. With

innovation at the core of our service offerings and focusing on the customer's journey, we have launched the all new SRL Diagnostics Mobile App, which enables people to now access SRL Diagnostics' superior services with a single touch. The new SRL Diagnostics app is secure and easy to use, providing access to a variety of features for all the diagnostic needs. One can now enjoy the benefits of Home Collect with a single tap and schedule an in-lab Test to beat the long queues, locate the nearest SRL centre, keep track of medical records with a graphical representation of medical history, and have an instant access to lab results on the app itself without internet access.

AWARDS AND ACCOLADES

At SRL, we have grown from strength to strength, always keeping our customers' interests at the core of everything we do and believe in. Our dedication and hard work has resulted in winning several prestigious awards and accolades this year. While the recognition reinforces our strong credentials and helps establish us as a leader in the Indian diagnostics sector, it is really a manifestation of the trust we enjoy from our customers. Some of the key recognition that came our way this year includes the Frost and Sullivan Award for being Asia's Best Diagnostics Service Provider of the Year 2016, the MT India Healthcare Award 2017 for Best Diagnostic Company of the Year, CMO Asia's National Award for Excellence in Healthcare for being the Best Diagnostic Services Company 2016 for the second year in a row and ABP News Healthcare Leadership Award 2016 in the category of Best Use of Technology by a Diagnostic Service Provider. SRL Diagnostics also received a Certificate of Appreciation from The Initiative for Promoting Affordable Quality Tuberculosis (IPAQT) for our valuable contribution as an IPAQT Partner towards TB control in India.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting here the Twenty First Annual Report of your Company alongwith the Audited Standalone and Consolidated Financial Accounts and the Auditors' Report thereon for the Year ended March 31, 2017.

FINANCIAL RESULTS

The highlights of Consolidated Financial Results of your Company and its Subsidiaries are as follows:

[₹ in Million]

Particulars	Consolidated	
	Year ended March 31, 2017	Year ended March 31, 2016
Continuing Operations		
Operating Income	457,371.46	419,888.65
Other Income	16,600.31	15,349.51
Total Income	**473,971.77**	**435,238.16**
Total Expenditure	422,082.99	399,487.22
Operating Profit	**51,888.78**	**35,750.94**
Less: Finance Charges, Depreciation & Amortization	45,161.50	35,814.67
Loss before exceptional items and tax	**6,727.28**	**(63.73)**
Exceptional items	(164.28)	(4,013.51)
Loss before tax	**6,563.00**	**(4,077.24)**
Less: Tax Expenses	7,240.04	(801.56)
Net Profit for the year	**677.04**	**(3,275.68)**
Share in profits of associate companies	48,605.94	7,247.23
Profit/ (Loss) for the year from continuing operations (A)	**47,928.89**	**3,971.55**
Discontinuing Operations		
Profit/ (Loss) before tax from discontinuing operations		**232.50**
Tax expense of discontinuing operations		26.68
Profit/ (Loss) after tax and before minority interest from discontinuing operations	-	**205.82**

[₹ in Million]

Particulars	Consolidated	
	Year ended March 31, 2017	Year ended March 31, 2016
Share in profits/ (losses) of associate companies	-	-
Profit for the year from discontinuing operations (B)	-	**205.82**
Profit for the year (A+B)	**47,928.89**	**4,177.36**
Profit for the year attributable to:		
Owners of the Company	42,166.47	1,842.39
Non-controlling interests	5,762.42	2,334.98
Profit for the year before other comprehensive income	**47,928.89**	**4,177.37**
Other comprehensive income	(2,734.25)	(5,074.11)
Total comprehensive income	**45,194.64**	**(896.74)**
Total comprehensive income for the year attributable to:		
Owners of the Company	39,456.80	(3,226.82)
Non-controlling interests	5,737.84	2,330.08
Total comprehensive income	**45,194.64**	**(896.74)**

The highlights of financial results of your Company as a Standalone entity are as follows:

[₹ in Lacs]

Particulars	Standalone	
	Year ended March 31, 2017	Year ended March 31, 2016
Operating Income	64,511.50	61,159.16
Other Income	16,919.80	18,468.82
Total Income	**81,431.30**	**79,627.98**
Total Expenditure	79,164.23	73,718.07
Operating Profit	**2,267.07**	**5,909.91**
Less: Finance Charges, Depreciation & Amortization	13,297.63	9,054.21
Loss before exceptional items and tax	**(11,030.56)**	**(3,144.30)**
Exceptional items	(373.28)	(1,821.86)
Loss before tax	**(11,403.85)**	**(4,966.16)**
Less: Tax Expenses	(3,933.95)	(945.65)
Net Profit for the year	**(7,469.90)**	**(4,020.51)**
Other comprehensive income	106.67	188.98
Total comprehensive income	**(7,363.22)**	**(3,831.53)**

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

For the Financial Year 2016-17, the Company recorded audited consolidated operating income from continuing operations of ₹ 45,737 Million, a growth of 9% over the previous year operating income of ₹ 41,988 Million.

Consolidated total income (including other income) from the operations for the Financial Year 2016-17 was at ₹ 47,397 Million compared to ₹ 43,524 Million in the previous year. (Operating profit from the continuing operations for the year stood at ₹ 3,529 Million compared to ₹ 2,040 Million in the previous year.) The Net Profit after Tax but for the continuing operations stood at ₹ 4,793 Million (including one time gain of associate profits for ₹ 422 Million) as against ₹ 398 Million for the corresponding previous year. The Net Profit after Tax for the company (including both continuing and discontinuing operations) stood at ₹ 4,793 Million as against ₹ 418 Million for the corresponding previous year.

Your Company continues to endeavor to offer high quality affordable healthcare services to its patients & the general public. It has, during the year, commissioned a number of new medical programs and specialties in various facilities & has made considerable progress in strengthening its medical offerings. With persistent focus on patient centricity & clinical excellence your Company strives to bridge the huge demand-supply gap prevalent in healthcare delivery services in the country & continues to undertake a number of growth & development ambitions across the organisation.

As of March 31, 2017, the healthcare verticals of the Company primarily comprise day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2017, the Company had a network of 45 healthcare facilities (including projects under development), with approximately 4,800 operational beds and the potential to reach over 9,000 beds. In India, the Company is one of the largest private healthcare chains comprising a network of 41 healthcare facilities, including 32 operating facilities, 3 satellite and heart command centres located in public and private hospitals and 6 healthcare facility projects which are under development or are greenfield land sites. In addition, its Indian diagnostics business has a presence in over 600 cities and towns, with an established strength of 356 laboratories including 183 self-operated laboratories, 120 laboratories inside Hospitals including 27 labs located in Fortis healthcare facilities, 4 wellness centres and 5 international laboratories. It also has over 5,245 collection points, which includes 92 collection centers that are owned and 69 collection centres at International locations.

Your Company is driven by the vision of becoming a global leader in the integrated healthcare delivery space and the larger purpose of saving and enriching lives through clinical excellence.

Further, there were no significant material order passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations and there is no change in the nature of the business of the Company.

DIVIDEND AND TRANSFER TO RESERVES

Keeping in view the losses for the year under review, the Board of Directors of your Company have not recommended any dividend for the Financial Year 2016-17. Accordingly, there has been no transfer to general reserves.

The Company has formulated Dividend Policy in terms of SEBI Circular No. SEBI/LAD-NRO/6N/2016-17/008 and the same is available on the website of the Company www.fortishealthcare.com.

MATERIAL CHANGES

The following are the material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year 2016-17 and the date of the report:

- The aggregate shareholding of Fortis Healthcare Holdings Private Limited (FHHPL) has been reduced to less than 51% and thereby FHHPL ceases to be the Holding Company of your Company (as per the definition given under Companies Act, 2013);
- Approval of the shareholders and Reserve Bank of India were obtained for permitting the registered FIIs to make investment in the equity shares of the Company upto an aggregate limit of 74% (Seventy Four Percent) of the paid-up equity share capital of the Company;
- **Scheme of Amalgamation and Demerger** - The Board of Directors of your Company at its meeting on August 19, 2016 approved a composite scheme of arrangement and amalgamation between your Company, Fortis Malar Hospitals Limited ("**FMHL**"), SRL Limited ("**SRL**") and their respective shareholders and creditors ("**Scheme**") for (i) the

transfer of the undertaking, business and operations of FMHL including assets and liabilities pertaining to the hospital business, as identified in the Scheme ("**Transferred Undertaking**"), as a going concern, by way of slump sale, from FMHL to your Company, in lieu of payment of a lumpsum consideration by your Company to FMHL ("**Business Transfer**"); (ii) the transfer by way of a demerger of the undertakings, business, activities and operations of your Company, pertaining exclusively to the diagnostics business of your Company as identified in the Scheme ("**Demerged Undertaking**") to FMHL, and consequent issue of equity shares by FMHL to shareholders of your Company ("**Demerger**"); (iii) the amalgamation of all the undertakings and entire business of SRL with FMHL and dissolution of SRL without winding up; the consequent issue of equity shares by FMHL to the shareholders of SRL and the cancellation of equity shares of SRL held by FMHL ("Amalgamation") and various other matters consequential or otherwise integrally connected therewith, including the reduction of the securities premium account of your Company and the reorganization of the share capital of FMHL pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 ("Act") (corresponding to Sections 391-394 of the Companies Act, 1956 read with Section 52 and Section 66 of the Act (corresponding to Sections 100 to 103 of the Companies Act, 1956), Section 2(1B) of the Income Tax Act, 1961, and any other applicable provisions of the Act or Companies Act, 1956.

The Scheme has also received the approval of the Competition Commission of India on October 14, 2016. The BSE Limited and the National Stock Exchange of India Limited have conveyed their no adverse observations/no objections to the Scheme vide letters dated November 11, 2016 and November 15, 2016 respectively. Subsequently, the Scheme has also been approved by the creditors and equity shareholders of your Company on April 26, 2017 and April 27, 2017 respectively. The Scheme as on the cut-off date was pending with the National Company Law Tribunal, Chandigarh. The Scheme will be made effective by the Board of Directors of your Company and those of FMHL and SRL after receiving the remaining approvals including that of the National Company Law Tribunal, Chandigarh, post sanction approval of the Securities and Exchange Board of India etc;

➢ The Company has acquired 15% shareholding in M/s. Hiranandani Healthcare Private Limited, a subsidiary company from M/s. Fortis Healthcare Holdings Private Limited, a promoter company w.e.f. July 28, 2017 at a consideration of ₹ 61 crore;

➢ M/s. Fortis Hospitals Limited has acquired 51% shareholding in M/s. Fortis Emergency Services Limited, its associate company from M/s. Fortis Healthcare Holdings Private Limited, a group company w.e.f. July 28, 2017 at a consideration of ₹ 25500;

➢ M/s. Escorts Heart Institute and Research Centre Limited has acquired 71% shareholding in M/s. Fortis HealthStaff Limited, its subsidiary company from M/s. Fortis Healthcare Holdings Private Limited and M/s. RHC Holding Private Limited, group companies w.e.f. July 28, 2017 at an aggregate consideration of ₹ 3,46,000.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

During the year under review:

➢ M/s. Fortis Healthcare International Limited transferred its entire shareholding in M/s. Fortis Global Healthcare (Mauritius) Limited to M/s. Fortis Hospitals Limited w.e.f. October 4, 2016 at a consideration of USD 4,430,723;

➢ M/s. Fortis Healthcare International Pte. Limited transferred its entire stake in M/s. SRL Diagnostics FZ-LLC to M/s. SRL Limited w.e.f. June 30, 2016 at a consideration of USD 2 million;

➢ The Company acquired 51% economic interest in Fortis Hospotel Limited (FHTL) through acquisition of 44,39,040 Compulsory Convertible Debentures of ₹ 1000 each issued by FHTL, representing 51% of the total CCDs issued by FHTL to Fortis Global Healthcare Infrastructure Pte Ltd, at a total consideration of upto ₹ 1,099.98 crores w.e.f. October 13, 2016; and

- Fortis Healthcare Management (East) Limited became 100% subsidiary of Fortis Hospitals Limited w.e.f. February 14, 2017.

Further note that your Board of Directors have adopted a policy for determining "material subsidiary" pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The said policy is available at http://cdn.fortishealthcare.com/0.66941000_1487930518_Policy-On-Material--Subsidiary.pdf

In terms of the said policy, Fortis Hospitals Limited (FHsL) and SRL Limited (SRL) are considered as Material Subsidiary(ies) and accordingly all necessary compliances have been carried out including but not limited to appointment of Independent Director from the Board of Fortis Healthcare Limited on the Boards of FHsL and SRL.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable accounting standards, issued by the Institute of Chartered Accountants of India, forms part of the Annual Report. In terms of the Section 136 of the Companies Act, 2013, financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and said annual accounts will also be kept open for inspection at the registered office of the Company. Performance and financial position of each of Subsidiaries, Associates and Joint Ventures included in the Consolidated Financial Statements of the Company is annexed herewith as Annexure-I in the prescribed format (Form AOC-1).

LOANS/ADVANCES/INVESTMENTS/GUARANTEES

Particulars of Loans/Advances/Investments/guarantees given and outstanding during the Financial Year 2016-17 are mentioned in Notes to Financial Statements.

PUBLIC DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public, pursuant to the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

AUDITORS

- **Statutory Auditors**

  M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, were appointed as Statutory Auditors of your Company w.e.f. September 23, 2015 for period of 5 years subject to ratification by members at every Annual General Meeting.

  Based on the recommendations of the Audit and Risk Management Committee, the Board of Directors of the Company proposes to ratify appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company at the ensuing Annual General Meeting of the Company.

  The existing Statutory Auditors have, in their report to the Board of Directors on the Consolidated Financial Statements of the Company made the following comments which are self explanatory and are categorized as "Matter of Emphasis", hence no comments in this regard have been offered by your Board of Directors:

  a) Notes 14(A), 14(B), 14(C), 14(D) and 14(E) to the financial statements relating to outcome of income tax assessments; arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and matter related to non-compliance with the order of the Honourable High Court of Delhi in relation to provision of free treatment/ beds to poor against one of the subsidiaries ("Escorts Heart Institute and Research Centre Limited").

  b) Note 14(G) to the financial statements, regarding matter relating to termination of Hospital lease agreement of one of its subsidiaries (Hiranandani Healthcare Private Limited) by Navi Mumbai Municipal Corporation ('NMMC').

     Based on the advice by external legal counsel, no provision/adjustment has been considered necessary by the Management in this regard in the consolidated financial statements.

     Our opinion is not modified in respect of this matter.

- **Cost Auditors**

  Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit)

Rules, 2014, the cost audit records maintained by the Company in respect of its hospital activity is required to be audited. Your Directors had, on the recommendation of the Audit and Risk Management Committee, appointed M/s. Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of the Company for the Financial Year 2016-17 at a remuneration of ₹ 2.30 lac (plus out of pocket expenses and taxes). As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Jitender, Navneet & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

- **Secretarial Auditor**

  Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sanjay Grover & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure II". There are no adverse remarks in the said Report.

- **Internal Auditors**

  Upon the recommendation of the Audit and Risk Management Committee, the Board of Directors has appointed Mr. Rajiv Puri, Head Risk and Internal Audit as the Chief Internal Auditor of the Company and authorized him to engage independent firms for conducting the internal audit for the Financial Year 2016-17. Accordingly, M/s. KPMG and E & Y, LLP were engaged to perform Internal Audit for the Company/its subsidiaries.

  Besides, the details of frauds as mentioned in the Auditors Report, if any, as per the requirement of Companies Auditor Report Order (CARO), Rules, 2016, there was no fraud reported by the above stated auditors during the year under review.

CAPITAL STRUCTURE/STOCK OPTION

The Company currently manages its stock options through "Employee Stock Option Plan 2007" and "Employee Stock Option Plan 2011" ("Schemes") as approved by the shareholders. The Nomination and Remuneration Committee of the Board of Directors of the Company, *inter alia*, administers and monitors the Schemes of the Company. Each option when exercised would be converted into one fully paid up equity share of ₹ 10 each of the Company. During the year under review, no options were granted by the Company. Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the Year ended March 31, 2017 is available at http://cdn.fortishealthcare.com/0.13412400_1501906982_ESOP-Disclosure-FY-2016-17.pdf and forms part of this Directors' Report.

During the year under review, under the terms of the "Employee Stock Option Plan 2007", 205100 stock options were exercised and under the terms of "Employee Stock Option Scheme 2011" 631000 stock options were exercised.

The certificate from the Statutory Auditors of the Company stating that the Schemes have been implemented in accordance with the SEBI Guidelines would be placed at the Annual General Meeting for inspection by members.

The Company has not made any provision of money for purchase of, or subscription for, its own shares or of its holding Company.

Further, during the year under review, the Company received Conversion Notice on November 28, 2016 from DB Trustees (Hong Kong) Limited (the trustees) for conversion of entire FCCBs held by Standard Chartered Private Equity (Mauritius) III Limited into equity shares equivalent to 1,80,70,650 equity shares of ₹ 10 each @ ₹ 99.09 per share. Also, the Company received Conversion Notice from International Finance Corporation on January 23, 2017, for conversion of entire FCCBs into equity shares equivalent to 35,690,887 equity shares of ₹ 10 each @ ₹ 99.09 per share. Accordingly, the requisite number of equity shares were issued to the investors. As on date, there is no outstanding FCCBs standing in the Books of the Company.

Details pertaining to shares in suspense account are specified in the report of Corporate Governance forming part of the Board Report.

Extract of Annual Return is annexed herewith as **Annexure III.**

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The particulars required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of "The Companies (Accounts) Rules, 2014", regarding

Conservation of Energy and Technology Absorption, is given in Annexure IV, forming part of the Board Report. Further, details pertaining to Foreign Exchange Earnings and Outgo forms part of the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY - OUR JOURNEY THROUGH THE PAST YEAR

As a responsible corporate citizen and a critical member of the Indian healthcare ecosystem, we at Fortis Healthcare strongly believe that we can meaningfully alleviate the problem of inequitable access to quality healthcare. By creating and supporting social sector programs linked to health and well-being, we seek to leverage our skills, experience, capabilities, technologies and facilities to address a critical social need for the vulnerable sections of society. We have continuously enabled programs and initiatives, based on rigorous needs assessment, leading to not just improvement in healthcare service delivery but also creating social awareness and change. We believe this is the best way to have the greatest impact, because our interventions are capable of transforming lives, building aware communities and protecting the environment.

The CSR initiatives for Fortis Healthcare Limited are led through the Fortis Charitable Foundation its designated CSR vehicle.

The work of the Foundation is supported and executed by two entities.

The Fortis Charitable Foundation (FCF) - a Trust set up in 2005 and The Fortis Foundation (FF) - a Section 8 Company set up in 2013.

These entities work in a collaborative and inclusive manner not only to align and synergise the social enterprise work of the group companies but to expand their circle of partnerships with Government, Non-Government Organizations (NGOs), other corporates and individuals.

Working through a dedicated team of employees and volunteers their work focuses on 3 programs that work towards:

- The Health and Well-Being of the Mother and Child **(AANCHAL)**
- The provision of Timely Medical Support in the event of a disaster and enabling Charitable Medical Infrastructure **(SEWA)**
- Creating and Supporting open platforms for Healthcare Information **(SAVERA)**

Fortis Healthcare Limited has chosen to support the SEWA program (in FY 2015-16) and SAVERA program (in FY 2015-16 and FY 2016-17).

ABOUT SAVERA PROGRAM

SAVERA focuses on developing, collating and providing access to healthcare information. It leverages different channels of communication – children's books, audio-visuals, posters and social media to create awareness on nutrition, health and hygiene. SAVERA seeks to provide a platform to initiate and share research to create awareness on critical health issues and work towards driving opinion & public policy around viable options. SAVERA will create a credible knowledge repository of disease related information under an open platform for sharing.

The program is also a platform to communicate about the foundation's work, ideas, finances and partner ecosystem.

SAVERA has identified target intervention areas focusing on:

- Tobacco Control
- Skill Development - First Aid/ Basic Life Support(BLS) Training
- E-Learning Platform for Health Information

In the past year SAVERA has promoted awareness through the distribution of 59450 health publications, initiated the process of behavioural change through distribution of 19709 illustrative books to children focusing on hygiene and nutrition through 90 NGOs.

SAVERA collaborated with Sambandh Health Foundation to launch a campaign on Tobacco Control in Haryana. In the past year, over 2000 police officials from 7 districts, 1800 officials from the education department have been made aware about COTPA (Cigarettes and Other Tobacco Products Act) together with over 1000 challans in Gurugram.

An academy for First Aid/ Basic Life Support (BLS) training was conceptualised and designed and implementation will start in FY 2017-18.

ABOUT SEWA PROGRAM

SEWA is a program that provides Medical Support in the event of a disaster and enables Charitable Medical Infrastructure.

The program focuses on two interventions.

DISASTER RELIEF

India has been historically vulnerable to disasters with floods, cyclones, earthquakes and landslides being a recurrent phenomenon. In the event of a disaster, thousands of lives are affected and livelihoods worth millions are destroyed. The urgent need in such situations is access to medical care.

SEWA is a Disaster Relief Initiative that aims to provide emergency medical relief services in an organised and time sensitive manner to people affected by disasters. SEWA's core commitment is to support the government's efforts in providing medical relief during a calamity.

SUPPORTING CHARITABLE INFRASTRUCTURE

An intervention of the SEWA program is CHHAYA that supports on-going Medical Facilities through Charitable Dispensaries and Health Camps.

CHHAYA's charitable dispensaries and heath camps aim to provide access to primary healthcare services for routine ailments and support community health services with a focus on promoting health awareness and education.

With the objective of serving as many patients as possible, the effort is to deliver services in communities in an efficient, low cost & affordable manner.

Particulars pursuant to Clause O of Sub-Section 3 of Section 134 of The Companies Act, 2013 read with Rule 9 of Companies (Corporate Social Responsibility) Rules, 2014 is given in "Annexure V".

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013 read with Article 86 of the Articles of Association of your Company, Mr. Harpal Singh, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board re-commends his re-appointment.

Brief resume of director seeking appointment/ re-appointment along with other details as stipulated under SEBI Listing (Obligations & Disclosure Requirements) Regulations, 2015, is provided in the Notice for convening the Annual General Meeting.

Further, Ms. Lynette Joy Hepburn Brown, Independent Director and Mr. Ravi Umesh Mehrotra, Non-Executive Non-Independent Director, have resigned from their directorships w.e.f. April 11 and April 12, 2017, respectively. Also, pursuant to Section 167 of Companies Act, 2013, Mr. Sunil Godhwani (DIN: 00174831) has vacated his office as Director of the Company w.e.f. August 4, 2017, for not attending any of the Board meetings held during a period of previous twelve months.

All Independent Directors have submitted declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial Year 2016-17, seven meetings were held by the Board of Directors. The details of board/ committee meetings and the attendance of Directors are provided in the Corporate Governance Report.

Details of KMP are as under:

Name	Designation
Mr. Bhavdeep Singh	Chief Executive Officer
Mr. Gagandeep Singh Bedi	Chief Financial Officer
Mr. Rahul Ranjan	Company Secretary

Disclosures regarding the following are mentioned in report on Corporate Governance forming part of this report.

1. Composition of Committee(s) of the Board of Director and other details;
2. Details of establishment of Vigil Mechanism;
3. Details of remuneration paid to all the Directors including Stock options; and
4. Commission received by Managing Director and/or Whole Time Director.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing (Obligation & Disclosure Requirements) Regulations, 2015, the Board has carried out performance evaluation of its own performance, the Directors individually, Chairman as well as the evaluation of the working of its Committees viz. Audit and Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

The following process of evaluation was followed:

S. No.	Process	Remarks	Criteria for Evaluation (including Independent Directors)
1.	Individual Self-Assessment	Self-evaluation forms were shared and completed by the Directors and submitted to the Chairperson of the Nomination and Remuneration Committee.	This includes Members Selection and Induction Process, Knowledge, skills, Diligence, participation, Leadership skills and Personnel attributes.
2.	One to One discussion	Process Coordinators, as recommended by Nomination and Remuneration Committee, were authorized to interact with each Board member to assess performance, invite direct feedback and seek inputs to identify opportunities for improvement.	This includes Board focus (Strategic inputs), Board Meeting Management, Board Effectiveness Management Engagement and addressing of follow up requests.
3.	Evaluation by the Board, Nomination and Remuneration Committee and of Independent Directors	A compilation of the individual self-assessments and one to one discussions were placed at the meetings of the Nomination and Remuneration Committee (NRC), the Independent Director's (ID's) and the Board of Directors (BoD) held on February 14, 2017 for them to review collectively and include as additional feedback to the formal process completed in the meetings.	This includes demonstration of integrity, commitment, attendance at the meetings, contribution and participation, professionalism, contribution while developing Annual Operating Plans, demonstration of roles and responsibilities, review of high risk issues & grievance redressal mechanism, succession planning, working of Board Committees etc
4.	Final recording and reporting	Based on the above, a final report on Board Evaluation 2016-17 was collated, presented and tabled at a meeting of the Board of Directors held on May 30, 2017. The report also noted opportunities for improvement.	NA

SEBI has vide its circular dated January 5, 2017, issued a Guidance Note on Board Evaluation. The Management made a gap analysis of your Company's Board Evaluation process vis-à-vis Guidance Note and the same was discussed in detail with the Board Members. The Process was found largely in-line with the Guidance Note, however, the scope for further improvement was also identified and it was decided that the gaps, wherever necessary, will be implemented in the Board Evaluation to be conducted during the FY 2017-18.

MANAGERIAL REMUNERATION

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

(a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2016-17

Name of the Director*	Remuneration of Director (₹ in crore)	Median Remuneration of employees (₹ in crore)	Ratio
NIL			

*Mr. Malvinder Mohan Singh, Executive Chairman did not draw any remuneration in his capacity of Executive Director during the FY 2016-17. However, in furtherance to the shareholder's approval as accorded on September 27, 2016 and that of Board/Committees in November, 2016, Mr. Malvinder Mohan Singh was appointed as Lead-Strategic Initiatives for a period of five years w.e.f. October 1, 2016 at a remuneration of ₹ 12 crore p.a. Accordingly he was paid a remuneration of ₹ 6 crore (approx.) during the FY 2016-17.

(b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year under review

Name of Director/ KMP	Designation	% increase in Remuneration
Mr. Malvinder Mohan Singh	Executive Chairman	-
Mr. Bhavdeep Singh	Chief Executive Officer	4.76%
Mr. Gagandeep Singh Bedi	Chief Financial Officer	12.1%
Mr. Rahul Ranjan	Company Secretary	12.1%

(c) The percentage increase in the median remuneration of employees in the financial year is 8.9% (11% in the last year).

(d) The number of permanent employees on the rolls of Company is 2504 as on March 31, 2017.

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration

Particulars		For the Financial Year 2016-17
(A)	Average percentile increase already made in the salaries of employees other than the managerial personnel	11.6%
(B)	Percentile increase in the managerial remuneration	4.6%
Comparison of (A) and (B)		N.A.
Justification		
Any exceptional circumstances for increase in the managerial remuneration		N.A.

(f) There is no variable component in the remuneration being paid to directors

(g) Remuneration has been paid to Directors and KMPs is as per the Remuneration Policy of the Company.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director etc. Details of Remuneration Policy are stated in the Corporate Governance Report.

The Company has from time to time familiarised the Board of Directors with the Company's operations, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The same is governed by a template viz Board of Directors Governance Standard and it is available at http://cdn.fortishealthcare.com/0.35155800_1498650624_board-of-directors-governance-standards.pdf.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office and/or Corporate Office of the Company during business hours between 10.00 am to 12.00 noon on working days of the Company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

RELATED PARTY TRANSACTIONS

There are few materially significant Related Party Transactions made by the Company with other related parties which forms part of the Annual Report. Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in Annexure VI in Form AOC- 2 as specified under Companies Act, 2013.

All Related Party Transactions are placed before the Audit and Risk Management Committee for approval as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Prior omnibus approval of the Audit and Risk Management Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit and Risk Management Committee for their approval on a quarterly basis.

The Company has developed a Related Party Transactions Framework and Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the same is available at the following link: http://cdn.fortishealthcare.com/0.48746600_1499236811_related-party-transactions-framework-document-nov-2016.pdf.

None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company, except to the extent of sitting fees and remuneration approved by the Board of Directors and/or shareholders of the Company and as disclosed in this Annual Report.

RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy. The said policy is being implemented and monitored by the Audit and Risk Management Committee. The details thereof are covered under Management and Discussion Analysis Report which forms part of the Annual Report.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

Your Company has adopted a Policy for Prevention, Prohibition and Redressal of sexual harassment. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, no complaint with allegations of sexual harassment was filed with the Company.

DISCLOSURE REQUIREMENTS

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Corporate Governance Report with Auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

As per Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a business responsibility report is attached and forms part of this annual report.

CODE OF CONDUCT

Declaration by Mr. Bhavdeep Singh, Chief Executive Officer confirming compliance with the 'Fortis Code of Conduct' is enclosed with Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for financial year ended March 31, 2017 and of the loss of the Company for the said period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, State Governments and all other Government agencies for the assistance, co-operation and encouragement they have extended to the Company.

Your Directors also take this opportunity to extend a special thanks to the medical fraternity and patients for their continued cooperation, patronage and trust reposed in the Company.

Your Directors also greatly appreciate the commitment and dedication of all the employees at all levels, that has contributed to the growth and success of the Company. Your Directors also thank all the strategic partners, business associates, Banks, financial institutions and our shareholders for their assistance, co-operation and encouragement to the Company during the year.

On behalf of the Board of Directors

Sd/-

Date: August 4, 2017 **Malvinder Mohan Singh**
Place: Gurgaon **Executive Chairman**

Annexure-1 to Directors' Report

FORM NO. AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

(₹ in lacs)

S. NO.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Escorts Heart Institute and Research Centre Limited	31-Mar-17	INR	1.00	240.21	80,416.54	106,572.88	25,916.13	81,174.62	43,255.42	2,190.24	908.30	1,281.94	-	100.00%
2	Fortis Healthstaff Limited	31-Mar-17	INR	1.00	490.00	(1,364.03)	107.24	981.26	-	114.38	89.82	-	89.82	-	29.00%
3	Fortis Asia Healthcare Pte. Ltd	31-Mar-17	USD	64.86	16,885.61	(64,962.09)	69,570.61	117,647.10	41,041.42	2,468.83	(3,107.80)	307.31	(3,415.10)	-	100.00%
4	Fortis Healthcare International Pte. Limited	31-Mar-17	SGD	46.43	108,750.52	(69,718.89)	41,067.62	2,035.99	22,689.57	1,812.99	486.15	475.80	10.35	-	100.00%
5	Mena Healthcare Investment Company Limited	31-Mar-17	AED	17.66	19.73	(853.86)	32.40	866.53	32.40	-	(4.03)	-	(4.03)	-	82.54%
6	Medical Management Company Limited	31-Mar-17	AED	17.66	32.40	701.56	843.62	109.66	-	-	(3.43)	-	(3.43)	-	82.54%
7	SRL Diagnostics FZ-LLC	31-Mar-17	AED	18.02	50.89	315.64	3,073.87	2,689.08	-	3,709.52	(1,332.46)	-	(1,332.46)	-	100.00%
8	Hiranandani Healthcare Private Ltd	31-Mar-17	INR	1.00	400.00	2,795.07	10,025.66	6,830.59	-	13,417.86	1,065.72	364.95	700.77	-	85.00%
9	Fortis La Femme Limited	31-Mar-17	INR	1.00	5.00	(55.74)	3.38	54.12	-	-	(7.22)	-	(7.22)	-	100.00%
10	Fortis CSR Foundation	31-Mar-16	INR	1.00	5.00	1.81	7.10	0.29	-	3.04	2.39	-	2.39	-	100.00%
11	SRL Limited	31-Mar-17	INR	1.00	8,038.34	84,685.77	108,355.60	15,631.49	2,625.41	93,680.72	12,773.26	3,568.84	9,204.42	-	62.50%
12	SRL Diagnostics Private Limited	31-Mar-17	INR	1.00	395.82	(2,069.04)	19,520.38	21,193.60	1,175.88	27,682.67	2,929.49	(82.03)	3,011.51	-	100.00%
13	SRL Reach Limited	31-Mar-17	INR	1.00	800.00	(466.28)	623.03	289.30	-	610.36	(151.05)	-	(151.05)	-	100.00%
14	Fortis Healthcare International Limited	31-Mar-17	USD	66.18	14,155.67	11,219.09	74,418.82	49,044.06	8,232.09	551.28	32,896.42	51.21	32,845.21	-	100.00%
15	Fortis Global Healthcare (Mauritius) Limited	31-Mar-17	USD	66.18	373.53	(25,081.56)	43,612.24	68,320.27	34,064.22	494.05	228.00	3.92	224.07	-	100.00%
16	Fortis Hospitals Limited	31-Mar-17	INR	1.00	5,330.06	80,792.26	327,382.55	241,260.23	57,023.16	233,646.15	(14,860.97)	2,001.00	(16,861.97)	-	100.00%
17	Fortis Cancer Care Limited	31-Mar-17	INR	1.00	5.00	(3,008.23)	355.13	3,358.36	-	-	(667.06)	-	(667.06)	-	100.00%
18	Lalitha Healthcare Private Limited	31-Mar-17	INR	1.00	81.16	(1,911.95)	1,032.32	2,863.11	-	19.92	(324.51)	-	(324.51)	-	79.43%
19	Fortis Malar Hospitals Limited	31-Mar-17	INR	1.00	1,867.95	7,959.97	12,910.66	3,082.75	5.00	14,055.99	403.83	121.80	282.02	-	62.97%
20	Malar Star Medicare Limited	31-Mar-17	INR	1.00	5.00	126.66	6,789.55	6,657.89	-	36.57	43.04	13.63	29.41	-	100.00%
21	Fortis Health Management (East) Limited	31-Mar-17	INR	1.00	5.00	(716.86)	478.83	1,190.69	-	1,290.12	(91.10)	-	(91.10)	-	100.00%
22	Birdie and Birdie Realtors Private Limited	31-Mar-17	INR	1.00	1.00	(7,350.37)	9,470.42	16,819.79	-	276.00	(1,517.61)	-	(1,517.61)	-	100.00%
23	Stellant Capital Advisory Services Private Limited	31-Mar-17	INR	1.00	1,750.00	7,678.99	10,461.07	1,032.07	10,162.42	807.34	23.40	10.90	12.50	-	100.00%
24	Fortis Hospotel Limited	31-Mar-17	INR	1.00	29,377.02	55,395.30	174,678.69	89,906.49	95,340.90	24,825.09	10,048.38	2,927.47	7,120.90	-	51.00%
25	RHT Health Trust Manager Pte Ltd	31-Mar-17	SGD	49.15	609.45	4,651.68	8,874.00	3,612.88	8,003.80	5,058.49	3,604.58	100.78	3,503.81	-	100.00%
26	Fortis C-Doc Healthcare Limited	31-Mar-17	INR	1.00	676.77	(1,651.88)	1,173.28	2,148.38	-	2,523.40	(203.24)	-	(203.24)	-	60.00%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

(₹ in lacs)

Sl. No	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %				i. Considered in Consolidation	i. Not Considered in Consolidation
1	RHT Health Trust	31-Mar-17	2,388.77	74,796.82	29.86%	Associate	Not Applicable	74,796.82	46,229.05	-
2	The Medical and Surgical Centre Limited	31-Mar-17	1,646.71	3,251.36	28.89%	Associate	Not Applicable	3,251.36	497.06	-
3	Lanka Hospitals Corporation PLC	31-Dec-16	641.21	21,289.56	28.60%	Associate	Not Applicable	21,289.56	1,370.94	-
4	DDRC SRL Diagnostics Private Limited	31-Mar-17	25.00	1,175.88	50.00%	Joint Venture	Not Applicable	2,174.07	568.75	-
5	Fortis Cauvery	31-Mar-17	NA, a partnership firm		51.00%	Joint Venture		30.71	0.75	-
6	SRL Diagnostics (NEPAL) Private Limited	31-Mar-17	2.40	150.00	50.00%	Joint Venture	Not Applicable	172.67	27.28	-
7	Fortis Medicare International Limited	31-Mar-16	0.98	47.68	49.00%	Joint Venture	Not Applicable	(1,715.35)	(87.14)	-
8	Sunrise Medicare Private Limited	31-Mar-17	0.03	0.31	31.26%	Associate	Not Applicable	0.74	-	-
9	Fortis Emergency Services Limited	31-Mar-17	0.25	2.45	49.00%	Associate	Not Applicable	(2,084.07)	(504.57)	-

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

Annexure II to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Fortis Healthcare Limited
Fortis Hospital Sector-62 Phase-VIII,
Mohali-160062.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fortis Healthcare Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinionthereon.

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

(e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

* No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, with which the Company has generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

(vi) The Company is engaged in the healthcare delivery services and network of multi specialty hospitals and diagnostic centers in India and overseas through its subsidiaries, joint ventures and associate companies.

Following are some of the laws specifically applicable to the Company:-

- The Clinical Establishment (Registration and Regulation) Act, 2010 and Rules made thereunder;
- The Drugs Control Act, 1950 and Rules made thereunder; and
- The Transplantation of Human Organs Act, 1994 and bye laws made thereunder.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:-

- Board of directors of the Company in its meeting held on August 19, 2016 approved the Scheme of Compromise and Arrangement ("Scheme") *inter alia* containing slump sale of hospital business of Fortis Malar Hospitals Ltd to Fortis Healthcare Ltd, demerger of diagnostic business of Fortis Healthcare Ltd into Fortis Malar Hospitals Ltd and merger of SRL Ltd into Fortis Malar Hospitals Ltd. The aforesaid Scheme is pending for approval before the Hon'ble National Company Law Tribunal, Chandigarh Bench;
- Members through postal ballot (report dated September 07, 2016) approved the shifting of registered office of the Company from the "NCT of Delhi" to the "State of Punjab" and Hon'ble Regional Director, Northern Region approved the same vide its Order dated December 09, 2016;
- Members in their Annual General Meeting held on September 27, 2016 approved the offer, issue and allotment of equity share, GDRs, ADRs, FCCBs, FCEBs, FCDs, NCDs with warrants or any other financial instruments convertible into or linked to equity shares through public issue(s) and/ or private placements in accordance with applicable laws upto a limit of ₹ 5000 Crore.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No. P2001DE052900

Sd/-
Sanjay Grover
Managing Partner
CP No. 3850

New Delhi
August 04, 2017

Annexure III to Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

S. No.	Particulars	Details
1.	CIN	L85110PB1996PLC045933
2.	Registration Date	February 28, 1996
3.	Name of the Company	Fortis Healthcare Limited
4.	Category/Sub-category of the Company	Public Company/Limited by Shares
5.	Address of the Registered Office & contact details	Fortis Hospital, Sector 62, Phase VIII Mohali-160062 Tel. 0172-5096001 Fax: 0172-5096002 Email Id: secretarial@fortishealthcare.com Website: www.fortishealthcare.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel.:040 – 67161500 Fax:040 - 23420814 Email: einward.ris@karvy.com Website: www.karvycomputershare.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	*NIC Code of the Product/service	% to total turnover of the Company
1	To establish, maintain, operate, run, manage or administer hospitals, medicare, healthcare, diagnostic, health aids and research centers	861	100%

**As per National Industrial Classification - Ministry of Statistics and Programme Implementation*
http://mospi.nic.in/Mospi_New/site/home.aspx#

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	RHC Holding Private Limited 54, Janpath, New Delhi-110001	U67190DL2007PTC162322	Ultimate Holding Company	0.04	2(46)
2	Fortis Healthcare Holdings Private Limited 54, Janpath, New Delhi-110001	U65993DL2001PTC152641	Holding Company	52.2	2(46)
3	Hiranandani Healthcare Private Limited Mini Seashore Road, Sector-10A, Plot No. 28, Vashi Mumbai-400703	U85100MH2005PTC154823	Subsidiary Company	85	2(87)
4	Fortis Hospotel Limited Fortis Memorial Research Institute Sector-44, Gurgaon-122002	U74899HR1990PLC054770	Subsidiary Company	51	2(87)
5	Fortis La Femme Limited Escorts Heart Institute and Research Centre, Okhla Road, Delhi-110025	U85100DL2011PLC217500	Subsidiary Company	100	2(87)
6	SRL Limited Fortis Hospital, Sector 62, Phase-VIII Mohali-160062	U74899PB1995PLC045956	Subsidiary Company	62.5	2(87)
7	Fortis Healthcare International Limited 4th Floor, Ebene Skies, Rue de l'Institut, Ebène, Mauritius	Foreign Company	Subsidiary Company	100	2(87)
8	Fortis Hospitals Limited Escorts Heart Institute and Research Centre, Okhla Road, Delhi-110025	U93000DL2009PLC222166	Subsidiary Company	100	2(87)
9	Escorts Heart Institute and Research Centre Limited SCO 11, Sector-11-D Chandigarh-160011	U85110CH2000PLC023744	Subsidiary Company	100	2(87)
10	Fortis CSR Foundation Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U85100DL2014NPL271782	Subsidiary Company	100	2(87)
11	Fortis Cancer Care Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U85110DL2011PLC217420	Step-down Subsidiary Company	100	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
12	Lalitha Healthcare Private Limited 65 Prime Centre, First Main Road,Seshadripuram, Bangalore-560020.	U85110KA2005PTC035863	Step-down Subsidiary Company	79.43	2(87)
13	Fortis Malar Hospitals Limited Fortis Hospital, Sector 62, Phase VIII, Mohali-160062, Punjab.	L85110PB1989PLC045948	Step-down Subsidiary Company	62.97	2(87)
14	Malar Stars Medicare Limited 52, First Main Road, Gandhi Nagar, Adyar Chennai-600020	U93000TN2009PLC072209	Step-down Subsidiary Company	100	2(87)
15	Fortis Health Management (East) Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U85190DL2011PLC217462	Step-down Subsidiary Company	100	2(87)
16	Fortis C-Doc Healthcare Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U85110DL2010PLC208379	Step-down Subsidiary Company	60	2(87)
17	Birdie & Birdie Realtors Private Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U45400DL2008PTC173959	Step-down Subsidiary Company	100	2(87)
18	Stellant Capital Advisory Services Private Limited Fortis Hospitals Limited, Mulund Goregaon, Link Road, Bhandup (West) Mumbai-400078	U31300MH2005PTC153134	Step-down Subsidiary Company	100	2(87)
19	RHT Health Trust Manager Pte. Limited 9 Battery Road, # 15 – 01, Singapore-049910.	Foreign Company	Step-down Subsidiary Company	100	2(87)
20	Fortis HealthStaff Limited (Board Controlled Subsidiary) Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U85194DL1984PLC205390	Step-down Subsidiary Company	29	2(87)
21	Fortis Asia Healthcare Pte. Limited 9 Battery Road, # 15 – 01, Singapore-049910.	Foreign Company	Step-down Subsidiary Company	100	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
22	Fortis Healthcare International Pte. Limited 9 Battery Road, # 15 – 01, Singapore-049910.	Foreign Company	Step-down Subsidiary Company	100	2(87)
23	SRL Diagnostics Private Limited 74, Ground Floor, Paschimi Marg, Opposite C Block, Market, Vasant Vihar - New Delhi-110057	U85195DL1999PTC217659	Step-down Subsidiary Company	100	2(87)
24	Fortis Global Healthcare (Mauritius) Limited 4th Floor, Ebene Skies, Rue de l'Institut, Ebène, Mauritius	Foreign Company	Step-down Subsidiary Company	100	2(87)
25	SRL Diagnostics FZ- LLC 64, Al Razi Building, Unit 107-108, 118-119, Block A, P.O. Box 505143, Dubai Healthcare City	Foreign Company	Step-down Subsidiary Company	100	2(87)
26	SRL Reach Limited 74, Ground Floor, Paschimi Marg, Opposite C Block Market, Vasant Vihar, New Delhi-110057	U85100DL2015PLC279712	Step-down Subsidiary Company	100	2(87)
27	Mena Healthcare Investment Company Limited 3rd Floor, J&C Building, PO Box 362, Road Town, Tortola, British Virgin Islands, VG1110	Foreign Company	Step-down Subsidiary Company	82.54	2(87)
28	Medical Management Company Limited 3rd Floor, J&C Building, PO Box 362, Road Town, Tortola, British Virgin Islands, VG1110	Foreign Company	Step-down Subsidiary Company	82.54	2(87)
29	Sunrise Medicare Private Limited S-549, Greater Kailash, Part I, New Delhi-110048	U74899DL1983PTC014923	Associate Company	31.26	2(6)
30	Fortis Medicare International Limited c/o Mauritius International Trust Company Limited 4th Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius	Foreign Company	Joint Venture Company	49	2(6)
31	RHT Health Trust 9 Battery Road, # 15 – 01, Singapore-049910.	Foreign Company	Associate Company	29.86	2(6)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
32	The Medical and Surgical Centre Ltd 5th Floor, Ebene Skies, Rue de l'Institut, Ebène, Mauritius.	Foreign Company	Associate Company	28.89	2(6)
33	Lanka Hospitals Corporation PLC No.578, Elvitigala Mawatha, Narahenpita, Colombo 05, Sri Lanka	Foreign Company	Associate Company	28.6	2(6)
34	SRL Diagnostics (Nepal) Private Limited Maharajgunj, Ward No. 3 (Opposite US Embassy) P.O. Box 275 Kathmandu, Nepal	Foreign Company	Joint Venture Company	50	2(6)
35	DDRC SRL DiagnosticsPrivate Limited c/o Mauritius International Trust Company Limited 4th Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius	Foreign Company	Joint Venture Company	50	2(6)
36	Fortis Emergency Services Limited	U93000DL2009PLC189866	Associate	49	2(26)
	Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held as on 01-April-2016				No. of Shares held as on 31-March-2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/ HUF	91419	0	91419	0.02	91419	0	91419	0.02	0.00
b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corporate	330050529	0	330050529	71.27	270700529	0	270700529	52.29	18.98
e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0
f)	Any other	0	0	0	0.00	0	0	0	0.00	0
	Sub-total (A) (1):-	**330141948**	**0**	**330141948**	**71.28**	**270791948**	**0**	**270791948**	**52.30**	**18.98**

Category of Shareholders		No. of Shares held as on 01-April-2016				No. of Shares held as on 31-March-2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	**Foreign**									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0
b)	Other – Individuals	0	0	0	0.00	0	0	0	0.00	0
c)	Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0
d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0
	Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	**0**
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**330141948**	**0**	**330141948**	**71.28**	**270791948**	**0**	**270791948**	**52.30**	**18.98**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds/UTIs	65707	0	65707	0.01	303659	0	303659	0.06	(0.05)
b)	Banks / FI	622526	0	622526	0.13	1058540	0	1058540	0.20	(0.07)
c)	Central Government	0	0	0	0.00	0	0	0	0.00	0
d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g)	FIIs	59373099	0	59373099	12.82	139906464	0	139906464	27.02	(14.20)
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i)	Others	0	0	0	0.00	0	0	0	0.00	0
	Sub-total (B)(1):-	**60061332**	**0**	**60061332**	**12.97**	**141268663**	**0**	**141268663**	**27.29**	**(14.32)**
2.	**Non-Institutions**									
a)	Bodies Corporates	13050137	0	13050137	2.82	20181445	0	20181445	3.90	(1.08)
	i) Indian									
	ii) Overseas									
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto₹ 1 lakh	19793849	125984	19919833	4.30	22947800	110691	23058491	4.45	(0.15)
	ii) Individual shareholders holding nominal share capital in excess ofRs 1 lakh	13005948	14000	13019948	2.81	17133087	14000	17147087	3.31	(0.50)
c)	Others									
	NBFC	147148	0	147148	0.03	255593	0	255593	0.05	(0.02)
	Foreign Collaborators	0	670194	670194	0.14	0	670194	670194	0.13	0.02

Category of Shareholders		No. of Shares held as on 01-April-2016				No. of Shares held as on 31-March-2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Non- Resident Indians	2848667	57500	2906167	0.63	4009713	58715	4068428	0.79	(0.16)
	Non-Resident Repatriation	0	0	0	0	293549	0	293549	0.06	(0.06)
	Foreign Bodies	23082911	0	23082911	4.98	38728336	0	38728336	7.48	(2.50)
	Foreign Nationals	12000	0	12000	0.00	3000	0	3000	0.00	0.00
	Clearing Members	63026	0	63026	0.01	1199972	0	1199972	0.23	(0.22)
	Trusts	22350	0	22350	0.00	27925	0	27925	0.01	0.00
	Directors	33000	0	33000	0.01	33000	0	33000	0.01	0.00
	Sub-total (B)(2):-	**72059036**	**867678**	**72926714**	**15.75**	**104813420**	**853600**	**105667020**	**20.41**	**(4.66)**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**132120368**	**867678**	**132988046**	**28.72**	**246082083**	**853600**	**246935683**	**47.70**	**(18.98)**
C.	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
	Grand Total (A+B+C)	**462262316**	**867678**	**463129994**	**100.00**	**516874031**	**853600**	**517727631**	**100.00**	**0.00**

(ii) Shareholding of Promoters-

SI. No.	Shareholder's Name	Shareholding as on 01-April-2016			Shareholding as on 31-March-2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	FORTIS HEALTHCARE HOLDINGS PRIVATE LIMITED	329591529	71.17	77.82	270241529	52.20	85.78	7.96
2	MALAV HOLDINGS PRIVATE LIMITED	240750	0.05	0.00	240750	0.05	0.00	0.00
3	RHC HOLDING PRIVATE LIMITED	218250	0.05	0.00	218250	0.04	0.00	0.00
4	HARPAL SINGH	58003	0.01	0.00	58003	0.01	0.00	0.00
5	MALVINDER MOHAN SINGH	11508	0.00	0.00	11508	0.00	0.00	0.00
6	SHIVINDER MOHAN SINGH	11508	0.00	0.00	11508	0.00	0.00	0.00
7	ABHISHEK SINGH	10300	0.00	0.00	10300	0.00	0.00	0.00
8	MALVINDER MOHAN SINGH & SHIVINDER MOHAN SINGH- PS TRUST	100	0.00	0.00	100	0.00	0.00	0.00

(iii) Change in Promoters' Shareholding – Refer Appendix 1

There is no other change in shareholding of promoters except as mentioned under Appendix I.

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): Refer Appendix 2

(v) Shareholding of Directors and Key Managerial Personnel:

SI. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Malvinder Mohan Singh**				
	At the beginning of the year	11,508	0	11,508	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	11,508	0	11,508	0
2	**Dr. Shivinder Mohan Singh**				
	At the beginning of the year	11,508	0	11,508	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	11,508	0	11,508	0
3.	**Dr. Brian William Tempest**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
4.	**Mr. Harpal Singh**				
	At the beginning of the year	58,003	0.01	58,003	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	58,003	0.01	58,003	0.01
5.	**Ms. Joji Sekhon Gill**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			

SI. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	**#Ms. Lynette Joy Hepburn Brown**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
7.	**Mr. Pradeep Ratilal Raniga**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
8.	**^Dr. Preetinder Singh Joshi**				
	At the beginning of the year	33,000	0.01	33,000	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	33,000	0.01	33,000	0.01
9..	**@Mr. Ravi Umesh Mehrotra**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
10.	**Mr. Sunil Naraindas Godhwani**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
11.	**Ms. Shradha Suri Marwah**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			

SI. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12.	**Mr. Bhavdeep Singh**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
13.	**Mr. Gagandeep Singh Bedi**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			
14.	**Mr. Rahul Ranjan**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	NIL			

#Resigned w.e.f. April 11, 2017

@Resigned w.e.f. April 12, 2017

^Sold entire holding during FY 2017-18

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on 1-Apr-2016				
i) Principal Amount	7,254.37	1,00,348.59	-	**1,07,602.97**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,150.44	-	**1,150.44**
Total (i+ii+iii)	**7,254.37**	**1,01,499.03**	-	**1,08,753.40**
Change in Indebtedness during the financial year 2016-17				
* Addition	26,005.25	14,221.59	-	40226.84
* Reduction	2,228.45	81,901.74	-	84130.19
Net Change	**23,776.80**	**(67,680.15)**	-	**(43,903.36)**
Indebtedness as on 31-March-2017				
i) Principal Amount	30,897.77	33,803.74	-	64,701.51
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	133.40	15.13	-	148.54
Total (i+ii+iii)	**31,031.17**	**33,818.88**	-	**64,850.05**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNE

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Mr. Malvinder Mohan Singh, Whole Time Director did not draw any remuneration in his capacity as Executive Director of the Company during the FY 2016-17. However, in furtherance to the shareholder's approval as accorded on September 27, 2016 and that of Board/Committees in November, 2016, Mr. Malvinder Mohan Singh was appointed as Lead- Strategic Initiatives for a period of five years w.e.f. October 1, 2016 at a remuneration of ₹ 12 crore p.a. Accordingly, he was paid a remuneration of ₹ 6 crore (approx.) during the FY 2016-17. He does not hold any stock options in the Company.

B. Remuneration to other Directors -

S. No.	Name of Directors	*Particulars of Remuneration- Gross Sitting Fees (Amount in ₹)
1	**Independent Directors**	
	Dr. Brian William Tempest	21,00,000
	Ms. Joji Sekhon Gill	8,00,000
	Ms. Lynette Joy Hepburn Brown	11,00,000
	Ms. Shradha Suri Marwah	9,00,000
	Dr. Preetinder Singh Joshi	13,00,000
	Mr. Pradeep Ratilal Raniga	10,00,000
	Total (1)	**72,00,000**
2	**Other Non-Executive Directors**	
	Dr. Shivinder Mohan Singh	7,00,000
	Mr. Sunil Naraindas Godhwani	2,00,000
	Mr. Ravi Umesh Mehrotra	6,00,000
	Mr. Harpal Singh	18,00,000
	Total (2)	**33,00,000**
	Total (B)=(1+2)	**105,00,000**
	Overall Ceiling as per the Act	Sitting fees is payable upto the Maximum amount as specified under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

*No commission/any other form of remuneration was paid to Non-Executive Directors during the Financial Year 2016-17.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD -

SI No.	Particulars of Remuneration	Key Managerial Personnel (KMP) (Amount in Rs.)		
		Mr. Bhavdeep Singh(CEO)	Mr. Gagandeep Singh Bedi (CFO)	Mr. Rahul Ranjan (CS)
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	16,80,37,678	2,39,64,894	49,47,827
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	39,600	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	Nil	Nil	Nil
2	*Stock Option Granted (in Nos.)	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit			
	Others specify…			
5	Others, please specify	Nil	Nil	Nil
	Total	**1,68,07,7278**	**2,40,04,494**	**49,87,427**

*No stock option has been exercised during the year

VII. Neither any penalty / punishment was levied against the Company nor there was any case of Compounding of Offences made against the Company during the Financial Year 2016-17.

On behalf of the Board of Directors

Sd/-

Date: August 4, 2017
Place: Gurgaon

MalvinderMohanSingh
Executive Chairman

Appendix I

CHANGE IN PROMOTERS SHAREHOLDING BETWEEN 31/03/2016 AND 31/03/2017

Sl. No	Name of the Share Holder	Shareholding Details for the year	No of Shares	% of total shares of the company	Date of Change	Increase/ Decrease in Promoter shareholding during the year	Reason for Increase/ Decrease	Cumulative Shareholding during the Year	
								No of Shares	% of total shares of the company
1	FORTIS HEALTHCARE HOLDINGS PRIVATE LIMITED	As on 01/04/2016	254823177	55.02					
					03/06/2016	-9143554	Transfer	245679623	53.04
					12/08/2016	-4500000	Transfer	241179623	52.06
					09/09/2016	4630000	Transfer	245809623	53.05
					02/12/2016	-31200000	Transfer	214609623	46.30
					03/02/2017	-9200000	Transfer	205409623	42.62
					10/02/2017	-4000000	Transfer	201409623	41.79
					24/02/2017	-3300000	Transfer	198109623	38.27
					03/03/2017	-3300000	Transfer	194809623	37.64
					10/03/2017	-11100000	Transfer	183709623	35.49
					17/03/2017	-8600000	Transfer	175109623	33.83
					24/03/2017	-10100000	Transfer	165009623	31.88
					31/03/2017	-5250000	Transfer	159759623	30.86
		As on 31/03/2017	159759623	30.86					
2	FORTIS HEALTHCARE HOLDINGS PVT LTD	As on 01/04/2016	48265500	10.42					
					09/09/2016	-4630000	Transfer	43635500	9.42
					30/12/2016	5831000	Transfer	49466500	10.27
		As on 31/03/2017	49466500	9.55					
3	FORTIS HEALTHCARE HOLDINGS PRIVATE LIMITED	As on 01/04/2016	0	0.00					
					02/12/2016	31200000	Transfer	31200000	6.73
		As on 31/03/2017	31200000	6.03				31200000	6.03
4	FORTIS HEALTHCARE HOLDINGS PVT LTD	As on 01/04/2016	26502852	5.72					
					03/06/2016	9143554	Transfer	35646406	7.70
					30/12/2016	-5831000	Transfer	29815406	6.19
		As on 31/03/2017	29815406	5.76					

Appendix II
Shareholding of Top 10 Shareholders

Sl. No	Name of the Share Holder	Shareholding Details for the year	No of Shares	% of total shares of the company	Date of Change	Increase/ Decrease in Promoter share holding during the year	"Reason for Increase/ Decrease "	Cumulative Shareholding during the Year	
								No of Shares	% of total shares of the company
1	FORTIS HEALTHCARE HOLDINGS PRIVATE LIMITED	As on 01/04/2016	254823177	55.02					
					03/06/2016	-9143554	Transfer	245679623	53.04
					12/08/2016	-4500000	Transfer	241179623	52.06
					09/09/2016	4630000	Transfer	245809623	53.05
					02/12/2016	-31200000	Transfer	214609623	46.30
					03/02/2017	-9200000	Transfer	205409623	42.62
					10/02/2017	-4000000	Transfer	201409623	41.79
					24/02/2017	-3300000	Transfer	198109623	38.27
					03/03/2017	-3300000	Transfer	194809623	37.64
					10/03/2017	-11100000	Transfer	183709623	35.49
					17/03/2017	-8600000	Transfer	175109623	33.83
					24/03/2017	-10100000	Transfer	165009623	31.88
					31/03/2017	-5250000	Transfer	159759623	30.86
		As on 31/03/2017	159759623	30.86					
2	FORTIS HEALTHCARE HOLDINGS PVT LTD	As on 01/04/2016	48265500	10.42					
					09/09/2016	-4630000	Transfer	43635500	9.42
					30/12/2016	5831000	Transfer	49466500	10.27
		As on 31/03/2017	49466500	9.55					
3	INTERNATIONAL FINANCE CORPORATION	As on 01/04/2016	0	0.00					
					24/03/2017	35690887	Transfer	35690887	6.90
					31/03/2017	-700000	Transfer	34990887	6.76
		As on 31/03/2017	34990887	6.76					
4	FORTIS HEALTHCARE HOLDINGS PRIVATE LIMITED	As on 01/04/2016	0	0.00					
					02/12/2016	31200000	Transfer	31200000	6.73
		As on 31/03/2017	31200000	6.03					

Appendix II
Shareholding of Top 10 Shareholders (Continued)

Sl. No	Name of the Share Holder	Shareholding Details for the year	No of Shares	% of total shares of the company	Date of Change	Increase/ Decrease in Promoter share holding during the year	"Reason for Increase/ Decrease "	Cumulative Shareholding during the Year	
								No of Shares	% of total shares of the company
5	FORTIS HEALTHCARE HOLDINGS PVT LTD	As on 01/04/2016	26502852	5.72					
					03/06/2016	9143554	Transfer	35646406	7.70
					30/12/2016	-5831000	Transfer	29815406	6.19
		As on 31/03/2017	29815406	5.76					
6	INTERNATIONAL FINANCE CORPORATION	As on 01/04/2016	19345462	4.18					
					27/05/2016	-25577	Transfer	19319885	4.17
					03/06/2016	-74423	Transfer	19245462	4.16
					22/07/2016	-3113426	Transfer	16132036	3.48
					29/07/2016	-560845	Transfer	15571191	3.36
					05/08/2016	-1825729	Transfer	13745462	2.97
					12/08/2016	-1763881	Transfer	11981581	2.59
					19/08/2016	-1167656	Transfer	10813925	2.33
					26/08/2016	-1024173	Transfer	9789752	2.11
					30/09/2016	-1604	Transfer	9788148	2.11
					07/10/2016	-483114	Transfer	9305034	2.01
					14/10/2016	-30882	Transfer	9274152	2.00
					21/10/2016	-9274152	Transfer	0	0.00
					24/02/2017	35690887	Transfer	35690887	6.90
					24/03/2017	-35690887	Transfer	0	0.00
		As on 31/03/2017	0	0.00					
7	AMANSA HOLDINGS PRIVATE LIMITED	As on 01/04/2016	0	0.00					
					10/02/2017	6409415	Transfer	6409415	1.33
					24/02/2017	1633514	Transfer	8042929	1.55
					03/03/2017	1245693	Transfer	9288622	1.79
					10/03/2017	2597604	Transfer	11886226	2.30

Appendix II
Shareholding of Top 10 Shareholders (Continued)

Sl. No	Name of the Share Holder	Shareholding Details for the year	No of Shares	% of total shares of the company	Date of Change	Increase/ Decrease in Promoter share holding during the year	"Reason for Increase/ Decrease "	Cumulative Shareholding during the Year	
								No of Shares	% of total shares of the company
					17/03/2017	4052396	Transfer	15938622	3.08
					31/03/2017	2860200	Transfer	18798822	3.63
		As on 31/03/2017	18798822	3.63					
8	MORGAN STANLEY MAURITIUS COMPANY LIMITED	As on 01/04/2016	0	0.00					
					19/08/2016	1940754	Transfer	1940754	0.42
					26/08/2016	1234758	Transfer	3175512	0.69
					02/09/2016	3045	Transfer	3178557	0.69
					09/09/2016	-27032	Transfer	3151525	0.68
					16/09/2016	38539	Transfer	3190064	0.69
					23/09/2016	-69936	Transfer	3120128	0.67
					30/09/2016	-169107	Transfer	2951021	0.64
					07/10/2016	-100950	Transfer	2850071	0.62
					18/11/2016	449478	Transfer	3299549	0.71
					25/11/2016	318870	Transfer	3618419	0.78
					02/12/2016	524658	Transfer	4143077	0.89
					16/12/2016	142588	Transfer	4285665	0.89
					23/12/2016	578626	Transfer	4864291	1.01
					30/12/2016	22259	Transfer	4886550	1.01
					13/01/2017	1026277	Transfer	5912827	1.23
					20/01/2017	78196	Transfer	5991023	1.24
					27/01/2017	3663	Transfer	5994686	1.24
					03/02/2017	-58060	Transfer	5936626	1.23
					10/02/2017	-95458	Transfer	5841168	1.21
					17/02/2017	1797300	Transfer	7638468	1.59
					24/02/2017	702443	Transfer	8340911	1.61
					03/03/2017	282835	Transfer	8623746	1.67
					10/03/2017	-423605	Transfer	8200141	1.58

Appendix II
Shareholding of Top 10 Shareholders (Continued)

Sl. No	Name of the Share Holder	Shareholding Details for the year	No of Shares	% of total shares of the company	Date of Change	Increase/ Decrease in Promoter share holding during the year	"Reason for Increase/ Decrease "	Cumulative Shareholding during the Year	
								No of Shares	% of total shares of the company
					17/03/2017	7299573	Transfer	15499714	2.99
					24/03/2017	1674037	Transfer	17173751	3.32
					31/03/2017	548991	Transfer	17722742	3.42
		As on 31/03/2017	17722742	3.42					
9	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS) III	As on 01/04/2016	0	0.00					
					16/12/2016	18070650	Transfer	18070650	3.75
					06/01/2017	-132000	Transfer	17938650	3.73
					13/01/2017	-4645000	Transfer	13293650	2.76
					17/02/2017	-440000	Transfer	12853650	2.67
					24/02/2017	-270000	Transfer	12583650	2.43
					03/03/2017	-508057	Transfer	12075593	2.33
		As on 31/03/2017	12075593	2.33					
10	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS)LIMIT	As on 01/04/2016	9010065	1.95					
					12/08/2016	-696088	Transfer	8313977	1.79
					19/08/2016	-2455618	Transfer	5858359	1.26
					26/08/2016	-1112894	Transfer	4745465	1.02
					21/10/2016	-3477277	Transfer	1268188	0.27
					28/10/2016	-554355	Transfer	713833	0.15
					04/11/2016	-61895	Transfer	651938	0.14
					02/12/2016	-160525	Transfer	491413	0.11
		As on 31/03/2017	491413	0.09					

Annexure IV to Directors' Report

A. Conservation of Energy

a) Energy conservation measures taken:

- For our new Projects, Energy Modelling software are used to study the options for alternative orientations of building, options for external insulations, selection of High side equipment, etc.
- Solar Path analysis is also conducted to study the Solar Heat Gain Coefficients and to arrive at suitable selection of Façade Materials.
- Fortis Ludhiana Project has been registered with Indian Green Building Council(IGBC) for Green Rating and all the measures are being taken to get Gold rating for the Hospital.
- Fortis BG Road Expansion Project – The Building is being constructed by using Structural Steel to reduce embedded energy and also to reduce the impact of construction activities to the neighborhood and environment.
- Across all major hospitals, efforts have been made to reduce consumption of water by utilizing treated waste water for irrigation, for flushing, and for making up for Cooling Tower water requirements.
- The Glass used for façade in a number of facilities (such as BG Road, Ludhiana, Noida, FMRI, Mohali) is double glazed and is energy efficient low emissivity type which helps in reducing solar heat gain coefficient while improving the visibility.
- Steam condensate is being used for heating water purposes in number of units.
- The Company has entered into a 10-yearPower Purchase Agreement (PPA)for utilizing wind power at Malar and Mulund.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

- It is proposed to install the equipment that are most energy efficient e.g. inverted based chillers, Heat Pumps and Solar Hot water.
- Solar Power Generation Capacity is being enhanced in FMRI, Faridabad, Mohali.
- LED Lights are being installed in New Projects to reduce Electrical Power consumption.
- Energy Efficient Chillers, DG sets, Pumps have been selected for New Projects.
- Building envelope has been constructed by using Auto Aerated Concrete Block (in all new projects) for better insulation thereby reducing Air Conditioned Load.
- Building Management System (BMS) has been installed for efficient HVAC operations.
- Variable Frequency Drives have been installed to conserve energy across Hospitals.
- Timers and Occupancy Sensors have been installed in some offices to optimize the use of electricity.
- The Company has completed installation of LED lamps and lighting across Noida, Mohali and Vasant Kunj facilities and has initiated the same at FEHI.

c) Impact of measures at (a) & (b):

- For the year 2016-17 various energy saving initiatives have resulted in reduction of Specific Energy consumption as shown in table given below;

10 months comparisons of Energy data

(April-January '2015-17)

Unit	Consumption in lacs units	consumption in lacs units	Fuel oil Reductions (in lacs liters)	SEC reduction	Overall reduction (non-annualized)	Monetary gains (in lacs INR)
	(2015-16)	(2016-17)				
Faridabad	39.99	36.49	NA	1.81 to 1.65	8.73%	62.6
Ludhiana	32.78	32.74	(+) 0.06	1.74 to 1.73	0.50%	(+)2.95
Shalimar Bagh	40.26	40.75	0.4	0.96 to 0.97	(+) 1.2%	83.2
Kalyan	9.71	9.01	NA	4.63 to 4.3	7.13%	8.35
SL Raheja	29.92	29.18	NA	1.45 to 1.42	2.45%	8.8
Jaipur	50.45	51.81	0.24	1.72 to 1.76	(+)2.33%	39
Raipur	6	6.69	NA	2.22 to 2.48	(+)11.7%	(+)5.38
Escorts, Okhla	86.7	86.69	1.91 lacs ltrs DO/1.55 lacs cum PNG	1.99 to same	negligible	72
Anandpore	44.4	43.4	0.015	1.66 to 1.56	6.04%	10
FMRI,Ggn	102.46	102.5	1.5	1.28 to 1.28	negligible	148.8
Malar	26.92	27	NA	negligible	negligible	26
C G Road	16.5	16.8	NA	2.08 to 2.13	(+)2.4%	(+)3.15
Mohali	60.24	58.87	(+) 0.06	1.24 to 1.19	4.10%	16.34
Vashi	27.06	26.7	NA	1.83 to 1.8	1.40%	4.51
Mulund	56.36	53.13	(+) 7890 scm of PNG	2.07 to 1.94	6%	113.19
Noida	49.2	50.5	0.2	1.87 to 1.92	(+)2.65%	(+)2
BG Road	45.67	48.3	NA	1.35 to 1.35	negligible	39.75
Vasant Kunj	34	32.33	0.03	1.84 to 1.74	4.94%	20.82
Total	**Overall SEC reduced from 1.84 to 1.79**					**640**

B. Technology Absorption

1. Research & Development (R & D):

- Indian Green Building Council has been commissioned to help us in reducing Energy Consumption so as to make Fortis Ludhiana a Green Hospital. We already have achieved 4 star and 3 Star Green rating for FMRI and Shalimar Bag Hospitals.
- It has been made mandatory for every staff to participate in Seminars, conferences to learn innovative methods to make smart Hospitals.

2. Technology Absorption, Adaptation & Innovation:

a) Efforts made towards technology absorption, adaptation & innovation at FMRI:

- Variable Frequency Drives (VFDs) have been used in Chillers and critical AHUs.
- Variable Air Volume (VAVs) devices have been used in some AHUs.
- Variable Refrigerant Volumes have been used in some areas.

- 12 Rain Water Harvesting Pits have been provided to conserve rain water and improve the water table.
- Linoleum floor has been used in patient areas which is made of natural materials and is bacteriostatic thereby helps in reducing infection.
- Pneumatic Tube System (PTS) has been installed to transfer samples and medicines from patient areas to lab, pharmacy, nursing stations etc.
- Recirculation of treated water to reducewater consumption.
- R 134 a refrigerant has been used which helps to minimize depletion of Ozone Layer.
- Elekta LINAC & Brain Lab have joined handsat our hospital for the first time in the world. This has resulted in treating tumors with extreme & unprecedented accuracy and precision.
- Brain Suite is integrated with mobile CT gantry, Navigation system, OR Table & Microscope first time in India. This helps to provide intra operative CT guidance while performing Brain, Spine & Trauma surgery. CT gantry movement on rail & navigation system helps in localizing tumor & fracture area so that surgeon can decide the procedural approach on table.
- Two Integrated OR (Operation room) - integrated with set of equipment having voice command control helps reduce the manual interface. During transplantation surgeries, surgeon can see activity of Donor & Recipient surgery ongoing in the other.

b) Efforts made towards technology absorption, adaptation & innovation at other units:

- For our new expansion project at BG Road in Bangalore, pre–engineered Steel sections are being used to erect the building; this will result in saving of construction time and will reduce impact of construction related activities on the environment.
- The Company has decided to register all new projects with IGBC or TERI for Green Building accreditations.
- All new projects design will happen on REVITT platform. This will help in accurate estimation of quantities and identification of clashes amongst various Engineering Services.

c) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- As a result of installing PTS, usages of man movement and lifts have been reduced.
- The above steps are helping us all across to conserve energy, thus reducing the energy costs at few of our hospitals by a considerable margin over the previous financial year.

On behalf of the Board of Directors

Sd/-
Malvinder Mohan Singh
Executive Chairman

Date: August 4, 2017
Place: Gurgaon

Annexure V to Directors' Report

1. **A brief outline of the Company CSR Policy**

   Under the guiding principles detailed in the Code of Conduct including amongst others:

   - Conducting our operation in a honest and fair manner with integrity and openness.
   - Respecting the human rights, dignity and legitimate interest of all individuals directly or indirectly associated with us.
   - Providing a safe, healthy work and business environment directly or indirectly associated with us.
   - Insuring conduct which sustains and enhances the global reputation and image of the organization.

   The Board of Director has approved the CSR policy for the Company. The said policy approaches this area under the philosophy that the company efforts should strive towards building and sustaining a healthier humanity. The policy elucidates the concept of growing our business in a socially and environmentally responsible manner through an active role in empowering communities and driving social development and positive change.

   With the above in mind the policy seeks as an objective to bring focus, leveraging its inherent skills, experience, knowledge and recourses in the area surrounding "Mother & Child".

   The policy holds itself out as a forward looking aspirational charter which recommends liberal interpretation, promotes activity under the spirit of partnership and recommends that initiatives be targeted to the needs of the disadvantaged, vulnerable and marginalized sections of society. While the underlying guidance is to bring alignment of varied activities under the focus umbrella, it recognizes the need to record presence and contribution in such weak links in society where its mere presence and support could drive significant social benefit. In keeping with such themes, program/s such as supporting charitable healthcare infrastructure, disaster relief and developing a repository of healthcare information which could then be communicated with the help of technology and innovation remain well within the range of the policy objectives.

   In fulfillment of these objectives the Company executes both direct activities and also has designated a specialist organization i.e. The Fortis Charitable Foundation, which has about a decade of requisite experience to help drive its objectives.

   The policy seeks to define the specific roles and responsibilities associated with administration, program design and execution. It further clarifies the governance, monitoring, reporting and disclosure requirements.

   As a social enterprise in the critical domain of healthcare, the Company has participated and implemented various socially responsive programs since its inception. While some or many of these programs may not meet the strict interpretation of the new CSR rules, thereby impacting the assessment and eligibility of the 2% spent, these programs remain significant. Fortis contributions to society and the Board, the Policy and Senior Management remain committed to continuing with them in the wider interests. The cumulative spend over such initiatives and programs would far exceed the strict CSR rules. Even so the Company remains committed to ensuring compliance to applicable regulation requirement.

   The policy as approved by the Board is available on the Company's web site at http://cdn.fortishealthcare.com/0.03850800_1487930299_CSR-Policy.pdf

2. **Composition of the CSR Committee**

   The Board has approved the constitution of a standalone CSR Committee with a delegated mandate. The current composition and mandate of the committee are available and updated on the Company's website at http://cdn.fortishealthcare.com/pdf/CORPORATE_SOCIAL_RESPONSIBILITY_COMMITTEE_MANDATE.pdf.

The composition of the CSR committee as on March 31, 2017 was as follows:

i. Mr. Harpal Singh (Chairman)

ii. Ms. Shradha Suri Marwah (Member)

iii. Mr. Malvinder Mohan Singh (Member)

3. **Average Net Loss of the Company/s for last three financial years:** ₹ 1388.64 lakhs.

Year	Avg Net Profit	Prescribed CSR expenditure @2%	Given in the Year		Contributions by Entity received in FY(2016-17)	Amount in Rs. (in lacs)
2016-17			264.86 (for FY 2014-15)		Fortis Healthcare Limited	35.90
2015-16	(8523.76)	NIL	243.08 (for FY 2015-16)		Escorts Heart Institute and Research Centre Ltd	129.72
2014-15	(2254.25)		-		Fortis Malar Hospitals Limited	49.24
2013-14	4357.83		-		Fortis Hospotel Limited	50.00

4. **Overview of project/ programs undertaken / proposed to be undertaken**

PROGRAM	NEED BASED FOCUS AREA	OBJECTIVE
SAVERA	Awareness, Communication & Publication	To effectively communicate who we are and what we do To lead thinking based on knowledge and data To structure the message in context of target audience To set up an E-learning portal on health formation accessible to all sections of society. To set up a First Aid Training Academy

5. **Details of CSR spend during the Financial Year (Total Amount Spent, Details of amount committed, manner in which the amounts were spent during the Financial Year including details of implementing agency/ vehicle):**

<u>Chart I: CSR spend measured under Section 135 of the Act</u> (FY 2016-17)

Manner in which the amount spent during the Financial year is detailed below. (Amount is ₹ lacs)

1	2	3	4	5	6	7	8	9	10
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Contributing Amount FY 16-17**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure up to the Reporting Period**	**Amount Spent: Direct or through implementing agency**
	SEWA is a program that provides Medical Support in the event of a disaster and enables Charitable Medical Infrastructure	(i)	Fortis Healthcare Ltd	-	Pan India	-	-	2.52	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation
			Escorts Heart Institute and Research Centre Ltd	-	Pan India	-	-	83.41	
			Fortis Malar Hospitals Limited	-	Pan India	-	-	25.94	
	SAVERA focuses on providing access to preventive and remedial healthcare information through different channels of communications. The program also seeks to create a credible knowledge repository of health-related information & work towards driving opinion & public policy around viable options. SAVERA has indentified target intervention areas focusing on: Tobacco Control, Skill Development in First Aid/Basic Life Support (BLS) Training E-Learning Platform for Health Information	(i) and (ii)	Fortis Healthcare Ltd	-	Pan India	87.17	-	-	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation
			Escorts Heart Institute and Research Centre Ltd	-	Pan India	178.31	51.70	61.60	
			Fortis Malar Hospitals Limited	-	Pan India	51.87	2.63	2.63	
			Fortis Hospotel Ltd	-	Pan India	50.00	-	-	
	TOTAL					**367.35**	**54.33**	**176.10**	

The delta between amounts reflected in column 7 & 8 reflects amounts committed against actual spend. Activities during the FY 2016-17 focused on Needs Assessment, Program Design and Development, Organizational Design and on-boarding of the requisite talent. The amounts committed and unspent would be carried forward into the succeeding budget and outlays for FY 2017-18. The above figures do not include overheads and administrative figures, the recording and quantification of which would get streamlined in the coming year for reporting purposes.

Chart II: CSR spend beyond the purview of Section 135(Amount is ₹ lacs): NIL

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

In the FY 2016-17, the Company contributed its earlier commitments for FY 2014-15 as required under Section 135 of the Companies Act, 2013. It will progressively fulfill its commitments for FY 2016-17 in the coming years.

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

	Sd/-	Sd/-
	MALVINDER MOHAN SINGH	**HARPAL SINGH**
Date: August 4, 2017	Executive Chairman	Chairman of Corporate Social Responsibility Committee
Place: Gurgaon		

Annexure VI to Directors Report

FORM AOC-2

PARTICULARS OF CONTRACT / ARRANGEMENT MADE WITH RELATED PARTIES

(pursuant to Clause (h) of Sub Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the disclosure of particulars of contracts/ arrangement entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transaction not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which are not on arm's length basis, except for entering into a Memorandum of Understanding for offering discounts to the employees of Group Companies on certain Healthcare Services (i.e., Medical, Diagnostics and Pharmacy).

Details of material contracts or arrangements or transaction at arm's length basis

The details of material contracts or arrangements or transactions (as per the Company's Policy on 'Materiality on Related Party Transactions') entered into during the year ended March 31, 2017, which are on arm's length basis:-

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of the Contract / arrangement / transaction	Salient terms of the Contract / arrangement / transaction including the value, if any	Date of approval by the Board, if any	Amount paid in advance
Fortis Hospitals Limited	Wholly Owned Subsidiary Company	Loan advanced	Till March 2018	An agreement of ₹ 1,500 crore @ 11.50% p.a.	Approved by Audit and Risk Management Committee on February 3, 2016	NA
Fortis Healthcare International Limited	Wholly Owned Subsidiary Company	Loan advanced	Till August 2018	An agreement of USD 30 million @ 6.50 % p.a.	Approved by Audit and Risk Management Committee on February 3, 2016	NA

On behalf of the Board of Directors

Sd/-

Date: August 4, 2017
Place: Gurgaon

Malvinder Mohan Singh
Executive Chairman

Report on Corporate Governance

1. INTRODUCTION

Corporate governance essentially is the system of structures, rights, duties and obligations by which companies are directed and controlled. This governance structure specifies the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, management, shareholders, creditors, auditors, regulators and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs. This is reflected in the Company's philosophy on Corporate Governance. The Report has been prepared in accordance with the requirements laid down under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with a view to meticulously attain the highest standards of governance.

2. COMPANY'S PHIOLOSPHY ON CORPORATE GOVERNANCE

Corporate Governance ensures fairness, transparency and integrity of the management. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, it is committed to high levels of ethics and integrity in all its business dealings that avoids conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

3. BOARD OF DIRECTORS - Composition of the Board

The Board of Directors ("the Board") is at the core the Company's Corporate Governance practices and oversees how management serves and protects the long term interests of its stakeholders. It brings in strategic guidance, leadership and independent view to the Company's Management while discharging its fiduciary responsibilities, thereby, ensuring that Management adheres to highest standards of ethics, transparency and disclosures.

Our policy towards the composition of Board is to have an appropriate mix of Executive, Non-executive, Women and Independent Directors, representing a judicious mix of professionalism, diversity and wide spectrum subject to specific competence in areas critical to the organization, knowledge and experience. This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its function of Governance and Management.

As on March 31, 2017, the Board consists of 11 Members, of whom 1 (one) is an Executive Director i.e. an Executive Chairman and 10 (Ten) members are Non-Executive Directors. Amongst 10 (Ten) Non-Executive Directors, 6 (Six) are Independent Directors. Further, amongst 10 (Ten) Non-Executive Directors there are 3 (Three) Women Directors. The Non-Executive Directors bring an external and wider perspective in Board's deliberation and decisions.

The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of such appointment is disclosed on the website of the Company.

The size and composition of the Board conforms to the requirements of Regulation 17(1) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Companies Act, 2013. Other details relating to the Directors as on March 31, 2017 are as follows:

Name of the Director	Position held in the Company	Directorship in other Companies@	Membership of the Committee in Companies #	Chairmanship of the Committee in Companies #
Mr. Malvinder Mohan Singh	Executive Chairman – Promoter	10	2	0
Dr. Shivinder Mohan Singh	Non-Executive Vice Chairman-Promoter	12	0	0
Dr. Brian William Tempest	Non-Executive Independent	4	1	1
Mr. Harpal Singh	Non-Executive Non Independent	6	3	2
Ms. Joji Sekhon Gill	Non-Executive Independent	1	0	0
[1]Ms Lynette Joy Hepburn Brown	Non-Executive Independent	0	0	0
Mr. Pradeep Ratilal Raniga	Non-Executive Independent	0	0	0
Dr. Preetinder Singh Joshi	Non-Executive Independent	10	6	2
[2]Mr. Ravi Umesh Mehrotra	Non-Executive Non Independent	3	1	0
Ms. Shradha Suri Marwah	Non-Executive Independent	12	2	0
[3]Mr. Sunil Naraindas Godhwani	Non-Executive Non-Independent	3	0	0

@ *Excluding Foreign Companies and Companies formed under Section 8 of Companies Act, 2013 and Fortis Healthcare Limited*

Represents membership/chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Limited Companies (i.e. other than Foreign Companies, Private Limited Companies, Companies formed under Section 8 of the Companies Act, 2013) and Fortis Healthcare Limited

[1] *Resigned w.e.f. April 11, 2017*

[2] *Resigned w.e.f. April 12, 2017*

[3] *Vacated office w.e.f. August 4, 2017*

None of the Directors on Board of the Company is a member in more than ten Committees and / or act as a Chairman/Chairperson of more than five Committees across all the Companies in which he/she is a Director.

Further, no independent director serves in more than seven listed companies and none of the person who is serving as whole time director in listed company is serving as an independent director in more than three listed companies.

Except Mr. Malvinder Mohan Singh and Dr. Shivinder Mohan Singh and Mr. Harpal Singh, who is related to Mr. Malvinder Mohan Singh, none of the other Directors are related to one another.

Disclosure regarding appointment or re-appointment of Directors

Every appointment made to the Board is recommended by the Nomination and Remuneration Committee after considering various factors such as qualifications, positive attributes, area of expertise and other criterias as laid down in the "Board of Directors-Governance Standards". The same is further taken for shareholders' approval, as and when required, under the provisions of applicable laws.

No appointment of Director on the Board of Directors was made and none of the director has resigned from the directorship of the Company during the period under review.

During the FY 2015-16, the Board of Directors had on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Malvinder Mohan Singh as Whole Time Director designated as Executive Chairman w.e.f. April 1, 2016 for a period of 3 years subject to central government approval. The same has been duly approved by the shareholders at their meeting held on September 23, 2015.

As per the provisions of Companies Act, 2013, Mr. Harpal Singh is liable to retire by rotation at the ensuing Annual General Meeting. The Company has received confirmation recommending his re-appointment at the ensuing Annual General Meeting. The Board has also recommended the re-appointment of Mr. Harpal Singh as a director liable to retire by rotation.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, all the Independent Directors hold office for a tenure of five consecutive years and are not liable to retire by rotation.

The Profile of Mr. Harpal Singh in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is provided in the Notice convening the ensuing Annual General Meeting.

Board Functioning and Procedure

The Board of Directors is an apex body constituted by the members for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic directions of the Company, Management's policies and their effectiveness and ensures that the long term interests of the Shareholders are being served.

The probable dates of the Board Meetings for the forthcoming year are decided in advance and published as part of the Annual Report. The Board meets at least once in a quarter to review the performance of the Company and approves, inter alia, the financial results and also on the occasion of AGM. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Board oversees the process of disclosures and communication.

Independent Directors are regularly updated on performance of the Company, business strategies and new initiatives being taken/proposed to be taken by the Company. The agenda for each Board Meeting along with background papers are circulated in advance to the Board Members to facilitate meaningful discussion at the meetings.

The Directors are provided free access to offices and employees of the Company. With the permission of Chair, Company's executives are invited to meetings of the Board/Committees at which their presence and expertise helps the Members to develop a full understanding of matters being deliberated.

The agenda and notes on agenda are circulated to Directors in advance and in the agreed format. All material information is incorporated in the agenda so as to give sufficient time to the Directors to go through the presentations/documents and take a well-informed decision. In case of exigencies/sensitive matters, the details are directly placed at the meeting, with the permission of the Chair.

The provisions and procedures relating to Performance Evaluation of the Directors and Familiarization Program forms part of Board Report. Further, in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has made familiarization programs to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarization programme is available at http://cdn.fortishealthcare.com/0.58408300_1500461392_Familarisation-Program-2016-17.pdf.

The details of Board Evaluation including criteria for evaluation of Independent Directors forms part of Directors Report.

The Company effectively uses facility of audio-visual means to enable the participation of Directors who cannot attend the Board or Committee meeting(s) in person.

During the year under review, seven Board Meeting were held on (i) May 26, 2016; (ii) August 4, 2016; (iii) August 19, 2016; (iv) September 27, 2016; (v) November 10, 2016; (vi) February 14, 2017; and (vii) March 23, 2017.

The following table gives the attendance record of the directors at the above said Board meetings and at the last Annual General Meeting, which was held on September 27, 2016.

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Malvinder Mohan Singh	7	Yes
Dr. Shivinder Mohan Singh	7	Yes
Dr. Brian Willian Tempest	7	Yes
Mr. Harpal Singh	7	Yes
Ms. Joji Sekhon Gill	4	No
@Ms. Lynette Joy Hepburn Brown	6	No
@Mr. Pradeep Ratilal Raniga	5	No
$Dr. Preetinder Singh Joshi	7	No
Mr. Ravi Umesh Mehrotra	6	No
Ms. Shradha Suri Marwah	5	Yes
Mr. Sunil Godhwani	1	No

@Attended two meetings (included herein) through video-conferencing but not counted for quorum as the facility of recording could not be enabled.

$Attended three meetings (included herein) through video-conferencing but not counted for quorum as the facility of recording could not be enabled.

Information/Documents as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, are placed before the Board.

Statutory Compliances

The Board periodically reviews the mechanism put in place by the management to ensure the compliances with Laws and Regulations as may be applicable to the Company as well as the steps taken by the Company to rectify the instances of non- compliances, if any.

Code of Conduct

The Board has prescribed a Code of Conduct ("the Code") for all employees of the Company including Senior Management and Board Members, which covers the ethics, transparency, behavioral conduct, a gender friendly work place, legal compliance and protection of the Company's property and information. Further, in terms of Schedule IV of Companies Act, 2013, the Company has adopted an additional code of conduct for the Independent

Directors. Both the codes are hosted on the website of the Company. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Senior Management and Board Members have confirmed the compliance with the Codes for the Financial Year 2016-17. A declaration to this effect signed by the Chief Executive Officer (CEO) of the Company, forms part of this Report.

4. COMMITTEES OF THE BOARD

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Board has constituted four Committees viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

Keeping in view the requirements of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board decides the terms of reference of these Committees and the assignment of members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

A. Audit and Risk Management Committee

➢ **Composition**

As on March 31, 2017, Audit and Risk Management Committee comprised of the following members, namely:

(i) Dr. Brian William Tempest, Chairman,

(ii) Mr. Harpal Singh,

(iii) Mr. Pradeep Ratilal Raniga, and

(iv) Dr. Preetinder Singh Joshi.

All members of the Committee are financially literate and have requisite accounting and financial management expertise. Mr. Rahul Ranjan, Company Secretary, acts as the Secretary of the Audit and Risk Management Committee.

The salient roles and responsibilities associated with the Audit and Risk Management Committee include, but are not limited to the following:

- To review, with the management, the financial statements and auditor's report thereon before submission to the board for approval,
- To review management discussion and analysis of financial condition and results of operations,
- To review the financial statements, in particular, the investments made by the unlisted subsidiary company(ies),
- To review and approve all related party transactions as reported by the Management or any subsequent modification thereof,
- To review, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter,
- To scrutinize the inter corporate loans and investments,
- To review valuation of undertakings or assets of the company, wherever it is necessary and appointment of valuer(s),
- To recommend appointment, remuneration and terms of appointment of auditors of the company after taking into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor,

- To evaluate risk management system,
- To review and oversee the Whistle Blower mechanism, and
- To approve appointment of CFO.

The detailed and exhaustive Mandate of the Audit and Risk Management Committee reflecting the salient terms of reference and responsibilities for the Committee is available on the website of the Company for reference at http://cdn.fortishealthcare.com/0.59185900_1455696385_Audit-and-Risk-Management-Committee-Mandate.pdf.

The Company has laid down sufficient safeguards to ensure risk assessment and risk management and forms part of Management Discussion and Analysis Report.

- **Meetings of Audit and Risk Management Committee during the year**

Five Meetings of the Audit and Risk Management Committee were held during the year under review on (i) May 25, 2016; (ii) August 3, 2016; (iii) August 19, 2016; (iv) November 9, 2016 and (v) February 13, 2017.

The Attendance of members of Audit and Risk Management Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	Dr. Brian William Tempest	5
2	Mr. Harpal Singh	5
3	@Mr. Pradeep Ratilal Raniga	4
4	$Dr Preetinder Singh Joshi	5

@Attended two meetings (included herein) through video-conferencing but not counted for quorum as the facility of recording could not be enabled.

$Attended one meeting (included herein) through video-conferencing but not counted for quorum as the facility of recording could not be enabled.

Executive Directors, Chief Executive Officer, Chief Financial Officer, Head- Risk and Internal Audit and representatives of Statutory Auditors and Internal Auditors are generally invited to the meetings of the Audit and Risk Management Committee.

B. Stakeholders Relationship Committee

- **Composition**

In order to expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to the Committee. As on March 31, 2017, the Stakeholders Relationship Committee comprised of the following members, namely:

(i) Ms. Shradha Suri Marwah, Non-executive Director & Chairperson,

(ii) Dr. Brian William Tempest, and

(iii) Mr. Harpal Singh.

Mr. Rahul Ranjan, Company Secretary, acts as the Secretary of the Stakeholders Relationship Committee and the Compliance Officer pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The salient roles and responsibilities associated with the Stakeholders Relationship Committee include, but are not limited to the following:

- To approve/refuse/reject registration of transfer/transmission of Shares in a timely manner;

- To authorise printing of Share Certificates;
- To issue the Share Certificates under the seal of the Company, which shall be affixed in the presence of and signed by:
  - (i) any two Directors (including Managing or Whole-time Director, if any), and
  - (ii) Company Secretary / Authorised Signatory;
- To authorise affixation of the Common Seal of the Company on Share Certificates of the Company;
- To monitor redressal of stakeholders complaints/grievances including relating to non-receipt of allotment / refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc; and
- To authorize to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates.

The detailed and exhaustive Mandate of the Stakeholders Relationship Committee reflecting the salient terms of reference and responsibilities is available for reference on the website of the Company at http://cdn.fortishealthcare.com/0.00032200_1455696467_Stakeholder-Relationshiop-Committee-Mandate-Feb-2016-FHL.pdf.

- **Meetings of Stakeholders Relationship Committee during the year**

Four meetings of Stakeholders Relationship Committee were held during the year ended March 31, 2017 on (i) May 26, 2016, (ii) August 4, 2016, (iii) November 10, 2016, and (iv) February 14, 2017.

The attendance of members of the Stakeholders Relationship Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	@Mr. Sunil Godhwani	1
2	Dr. Brian William Tempest	4
3	Mr. Harpal Singh	4
4	$Ms. Shradha Suri Marwah	2

@ Resigned from the Chairmanship/Membership w.e.f. 04.08.2016

$ Appointed as Chairperson w.e.f. 04.08.2016

- **Details of Investors' Grievances received during the year 2016-17**

Nature of Complaints	Pending as on April 1, 2016	Received during the year	Resolved/ attended during the year	Pending as on March 31, 2017
Non-receipt of Dividend warrants/ non-receipt of Annual Reports/Non-receipt of Securities/Non-receipt of securities after transfer/clarification regarding shares/others etc.	0	193	193	0
Total	**0**	**193**	**193**	**0**

The Company gives utmost priority to the redressal of Investors' Grievances which is evident from the fact that all complaints received from the investors were resolved expeditiously, to the satisfaction of the investors.

No share transfer was pending as on March 31, 2017.

C. **Corporate Social Responsibility Committee**

➢ **Composition**

As on March 31, 2017, Corporate Social Responsibility Committee comprised of the following members, namely:

(i) Mr. Harpal Singh, Chairman,

(ii) Ms. Shradha Suri Marwah, and

(iii) Mr. Malvinder Mohan Singh.

Mr. Rahul Ranjan, Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

The salient roles and responsibilities associated with the Corporate Social Responsibility Committee include, but are not limited to the following:

➢ Reviewing and making recommendations, as appropriate, with regard to the Company's Corporate Social Responsibility (CSR) policy(ies) indicating the activities to be undertaken by the Company;

➢ Reviewing the various proposals of CSR programmes / projects as submitted by CSR department of the Company and if thought fit, approval thereof, provided that the same is within the framework of CSR Policy;

➢ Identification and appointment of various eligible agencies / entities for execution of CSR programmes or projects of the Company;

➢ To recommend the amount of expenditure to be incurred on the CSR activities as per the framework of CSR Policy; and

➢ Reviewing the annual budget for the Company's CSR activities to confirm that sufficient funding is provided for compliance with this mandate.

The detailed and exhaustive mandate of the Corporate Social Responsibility Committee reflecting the salient terms of reference and responsibilities for the Committee is available on the website of the Company for reference at http://cdn.fortishealthcare.com/pdf/CORPORATE_SOCIAL_RESPONSIBILITY_COMMITTEE_MANDATE.pdf.

➢ **Meetings of Corporate Social Responsibility Committee during the year**

Two Meetings of Corporate Social Responsibility Committee were held during the year ended March 31, 2017 on (i) May 26, 2016 and (ii) November 10, 2016.

The Attendance of members of the Corporate Social Responsibility Committee at the said meetings was as under:

Sr. No.	Name of the Member	No. of meetings attended
1	@Ms. Shradha Suri Marwah	2
2	Mr. Malvinder Mohan Singh	2
3	Mr. Harpal Singh	2

@ Attended one meeting (included herein) through video-conferencing but not counted for quorum as the facility of recording could not be enabled.

D. Nomination and Remuneration Committee

➢ **Composition**

As on March 31, 2017, the Nomination and Remuneration Committee comprised of the following members:

(i) Ms. Joji Sekhon Gill, Chairperson;

(ii) Dr. Brian William Tempest;

(iii) Ms. Lynette Joy Hepburn Brown; and

(iv) Mr. Malvinder Mohan Singh

The salient roles and responsibilities associated with the Nomination and Remuneration Committee include, but are not limited to, the following:

- Assist in identifying and finalizing suitable candidates as members of the Board and recommendation of compensations norms:
- Devising of remuneration policy and Board diversity policy for the Board Members;
- Monitor and Evaluation of Board Evaluation Framework;
- Identification of the persons who may be appointed in senior management, evaluation of performances of Key Managerial Personnel, monitoring their compensation packages, employment arrangements and remuneration policy;
- Review and approve succession and emergency preparedness plan for the Key Managerial Personnel and all senior Management personnel;
- Review grant of stock options or pension rights to the employees under different ESOP Plans of the Company; and
- Review of organization structure.

The detailed and exhaustive Mandate reflecting the salient terms of reference and responsibilities for the Nomination and Remuneration Committee is available on the website of the Company for reference at http://cdn.fortishealthcare.com/0.04420900_1465793187_Nomination-and-Remuneration-Committee-Mandate.pdf.

The Nomination and Remuneration Committee works with the Board on the succession planning and ensures contingency plans are in place to meet any exigencies. Mr. Rahul Ranjan, Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

➢ **Meetings of Nomination and Remuneration Committee during the year**

Four meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2017. These were held on (i) May 25, 2016; and (ii) August 19, 2016 (iii) November 9, 2016, and (iv) February 13, 2017.

The attendance of members of Nomination and Remuneration Committee at these meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	Ms. Joji Sekhon Gill, Chairperson	3
2	Dr. Brian William Tempest	4
3	@Ms. Lynette Joy Hepburn Brown	4
4	Mr. Malvinder Mohan Singh	4

@Attended one meeting (included herein) through tele-conferencing but not counted for quorum as the facility of recording could not be enabled.

- **Remuneration policy & Criteria of making payments to Executive and Non-Executive Directors including Independent Director**

  The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice.

  The Directors' remuneration policy of your Company is in line with the provisions of Companies Act, 2013. The remuneration paid/payable to the Executive Director(s) is, as recommended by the Nomination and Remuneration Committee, decided by the Board and approved by the Shareholders and Central Government, wherever required.

  Presently, the Non-Executive Director(s) are being paid sitting fees for attending the Meetings of Board of Directors and various Committee(s) of Board viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and separate meeting of Independent Directors.

  Non-Executive Directors will be paid honorarium upto 1% the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013, as approved by the shareholders at their meeting held on September 23, 2015. During the year under review, no such honorarium was paid to any of the Non-Executive Director.

  The key components of the Company's Remuneration Policy for the Board Members are:

  - Compensation will be based on credentials and the major driver of performance.
  - Compensation will be competitive and benchmarked with industry practice.
  - Compensation will be fully transparent and tax compliant.

  The Governance Document for Board which inter alia includes the Remuneration Policy of the Company is made available on the website of the Company at http://cdn.fortishealthcare.com/0.35155800_1498650624_board-of-directors-governance-standards.pdf.

- **Remuneration to Directors**

  a) **Executive Director**

  Mr. Malvinder Mohan Singh, Whole Time Director, designated as Executive Chairman was re-appointed as Executive Chairman w.e.f. April 1, 2016 for a period of 3 years.

  As per his terms of employment, the notice period shall be of 3 months. Further, no commission/honorarium is being paid to the Executive Director and there is no severance fees payable on termination of contract.

  He did not draw any remuneration in his capacity as Executive Director of the Company. He holds 11508 shares in the Company as on March 31, 2017.

  Further in furtherance to the shareholder's approval as accorded on September 27, 2016 and that of Board/Committees in November, 2016, Mr. Malvinder Mohan Singh was appointed as Lead-Strategic Initiatives for a period of five years w.e.f. October 1, 2016 at a remuneration of ₹ 12 crore p.a. Accordingly he was paid a remuneration of ₹ 6 crore (approx.) during the FY 2016-17.

b) **Non-Executive Directors**

During the period under review sitting fees paid to Non-Executive Directors and their Shareholding as on March 31, 2017 is as follows:

S. No.	Name of Directors	Gross Sitting Fees (₹)	Shareholding in the Company as on March 31, 2017
1	Dr. Shivinder Mohan Singh	7,00,000	11,508
2	Dr. Brian William Tempest	21,00,000	NIL
3	Mr. Harpal Singh	18,00,000	58,003
4	Ms. Joji Sekhon Gill	8,00,000	NIL
5	Ms. Lynette Joy Hepburn Brown	11,00,000	NIL
6	Mr. Pradeep Ratilal Raniga	10,00,000	NIL
7	Dr. Preetinder Singh Joshi	13,00,000	33,000
8	Mr. Ravi Umesh Mehrotra	6,00,000	NIL
9	Ms. Shradha Suri Marwah	9,00,000	NIL
10	Mr. Sunil Naraindas Godhwani	2,00,000	NIL

The Company has not granted any stock options to any of its Directors. Except as stated above, there was no other pecuniary relationship or transaction of the Non-Executive Director(s) vis-à-vis the Company, during the year under review. Further, none of the Non-Executive Directors are holding any convertible are convertible instrument of the Company.

E. **Independent Directors**

➢ **Meetings of Independent Director during the year**

One meeting of Independent Directors was held during the year under review on March 23, 2017. All the Independent Directors attended the same.

The salient roles and responsibilities associated with the Independent Directors Meeting include, but are not limited to, the following:

(a) review the performance of non-independent directors and the board of directors as a whole;

(b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

5. SUBSIDIARY COMPANIES

Fortis Hospitals Limited (FHsL) and SRL Limited (SRL) are considered as Material Subsidiaries and accordingly all necessary compliances have been carried out including but not limited to appointment of Independent Director from the Board of the Company.

The Audit and Risk Management Committee of the Company reviews the financial statements and investment made by the subsidiary company(ies). The minutes of the Board Meeting(s) of subsidiaries as well as the statement of significant transactions and arrangement entered into by the subsidiaries, if any, are placed before the Board of Directors of the Company from time to time.

Details on policy for determining 'material' subsidiaries forms part of the Annual Report and is also available at http://cdn.fortishealthcare.com/0.66941000_1487930518_Policy-On-Material--Subsidiary.pdf.

6. CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The CEO & CFO certification as stipulated in the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board along with financial statement (s) for the year ended March 31, 2017. The board reviewed and took note of the same. The said certificate forms part of the Annual Report.

7. GENERAL BODY MEETING(S)

The location and time of the General Meetings held during the preceding three years are as follows:

<table>
<tr><th>Financial Year</th><th>Date</th><th>Time</th><th>Venue</th><th>Special Resolution(s) passed</th></tr>
<tr><td colspan="5">Annual General Meetings</td></tr>
<tr><td rowspan="3">2015-16</td><td rowspan="3">27.09.2016</td><td rowspan="3">12.00 Noon</td><td rowspan="3">PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Mag, New Delhi-110016</td><td>Enabling Resolution for raising funds upto ₹ 5,000 Crore</td></tr>
<tr><td>Approval for appointment of Non-Independent Directors(s) for office or place of profit.</td></tr>
<tr><td>Approval for payment of remuneration to Non- Executive Directors</td></tr>
<tr><td rowspan="3">2014-15</td><td rowspan="3">23.09.2015</td><td rowspan="3">12.00 Noon</td><td rowspan="3">PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Mag, New Delhi-110016</td><td>Approval for re-appointment of Mr. Malvinder Mohan Singh as Whole-time Director designated as Executive Chairman of the Company and fixation of remuneration</td></tr>
<tr><td>Approval for re-appointment of Dr. Shivinder Mohan Singh as Managing Director designated as Executive Vice Chairman of the Company and fixation of remuneration</td></tr>
<tr><td>Approval for payment of remuneration to Non- Executive Directors</td></tr>
<tr><td rowspan="4">2013-14</td><td rowspan="4">24.09.2014</td><td rowspan="4">11.30 A.M</td><td rowspan="4">PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Mag, New Delhi-110016</td><td>Payment of Remuneration to Ms. Lynette Joy Hepburn Brown, Non-Executive Independent Director</td></tr>
<tr><td>Approval for borrowing upto ₹ 6000 crore under Section 180(1)(c) of Companies Act, 2013</td></tr>
<tr><td>Approval for creation of charge, etc upto ₹ 6000 crore under Section 180(1)(a) of Companies Act, 2013</td></tr>
<tr><td>Enabling resolution for raising funds upto USD 500 Million.</td></tr>
</table>

There is no immediate proposal for passing any resolution through Postal Ballot. Further, none of the resolution /

business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot.

Details of resolution passed by way of Postal Ballot.

Pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the members of the Company have during the year under review approved the following resolution, by way of postal ballot notice dated August 4, 2016 (result declared on September 7, 2016):

Approval of Shifting of Registered Office of the Company from NCT of Delhi to the State of Punjab

For the conduct of the aforementioned postal ballot/electronic voting exercise, Mr. Mukesh Manglik, Company Secretary in Whole Time Practice, was appointed as the Scrutinizer.

Summary of the results of aforementioned Postal Ballot/electronic voting process announced by Mr. Malvinder Mohan Singh, Executive Chairman of the Company on September 7, 2016:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Special Resolution for approval for shifting of registered office of the Company	374577046	374556181 (99.994%)	20865 (0.006%)

Procedure for Voting by Postal Ballot and E-voting

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the Company provides remote e-voting Facility to the Members. The Notice of Postal Ballot along with the Explanatory Statement pertaining to the draft Resolution(s) explaining in detail, the material facts along with Postal Ballot form and the self-addressed postage prepaid business reply envelope, are sent to all the members, whose name appear on the register of members as on the cut-off date, under secured mode of Posting/through e-mail. The members were given option to vote either through the Postal Ballot Forms or through remote e-voting facility. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

The members are required to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and sign the same as per the specimen signature available with the Company or Depository Participant, as the case may be, and return the form duly completed in the attached self-addressed postage prepaid envelope so as to reach the scrutinizer before the close of working hours of the last date fixed for the purpose or post their assent or dissent through remote e-voting module. Postal Ballot Form received after this date, is strictly treated as if the Form has not been received from the member.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the shareholders on the specified date. A resolution is deemed to have been passed as special resolution if the votes cast in favour are at least three times than the votes cast against and in case of ordinary resolution, the resolution is deemed to have been passed, if the votes cast in favour are more than the votes cast against.

For the members who opted for e-voting facility, they cast their votes via electronic platform (https://evoting.karvy.com) of Karvy Computershare Private Limited (Karvy). Requisite notices were given to such members to e-vote /send their reply.

The scrutinizer appointed for the purpose scrutinizes the postal ballots and e-votes received and submit his consolidated report to the Company. The results are also displayed on the website of the Company-www.fortishealthcare.com and the last date for receipt of duly completed postal balot forms/e-voting is deemed to be the date of passing the resolution(s).

8. DISCLOUSRES

- **Related Parties Transactions**

  The details of transactions with related parties as prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are placed before the Audit and Risk Management Committee periodically. Further, the details of all material transactions with related parties are also disclosed quarterly along with the compliance report on corporate governance. Details on Policy on dealing with Related Party Transactions forms part of the Annual Report.

  In the cases of material transaction, the same are pursued under direct guidance of the Audit and Risk Management Committee with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, independent Advisory Committees are constituted and external expert opinion sought for Board consideration. Further, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Policy on 'Materiality on Related Party Transactions' and the same is at http://cdn.fortishealthcare.com/0.48746600_1499236811_related-party-transactionsframework-document-nov-2016.pdf

  During the year under review there have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, subsidiaries of their relatives, which may have potential conflict with the interest of Company at large except for those disclosed in the Directors Report. Detailed information on materially significant related party transactions is enclosed to the Directors Report.

- **Accounting Treatment**

  While in the preparation of financial statements, the treatment that has been prescribed in the Accounting Standards has been followed to represent the facts in the financial statement in a true and fair manner.

- **Compliances by Company**

  The Company has complied with the requirements of the Stock Exchange(s), SEBI or any authorities on any matter related to Capital Market during the last three years.

  No Penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI and other statutory authorities relating to the above.

9. MANAGEMENT

During the period under review, no material, financial and commercial transaction has been entered by Senior Management Personnel, where they have any personal interest that may have potential conflict with the Company at large. The Company has obtained requisite declarations from all Senior Management Personnel in this regard and the same were duly placed before the Board of Directors on periodic basis.

10. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company strongly supports and strives to provide a structured platform via Whistle Blower Policy/Vigil Mechanism for reporting of instances of alleged wrongful conduct or gross waste or misappropriation of funds including instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Through this Policy, the Company seeks to provide a procedure for all the employees and Directors of the Company to report concerns about unethical and improper practice taking place in the Company and provide for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee, in exceptional cases. It protects employees, officers and Directors who in, good faith, raise a concern about irregularities within the Company. It is hereby confirmed that no personnel have been denied access to the Audit and Risk Management Committee. The Company has adopted a Whistle Blower Policy in line with the requirements laid down under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is available at http://cdn.fortishealthcare.com/0.66958500_1487930577_Whistle-Blower-Policy.pdf

Code of conduct and Prohibition on Insider Trading

Code of Conduct for Prevention of Insider Trading of the Company, as approved by the Board of Directors, *inter alia*, prohibits purchase or sale of securities of the Company by Directors, Designated Employees and other employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available at http://cdn.fortishealthcare.com/0.59377000_1487930389_FHL-Policy-Code--of-conduct-for--prevention-of-Insider-Trading.pdf.

11. MEANS OF COMMUNICATION

a) **Results:** The financial results are generally published in Business Standard (English and Hindi - all India editions). Post, shifting of the registered office to the state of Punjab, the publication was done in Business Standard (English) and Rozana Spokesman (Punjabi).

b) **Website:** The financial results are posted on the Company's website viz. www.fortishealthcare.com.

c) **News Release, Presentations:** The Company also makes a presentation to the institutional investors and analysts after taking on record the financial results of the Company. The press releases/official news, detailed presentation made to media, analysts, institutional investors etc. are displayed on the Company's website viz. www.fortishealthcare.com. Official Media Releases are also sent to the stock exchanges before dissemination to the media.

d) **Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.

e) **NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance and the Listing Centre:** NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, *inter alia*, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others in accordance with the Listing Regulations are filed electronically.

f) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

g) **Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing: secretarial@fortishealthcare.com.

Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@karvy.com.

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date of AGM

The Annual General Meeting is proposed to be held on Tuesday, September 26, 2017 at 12 Noon at National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062

Last date of receipt of Proxy Form: 48 hours before the Annual General Meeting.

(i) **Financial Year of the company** is starting from April 1, and ending on March 31 of next year.

(ii) Financial calendar 2017-18 (tentative & subject to change)

S. No.	Tentative Schedule	Tentative Date (On or Before)
1	Financial Reporting for the quarter ending June 30, 2017	August 14, 2017
2	Financial Reporting for the quarter ending September 30, 2017	November 14, 2017
3	Financial Reporting for the quarter ending December 31, 2017	February 14, 2018
4	Financial Reporting for the quarter ending March 31, 2018*	May 30, 2018
5	Annual General meeting for the year ending March 31, 2018	On or before September 30, 2018

*As provided in Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board may also consider submission of Audited Financial Results for the year 2017-18 in lieu of Unaudited Financial Results for the fourth quarter, on or before May 30, 2018 (or such other period as may be stipulated from time to time).

(iii) Listing on Stock Exchanges

As on date, the Company's Equity Shares are listed on the following Stock Exchanges:

- National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

The Company has paid listing fees to above stock exchanges and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the Financial Year 2016-17 and there are no outstanding payments as on date.

(iv) Stock code of Equity Shares

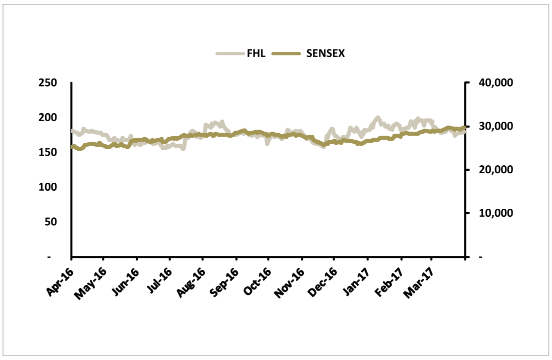
Trade symbol at National Stock Exchange of India Limited is FORTIS.
Scrip Code at BSE Limited is 532843
ISIN for equity is INE061F01013

(v) Stock market Data

The Company's shares are among the actively traded shares on NSE & BSE. The Monthly high and low of share price of the Company during the Financial Year and comparisons with broad-based indices, viz BSE Sensex and NSE Nifty is as Follows:

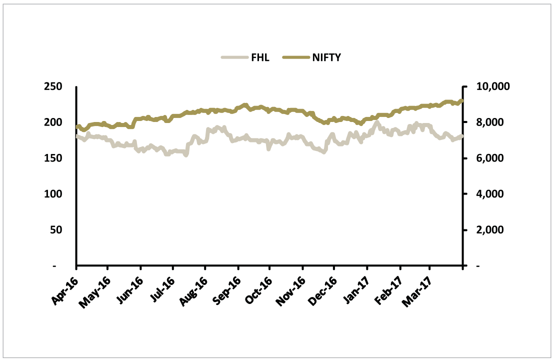
Month	Share Price (₹) at BSE		Share Price (₹) at NSE	
	High	Low	High	Low
April 2016	183.9	174.5	184.3	175.0
May 2016	175.2	159.8	175.0	159.5
June 2016	168.2	155.7	168.6	155.8
July 2016	180.8	154.3	180.6	154.1
August 2016	194.2	173.1	193.8	172.9
September 2016	182.1	162.3	182.4	161.8
October 2016	182.8	169.5	182.8	168.9
November 2016	183.2	158.1	183.5	158.1
December 2016	185.8	169.3	185.6	168.9
January 2017	200.8	182.0	200.7	181.7
February 2017	199.0	182.8	199.0	182.8
March 2017	194.9	174.1	195.0	174.4

Stock Price Performance - FHL Vs BSE Sensex



Based on closing data of BSE Sensex (Value) and FHL (₹ Per Share)

Stock Price Performance- FHL Vs. NSE Nifty



Based on closing data of NSE Nifty (Value) and FHL (₹ Per Share)

(vi) Registrar and Transfer Agent

Karvy Computershare Private Limited is acting as Registrar and Transfer Agent (RTA) for handling the shares related matters both in physical as well as dematerialized mode. All work relating to equity shares are being handled by them. The Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Tel.: 040 – 67161500
Fax: 040 - 23420814
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

(vii) Nomination Facility

The shareholders holding shares in physical form may, if they so want, send their nomination(s), as per Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, in form SH-13, which can be obtained from the Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

As on March 31, 2017, 51,68,74,031 Equity shares representing 99.84% of the paid-up Equity Share Capital of the Company have been de- materialized.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company's Shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

(viii) Elimination of Duplicate Mailing

The shareholders who are holding Shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

(ix) Share Transfer System

The Company's share transfer authority has been delegated to the officials of the Company. The delegated authority(ies) attend the share transfer formalities on weekly basis to expedite all matters relating to transfer, transmission, transposition, split and re-materialization of shares and take on record status of redressal of Investors' Grievance, etc., if any. The share certificate received by the Company/ RTA for registration of transfers, are processed by RTA (on a weekly basis) and transferred expeditiously and the endorsed Share Certificate(s) are returned to the shareholder(s) by registered post. A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

As per the requirements of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the half yearly certificates from Compliance Officer and authorised representative of share transfer agent for due compliance of share transfer formalities.

(x) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out by a Practicing Company Secretary for each of the quarter in the Financial Year 2016-17, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued/subscribed paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the depositories. Such Audit Report for each quarter of the Financial Year 2016-17, has been filed with Stock Exchanges within one month of end of the respective quarter.

(xi) Details of Demat Suspense Account

The Company had opened a Demat Suspense Account- "Fortis Healthcare Limited IPO Suspense Account"

i. Aggregate Number of the Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2016: 49 shareholders and 4,819 shares.

ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year: NIL.

iii. Number of shareholders to whom shares were transferred from the suspense account during the year: NIL.

iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2017: 49 shareholders and 4,819 shares.

It is also confirmed that that the voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

(xii) Share Dematerialization System and Liquidity

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges-BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Relevant data for the average daily turnover for the Financial Year 2016-17 is given below:

Particulars		BSE	NSE	Average
Average Shares Traded	**Share Nos**	396,393	1,190,449	793,421
Average Daily Turnover	**Value (₹) in Crore**	7.21	21.83	14.50

[Source: This information is compiled from the data available on the website of BSE and NSE]

(xiii) Details on Outstanding Securities as on March 31, 2017

As on March 31, 2017, the Company has not issued any GDRs, ADRs or Warrants. No FCCBs stand outstanding in the Books of the Company as on date.

Details of commodity price risk on foreign exchange risk & hedging activity (commodity or otherwise) during the financial year under review are provided in notes to accounts which forms part of the Annual Report.

(xiv) Distribution of Shareholding as on March 31, 2017

Number of equity share held	No, of Shareholders	% age of Share Holders	(%) of Total Paid up share Capital
Upto 2,500	108872	98.17	3.63
2,501 to 5,000	973	0.88	0.70
5,001 to 10,000	436	0.39	0.64
10,001 to 20,000	211	0.19	0.59
20,001 to 30,000	104	0.09	0.51
30,001 to 40,000	54	0.05	0.36
40,001 to 50,000	33	0.03	0.29
50,001 to 1,00,000	81	0.07	1.15
1,00,001 and above	141	0.13	92.13
Total	**110905**	**100.00**	**100.00**

(xv) Shareholding pattern as on March 31, 2017

S. No.	Category	Number of Shareholders	No. of Shares held	% of Share holding
A.	Promoters and Promoter Group	12	270791948	52.30
B.	Public Shareholding			
1.	Banks / Financial Institutions	5	1058540	0.20
2.	UTI, Mutual Funds	3	303659	0.06
3.	Foreign Institutional Investors/Foreign Bodies/ Foreign Collaborations	140	179307994	34.63
4.	Bodies Corporate	1268	20181445	3.90
5.	Non-Resident Indians	1345	4361977	0.84
6.	Indian Public	108132	41722068	8.07
Total		**110905**	**517727631**	**100.00**

(xvi) Lock-in of Equity Shares

As on March 31, 2017, no Equity Share of the Company was under lock-in.

(xvii) Employee Stock Option

Detailed information relating on Employee Stock Option, has been mentioned in the Board's Report.

(xviii) Hospitals/Unit(s)/Location(s)

Fortis Healthcare Limited alongwith its subsidiaries provide healthcare services in Delhi-NCR, Chennai, Bangalore, Punjab, Dehradun, Jaipur and other cities. The locations of the hospital units managed by your Company are as follows:

Fortis Hospital, Mohali
Sector-62, Phase-VIII, SAS Nagar, Mohali, Punjab-160062.

Fortis Hospital
Arcot Road, Vadapalani, Chennai, 600026

Fortis Hospital
A Block, Shalimar Bagh, Near Kela Godown, New Delhi-110088

Fortis-Escorts Hospital
2nd Floor, Coronation Hospital,Curzon Road, Dehradun - 248001

(xix) Shareholders Communication –Address for correspondence

The Company understands the significance of two-way communication with the shareholders. The Company's website is constantly updated with the latest disclosures/information as the shareholders may require from time to time. In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, Quarterly/Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website (www.fortishealthcare.com).

For Share transfer/ dematerialization of shares/ payment of dividend and any other query relating to shares, the shareholders may contact at the below address:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Tel.: 040 – 67161500
Fax: 040 - 23420814
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

For Investor Assistance
The Company Secretary,
Fortis Healthcare Limited
Sector-62, Phase-VIII, SAS Nagar, Mohali, Punjab-160062.
Telephone No.: 0172-5096001 Fax No.: 0172 5096002
Email:secretarial@fortishealthcare.com
Website: www.fortishealthcare.com

13. DISSEMINATION OF BASIC INFORMATION THORUGH WEBSITE

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 (both inclusive) read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable with regard to corporate governance.

14. MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance. (Regulation 17 to 27 of LODR)

15. DISCRETIONARY REQUIREMENT UNDER PART E TO SCHEDULE II TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

A. Separate posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and Managing Director/CEO.

B. Reporting of Internal Auditor

The Internal Auditors report directly to the Audit Committee.

16. GO GREEN INITIATIVE

(a) The shareholders having shares in physical form are requested to register their e-mail ids with us or our Registrar, at the address given in this report, to enable us to serve any document, notice, communication, annual report, etc. through e-mail.

(b) The shareholders holding shares in Demat form are requested to register their e-mail id with their respective Depository Participant for the above purpose.

Declaration as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

All Directors (except Mr. Sunil Godhwani) and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the Financial Year ended March 31, 2017.

For & on behalf of Board of Directors

Sd/-

Date: August 4, 2017 **Bhavdeep Singh**

Place: Gurgaon **Chief Executive Officer**

CEO AND CFO CERTIFICATE

To
Audit & Risk Management Committee/Board of Directors
Fortis Healthcare Limited

Dear Sir(s)/ Madam(s),

We, Bhavdeep Singh, Chief Executive Officer and Gagandeep Singh, Chief Financial Officer of the Company, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee that:

   (1) There has been no significant changes in internal control over financial reporting during the year review;

   (2) There has been no Significant changes in accounting policies during the year except to the extent already disclosed in the notes to the financial statement(s); and

   (3) There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Fortis Healthcare Limited

Sd/-	**Sd/-**
Gagandeep Singh Bedi	**Bhavdeep Singh**
Chief Financial Officer	Chief Executive Officer

Place: Gurgaon
Date: May 29, 2017

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Fortis Healthcare Limited

We have examined the compliance of conditions of Corporate Governance by Fortis Healthcare Limited ("the Company") for the year ended March 31, 2017 as stipulated under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the Regulation of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No: P2001DE052900

Sd/-
Sanjay Grover
Managing Director
CP No. 3850

July 18, 2017
New Delhi

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L85110PB1996PLC045933
2.	Name of the Company	Fortis Healthcare Limited
3.	Registered Address	Fortis Hospital, Sector 62, Phase VIII, Mohali-160062
4.	Website	www.fortishealthcare.com
5.	E-mail id	secretarial@fortishealthcare.com
6.	Financial Year reported	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Healthcare
8.	List three Key products/ services that the Company manufactures/provides (as in balance sheet)	IPD, OPD, Medical & Clinical Services
9.	Total number of locations where business activity is undertaken by the Company:	04 (Delhi NCR, Mohali, Chennai and Dehradun)
	(a) Number of International Locations (provide details of major five).	-
	(b) Number of National Locations	04
10.	Markets served by the Company – Local/State/ National/International	National

SECTION B. FINANCIALS DETAILS OF THE COMPANY

S. No.	Particulars	Details
1.	Paid up Capital	5,177,276,310
2.	Total Turnover (₹ in Lakhs)	457,371.46
3.	Total profit after taxes (₹ in Lakhs)	47,928.73 (before OCI)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	NIL
5.	List of activities in which expenditure in 4 above has been incurred :-	N.A.
For details on CSR Programs, please refer note on Corporate Social Responsibility (Annexure V to Directors Report)		

SECTION C. OTHER DETAILS

S. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? if yes, then indicate the number of such subsidiary company(s)	CSR policy of the Company is applicable to all subsidiaries. Details of number of Subsidiaries forms parts of the directors Report
3.	Do any other entity/entities (e.g suppliers, distributors etc.) that the company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company does not mandate its suppliers/ distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such parties and follow the concept of being a responsible business.

SECTION D. BR INFORMATION

S. No.	Particular	Details		
1.	Details of Director/Directors responsible for BR	The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:		
	(a) Details of the Director/Director responsible for implementation of the BR policy/policies			
	1. DIN Number	00078224	00176902	00042981
	2. Name	Harpal Singh	Shradha Suri Marwah	Malvinder Mohan Singh
	3. Designation	Chairman (Non- Executive & Non-Independent Director)	Member (Independent Director)	Member (Executive Director)
	(b) Details of the BR head			
	1. DIN Number (if applicable)	Not applicable		
	2. Name	Mr. Gagandeep Singh Bedi		
	3. Designation	Chief Financial Officer		
	4. Telephone Number	0124-4921021		
	5. E-mail id	secretarial@fortishealthcare.com		
2.	Principle-wise (as per NVGs) BR Policy/policies			
	(a) Details of compliance (Reply in Y/N)			

		QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
	1.	Do you have a policy/policies for ...	Y	Y	Y	Y	Y	Y	Y	Y	Y
	2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	3.	Does the policy conform to any national/ international standards? If yes specify in 50 words	Y	Y	Y	Y	Y	Y	Y	Y	Y
			(Refer CSR Policy available on the website of the Company)								
	4.	Has the policy being approved by the Board? If yes, has it been signed by MD/OWNER/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
			(Forms part of CSR Policy). Signing has been done as per the regulatory requirements								
	5.	Does the company have a specified committee of the Board/Directors/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	6.	Indicate the link for the policy to be viewed online?	http://cdn.fortishealthcare.com/0.03850800_1487930299_CSR-Policy.pdf			http://cdn.fortishealthcare.com/0.03850800_1487930299_CSR-Policy.pdf	Same as P1	http://cdn.fortishealthcare.com/0.03850800_1487930299_CSR-Policy.pdf	Same as P1		
	7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Governance related to BR										
	(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than one year.	Annually								
	(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes and it forms part of annual report. The same is hosted on the website of the Company at www.fortishealthcare.com								

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? No**

   i. **Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?**

   This is applicable to all employees of Fortis Healthcare Limited and its subsidiaries and / or entities under its direct or indirect control.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   NA

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Sustainability in healthcare is need of the hour and Fortis through its various enterprise level initiatives fosters to build sustainable environment for a healthy lifestyle and promotes measurement of healthcare system performance.

All new Projects of Fortis will be certified Green Hospitals. Fortis is committed to minimize the effect of its business activities on the Environment and uses Sustainable Design practices for all of its new Projects. This helps to reduce Carbon Foot Prints as most of the materials used will adhere to Green Building norms.

Fortis 1 integrates all the Hospitals on one network and leverages the strength of Unity to deliver uniform world class healthcare facility across its network of Hospitals. HIS-Hospital Information System is devised for the same.

Fortis is the first in India to Monitor and Publish Clinical Outcomes for Cardiology. This is a huge step towards institutional accountability as the analysis and audit of results in an internationally standardized manner helps to deliver the best practices in CAD (Coronary Artery Disease) and provides a benchmark to make informed decisions.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Healthcare is a long term business that maps profitability with public good. For this to be sustainable, there is a need to constantly rebalance the imperatives of growth and self-improvement. Fortis understands that being compliant with quality and audit systems and an emphasis on academics, research and training are the benchmarks for sustained improvement and being socially and environmentally responsible.

   Three of the leading benchmark systems are listed below:

   a) **NABH Certified Hospitals**

      i. **Hospital Infection Control (HIC):** Fortis has a well-designed, comprehensive and coordinated Hospital Infection Control (HIC) program aimed at reducing/ eliminating risks to patients, visitors and healthcare providers. Documented procedures for sterilization, proper segregation and collection of Bio-medical waste are key focus areas.

      ii. **Continuous Quality Improvement (CQI):** Quality programs are run continuously to monitor patient assessment, diagnostics services' safety control, invasive procedures, adverse drug events and clinical research.

      iii. **Facility Management & Safety (FMS):** All Fortis units have plans and provisions for early detection, abatement and containment of fire and non-fire emergencies which prevents consumption of critical resources.

   b) **JCI Accredited Hospitals**

      Joint Commission International Standards evaluates the entire healthcare organization as a complex interaction of many clinical and management processes. Fortis adheres to JCI principle to continuously improve the safety and quality of care in the international community through the provision of education, publications, consultation, evaluation and accreditation services.

c) **Energy Management Program:** Continuous monitoring, enhancement and reduction in energy consumption is achieved by implementing green planning techniques like:

- Capturing day light through building design to reduce HVAC energy consumption.
- External lights powered by solar panels.
- Optimization of boilers to improve efficiency and reduce fuel oil consumption.
- Provided hermetically sealed stainless steel doors for OTs to plug air leakage.
- Streamlining of Sewerage Treatment Plant (STP) and Irrigation System for effective utilization of wastewater, resulting in water conservation.
- High speed diesel (HSD) fuel savings by running only one boiler thereby providing condensate storage in a tank and using hot water back in washers.

- Entered into a 10-year Power Purchase Agreement (PPA) for utilizing wind power at Malar and Mulund.
- Building Management System (BMS) has been installed for efficient monitoring and modulations of HVAC, lighting & electrical operations.

Attributable to aforesaid energy saving initiatives Fortis has received the following awards:

- In September 2015, three of Fortis Units namely: Mohali, Vashi and Anandpur have been awarded the National Award for Excellence in Energy Management by CII.
- In December 2015, Govt. of India felicitated Fortis Noida and Fortis Mohali by giving 1st and 2nd prize, respectively, in the category' National Award for Energy Conservation'.

  http://www.swadeshnews.com/after-2-consecutive-cii-awards-fortis-mohali-gets-2nd-prize-in-national-energy-conservation-awards-2015/
- Fortis BG Road, Fortis Vashi and Fortis Raipur earned laurels at the National Energy Conservation Award, 2014
- 14th National awards for excellence in energy management by CII, 2013.
- National Energy Conservation Award 2011:

2. For each such product, provide the following details in respect of resource use (energy, Water, raw material etc.)

A. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain

a) NABH Certified Hospitals: Not applicable; addressed area is Healthcare accreditor entity

b) JCI: Not applicable; addressed area is Healthcare accreditor entity

c) EMP initiatives.

B. Reduction during usage by consumers (energy, water) has been achieved since the previous year

a) NABH Certified Hospitals: Not applicable; addressed area is Healthcare accreditor entity

b) JCI: Not applicable; addressed area is Healthcare accreditor entity

c) For a number of units EMP initiatives have:

- Results in specific energy consumption from 1.84 to 1.79 are shown in below table:

Unit	Consumption in lacs units (2015-16)	Consumption in lacs units (2016-17)	Fuel oil Reductions (₹ in lacs)	SEC reduction	Overall reduction (non - annualized)	Monetary gains (₹ in lacs)
Faridabad	39.99	36.49	NA	1.81 to 1.65	8.73%	62.6
Ludhiana	32.78	32.74	(+) 0.06	1.74 to 1.73	0.50%	(+)2.95
Shalimar Bagh	40.26	40.75	0.4	0.96 to 0.97	(+) 1.2%	83.2
Kalyan	9.71	9.01	NA	4.63 to 4.3	7.13%	8.35
SL Raheja	29.92	29.18	NA	1.45 to 1.42	2.45%	8.8
Jaipur	50.45	51.81	0.24	1.72 to 1.76	(+)2.33%	39
Raipur	6	6.69	NA	2.22 to 2.48	(+)11.7%	(+)5.38
Escorts, Okhla	86.7	86.69	1.91 lacs ltrs DO/ 1.55 lacs cum PNG	1.99 to same	negligible	72
Anandpore	44.4	43.4	0.015	1.66 to 1.56	6.04%	10
FMRI,Ggn	102.46	102.5	1.5	1.28 to 1.28	negligible	148.8
Malar	26.92	27	NA	negligible	negligible	26
C G Road	16.5	16.8	NA	2.08 to 2.13	(+)2.4%	(+)3.15
Mohali	60.24	58.87	(+) 0.06	1.24 to 1.19	4.10%	16.34
Vashi	27.06	26.7	NA	1.83 to 1.8	1.40%	4.51
Mulund	56.36	53.13	(+) 7890 scm of PNG	2.07 to 1.94	6%	113.19
Noida	49.2	50.5	0.2	1.87 to 1.92	(+)2.65%	(+)2
BG Road	45.67	48.3	NA	1.35 to 1.35	negligible	39.75
Vasant Kunj	34	32.33	0.03	1.84 to 1.74	4.94%	20.82
Total	**Overall SEC reduced from 1.84 to 1.79**					**640**

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? Yes**

   If yes, what percentage of your inputs was sourced sustainably?

   Sustainable sourcing is the key focus area for Fortis and is built around ethical and environmental sourcing principles to mitigate sourcing risks, stronger supplier relationships for trustworthy business conduct. To ensure the medical efficacy of goods, suppliers are asked to adhere to the guidelines as defined in Drugs and Cosmetics Act, 1947. Most of the products are procured through local distribution channels of suppliers to reduce risk involved in transport and reduction in carbon footprint. Suppliers are asked to commit to Fortis Supplier Code of Conduct and are encouraged to raise ethical concerns if any while dealing with Fortis management at any level.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work**

   To ensure effective and efficient healthcare delivery, we need to ensure the availability of quality product and services in our hospitals. Without compromising on quality, many pharma and medical consumables are sourced from local suppliers as well. The specifications, basis both international and Indian standards, as approved by our esteemed doctors and committees are defined to ensure quality product is procured and patient safety is ensured. Local suppliers develop these products which are assessed on Quality, Safety, Delivery and Morals by respective stakeholders and feedback is provided for further improvements, if required. This helps suppliers to produce quality products and develop robust supply chain so as to compete with established suppliers. Similar process is also followed while procuring non-medical goods and services from local suppliers. Periodic suppliers meeting and reviews are conducted to drive continuous improvement in quality of goods and services.

5. **Does the company have a mechanism to recycle products and waste**

   Bio Medical Waste / Solid Waste Management:

   Fortis has a documented SOP for biomedical waste management in place which provides guidelines to ensure correct sorting, labeling, handling, storage, transporting and disposal of solid and liquid waste and, thus, prevention of infection and contamination of personnel and equipment. Accordingly, all the hazardous waste viz. mercury, residuals from wastewater treatment, etc. and general health care wastes are sent to the authorized central municipal, biomedical and hazardous waste treatment facilities as stipulated by local regulations. Fortis has updated its SOP to include a requirement of verification of the chain of custody documentation for the authorized waste management contractors (which will be as per individual hospital requirements) from time to time.

   Fortis also employs paper recycling practice across all its units.

   i. **If yes what is the percentage of recycling of products and waste (separately as <5%,5-10%, >10%). Also, provide details thereof.-**

      Bio Medical waste is handed over to a Government approved vendor. The Company does not have oversight of how much is being recycled by the vendor. The Company has aligned its Bio Medical Waste SOP as per the regulatory norms.

Principle 3:

Businesses should promote the well being of all employees

1. **Please indicate the total number of employees:** Total number of employees including subsidiaries (except SRL Limited) as on March 31, 2017 was Approx 16100 (Sixteen thousand one hundred)
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 6,154 (Six thousand one hundred and fifty four) employees were hired on a contractual basis
3. **Please indicate the number of permanent women employees:** Total number of permanent women employees as on March 31, 2017 was approx. 9000 (Nine thousand).
4. **Please indicate the number of permanent employees with disabilities:** 7(Seven) on the basis of self-declaration of employees as on March 31, 2017
5. **Do you have an employee association that is recognized by management? :** Yes

6. **What percentage of your permanent employees is members of this recognised employee association?** 2.6%

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

   During FY 2016-17, the Company at group level has received 11 complaints on sexual harassment, and these complaints have been resolved with appropriate action taken and hence no complaint remains pending as on March 31, 2017.

   No child labour, forced labour, involuntary labour complaints were reported in Financial Year 2016-17.

8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

   - Permanent Employees
   - Permanent Women Employees
   - Casual/Temporary/Contractual Employees
   - Employees with Disabilities

   In FY 16-17 over 6,40,772 Hrs were invested in professional & personal skill development of clinician & non clinician employees (including women & employees with disability) across Fortis, which includes organization wide leadership development (13000+ hrs), functional capability development (4,00,000 +hrs), service capability development (51,000 + hrs) & comprehensive new employee induction programs. Leveraging multi modal training methodologies, an average 34.3 Hrs/employee/year were delivered across the network. Our contractual workers form the backbone of our service delivery. Nearly 45,000 training hours were invested in their functional & behavioural skill enhancement. Additionally, health & safety trainings were imparted to all categories of employees across Fortis. Regular trainings on disaster management, fire safety, radiation safety, waste management, HAZMAT (Hazadarous Material), laboratory safety, employee safety i.e. 1,06,421 training hrs of safety/environment related training modules).

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. **Has the company mapped its internal and external stakeholders?**

   Yes, these details are available in respect of shareholders/investors, vendors, bankers, employees (full time employees and those on contract), contractors, business partners, patients

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Disadvantaged, vulnerable, marginalized and BPL patients are tracked and served as per company policy

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof:**

   Yes, these are governed either under the Government regulations (for BPL category) or else under the Company's CSR programs.

Principle 5

Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The policy is applicable to Fortis and its subsidiaries. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'Fortis Code of Conduct', adopted by the Company. All employees are sensitized to human rights as part of their orientation programme.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   NA

Principle 6

Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   Fortis' environmental, health and safety (EHS) policies and standard operating procedures at Group level is applicable to all the business units/subsidiaries.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, Fortis has mandate to commission HVAC units only with R-410A hydro-fluorocarbon (HFC) refrigerant which does not contribute to ozone depletion while cost efficient HVAC units still use R-22 refrigerant which contributes to ozone depletion.

   Energy Supply and Air Emissions: Fortis deploys diesel generators (DG) procured from CPCB listed manufacturers who have valid "Type approval / conformity of production verification certificate (COP) duly certified for prevailing CPCB-II emission norms. DG are provided with acoustic enclosure and mandatory stack height is maintained.

3. **Does the company identify and assess potential environmental risks?**

   Yes, Company has in place elaborate Environmental & Social Assessment policies for screening new projects. Accordingly, a very comprehensive and thorough assessment is undertaken for potential projects (acquisition or Greenfield development) covering legal, business, technical and E&S aspects before finalizing new projects.

   In consent of all stakeholders, Fortis applies for Environmental Impact Assessment (EIA) clearance for all Greenfield projects. Design and development are done strictly in accordance with requirements defined by the National Building Code of India 2016 (NBC) – as well as Company's corporate policies - such as green building architecture, construction safety and sustainability.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?**

   Fortis is committed to approaching the environmental authorities and initiating appropriate action, under permissible rules, for obtaining the relevant environmental clearances.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   I. Smart Green Healing Space Award

      http://smartgreen.in/wp-content/uploads/2015/12/ET_Smart_Green_Summit_329X525_04122015_R3.qxd_.pdf

   II. Fortis Healthcare Ltd is looking at acquiring a stake in a renewable energy company.

      http://www.business-standard.com/article/companies/fortis-healthcare-eyes-26-stake-in-renewable-energy-companies-112062600036_1.html

   III. Fortis Healthcare adjudged "Hospital of the Year in India" at Bangkok event.

      http://timesofindia.indiatimes.com/city/gurgaon/Fortis-Healthcare-adjudged-Hospital-of-the-Year-in-India-at-Bangkok-event/articleshow/52538052.cms

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. All emissions/waste generated at various Fortis hospitals are within permissible limits. These are continuously monitored, reviewed internally and reported to the CPCB/SPCB as per the requirement.

7. **Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   NIL

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association?**

   Yes, the Company is member of several Industry associations.

2. **If Yes, Name only those major ones that your business deals with**

   Some of the major ones include the Healthcare Federation of India, CII, FICCI, AIMA and World Economic Forum

3. **Have you advocated / lobbied through above associations for the advancement or improvement of public good?**

   Yes

   If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   We have advocated, through the Industry associations, for improvement in Governance and Administration, Economic reforms, inclusive development policies, sustainable business principles, public private partnerships, and universal healthcare.

Principle 8

Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/ initiatives / projects in pursuit of the policy related to Principle 8? If yes details there of:**

a. We advocate public private partnerships to deliver larger social good; and currently operate 3 PPPs.

b. We subscribe to Sustainable development in all our hospital projects.

c. Our CSR programs seek to address gaps of inclusivity in healthcare delivery .

2. **Are the programmes / projects undertaken through in-house team?** Largely by In-House teams.

3. **Have you done any impact assessment of your initiative?** We measure the outcome and impact of our work.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   We operate several Community outreach/development programs in the vicinity of our hospitals; these include training on BCLS, blood group/donation registry, pledging organs in the event of accidental/brain death, school health programs, maintaining parks/traffic round abouts etc.

   The total amount spent community connect across all units is approximately ₹1.76 Crores.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? If yes, please explain**

   Yes, the adoption of these programs is ensured through active engagement of community volunteers/RWAs.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

   On a daily basis, Fortis serve more than 25 lakh patients through its network of hospitals. Patients complaints are redressed through trained patient service co-ordinators and counsellors. They are escalated as may be necessary to Departmental Heads, Medical Superintendents and Facility Directors depending on their gravity and the exigencies of the situation. Most of them end up being resolved amicably resulting in many satisfied patients that bring goodwill. Fortis has Medical Grievance Committee at each Hospital and at the regional level which carefully studies complaints and takes prompt corrective action as may be required. In exceptional and rare instances the aggrieved seek available legal recourse, wherein Fortis represent and defend the case through legal department and often utilize the services of specific domain legal experts to stand for what we believe is correct, in the best interests of the Company and our stakeholders.

   As on 31st March 2017, 217 consumer cases were pending in various courts/forums and during FY 2016-17, 81 consumer cases were disposed off.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? i.** Not Applicable

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof:** Nil

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   5 lakh Indians lose their lives every year waiting for an organ. Last year (FY 15-16), only 450 plus Cadaveric donations took place which represents an organ donation rate of 0.5 person/ million individuals. As a leading healthcare service provider in India, Fortis decided to take up the cause of organ donation in an effort to positively impact the well-being of the nation. The idea was to drive systemic change in the perceptions and the behaviour surrounding organ donation and increase the number of organ donation pledges. This was not an easy task - existing negative perceptions and a general lack of actionable concern were the biggest challenges. Fortis's More to Give campaign was conceived to prick the nation's conscience by sharing stories of disabled war veterans who have actually pledged to donate organs. By enlisting war veterans into the cause of organ donation and making them the ambassadors for this cause, the campaign aimed to hit a nerve with the Indians who are complacent about registering for organ donation and make them take action towards it. If people who have already lost a part of their body in the service of the country, can step up and say "I have #MoreToGive", then what's stopping other Indians from doing so?

   The Organ Donation campaign was launched on 26th July, 2016 on the eve of Kargil Divas and went on till 15th February, 2017. During this period the organ donation message reached out to millions of viewers and listeners across the country, thanks to our media partners NDTV and Fever 104 FM. The on-ground arm of the campaign, that included 50 plus talks and events like the More to Give Walkathon managed to touch a lakh individuals. The digital arm of the campaign too saw significant engagement and reached out to over 2.3 million individuals. On the eve of India's Organ Donation Day, November 29, 2016 – #MoreToGive trended on the number 1 position on twitter across India.

   All this effort has led to 20,000 individuals taking the pledge to donate their organs. Across the Fortis network, 5 of our hospitals saw their first cadaver organ donation taking place. The organ donation rate within the Fortis network has increased from 0.7 per month to 2.1 per month. More than 90% of heart transplants in the country were done in Fortis Hospitals including more than 150 in Chennai, 41 in Mumbai and 7 in NCR. The country's organ donation rate also increase to 0.8 per million population in the same period. The More to Give campaign was also one of the top 6 finalist (in the healthcare domain) in Effie India 2016, the finalist at APAC Effie 2016 and Cannes 2017 and has already won the 'Best Content in Digital Marketing Campaign' category of the Masters of Modern Marketing 2017 awards as well as 'Health Awareness Campaign of the Year' award at CSR Health Impact Awards 2017.

Management Discussion and Analysis Report

Indian Healthcare Sector – An overview

India has one of the fastest growing healthcare markets in the world. Healthcare has evolved into one of India's largest sectors - both in terms of revenue and employment, growing at a brisk pace due to an increasing expenditure by public as well as private players.

India's competitive advantage lies in its large pool of well-trained medical professionals and also its lower cost for health care delivery when compared to its counterparts in Asia and Western countries. Illustratively, the cost of some surgeries in India is about one-tenth that of the US and Western Europe.

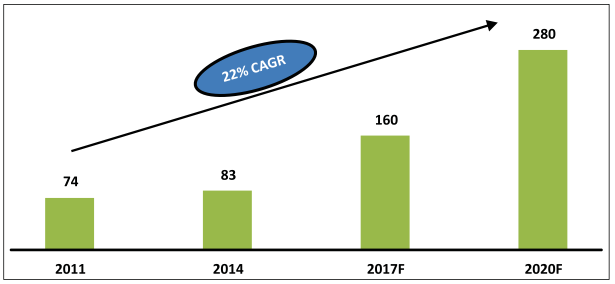
India's healthcare expenditure as a per cent of GDP has been relatively low. For Instance, in 2015 it was at 4.0% when compared to the global average of ~10%. This indicates that the healthcare industry has tremendous growth potential in India. Additionally, as per the World Health Organisation (WHO) report-2013, the gap for healthcare infrastructure, remains substantial. India has 0.9 beds per 1000 people, significantly lower than various developing and developed countries and the global average of 3 beds per 1000 people. This indicates that there is a great opportunity for companies to establish and expand hospital facilities in India.

Healthcare in India is both a complex challenge and an immense opportunity. India has a huge demographic advantage with over 50% of its population under the age of 25, and a rapidly growing 300-million strong middle-class. With such favourable demographics and the low insurance penetration levels, the healthcare industry offers huge future growth potential. A strong system of healthcare is necessary if India has to leverage its demographics make up. This growth potential can be realized only with the combination of efforts from the industry and the support of the government.

Market Size

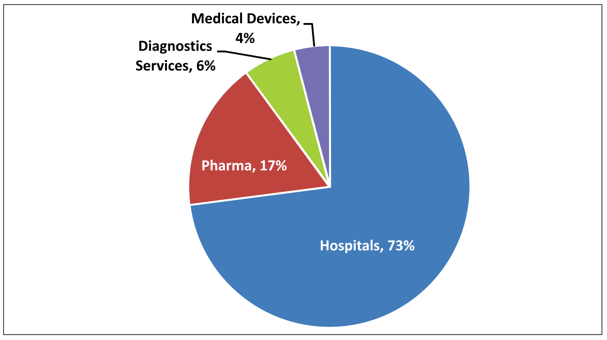
The Indian healthcare market is set to deliver a 22% revenue CAGR to USD 280 billion over 2014-20 (Source–FICCI KPMG report). The country has strong macro drivers: increasing accessibility (more hospitals in Tier-2 cities), improving affordability and insurance penetration as a consequence of rising per-capita income, stronger literacy rates & better awareness through government health campaigns and the higher incidence of non-communicable diseases due to sedentary lifestyles.

Healthcare Market to reach USD 280 bn by 2020F



Source: FICCI-KPMG report

Hospitals have major share: 2014



Source: FICCI-KPMG report

Hospitals constitute more than 70% of the Indian healthcare market, among the fastest-growing segments, in the healthcare spectrum. This has resulted in many chains expanding their operations into Tier-2 cities.

Diagnostic services also play an important role, acting as an intermediary to provide accurate diagnosis for treatment. This segment is likely to see a 17% CAGR, growing to USD 9 billion by FY18. The rising incidence of non-communicable diseases due to lifestyle changes is accelerating the need for regular health checkups. Growing brand awareness is expected to shift customer demand towards large organized players.

There is also significant scope for enhancing healthcare services across the country. Rural India, which accounts for over 70% of the population, is expected to emerge as a potential demand source.

Government Initiatives

India's universal health plan that aims to offer guaranteed healthcare benefits to the population of India will require an estimated outlay of ₹ 1.6 trillion (USD 23.72 billion) over the next few years.

Some of the major initiatives taken by the Government of India to promote the Indian healthcare industry are as follows:

- In the Union Budget 2017-18, the overall health budget was increased to ₹ 48,878 crore (USD 7.3 billion), 2.27% of the total Union Budget. This marks an increase from the previous years budget of ₹ 39,879 crore (USD 5.96 billion), equaling 1.97% of the total Union Budget for that year.
- In addition, the Government of India made the following announcements in the Union Budget 2017-18:
    - Harmonize policies and rules for the medical devices industry to encourage local manufacturing and move towards improving affordability for patients.
    - Modify the Drugs and Cosmetics Act to promote generics and reduce the cost of medicines.
    - Set up two new All India Institutes of Medical Sciences (AIIMS) in Gujarat and Jharkhand.
    - Set short and medium term targets for key health indicators and bring down the Maternal and Infant Mortality Rates.
    - Prepare action plans to eliminate Kala Azar and Filariasis by 2017, leprosy by 2018, measles by 2020 and tuberculosis (TB) by 2025.
- The Government of India plans to set up a single window approval system for innovation in medical research and grant permission/approvals within 30 days from the date of application to such Indian innovation projects who have applied for a global patent.
- The Union Cabinet has approved the signing of an agreement with the WHO under which the WHO will develop technical documents on traditional medicines, leading to better international acceptance of the Indian systems of medicine.
- The NITI Aayog (National Institute for Transforming India) seeks to bring reforms in India's public health system, Eg. Outsourcing primary healthcare to private doctors and promoting competition between government and private hospitals at the secondary level.
- The Government of India has launched the National Deworming initiative to protect over 24 crore children in the ages of 1-19 years from intestinal worms.

- Mission Indradhanush was launched with the aim to immunise children against seven vaccine preventable diseases namely diphtheria, whooping cough, tetanus, polio, tuberculosis, measles and hepatitis B, by 2020.
- The E-health initiative, which is a part of Digital India drive was launched with the aim of providing effective and economical healthcare services to all citizens. The programme would use technology and portals to facilitate the maintenance of health records and to book online appointments with various departments in different hospitals using eKYC data of Aadhaar number.

Key Growth Drivers

India's rising population with favorable demographics

India has an estimated population of 1.34 bn and is expected to equal China's population of 1.44 billion by 2024. After that, India's population is projected to grow to around 1.5 billion by 2030 to touch 1.66 billion by 2050.

Analyzing the demographic profile of India, while 50% of its population is estimated to be below 25 years of age, 65% is below the age of 35 years. However, the proportion of geriatric population (60 years and above) is increasing at a much faster rate than the rest of the population. This geriatric population is expected to augment demand for the healthcare and related services significantly.

Furthermore, it is expected that consumption patterns will shift with the ageing population and improved income levels from other necessities to needs such as preventive healthcare and high end healthcare services.

Lifestyle related diseases and growing awareness to increase hospitalization

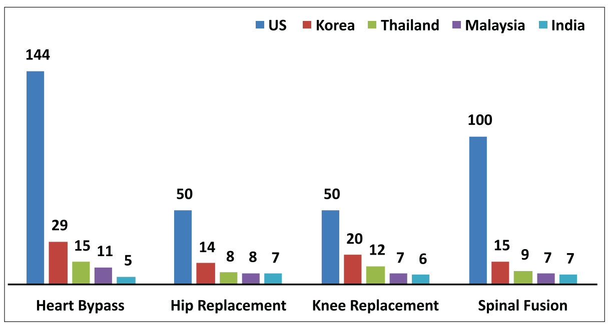
Modern science through improved sanitation, vaccination, and antibiotics, and medical attention has eliminated the threat of death from most infectious/ communicable diseases. However, lifestyle diseases like heart disease and cancer are now the primary causes of death. The WHO has identified India as one of the nations that will have most of the lifestyle disorders in the near future. Now a days, not only are lifestyle disorders becoming more common, but they are also affecting younger people. Hence, the population at risk shifts from 40+ to maybe 30+ or even younger. Already considered the diabetes capital of the world, India now appears to be headed towards gaining another dubious distinction — of becoming the lifestyle-related disease capital. As per a study, the incidence of hypertension, obesity and heart disease is increasing at an alarming rate, especially in the young, urban population. A sedentary lifestyle combined with an increase in the consumption of fatty food and alcohol is resulting in cases of obesity, diabetes, hypertension etc.

Increased incidence of lifestyle related disease has contributed to rising healthcare spending by individuals. Additionally, growing health awareness, precautionary treatments and improved diagnostics are expected to result in higher hospitalizations.

Medical Tourism to witness significant traction

Medical tourism is a growing sector in India, estimated to be worth USD 3.9 billion in 2016. It is projected to grow to USD 8 billion by 2020. The medical tourism market witnessed a growth of 27% CAGR through 2013-16. According to the Confederation of Indian Industries, the primary reason that attracts medical value travel to India is its cost-effectiveness and the availability of treatment at accredited facilities, at par with those in developed countries. India offers the highest quality of medical care at the lowest cost. A wide variety of surgical procedures can be accomplished at about one-tenth the cost, or less, as compared to many developed and developing countries.

Cost of various surgeries in different countries (in USD '000)



Source: Ministry of Health, RNCOS, KPMG, Deloitte, Medical Tourism Association, LSI Financial Services, TechSci Research

Healthcare Services Remain Under-Represented and under served

India has enormous scope to enhance healthcare services considering that healthcare spending as a percentage of GDP in India is a mere 4.0% as compared to the global average of over 10%. In terms of healthcare infrastructure, India has just 1 bed per 1000 people compared to world average of ~3 beds. To achieve the target of 3 beds per

1,000 people by 2025 India would need additional 3 million beds.

Furthermore, if we compare the number of physicians and nurses, India has 0.7 doctors and 1.5 nurses per 1000 people in contrast to the global average of 2.5 doctors and 2.5 nurses per 1000 people. To meet the growing demand of healthcare services, India would need an additional 1.54 million doctors and 2.4 million nurses. It is also estimated that an investment of USD 86 Billion is required to achieve these targets.

Health Insurance poised to grow - positive for healthcare delivery providers

The gross domestic product (GDP) growth of any country is directly linked to the health of its population. However, healthcare is one of the key challenges for India, given the lower levels of awareness and government spending on healthcare. The opportunity cost of a poor state of healthcare is enormous. Apart from lower quality of life for a large number of people, India loses several billion dollars in GDP due individuals, who are rendered long-term unproductive, on account of their poor health.

Due to a low healthcare spend, the lack of special attention towards this sector and the absence of concrete regulatory policies, India's healthcare system is in bad shape. Expenditure on health by the government continues to be low and grossly inadequate resulting in high out-of-pocket (OOP) expenditure for nearly 75% of the Indian population who have to pay directly for their healthcare needs. This puts a tremendous financial burden on the population. Lack of Health Insurance and its low penetration causes further hardship in accessing healthcare.

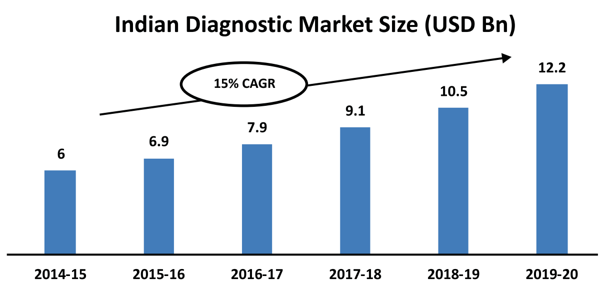
We believe that with the increasing demand for affordable and quality healthcare, penetration of health insurance should grow exponentially in the coming years. This, in turn, will further fuel the growth for healthcare delivery providers.

Health insurance has been gaining momentum in India and witnessed a CAGR of 15%, during FY08-16. The Gross healthcare insurance premium in 2016 stood at USD 2.8 billion, nearly 28.5% of the overall gross direct premium income for the non-life insurance segment.

INDIAN DIAGNOSTIC INDUSTRY

The diagnostic industry landscape is changing very rapidly, driven by the introduction of new labs, launch of new tests & technologies, digitization of equipment & payments along with a consistent reliance on the expertise of doctors to arrive at a conclusive diagnosis. The country has become one of the major destinations for various diagnostic services. Also, India's thriving economy is driving urbanization and developing an expanding middle class, with rising disposable incomes to spend on healthcare. Though a major portion (around 85%) of diagnostic business is being managed by the unorganized sector, the diagnostic service market is expected to become much more organized and consolidated with a lot of small and independent laboratory players becoming franchisees for the larger players. In terms of services, the market is dominated by pathology services, which account for approximately 70% of the market.

The Indian diagnostic industry was valued at USD 6 billion in FY15 (CAGR of 16% over FY12-15) and is expected to grow at a CAGR of ~15% over FY15-20 to reach to a size of about USD 12 billion in FY20. The rising geriatric population, increasing incidence of lifestyle-related diseases, growth in medical tourism and increasing penetration of health insurance in the country will drive the demand for diagnostic services. Furthermore, increasing literacy and awareness towards preventive care in tier-I and tier-II cities will also be the driving forces for the industry.



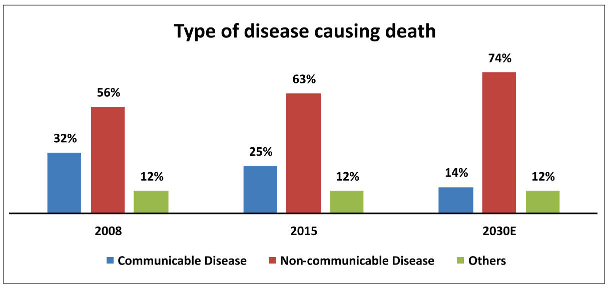
Source: Company Estimates

The Indian diagnostic industry is highly unorganized with standalone centres and hospital-based centres, which together capture ~85% of the total diagnostic market. The organised diagnostic chains constitute just about 15% of the market and this is expected to grow at a CAGR of ~20% to reach ~16% of the market size by FY18. The diagnostic chains are further categorized into the large pan-India players and the regional players. There are about 8-10 large pan-India players which cover about 35-40% of the organized diagnostics market. As per industry reports, this particular segment's share is expected to rise to 37-42% by FY18 because of the gradual shift in the market to large branded chains.

Demand drivers for the diagnostics Industry

Increasing demand for regular / preventive checks due to lifestyle changes

The rising income levels and changing lifestyles is resulting in a shift in the disease profile of the population in India, from infectious diseases to chronic or lifestyle diseases, such as cardiovascular diseases, diabetes and cancers. According to the World Bank report, cardiovascular diseases, diabetes, cancers and other chronic diseases were collectively responsible for 60% of deaths among the Indian population in 2012, compared to approximately 48% of deaths in 2000. The increase in chronic diseases has resulted in increased demand for diagnostic tests, including biochemistry diagnostic tests for blood sugar, cholesterol and lipid profiles. The chart below shows the expected increase in the proportion of non-communicable disease which would result in increasing demand for diagnostic tests.



Source: Company Estimates

Wellness and preventive diagnostic services were valued at ₹ 26 bn in FY15, constituting ~6-8% of the diagnostic services market. This is expected to grow at a CAGR of 25% over FY15-18 to ₹ 48 bn representing ~7-9% of the total market for diagnostics by FY18. There is a constant increase in the prescription of precautionary tests to accurately identify risks before the onset of any chronic condition. This bodes well for the industry which is bound to witness higher growth.

Rising literacy level and awareness among population

Rising literacy levels in India have enhanced the overall knowledge of chronic diseases and their increasing prevalence in recent years. The Indian population's awareness to take wellness and preventive actions to identify pre-existing diseases or likely risks from particular chronic diseases is on the rise. As a result, an increase in wellness and preventive diagnostic services is expected to contribute to the growth of the diagnostic-services industry.

Significant Outsourcing opportunity for Diagnostic Industry

The Indian market is evolving into an outsourcing market for diagnostics testing. It is estimated that specialized tests like molecular diagnostics or hormone related tests cost 70-80% less in India compared to other developed countries. The Diagnostic majors with accredited labs are partnering with many research organizations, medical institutions as well as insurance companies, for the same. Indian CROs (contract/custom research organizations) are providing an opportunity for diagnostic majors to tap into the global market for clinical trials. India is becoming a preferred destination for clinical trials due to its large pool of proficient medical and paramedical professionals, cost advantages, and pool of patients.

Outlook on India's Healthcare Delivery System

The role of private healthcare players has increased significantly over the last decade in delivering quality healthcare services. Our country is in a transformation phase with an increasing demand for quality healthcare delivery services due to its burgeoning population, increasing chronic & lifestyle disease ailments and increasing geriatric population. Growing literacy levels and insurance penetration coupled with rising per capita income will increase the demand for advanced and modern treatment options. This will enhance the role of private players in bridging the demand supply gap in the industry. Healthcare organizations will continue to explore different business models to grow their presence rapidly and with a judicious mix in capital allocation.

Furthermore, the country continues to witness a shortage of hospitals, doctors, nurses and paramedical staff. The education sector has not kept pace with the rapid technological developments in the medical field as well as the increasing demand in the country. For any country, the healthcare sector is the backbone for the overall growth of the economy. For India, significant investments are required to be made in healthcare infrastructure as well as in healthcare education, to be able to match the global average. This can only be achieved when both the public and private sectors come together to improve the overall healthcare delivery system.

The Company

Fortis Healthcare is one of the leading healthcare delivery providers in Asia. Founded by the iconic Indian business leader, the Late Dr. Parvinder Singh, architect of growth at Ranbaxy Laboratories, Fortis is a manifestation of his vision "To create a world class integrated healthcare delivery system in India, entailing the finest medical skills combined with compassionate patient care". Fortis aspires to remain a leader in the healthcare delivery space and is driven by the larger purpose of **"SAVING AND ENRICHING LIVES"** through clinical excellence.

Fortis started its journey with its first hospital in 2001 in North India and, during the course of 16 years, has grown to become a leading healthcare service provider with a presence in day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2017, the company had a network of 45 healthcare facilities (including projects under development), with approximately 4,800 operational beds[1] and the potential to reach over 9,500 beds. In India, the Company is one of the largest private healthcare chains comprising a network of 40 healthcare facilities, including 31 operating facilities, 3 satellite and command centres located in public and private hospitals and 6 healthcare facility projects which are under development or are greenfield land sites.

The company's diagnostics business i.e. SRL Ltd. has a presence in over 600 cities and towns, with an established strength of 356 laboratories including 183 self-operated laboratories[2], 120 laboratories inside Hospitals including 27 labs located in Fortis healthcare facilities, 4 wellness centres and 5 international laboratories. It also has over 5,245 collection points, which includes 92 collection centers that are owned and 69 collection centres at International locations.

The Company is committed to deliver quality healthcare services to patients in modern facilities through the use of advanced technology and has a team of doctors, nurses and healthcare professionals who follow international protocols. All of our healthcare facilities provide secondary, tertiary and quaternary healthcare services to patients in Cardiac Care, Orthopaedics, Neurosciences, Oncology, Renal Care, Metabolic diseases and mother and child care. The Company has also developed certain healthcare facilities around some of these specialties, which it internally classifies as "Centres of Excellence".

On the eve of 8thNovember 2016, the Government of India launched the demonetization drive wherein 500 and 1000 rupee notes ceased to be legal tender money thereby nullifying substantially all of Indian currency. The move had an acute impact on access to healthcare across the length and breadth of the country as Private players were barred from accepting the old currency. However, at Fortis, a series of initiatives were implemented to help patients and their families make cashless payments across all its hospitals for treatment, tests and medicines. The cashless and digital payment facilities that patients and their families could avail at Fortis included wire transfer, demand draft, traveller cheques (especially useful for international patients), debit card/credit card, payment wallets such as Mobikwik and Paytm and EMI facility against credit cards. We also pro-actively emphasized that if people are sick and need medical help, we are there to provide it and remained committed to patients in this hour of need. No patient was turned away. In addition, Fortis Foundation, our CSR wing with its 600 volunteers reached out to more than 50,000 people standing in queues at more than 1000 banks and ATMs across the nation with medical help, water and refreshments in the weeks after demonetization.

In February 2017, National Pharmaceutical Pricing Authority (NPPA) made a major announcement to fix the ceiling price of stents used in coronary treatments in India. While Fortis welcomed this decision to be in larger public interest in making stents affordable for those who need them, a rational differentiation could have been considered to distinguish innovation and advanced technology in stent manufacturing and placement during coronary interventions. However, Fortis stands by the decision that this will ensure transparency, control indiscriminate pricing and across India. As a patient-centric healthcare service provider, all Fortis hospitals are abiding by the NPPA guidelines.

Key Highlights - FY17

- The Company in August 2016 announced the demerger of its diagnostics business and has since received a number of the required regulatory clearances. It filed a Composite Scheme of Arrangement and Amalgamation (demerger of diagnostics business) with the National Company Law Tribunal (NCLT), Chandigarh and has subsequently got approval from all shareholders and creditors of Fortis Healthcare, SRL Limited and Fortis Malar. The scheme is pending approval of NCLT.
- In October 2016, the Company completed the acquisition of 51% economic interest in Fortis Hospotel Limited (FHTL) from RHT Health Trust; resulting in a significant reduction in net BT costs – down 19% during the year. Since the deal

[1] Includes beds at owned, operated, leased and managed facilities and 350 beds of Lanka Hospitals, an associate of the Company

[2] Includes 22 wellness centres within these laboratories.

was completed in October, the full impact of the reduction in the net BT costs will be significantly higher in FY18, further improving the Company's operating EBITDA.

- The Company, during the year, also issued shares in lieu of the conversion notice received by it from the FCCB holders for its USD 85 Mn equivalent bonds i.e. USD 30 Mn bonds listed on the SGX and USD 55 Mn bonds held by the International Finance Corporation (IFC). The resulting capital post this conversion stands at approx. 51.7 Crore equity shares (excluding outstanding ESOPs) with a face value of ₹ 10 per share. Post the above conversions, there are no further outstanding FCCBs / other convertible instruments.

New initiatives, medical programs and specialties commissioned

During the year, the Company introduced and expanded its clinical programs and service offerings in several facilities in its network. These included:

- The Fortis Escorts Jaipur where state of the art neuro navigation and neuro intervention technologies were introduced, further strengthening its neurology offerings.
- At Fortis Anandapur Kolkata, the Heart Failure Clinic & Advanced Therapy Programs were launched in association with Fortis Malar, Chennai.
- At Fortis Malar Chennai a comprehensive colorectal clinic was launched.
- Fortis Mohali received the JCI accreditation for the 4th consecutive time
- The Fortis Bone and Joint Institute in FMRI and FEHI crossed the 300th procedure milestone within a month of its launch in July 2016
- At Fortis Hospital, Anandapur, Kolkata a Lung Cancer Clinic was inaugurated to mark World Lung Cancer Day.
- Fortis collaborated with way Forward, a digital, mental and emotional health company based in USA, to launch an emotional wellness program to solve problems caused by stress, anxiety and other emotional or mental health issues.
- At Fortis Escorts Heart Institute, Delhi, (FEHI) a specialised and dedicated 'Regional Fetal Cardiology Unit' was launched to provide high quality fetal echocardiography and fetal cardiac care to unborn babies suffering from congenital heart defects
- At Fortis BG Road,the dedicated Fortis Centre for Advanced Heart Failure and Transplant, was launched.
- During the year FY17, the Fortis Escorts Heart Institute, Delhi (FEHI) received accreditation from the Joint Commission International (JCI), for the third time. The Institute received its first JCI accreditation in 2010 and was reaccredited in 2013.
- The Radiology and Foetal Medicine Team at Fortis Hospital, BG Road, launched 'Project Smart Foetus', to identify genetic abnormalities at a very early stage.
- In a first-of-its-kind initiative in Mumbai and Navi Mumbai, Fortis Hiranandani Hospital, Vashi, launched a 'Headache and Vertigo' clinic. The clinic will offer succour to patients of migraine and vertigo, afflicting one in every five Indians.
- A state-of-the-art Bone Marrow Transplant (BMT) unit was inaugurated at Fortis Memorial Research Institute in the last quarter of the financial year 2016-17. The 14-bed BMT ICU has 12 beds for adults and 2 paediatric beds.
- An All Women's Clinic was started at Fortis Malar Hospital, Chennai. . The multi-speciality clinic will be a one-stop solution for women and is run by an all women team of clinicians and staff.
- After publishing the Cardiac Clinical outcomes data, at FEHI and the (1 year survival) Kidney Transplant data at Fortis Vasant Kunj', five other Fortis hospitals joined this initiative. Fortis Mohali, Fortis Mulund, Fortis BG Road, Fortis CG Road and FMRI too have published clinical outcome data for CABG and PTCA procedures.
- To address the growing need for liver transplants and the treatment of liver related diseases, Fortis Hospital, Bannerghatta Road, launched a dedicated Centre for Hepatobiliary Sciences and Liver Transplant.
- **Fortis dedicates 'Wall of Tribute' to salute organ donors:** In a first-of-its-kind effort, Fortis has decided to keep alive the memory of organ donors and honour their families. The 'Wall of Tribute' is placed at various hospitals, as part of Fortis Healthcare's national organ donation drive,

'MoreToGive'. The initiative salutes the families of organ donors who had the courage to rise above their intense moments of grief to donate the organs of their loved ones, saving many critical patients.

Key Awards & Recognitions

- Fortis Healthcare was adjudged "Hospital of the Year in India" and "Digital Savvy Hospital of the Year" at the 2016 APAC Healthcare and Medical Tourism Awards.
- Fortis Hospital, Anandapur, Kolkata; Fortis Hospital, BG Road, Bengaluru and Fortis Hospital, Mohali, received the coveted NABH Nursing Excellence Certification.
- Fortis Escorts Heart Institute, New Delhi; Fortis Hospital, Noida, and Fortis Hospital, Shalimar Bagh, received the "Green OT" certificate.
- Fortis Escorts Hospital, Jaipur, was applauded for its 'Excellence in Patient Care in the State of Rajasthan' at the 6th MT India Healthcare Awards.
- Fortis Hiranandani Hospital, Vashi, won four prestigious Golden Globe Tiger awards for the Best Quality Initiative in Healthcare, the Best Patient Safety Initiative in Healthcare, the Best Hospital in Paediatrics and Gynaecology, and the Best Green Hospital award.
- Four Fortis hospitals won the top honours at the CII 17th National Awards for Excellence in Energy Management in the Building Category. While Fortis Hiranandani Hospital, Vashi, was declared as the winner, Fortis Mohali, BG Road and Anandapur were named the runners-up.
- Fortis hospitals at BG Road, Anandapur, Mohali, Mulund, Vashi, Jaipur and the Fortis Hospital & Kidney Institute, Kolkata received the coveted NABH Nursing Excellence Certification, in recognition of their excellent Nursing services.
- Fortis Hospital, Mulund, Mumbai was recognised as the "Best Hospital Unit in Cardiac Care" and the "Best Medical Tourism Facility" at the CIMS Healthcare Excellence Awards 2016. The hospital has also won the "Patient Safety" award for its Insulin Super League programme and the "Outstanding Achievement in Healthcare (Social Causes)" award for its efforts in the Organ Donation space at the CMO Asia Healthcare Excellence Awards 2016.
- Fortis Hospital, Mulund, Mumbai won a Grand Excellence special recognition and two Gold Awards at the Asian Hospital Management Awards (AHMA) 2016, at Ho Chi Minh City, Vietnam.
- Fortis S. L. Raheja Hospital, Mumbai won three Golden Star Six Sigma Awards for Best Hospital, For Best Use of Medical Technology and For Best Medical Programme (Diabetes).
- Fortis Hospital, Mulund, Mumbai won three recognitions for Medication Safety, Innovation in Safe Communication and Patient & Family Education categories at the Asian Patient Safety Awards 2016, at the 6th International Congress on Patient Safety in Chennai.
- Fortis Hospital, Bannerghatta Road, Bengaluru won a Gold at the Asian Hospital Management Awards (AHMA) for its 'Mission AAA' (Avoid Antibiotic Abuse) in the Physician Leadership Programme category. The award was presented at an event at Ho Chi Minh City, Vietnam.
- Fortis Hospital, Mohali was feted with the coveted Asia Pacific Hand Hygiene Award for 2016. Dr Anita Sharma, Head - Infection Control Committee, received the honour on behalf of Fortis Mohali at a ceremony in Bangkok.
- Fortis La Femme, New Delhi was ranked No. 2 in North India and 5th in the country in the All India Critical Care Hospital Ranking Survey, 2017.
- Fortis Hospital, Kalyan, received the Nursing Excellence Certificate from the National Accreditation Board for Hospitals and Healthcare Providers (NABH)
- Fortis Escorts Hospital, Jaipur, became the first hospital in Rajasthan to receive the prestigious NABH Nursing Excellence accreditation, a testimony to the high nursing standard, unmatched expertise and relentless commitment towards patient welfare.

Financial & Operational Highlights

(The Company adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2016 and the financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Hence, the below summary is as per Indian Accounting Standards (Ind AS)).

For the financial year 2016-2017, the Company reported a consolidated total income of ₹ 4,574 Crore which includes revenue of ₹ 4,508 Crore from the India Operations and ₹ 66 Crore from the International Operations. Overall consolidated revenue in FY17 of ₹ 4574 Cr compares to ₹ 4,210 Cr of consolidated revenue in the previous year, a growth of 8.7%. This is despite the impact of demonetization witnessed in H2FY17. Revenue growth in H1FY17 compared to H1FY16 was at 9.7%, while in H2FY17 revenue growth stood at 7.6% largely as a result of demonetization. Consolidated Operating EBITDAC (before the net business trust fees) stood at ₹ 734 Crore, a growth of 10.5% with a margin of 16.1% compared to 15.8% in FY16. EBITDA (excluding other income and before exceptional item) for the year was at ₹ 362 Crore. Reported Net profit/ (loss) after Minority Interest and Share in Associates for the company was at ₹ 426 Crore compared to ₹ 28 Crore in FY16. The exceptionally high net profit includes a one-time gain in Share in Associates. This is the Company's share in the profits of RHT health trust which includes the exceptional gain arising from the FHTL transaction consummated in Q3FY17.

The India business comprising the Hospital and the Diagnostic business contributed ₹ 4,508 Crore, a growth of 8.7% over the corresponding year. For the year FY2016-17, the hospital business contributed 82% to the overall India business and grew by 8.3% to ₹ 3,712 Crore, compared to ₹ 3,428 Crore in FY16. The India Diagnostic business reported net revenue (net of inter-company elimination) of ₹ 795 Cr compared to ₹ 719 Crore in the corresponding previous period.

For the India business, the operating EBITDAC before net business trust costs stood at ₹ 719 Crore, representing a margin of 16.0%. The India Hospital business reported operating EBITDAC before net business trust costs at ₹ 545 Cr, a margin of 14.7% compared to ₹ 505 Crore (14.7% margin) reported in FY2016, a growth of 8%. The Diagnostic business in India reported EBITDA at ₹ 175 Cr, a margin of 21.9% as compared to a 24.3% margin, reported in FY16.

The company's various key facilities continue to perform well both in terms of revenue and operating profits. These facilities include FMRI, Fortis Mohali, Fortis Escorts Heart Institute, Fortis Mulund, Fortis Noida, Fortis Shalimar Bagh, Fortis Anandapur, Fortis Malar and Fortis Ludhiana. FMRI Gurgaon, FEHI and Fortis Mulund reported net revenues of ₹ 479 Cr, ₹ 402 Cr and ₹ 319 Cr, for FY2016-17, witnessing a strong growth of 16%, 17% and 14%, respectively, when compared to the previous year. The company's Ludhiana facility launched in FY14, reported revenues of ₹ 102 Cr during FY17, a growth of 40% over the previous financial year. International patient revenues for the hospital business during the year stood at ₹ 395 Cr representing 10.6% of the overall hospital business revenue, compared to ₹ 341 Cr reported in the previous financial year.

Key operational parameters in the Company's hospital business continued to see a healthy uptrend. ARPOB (Average Revenue per Occupied Bed) grew to ₹ 1.45 Cr compared to ₹ 1.37 Cr in FY16, an increase of 6%. ALOS (Average length of stay) was at 3.56 days similar to the previous year, while Occupancy improved to 75% versus 72% in FY16 respectively.

The Company continued to maintain a healthy Balance Sheet with a net debt of ₹ 1,281 Cr and net debt to equity ratio of 0.20x as on 31st March 2017 (0.16x as on 31st March 2016).

Medical Operations

For Fortis, medical operations continues to be the key focus area. The Medical Strategy & Operations Group (MSOG) of the company oversees clinical excellence, clinical outcomes, quality control and process standardization across the Fortis network. The prime objective is to achieve greater Clinical Excellence across the network by implementing Organizational priorities through a) Identification & recruitment of the best Clinical Talent, b) Standardization of Medical processes, c) Setting up world class Medical Infrastructure and d) Medical Technology Management.

During FY16, Fortis Healthcare had entered into a contract with VitalHealth Software wherein Fortis implemented the VitalHealthQuestLink software for collecting Patient Reported Outcome Measures (PROMs) based on International Consortium for Health Outcomes Measurement (ICHOM) Standard Sets. Fortis has been using QuestLink to monitor clinical outcomes of patient treatments, making it the first organisation in India to do so. QuestLink was initially implemented to monitor the treatment of patients with Coronary Artery Disease in 13 hospitals, based on ICHOM's Standard Set for Coronary Artery Disease.

Clinical Outcomes: In FY16, Fortis became the first, privately held, Indian healthcare chain to introduce monitoring of its clinical outcomes – starting with Fortis Escorts Heart Institute (FEHI), New Delhi for 2 procedures, namely: Coronary Artery Bypass Graft (CABG) and Percutaneous Coronary Intervention (PCI, PTCA).

In FY17, 5 additional hospitals namely Fortis Mohali, Fortis Amritsar, Fortis Ludhiana, Fortis Malar and Fortis Vashi started reporting clinical outcomes on the VitalHealth portal for the two procedures. Currently, 16 Fortis units are implementing ICHOM standard sets for Coronary Artery Disease.

The clinical outcomes data for Kidney Transplant (1 year Survival) at Fortis - Vasant Kunj, has been published as well. Fortis clinical outcomes are comparable with the globally accepted best-in-class benchmarks. Further, the portal is now being used for reporting Kidney Transplants and Cancer Registry.

During the year, the MSOG team rolled out the revised Infection Control and Prevention manual in accordance with the 2015 guidelines of the National Aids Control Organization (NACO). The team also rolled out validation protocols for 5 CESC parameters, namely: a) Catheter-associated Urinary Tract Infection (CAUTI) b) Central Line-associated Blood Stream Infection (CLABSI) c) Return to ICU, d) Return to OT and e) Hospital Acquired Patient Ulcer. The team also revised SOP related to Bio Medical Waste management based on the gazette notification.

During the year, the Department of Research and Academics was launched . The purpose is to assist strategic choices & partnerships with Sponsor Custom Research Organisations (CROs), Universities and Industry, to encourage Academic pursuits and to enhance the number of Clinical trials across Fortis.

A publication repository was initiated during the financial year 2016-17 with an aim to capture all the noteworthy Abstracts/ Chapters/ Original studies/ Review articles/ Editorials/ Letter to editors/ Case reports etc authored by the clinicians associated with Fortis Healthcare. The repository will serve as a data master of information which will be utilized for several initiatives such as: a) Updation of the individual as well as the Institution's profiles, b) acknowledgement and appreciation of the achievements and c) understanding the interest and research orientation of clinicians.

The Fortis network currently has 4 JCI accredited hospitals, 19 NABH accredited hospitals, 6 NABH accredited blood banks and 15 hospitals with NABH accredited Nursing programmes.

SRL Limited

SRL Limited still enjoys the leadership position in the diagnostics industry in terms of revenue as well as its reach amongst customers. SRL boasts of the largest network of 356 labs with a pan-India footprint augmented with a 5000+ network of active revenue-churning collection points, collection centers as well as direct clients. The collection points serve to pick samples across India and feed satellite and reference labs through a robust logistics channel. SRL, being the largest mass market player, is present across the diagnostic service segments of pathology and radiology. SRL commands the wellness or preventive healthcare segment, owing to its 25+ wellness centers with services ranging across all pathology segments viz. screening, diagnostic, predictive, preventive and monitoring tests. SRL reaches out to over 60,000 doctors and at an average conducts over 125,000 tests every single day.

In FY16-17, SRL worked hard to create brands in a highly commoditized pathology market and succeeded in garnering an estimated 5% of portfolio sales. SRL's HCP Plus is a household name today. Focus on indices of efficiency, bringing in integrated platforms, decentralization of tests basis customer demand and putting in place a plan for creation of a new Centre of Excellence (COE) in "HLA and Transplant Immunology", were some of the key operational areas of improvement. The COE in HLA will be the 5th one as SRL already has Centres of Excellence in Histopathology, Hematology, Molecular Biology and Cytogenetics.

The SRL Team of Pathologists, Scientists and other Professionals continued to maintain a close connect with the Physicians in order to enhance the academic environment aimed eventually at improved patient outcomes. Hence, Clinico-pathological meetings, Tumor Boards, interaction of Microbiologists with critical care experts, one-on-one interactions with key opinion leaders, all contributed to making the critical difference in the nature of SRL's work and generating superior Outcomes this year.

In the Hospital lab Management space, SRL's association with the Fortis hospitals gives it that cutting edge expertise in the managing of Labs inside hospitals. The requirement of running the Labs inside the Hospitals is very demanding and challenging. Further, in the Hospital labs, there has to be a superior Microbiology set up and that helps all our Hospital associates in controlling Infections.

SRL has taken the lead in the innovation space and has launched 22 new tests and technologies in FY16-17 in the areas of neurology (Auto-immune encephalitis Panel and VGKC), Oncology (MSI, MLH, PNH and TPMT), Genetics (Cardio Next, GD Next) and Organ Transplant (HLA CoE).

SRL has always been the pioneer in terms of academic proficiency and advancements. The Xpertleague campaign last year was a fore runner in this field as an informative & authenticated academic certification program for clinicians, developed in association with reputed peer reviewed medical journal - BMJ for the first time in India. SRL has conducted over 1000 DPM (Doctor Patient Meetings) to create awareness and detect diseases at an early stage. Over 50,000 patients across India were benefited by this program.

SRL bagged a prestigious project from UNICEF to study malnutrition levels in over 50,000 children in 1900 villages in 30 states. SRL has already completed the survey in 13 states and data has been submitted to the Ministry of Health and family Welfare.

Public Private Partnerships (PPP's)

SRL continues to dominate the PPP space in diagnostics in India. Its partnership with Himachal Pradesh/ Uttar Pradesh/ Jharkhand government continues to flourish; where SRL has been able to reach out to the bottom of the pyramid, in these states. In Jharkhand, SRL has been providing pathology services in 12 district hospitals serving a tribal and extremely poor populace. In order to serve a social cause, SRL chose a contrarian operational strategy where instead of waiting for a patient to come to it for testing, the team went to remote tribal areas. SRL has hosted various health camps in PHC/ CHCs of many districts which were so far deprived of basic testing facilities. SRL's testing facilities inside district hospitals have given a boost to govt. healthcare schemes like JSSK (Janani Shishu Suraksha Karyakaram) and has improved maternal and child health in the State. SRL served 2.2 lac patients and conducted over 4.5 lac tests in Jharkhand as part of the PPP project.

In the Uttar Pradesh PPP, the UP govt. has renewed its contract with SRL as a reward for good performance and quality reporting in 22 district hospitals of Uttar Pradesh. This project is led by UPHSSP (Uttar Pradesh Health System Strengthening Project) which has helped to strengthen diagnostic facilities in district hospitals. These hospitals have high footfall from the low and middle income group and have so far lacked facilities to test high end tests. However, with SRL setting up its collection centres inside the hospital premises, the initiative has benefitted over 2 lac patients and helped doctors to take informed clinical decisions with the help of 4.5 lakh tests, conducted in FY17.

In Himachal Pradesh, SRL set up its pathology facilities in 24 locations and served over 7 lac patients in FY17. SRL has conducted over 2.8 million tests for patients in this part of the country which has difficult topology, tortuous terrain and extreme weather in many months of the year. SRL partnered with NGOs/ govt. agencies to conduct camps for thalassemia screening in the State, conducted awareness in Balmelas and helped the Govt. to tackle an outbreak of jaundice in the State.

International Business

In order to address the ever growing diagnostic needs of the global medical fraternity, SRL's International Division became operational in 2003. The International Operations of SRL comprise of state-of-the-art labs in Dubai, Kathmandu and Colombo. In FY 2016-17, SRL inaugurated its first franchise lab in Nepal, in Biratnagar. The SRL international network also consists of more than 65 collection centres where world-class Operational, Logistic and IT capabilities have enabled it to satisfactorily process and report on patient samples flown in from South Asia, the Gulf and the Middle East, South East Asia and parts of Africa.

Along with laboratory services (both radiology and pathology), SRL also assists our international clients and partners in the planning and implementation of laboratory management services, along with complete IT support through indigenously developed lab management software - 'CLIMS'

Financials

For the financial year 2016-17, SRL Ltd. reported net revenues of ₹ 795 Crore (net of inter-company sales) compared to ₹ 719 Crore reported during the Financial Year 2015-16, a growth of 10.6%. The Company's operating EBITDA for the year stood at ₹ 175 Crore, representing a margin of 21.9% as compared to margin of 24.3% reported during the previous financial year.

The lab medicine .i.e. the pathology business contributed 93% to total revenues and grew 9% over the previous year. The contribution of the imaging business to total revenues declined to 6.9% during the year from 8.2% in FY16, primarily due to network rationalization.

On a standalone basis, SRL's Revenues grew at 9% over FY16 to ₹ 932 Cr . The operating EBITDA stood at ₹ 175 Cr similar to the previous year. The operating EBITDA margins were at 18.7% compared to 20.5% reported in the previous financial year.

The business undertook a total of over 15.3 million accessions for Pathology and Radiology during the year, a growth of 6% over FY16. Through these accessions, it undertook 35 million tests during the year, up 7% as compared to 32.7 million tests, in FY16.

The business continued to have a well-diversified geographical mix with no over dependence on any region, allowing it to optimally capitalize on its pan India network. The business witnessed 31% revenues from the North, 27% from the West, 19% from the South, 20% from East and Central India and 3% from International for the period ended March 31, 2017.

Awards and Accolades

At SRL, we have grown from strength to strength, always keeping the interest of our customers at the core of everything we do and believe in. Our dedication and hard work has resulted in several prestigious awards and accolades this year. While the recognition reinforces our strong credentials and helps establish us as a leader in the Indian diagnostics sector, it is an indication of the trust we enjoy with our customers. Some of the key recognitions that came our way this year include:

- The Frost and Sullivan Award for being Asia's Best Diagnostics Service Provider of the Year 2016,
- SRL was awarded the MT India Healthcare Award 2017 for being the Best Diagnostic company of the year
- CMO Asia's National Awards for Excellence in Healthcare felicitated SRL as the Best Diagnostic Services Company 2016 second year in a row,
- SRL won the "ABP News Healthcare Leadership Awards 2016" in the category of Best Use of Technology by a Diagnostic Service Provider.
- SRL Diagnostics also received a Certificate of Appreciation from IPAQT (The Initiative for Promoting Affordable Quality Tuberculosis) for our valuable contribution as an IPAQT Partner towards TB control in India.

HUMAN RESOURCE

For Fortis, talent is the greatest asset. Our HR Practices, procedures and organizational environment are all designed to engage and motivate employees helping them to deliver a superior performance at all times. The company acknowledges the value every employee brings to the work environment and strives to nurture their competence and potential, enabling them to add value to the organisation.

Employee Engagement

Fortis conducts its annual employee engagement survey, and the results have shown improvement over last year by 3% points to 68%. The engagement score for Doctors also improved by 8% points to 67%, similarly, the Nurses engagement score improved by 5% points to 64%.

Employees continue to exhibit positive momentum with improved perception in all work experience drivers, mainly Health and well-being, inclusion of diverse workforce, trust in action.

Learning & Development

The Fortis Leadership Peer Exchange Program - This program aims to tap learning opportunities by creating a platform wherein knowledge sharing, learning from each other, peer learning and best practice sharing is possible. To enable the exchange of knowledge, the programme entails 'pairing' of Unit Leaders. The focus is on expanding leadership perspective by observing, shadowing and interacting with accomplished peers & diverse unit leadership teams. Experiential learning with a focus on 'learning by doing' entails the application of concepts/learning, by working through focus areas / business challenges. The peer exchange program is now being extended to unit & regional functional heads to focus on maximizing their functional/domain specific knowledge and capabilities enabling them to adapt to evolving business challenges to drive business results.

Service Excellence – Imparting Service Behavior

- Service Excellence Modules based on addressing essential service delivery aspects for employees in customer facing roles:- LEAP, Patient First, Telequette, Grooming, Corporate Image & You, Email Etiquette
- Impacting service behaviors on the floor Program to sustain 'service excellence' behaviors. Post training, structured on-floor observation and assessment along with feedback and action planning is provided to front facing employees

New Programs

- m learning - Product Knowledge Certification in Sales, aims to enhance the product knowledge of the sales team in medical specialties /products so as to further enrich their interaction to strengthen our value proposition with doctors and partners.
- Leadership: Its Transformational Role, this program explores different facets of motivation, enhances awareness of one's sources of power & their manifestation, awareness of leadership styles, contribution of leaders in the development of teams. An influencing role in creating the desired climate for transformational 'change'

- Supervisory Skills Program: A part of the Leadership Training Framework initiated for our Supervisory cadre
- Functional Learning Path: A structured approach for enhancing necessary knowledge, skills and attitude of a new colleague in the respective function and role. The program aims at getting the learner onboard faster, thereby enabling him/her to perform better on the job i.e. identifying the deliverables for the role, meeting stakeholder expectations and responding promptly and efficiently to customers. Functional Learning paths have been created for unique roles in Dietetics, IPD Billing, Security, F&B, Housekeeping, OPD, Call center etc.

HR Processes: During FY16-17, with the spirit of continuous excellence, Fortis digitalized the Performance Management System (PMS) with this our focus is to bring transparency in our processes.

Ways of Working (WOW): Last Year the company took a momentous decision to make the organisation lean, responsive and agile by changing the regional structure. We moved from 5 regions to 3 regions. In January 17, an assessment was done on the efficacy of the new structure. As a result, we were able to decentralize the processes and decision making.

Talent Management: We have been successful in hiring senior level Clinical talent at our Hospitals across the country. This year the focus was also on creating a talent pipeline at the hospital leadership level and we have been quite successful in our endeavor in this direction. We have also emphasized on succession planning at senior levels to obviate leadership gaps at that level.

As on March 31, 2017, the company had a total employee base in the hospitals & the diagnostics business of 22,572 employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

At Fortis, management has the overall responsibility to design, implement and monitor an effective control environment that is aligned to the inherent risk profile of the organization. Management is responsible for the identification, evaluation and management of significant risks and action plans to mitigate these risks. A framework for risk mitigation has been institutionalized and is overseen by the Board of the company with assistance from various committees and senior management.

An entity level control framework sets the control philosophy and principles which guide the organization policy and operating processes. An internal control framework has been designed to manage and mitigate the risks faced by the Company.

The organizational hierarchy, role, responsibility and accountability structures have been defined to provide an enabling environment for business functions and units to operate as per the designed control environment. Review and oversight procedures are designed to monitor effective adherence to design.

The internal control system is commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

As part of the Corporate Governance Report, Internal Financial Control certification provides assurance on the existence of effective internal control systems and procedures.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and supports a continuous improvement program. The internal audit program is managed by an Internal Audit function directly reporting to the Audit & Risk Management Committee of the Board.

The scope and authority of the Internal Audit Function is derived from the Audit Charter approved by the Board. The Internal Audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology.

The Internal Audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

Management provides action plans to address the observations noted in the internal audit reviews and action plans are monitored for compliance under the supervision and guidance of the Audit and Risk Management Committee.

The Audit and Risk Management Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of internal audit observations.

FORWARD LOOKING STATEMENT

Except for the historical information contained herein, statements in this discussion which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

References

1. Aarogya Bharat – India Healthcare Roadmap for 2025 by Bain & Company and NATHEALTH
2. Excellence in Diagnostic Care, KPMG & CII
3. IBEF, Healthcare Update, June 2017
4. Medical Value Travel in India, KPMG & FICCI, FICCI Heal Conference
5. Market Research, reports, web articles, press & media reports and others

Independent Auditor's Report

TO THE MEMBERS OF FORTIS HEALTHCARE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of FORTIS HEALTHCARE LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone

Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the transition date opening balance sheet as at 01 April, 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March, 2015 dated 28 May, 2015 expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

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

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) In the absence of the written representation from Mr. Sunil Godhwani, as on 31 March, 2017 we are unable to comment whether he is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act. As far as other directors are concerned, on the basis of the written representations received from the directors of the Company as on 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 11 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer note 9 to the financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer note 9 to the financial statements.

iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016 of the Group entities as applicable. However, as stated in note 30 to the Standalone Ind AS financial statements, the Management have received amount aggregating ₹ 7.47 lacs from transactions which are not permitted. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained for the purpose of preparation of the standalone Ind AS financial statements – Refer note 30 to the financial statements.

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

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

Gurugram
30 May 2017
RT/JB/2017

RASHIM TANDON
Partner
(Membership No. 095540)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **FORTIS HEALTHCARE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

RASHIM TANDON
Partner
(Membership No. 095540)

Gurugram
30 May 2017
RT/JB/2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) In respect of freehold land amounting to ₹ 10.09 Lacs, the Company has not been able to provide us with original title deed in order for us to verify if such immovable property is held in the name of the Company.

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

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the 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, the Company has not accepted any deposits during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Works Contract Tax, Customs Duty, Value Added Tax and cess with the appropriate authorities during the year and that there are no undisputed amounts in respect of these dues which have remained outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.

We are informed that the operations of the Company during the period did not give rise to any liability for Excise Duty and Sales Tax.

(b) Details of dues of Income-tax and Service Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:-

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹)	Amount Unpaid (₹)
Income Tax Act	Income Tax and Interest thereon	Commissioner of Income Tax (Appeals), Delhi	2012-13	332.08	332.08
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	2007-08 to 2012-13	265.47	265.47
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	2008-09 to 2011-12	294.35	294.35
The Central Excise Act, 1944	Excise tax, interest and penalty	Supreme Court of India	2009-10	1,412.35	1,412.35
The Central Excise Act, 1944	Excise tax, interest and penalty	Supreme Court of India	2010-11	2208.81	2208.81
The Customs Act, 1962	Custom duty and penalty	Appellate Tribunal	2013-14	12.00	12.00
		TOTAL		**4,525.06**	**4,525.06**

We are informed that there are no dues in respect of Works Contract Tax and Value Added Tax as at 31 March, 2017 which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank. The Company has not issued any debentures during the year.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

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

Gurugram
30 May 2017

RASHIM TANDON
Partner
RT/JB/2017 (Membership No. 095540)

Standalone Balance Sheet

Particulars	Notes	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
ASSETS				
A. Non-current assets				
(a) Property, plant and equipment	5(i)(a)	**14,182.25**	12,657.37	14,433.56
(b) Capital work-in-progress	5(i)(b)	**19,259.65**	17,639.33	16,521.13
(c) Goodwill	5(ii)	**3,292.57**	3,292.57	3,292.57
(d) Other intangible assets	5(iii)(a)	**1,087.17**	1,219.89	1,285.36
(e) Intangible assets under development	5(iii)(b)	**640.22**	561.19	1,101.25
(f) Financial assets				
(i) Investments				
a) Investments in associates	5(iv)	**5.06**	5.06	5.06
b) Investments in subsidiaries	5(v)	**360,261.97**	220,805.35	210,268.40
(ii) Trade receivables	5(vi)	**-**	471.15	913.76
(iii) Loans	5(vii)	**69,797.17**	134,469.09	154,484.91
(iv) Other financial assets	5(viii)	**866.31**	40,105.80	6,894.90
(g) Deferred tax assets (Net)	5(ix)	**6,700.45**	2,822.95	1,977.32
(h) Non- current Tax assets (Net)	5(x)	**5,645.35**	9,509.91	7,029.05
(i) Other non-current assets	5(xi)	**612.63**	1,417.34	1,589.65
Total non-current assets (A)		**482,350.80**	444,977.00	419,796.92
B. Current assets				
(a) Inventories	5(xii)	**558.06**	582.74	723.70
(b) Financial assets				
(i) Investments	5(v)	**-**	22,020.17	10,112.06
(ii) Trade receivables	5(vi)	**7,554.31**	10,233.58	9,511.38
(iii) Cash and cash equivalents	5(xiii)	**569.46**	910.03	611.55
(iv) Loans	5(vii)	**7,470.49**	9,208.38	29,774.39
(v) Other financial assets	5(viii)	**16,680.39**	15,099.48	53,534.11
(c) Other current assets	5(xi)	**912.83**	862.07	1,381.43
Total current assets (B)		**33,745.54**	58,916.45	105,648.62
Total assets (A+B)		**516,096.34**	503,893.45	525,445.54
EQUITY AND LIABILITIES				
A. Equity				
(a) Equity share capital	5(xiv)	**51,772.76**	46,312.99	46,280.54
(b) Other equity	5(xv)	**375,413.51**	328,428.10	331,392.72
Total equity (A)		**427,186.27**	374,741.09	377,673.26
Liabilities				
B. Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	5(xvi)	**18,311.42**	63,754.92	61,694.65
(ii) Other financial liabilities	5(xvii)	**-**	-	68.16
(b) Provisions	5(xviii)	**1,036.55**	1,267.16	1,140.81
Total non-current liabilities (B)		**19,347.97**	65,022.08	62,903.62
C. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	5(xix)	**44,175.20**	42,168.30	-
(ii) Trade payables	5(xx)	**14,025.25**	11,438.03	9,655.30
(iii) Other financial liabilities	5(xvii)	**8,383.45**	7,932.83	72,320.93
(b) Provisions	5(xviii)	**1,295.73**	1,236.56	1,221.63
(c) Other current liabilities	5(xxi)	**1,682.47**	1,354.56	1,670.80
Total current liabilities (C)		**69,562.10**	64,130.28	84,868.66
Total liabilities (B+C)		**88,910.07**	129,152.36	147,772.28
Total equity and liabilities (A+B+C)		**516,096.34**	503,893.45	525,445.54
See accompanying notes forming part of the standalone financial statements.	1-33			

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : Gurugram
Date : May 30, 2017

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

Standalone Statement of Profit and Loss

		Notes	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
I	Revenue from operations	5(xxii)	**64,511.50**	61,159.16
II	Other income	5(xxiii)	**16,919.80**	18,468.82
III	**Total Income (I+II)**		**81,431.30**	79,627.98
IV	**Expenses**			
	i) Purchases of medical consumable and drugs		**15,026.46**	14,584.40
	ii) Changes in inventories of medical consumable and drugs	5(xxiv)	**24.68**	(129.20)
	iii) Employee benefits expense	5(xxv)	**19,014.96**	18,150.71
	iv) Finance costs	5(xxvi)	**10,635.98**	6,511.80
	v) Depreciation and amortisation expense	5(xxvii)	**2,661.65**	2,542.41
	vi) Other expenses	5(xxviii)	**45,098.13**	41,112.16
	Total Expenses (IV)		**92,461.86**	82,772.28
V	**Loss before tax and exceptional item (III-IV)**		**(11,030.56)**	(3,144.30)
VI	Exceptional item	5(xxix)	**(373.28)**	(1,821.86)
VII	**Loss before tax (V-VI)**		**(11,403.85)**	(4,966.16)
VIII	**Tax expense**			
	i) Current tax		**-**	-
	ii) Deferred tax charge / (credit)	5(xxx)	**(3,933.95)**	(945.65)
	Total Tax expense (VIII)		**(3,933.95)**	(945.65)
IX	**Loss for the year (VII-VIII)**		**(7,469.90)**	(4,020.51)
	Other comprehensive income			
	i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**163.13**	289.00
	ii) Deferred tax credit relating to items that will not be reclassified to profit or loss	5(xxx)	**(56.46)**	(100.02)
X	**Total other comprehensive income**		**106.67**	188.98
XI	**Total comprehensive income for the year (IX+X)**		**(7,363.22)**	(3,831.53)
	Earnings per equity share :			
	i) Basic (in ₹)	5(xxxi)	**(1.57)**	(0.87)
	ii) Diluted (in ₹)	5(xxxi)	**(1.57)**	(0.87)
	See accompanying notes forming part of the standalone financial statements	1-33		

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : Gurugram
Date : May 30, 2017

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

Standalone Cash Flow Statement

	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Cash flows from operating activities		
Profit before tax	**(11,403.85)**	(4,966.16)
Adjustments for:		
Finance Charges	**727.34**	12.34
Interest Expense recognised in profit or loss	**9,524.62**	6,193.67
Provision for doubtful debts	**1,261.27**	994.99
Provision for doubtful advances	**41.16**	-
Bad Debts and advance written off	-	0.03
Loss on sale of assets	**3.22**	67.28
Profit on sale of mutual fund	**(57.25)**	(464.71)
Interest income recognised in profit or loss	**(16,116.11)**	(13,455.56)
Excess provisions written back	**(185.27)**	(151.53)
Depreciation and amortisation of non-current assets	**2,661.65**	2,542.41
Net foreign exchange (gain)/loss	**173.50**	
Expense recognised in respect of equity-settled share-based payments	**801.60**	664.59
	(12,568.12)	(8,562.64)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**2,074.42**	(1,123.08)
(Increase)/decrease in inventories	**24.68**	140.96
(Increase)/decrease in other assets	**5,637.11**	(3,530.76)
Increase/ (Decrease) in trade payables, other liabilities and provisions	**3,703.95**	(61,123.16)
Cash generated from operations	**(1,127.96)**	(74,198.68)
Income taxes paid / (refund)	**4,040.82**	(1,932.92)
Net cash generated by / (used in) operating activities	**2,912.86**	(76,131.60)
Cash flows from investing activities		
Payments to acquire financial assets	**(5,873.75)**	(3,554.15)
Proceeds on sale of financial assets	**194.63**	1,817.04
Interest received	**18,820.88**	22,546.92
Repayments from related parties	**66,249.44**	40,581.83
Proceed from sale of mutual fund	**22,077.42**	(11,443.40)
Net cash outflow on acquisition of subsidiaries	**(109,456.62)**	(10,536.95)
Net cash (used in)/generated by investing activities	**(7,988.00)**	39,411.28
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	**794.90**	228.49
Proceeds from borrowings	**2,006.90**	44,111.08
Repayment of borrowings	**12,070.30**	(14.20)
Interest paid	**(10,137.53)**	(7,306.56)
Net cash used in financing activities	**4,734.57**	37,018.80
Net increase in cash and cash equivalents	**(340.57)**	298.48
Cash and cash equivalents at the beginning of the year	**910.03**	611.55
Cash and cash equivalents at the end of the year	**569.46**	910.03

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : Gurugram
Date : May 30, 2017

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

Standalone Statement of change in Equity

	Particulars	(₹ in Lacs)
a.	**Equity share capital**	
	Balance at April 1, 2015	**46,280.54**
	Issue of equity shares under employee share option plan	32.45
	Balance at March 31, 2016	**46,312.99**
	Changes in equity share capital during the year	
	Issue of equity shares under employee share option plan	83.61
	Conversion of Foreign Currency Convertible Bonds into equity shares	5,376.15
	Balance at March 31, 2017	**51,772.75**

b. Other equity

Particular	Equity component of compound financial instruments	Reserve and surplus						Total
		Securities premium reserve	Amalgamation reserve	Debenture redemption reserve	General Reserve	Share options outstanding Account	Retained earnings	
Balance at April 1, 2015	1,663.84	298,110.10	156.00	15,174.63	5,513.99	554.64	10,219.53	331,392.72
Profit for the year	-	-	-	-	-	-	(4,020.51)	(4,020.51)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	188.98	188.98
Total comprehensive income for the year	-	-	-	-	-	-	(3,831.53)	(3,831.53)
Recognition of share-based payments	-	-	-	-	-	672.75	-	672.75
Add : Premium on shares issued during the year	-	287.90	-	-	-	-	-	287.90
Less: Amount utilized for accrual of premium payable on redemption of 5% foreign currency convertible bonds (refer note 24)	-	(91.86)	-	-	-	-	-	(91.86)
Transferred (to)/ from surplus balance in the statement of profit and loss	-	-	-	(15,174.63)	-	-	15,174.63	-
Transfer from FCMIT Reserve	-	-	-	-	-	-	(1.88)	-
Balance at March 31, 2016	**1,663.84**	**298,306.14**	**156.00**	**-**	**5,513.99**	**1,227.38**	**21,560.75**	**328,428.10**
Profit for the year	-	-	-	-	-	-	(7,469.90)	(7,469.90)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	106.67	106.67
Total comprehensive income for the year	-	-	-	-	-	-	(7,363.22)	(7,363.23)
Add : Premium on shares issued during the year	-	48,607.43	-	-	-	-	-	48,607.43
Conversion of FCCB into equity shares (Refer Note 25 and 26)	(1,663.84)	-	-	-	-	-	1,663.84	-
Recognition of share-based payments	-	-	-	-	-	801.60	-	813.60
Extinguisgment of debt component on conversion of FCCB	-	-	-	-	-	-	4,939.60	4,939.60
Balance at March 31, 2017	**-**	**346,913.57**	**156.00**	**-**	**5,513.99**	**2,028.98**	**20,800.97**	**375,413.51**

See accompanying notes forming part of the standalone financial statements statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : Gurugram
Date : May 30, 2017

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

Effect of Ind as adoption on the Standalone Balance Sheet

Particulars	Note No	IGAAP As on April 01, 2015 (₹ in Lacs)	Opening Ind AS Adjustment (₹ in Lacs)	Ind AS as on April 01, 2015 (₹ in Lacs)	IGAAP As onMarch 31, 2016 (₹ in Lacs)	Opening Ind AS Adjustment (₹ in Lacs)	Ind AS as on March 31, 2016 (₹ in Lacs)
ASSETS							
A. NON-CURRENT ASSETS							
(a) Property, plant and equipment		14,433.56	-	14,433.56	12,657.37	-	12,657.37
(b) Capital work-in-progress	(h)	15,799.17	721.96	16,521.13	17,192.48	446.85	17,639.33
(c) Goodwill		3,292.57	-	3,292.57	3,292.57	-	3,292.57
(d) Other intangible assets		1,285.36	-	1,285.36	1,219.89	-	1,219.89
(e) Intangible assets under development		1,101.25	-	1,101.25	561.19	-	561.19
(f) Financial assets							
(i) Investments							
a) Investments in associates		5.06	-	5.06	5.06	-	5.06
b) Other investments		210,268.40	-	210,268.40	220,805.34	0.01	220,805.35
(ii) Trade receivables	(g)	954.74	(40.98)	913.76	502.24	(31.09)	471.15
(iii) Loans		154,484.91	-	154,484.91	134,469.09	-	134,469.09
(iv) Other financial assets	(d), (b) (i), (j)	8,604.94	(1,710.04)	6,894.90	26,822.25	13,283.55	40,105.80
(g) Deferred tax assets (Net)	(f)	4,157.31	(2,179.99)	1,977.32	4,157.31	(1,334.36)	2,822.95
(h) Current tax assets (Net)		7,029.05	-	7,029.05	9,509.91	-	9,509.91
(i) Other non-current assets	(b), (d)	148.33	1,441.32	1,589.65	132.63	1,284.71	1,417.34
Total non-current assets (A)		**421,564.65**	**(1,767.73)**	**419,796.92**	**431,327.33**	**13,649.67**	**444,977.00**
B. CURRENT ASSETS							
(a) Inventories		723.70	-	723.70	582.74	-	582.74
(b) Financial assets							
(i) Other investments	(e)	10,100.00	12.06	10,112.06	22,000.00	20.17	22,020.17
(ii) Trade receivables		9,511.38	-	9,511.38	10,233.58	-	10,233.58
(iii) Cash and cash equivalents		611.55	-	611.55	910.03	-	910.03
(iv) Loans		29,774.39	-	29,774.39	9,267.45	(59.07)	9,208.38
(v) Other financial assets	(b), (i)	42,365.64	11,168.47	53,534.11	14,911.82	187.66	15,099.48
(c) Other current assets	(b), (d)	1,228.61	152.82	1,381.43	824.22	37.85	862.07
		94,315.27	**11,333.35**	**105,648.62**	**58,729.84**	**186.61**	**58,916.45**
C. Total assets (A+B)		**515,879.92**	**9,565.62**	**525,445.54**	**490,057.17**	**13,836.28**	**503,893.45**
EQUITY AND LIABILITIES							
A. EQUITY							
(a) Equity share capital		46,280.54	-	46,280.54	46,312.99	-	46,312.99
(b) Other equity		321,670.15	9,722.57	331,392.72	314,513.55	13,914.55	328,428.10
Total equity (A)		**367,950.69**	**9,722.57**	**377,673.26**	**360,826.54**	**13,914.55**	**374,741.09**
B. NON-CURRENT LIABILITIES							
(a) Financial Liabilities							
(i) Borrowings	(a) , (c)	59,731.59	1,963.06	61,694.65	61,572.40	2,182.52	63,754.92
(ii) Other financial liabilities		68.16	-	68.16	-	-	-
(b) Provisions		1,140.81	-	1,140.81	1,267.16	-	1,267.16
(c) Other non-current liabilities	(h)	2,267.86	(2,267.86)	-	2,393.30	(2,393.30)	-
Total non-current liabilities (B)		**63,208.42**	**(304.80)**	**62,903.62**	**65,232.86**	**(210.78)**	**65,022.08**
C. CURRENT LIABILITIES							
(a) Financial liabilities							
(i) Borrowings		-	-	-	42,168.30	-	42,168.30
(ii) Trade payables		9,655.32	(0.02)	9,655.30	11,438.03	-	11,438.03
(iii) Other financial liabilities	(a) , (c)	72,173.06	147.87	72,320.93	7,800.32	132.51	7,932.83
(b) Provisions		1,221.63	-	1,221.63	1,236.56	-	1,236.56
(c) Other current liabilities		1,670.80	-	1,670.80	1,354.56	-	1,354.56
Total current liabilities (C)		**84,720.81**	**147.85**	**84,868.66**	**63,997.77**	**132.51**	**64,130.28**
D. Total liabilities (B+C)		**147,929.23**	**(156.95)**	**147,772.28**	**129,230.63**	**(78.27)**	**129,152.36**
Total equity and liabilities (A+D)		**515,879.92**	**9,565.62**	**525,445.54**	**490,057.17**	**13,836.28**	**503,893.45**

Reconciliation of total equity

	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Total equity (shareholder's funds) under previous GAAP	**360,826.54**	**367,950.69**
Adjustment made :		
(a) Foreign Currency Convertible Bonds	317.78	449.29
(b) Security Deposit	(0.82)	(0.51)
(c) Loan at effective rate of interest	(1.88)	0.81
(d) Technology renewal fund advance	2.41	-
(e) Fair Valuation of Mutual Fund	20.17	12.07
(f) Deferred Tax	(1,334.36)	(2,179.99)
(g) Expected Credit Loss	(31.09)	(40.98)
(h) Reversal of lease equalisation	46.05	312.69
(i) Fair Value of Investment under IND AS	9,260.29	9,260.29
(j) Fair value of Derivative assets	5,636.00	1,908.90
Total adjustment	**13,914.55**	**9,722.57**
Total equity (shareholder's funds) under per IND AS	**374,741.09**	**377,673.26**

(a) Under previous GAAP foreign currency convertible Bonds (FCCB's) are carried at the cost. Under IND AS, The fair value of the liability portion of such optional convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds received on issuance of FCCB is considered to be attributable to the equity portion of the compound instruments. This is recognised and included in the shareholders' equity, and not subsequently remeasured. When the (FCCB's) are converted of reedeemed the equity portion of the same is transferred to general reserve.

(b) Under Ind AS, security deposit have been measured at amortised cost. Accordingly, where security deposits of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the deposit were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the Company.

(c) Under Ind AS, interest cost on loans is measured at amortised cost which have been determined using effective interest rate method.

(d) Under Ind AS, Technology renewal fund advance have been measured at amortised cost. Accordingly, where Technology renewal fund advance of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the Technology renewal fund advance were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the company.

(e) Under Previous GAAP, Investments made in mutual fund by the Company were measured at lower of cost or fair value. Under Ind AS, the Company has recognised such investments at fair value through profit and loss thus leading to increase in the value of investment in mutual fund

(f) Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through profit and loss account or other comprehensive income.

(g) Under Ind AS, Long Term trade receivable have been measured at amortised cost. Accordingly, where receivable of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the receivable were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the company.

(h) Under previous GAAP, Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Under Ind AS, such expense is not recognised on a straight line basis for leases where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The Management has analysed the increase in certain lease arrangements and has determined that such increase is to compensate the cost inflation, being in line with general cost inflation and therefore reversed the lease equalisation reserve.

(i) Under previous GAAP, investment in Fortis Hospotel limited (FHTL) was carried at cost (refer note 22). On transition to Ind AS, the amount was considered to be recoverable in cash from the subsidiary company. The Company measured its investment in Fortis hospotel Limited at fair value in the opening balance sheet for ₹ 30,000 lacs aganist the carrying value of ₹ 20,739.71.

(j) Under IND AS, a financial instrument is a Derivative financial instruments which create rights and obligations that have the effect of transferring between the parties to the instrument one or more of the financial risks inherent in an underlying primary financial instrument. On inception, derivative financial instruments give one party a contractual right to exchange financial assets or financial liabilities with another party under conditions that are potentially favourable, or a contractual obligation to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable. The Company have recorded the fair value of the option in the standalone financial as per the agreeement.

(k) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. Also, Interest cost on defined benefit obligation have been classified under finance cost. However, this has no impact on the total comprehensive income and total equity as on April 01, 2015 or as on March 31, 2016.

(l) Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Employee compensation cost for the unvested options as on the date of transition based on fair value method has been adjusted against retained earnings amounting to ₹ 554.64 lacs. The impact for the year ended 31st March, 2016 has been recognised in 'Employee benefits expenses' in the Statement of Profit and Loss.

(m) The transition from previous GAAP to Ind AS has no material impact on the standalone cash flow of the Company.

(n) In case of lease which includes both land and buildings, the Company has separately assessed the classification of these elements as a finance or an operating lease as per requirement of Ind AS 17. Lease payments towards building, as determined by the Management, has been considered as finance lease and balance lease payments towards land is under operating lease. Under Indian GAAP, separate assessment was not made and such composite lease were considered as operating lease. Necessary adjustment to the carrying value of PPE, capital work in progress has been made in the financial statements under Ind AS.

Effect of Ind as adoption on the Profit and Loss

		Notes	IGAAP As on March 31, 2016 (₹ in Lacs)	Opening Ind AS Adjustment (₹ in Lacs)	Ind AS as on March 31, 2016 (₹ in Lacs)
I	Revenue from operations		61,159.16	-	61,159.16
II	Other income	(b),(d) (e),(j)	14,723.50	3,745.32	18,468.82
III	**Total Income (I+II)**		**75,882.66**	**3,745.32**	**79,627.98**
IV	**Expenses**				
	(a) Purchases of medical consumable and drugs		14,584.40	-	14,584.40
	(b) Changes in inventories of medical consumable and drugs		(129.20)	-	(129.20)
	(c) Employee benefits expense	(k),(l)	17,352.51	798.20	18,150.71
	(d) Finance costs	(c),(k)	6,214.06	297.74	6,511.80
	(e) Depreciation and amortisation expense		2,542.41	-	2,542.41
	(f) Other expenses	(b),(d) (g),(h)	41,136.18	(24.02)	41,112.16
	Total Expenses		**81,700.36**	**1,071.92**	**82,772.28**
V	**Loss before exceptional item and tax (III-IV)**		**(5,817.70)**	**2,673.40**	**(3,144.30)**
	Exceptional item	(h)	(1,533.06)	(288.80)	(1,821.86)
VI	**Loss before tax (V-VI)**		**(7,350.76)**	**2,384.60**	**(4,966.16)**
VII	**Tax expense**				
	(a) Current tax		-	-	-
	(b) Deferred tax	(f)	-	(945.65)	(945.65)
	Tax Expense (VII)		-	**(945.65)**	**(945.65)**
VIII	**Loss for the period (VI-VII)**		**(7,350.76)**	**3,330.25**	**(4,020.51)**
Other comprehensive income					
	A (i) Items that will not be reclassified to profit or loss				
	a) Remeasurement of the defined benefit plan	(k)	-	289.00	289.00
	B (i) Deferred tax relating to items that will not be reclassified to profit or loss	(f)	-	(100.02)	(100.02)
IX	**Total other comprehensive income (IX)**		-	**188.98**	**188.98**
X	**Total comprehensive income for the period (VIII + IX)**		**(7,350.76)**	**3,519.23**	**(3,831.53)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1) Nature of operations

Fortis Healthcare Limited (the 'Company' or 'FHL') was incorporated on February 28, 1996 and commenced its hospital operations in the year 2001. As part of its business activities, the Company holds interests in its subsidiaries, joint ventures and associate companies through which it manages and operates a network of multi-specialty hospitals and diagnostic centers.

The registered office of the Company is located Fortis Hospital Sector-62 Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is located at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41 Gurgaon 122001, Haryana.

The Company's equity shares are listed on both BSE Limited and National Stock Exchange of India Limited.

2) Application of new and revised Ind ASs

On 16 February 2015, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules, 2015. The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and set out dates of applicability. Ind AS is applicable from April 1, 2016 as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules 2015 and accordingly the Company has adopted Ind AS from April 1, 2016 with transition date as April 1, 2015.

As at the date of authorisation of the financial statements, the Company has not applied the following revisions to the Ind AS that have been issued by MCA but are not yet effective:

Ind AS 102 (Amendment)	Measurement of cash settled awards, modification of cash settled awards and equity settled awards that includes a 'net settlement' feature
Ind AS 7 (Amendment)	Disclosure of changes in liabilities on account of financing activities.

The directors of the Company do not expect that the adoption of the amendments to the standards will have an impact on the financial statements of the Company.

3) Significant accounting policies

3.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all the periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These are the Company first Ind AS financial statements and the date of transition to Ind AS is April 1, 2015. Detailed explanation of how the transition from previous GAAP to Ind AS has affected the Company Balance Sheet, financial performance, statement of changes in equity and cash flows is given under Note 31.

3.2 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company taken into account the characteristics of the asset or liability if market participants would take those characteristics

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

into account when pricing the asset or liability at the measurement date.Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

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

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

3.3 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in a subsidiary, associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

The Company assessed its revenue arrangements against specific criteria to determine it is acting as principal or agent. The Company has concluded that it is acting as a principal in all its revenue arrangements.

<u>Operating Income (IPD and OPD)</u>

Operating income is recognised as and when the services are rendered / pharmacy items (medical consumables and drugs) are sold. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

<u>Management fee from hospitals and income from medical services</u> is recognised as and when the contractual obligations arising out of the contractual arrangements with respective hospitals are fulfilled.

<u>Income from Satellite Centers</u>

Income from satellite centers is recognised on accrual basis in accordance with the terms of respective agreements entered into in respect thereof.

Income from Clinical Research

Income from clinical research is recognised as and when the services are rendered in accordance with the terms of the respective agreements.

Income from Sponsorships

Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

Income from Academic Services

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

Equipment Lease Rentals and Income from Rent

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis except where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases.

Export benefits

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

Interest income

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

3.5 Leasing

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

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Leases where the lessor effectively transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases and are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in PPE. Rental income on operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Where the rentals

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

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

3.6 Foreign currencies

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period

i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

ii) Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for:

i) Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings;

ii) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the statement of profit and loss on repayment of the monetary items.

3.7 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.

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

3.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and such grants can reasonably have a value placed upon them.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.9 Employee benefits

i) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans like provident fund and employee state insurance are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense; and
- remeasurement

The company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense' and "Finance Cost" respectively. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit.

A liability for a termination benefit is recognised at the earlier of when the company can no longer withdraw the offer of the termination benefit and when the company recognises any related restructuring costs.

ii) Short-term and other long-term employee benefits:

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and liability is determined using the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

iii) Contributions to provident fund

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined benefit scheme the contribution

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of which is being deposited with "Escorts Heart Institute and Research Centre Employees Provident Fund Trust" managed by the Company; such contribution to the trust additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date.

3.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 12.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled share option outstanding account.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

3.11 Taxation

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

i) Current tax

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

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

ii) Deferred tax

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

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

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets and, the company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

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

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

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

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

iii) Current and deferred tax for the year

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

3.12 Property, plant and equipment(PPE)

For transition to Ind AS, The Company has elected to continue with the carrying value of all of its PPE recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Land and Building held for use in the supply of services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold Land is not depreciated

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Components of costs

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

Subsequent expenditure related to an item of PPE is added to its carrying value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

Depreciation commences when the assets are ready for their intended use. Depreciation on all PPE except land are provided on a straight line method based on the estimated useful life of PPE, which is follows:

PPE	**Useful Lives**
Building	30 Years
Plant and Machinery	15 years
Medical Equipment	13 years
Computers	3 years
Furniture and fittings	10 years
Office equipment's	5 years
Vehicles	4 - 8 years

Depreciation on Leasehold improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

Buildings constructed over the land under lease are depreciated over the shorter of estimated life or lease period.

The useful life of PPE are reviewed at the end of each reporting period if the expected useful life of the asset changes significantly from previous estimates, the effect of such change in estimates are accounted for prospectively.

3.13 Intangible Assets

For transition to Ind AS, The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

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

Software

Cost of software is amortized over a period of 3-6 years, being the estimated useful life as per the management estimates.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows.

Goodwill

Goodwill arising on acquisition is recognised based on the difference between the purchase consideration and assets acquired during acquisition. The same is carried at cost and tested for impairment on an accrual basis in accordance with impairment policy stated below.

The amortisation period and method are reviewed at the end of each reporting period if the expected useful life of the asset changes from previous estimates, the effect of such change in estimates are accounted for prospectively.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from de-recognition of an intangible 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 when the asset is de-recognised.

3.14 Impairment of tangible and intangible asset other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

3.15 Inventories

Inventories of medical consumables, drugs, and stores and spares are valued at lower of cost or net releasable value. Cost is determined on weighted average basis.

Net realizable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.16 Provision

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

3.17 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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.

3.18 Segment Reporting

The Company is primarily engaged in the business of healthcare services which is the only reportable business segment as per Ind AS 108 'Operating Segments'. Healthcare services include various patient services delivered through clinical establishment, medical service companies, pathology and radiology services etc.

The Company's business activity primarily falls within a single geographical segment.

3.19 Earnings per share

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

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

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares. For the purposes of calculating basic EPS, shares allotted to ESOP trust pursuant to employee share based payment plan are not included in the shares outstanding till the employees have exercised their rights to obtain shares after fulfilling the requisite vesting conditions. Till such time, the shares are allotted are considered as dilutive potential equity shares for the purposes of calculating diluted EPS.

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

3.20 Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company includes other income, but does not include depreciation and amortization expense, finance costs and tax expense.

3.21 Operating cycle

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

3.22 Financial Instrument

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

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

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

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

Classification of financial assets

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

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

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

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

Interest income is recognised in profit or loss for FVTOCI financial assets. For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may

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be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

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

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

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

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

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss since there are no designated hedging instruments in a hedging relationship.

<u>Financial liabilities and equity instruments</u>

Classification as debt or equity

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

Equity instruments

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

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

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Compound financial instruments

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

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

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

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

Financial guarantee contracts

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

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

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Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks which includes foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Cash and cash equivalents (for the purpose of Cash Flow Statement)

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

3.23 First time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

a) Exceptions: -

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively;

Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

b) **Optional Exemptions: -**

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Investments in subsidiaries & joint venture

The company has elected to measure its investments in subsidiaries and joint ventures at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Share-based payments

The Company has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

4) Critical Accounting Judgements

(a) Accounting for Hospital and Medical Services agreement

Fortis Group of companies has entered into separate Hospital and Medical Services Agreements ("HMSA") with RHT Health Trust Group of companies wherein the RHT Health Trust will provide and maintain the clinical establishments along with providing other services towards out-patient diagnostics and radio diagnostic.

The clinical establishments owned by RHT Health Trust are specifically customised and duly fitted with all fixtures, fittings, medical equipment and infrastructure required for running and operating a hospital, offering:

i. doctors and services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality;

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ii. diagnosis of diseases through radiological and other diagnostic or investigative services with the aid of laboratory or other medical equipment; and

iii. beds for in-patient treatment.

Fortis Group has analysed the substance of the HMSA and has determined that fulfilment of service arrangement is based on the use of specified assets and conveys Fortis Group right to use the RHT Health Trust Group's Clinical Establishments.

The term of the individual HMSA is 15 years and the Group pays a composite service fee i.e. base and variable fee. The base fee is fixed and increase 3% year on year. The variable fee is based on a percentage of the FHL group of companies' net operating income in accordance with the HMSA.

Fortis Group has analysed increase in base fee payments and has determined that such increase is to compensate RHT Health Trust for the expected cost inflation, being in line with general cost inflation; accordingly, the escalation increase of 3% year on year is not factored for straight-lining over the lease term.

Critical Accounting estimates

(a) Expected Credit Loss

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

(b) Goodwill

Goodwill with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

5 (i)(a): Property, plant and equipment

(₹ in Lacs)

Particulars	Freehold land (note (a)	Leasehold improvements	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Vehicles	Total
Cost or deemed cost									
Gross Carring Value									
As at April 1, 2015	**10.09**	**419.35**	**1,058.74**	**11,167.11**	**496.46**	**172.66**	**115.39**	**993.76**	**14,433.56**
Additions	-	-	52.96	1,666.41	41.55	143.91	45.49	257.82	2,208.15
Disposals	-	(327.71)	(522.88)	(886.80)	(102.80)	(35.80)	(12.29)	(171.52)	(2,059.80)
As at March 31,2016	**10.09**	**91.64**	**588.83**	**11,946.72**	**435.21**	**280.77**	**148.59**	**1,080.05**	**14,581.91**
Additions	-	-	51.11	2,886.69	33.99	156.74	33.33	725.77	3,887.63
Disposals	-	-	(38.87)	(116.57)	(3.55)	(2.38)	(0.85)	(183.86)	(346.07)
As at March 31,2017	**10.09**	**91.64**	**601.07**	**14,716.84**	**465.66**	**435.13**	**181.07**	**1,621.96**	**18,123.47**
Accumulated Depreciation									
As at April 1, 2015	-	-	-	-	-	-	-	-	-
Charge for the year	-	32.94	98.78	1,292.78	77.69	121.47	53.89	423.60	2,101.14
Disposals	-	(18.22)	(18.49)	(47.20)	(9.02)	(25.25)	(7.37)	(51.06)	(176.60)
As at March 31,2016	-	**14.72**	**80.29**	**1,245.58**	**68.67**	**96.22**	**46.51**	**372.54**	**1,924.54**
Charge for the year	-	21.26	91.82	1,443.85	72.66	122.62	42.29	370.40	2,164.90
Disposals	-	-	(4.99)	(29.33)	(0.20)	(2.38)	(0.67)	(110.66)	(148.22)
As at March 31,2017	-	**35.98**	**167.12**	**2,660.10**	**141.14**	**216.46**	**88.13**	**632.28**	**3,941.22**
Deemed Cost(As at April 1,2015)	**10.09**	**419.35**	**1,058.74**	**11,167.11**	**496.46**	**172.66**	**115.39**	**993.76**	**14,433.56**
Net Block(As at March 31,2016)	**10.09**	**76.92**	**508.54**	**10,701.14**	**366.54**	**184.55**	**102.08**	**707.51**	**12,657.37**
Net Block(As at March 31,2017)	**10.09**	**55.66**	**433.95**	**12,056.74**	**324.52**	**218.67**	**92.94**	**989.68**	**14,182.25**

Note 5 (i)(b) : Capital work-in-progress

Capital work in progress as at March 31, 2017 is ₹ 19,259.65 lacs (as at March 31, 2016 ₹ 17,639.33 lacs and as at April 01, 2015 ₹ 16,521.13 lacs).

Note:

(a) The Company has confirmed that the Company has clear title to the freehold land.

(b) The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS. Refer note 3.23

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5 (ii): Goodwill

(₹ in Lacs)

Particulars	Goodwill	Total
Cost or deemed cost		
As at April 1, 2015	**3,292.57**	**3,292.57**
Additions	-	-
Deletions	-	-
As at March 31,2016	**3,292.57**	**3,292.57**
Additions	-	-
Deletions	-	-
As at March 31,2017	**3,292.57**	**3,292.57**

During the year ended March 31, 2015, the company purchased operations of one of the hospitals in its subsidiary company on a going concern basis by way of slump sale. As per the agreement the amount of cash consideration to be paid was ₹ 4,000 lacs against which the value of assets acquired (net of liabilities) was ₹ 707.43 lacs and the Copany recorded goodwill for ₹ 3,292.57 lacs.

The recoverable amount of this hospital unit (CGU) for impairment testing is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a ten-year period, as the Company believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows. Cash flows beyond the ten-year period were extrapolated using estimate rates stated below.

Key Assumptions used for value in use calculations are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Compound average net saled growth rate for ten-year period	6% - 11%	6% - 11%
Growth rate used for extrapolation of cash flow projections beyond ten-year period	3%	3%
Discount rate	11% - 15%	11% - 15%

An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

5(iii) (a): Other Intangible assets

(₹ in Lacs)

Particulars	Software	Total
Cost or deemed cost		
As at April 1, 2015	**1,285.36**	**1,285.36**
Additions	376.91	376.91
Deletions	(2.15)	(2.15)
As at March 31,2016	**1,660.13**	**1,660.12**
Additions	364.04	364.04
Deletions	-	-
As at March 31,2017	**2,024.17**	**2,024.16**

(₹ in Lacs)

Particulars	Software	Total
Amortisation and impairment		
As at April 1, 2015	-	-
Charge for the year	441.27	441.27
Deletions	(1.03)	(1.03)
As at March 31,2016	**440.24**	**440.24**
Charge for the year	496.75	496.75
Deletions	-	-
As at March 31,2017	**936.99**	**936.99**
Net block		
As at April 1, 2015	**1,285.36**	**1,285.36**
As at March 31,2016	**1,219.89**	**1,219.89**
As at March 31,2017	**1,087.18**	**1,087.17**

5(iii)(b): Intangible assets under development

Intangible assets under development as at March 31, 2017 is ₹ 640.22 lacs (as at March 31, 2016 ₹ 561.19 lacs and as at April 01, 2015 ₹ 1,101.25 lacs)

Note:

(a) The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS. Refer note 3.23

5(iv) Investments in associates

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Investments in associates			
Unquoted Investments (all fully paid)			
(a) Investments in Equity Instruments - at cost			
i) Fortis Medicare International Limited	4.75	4.75	4.75
(10,000 (10,000 as at March 31, 2016 and 10,000 as at April 01, 2015) Ordinary Shares of US$ 1 each)			
ii) Sunrise Medicare Private Limited	0.31	0.31	0.31
(3,126 (3,126 as at March 31, 2016 and 3,126 as at April 01, 2015) Equity Shares of ₹ 10 each)			
TOTAL AGGREGATE UN QUOTED INVESTMENTS	**5.06**	**5.06**	**5.06**
Aggregate carrying value of unquoted investments	**5.06**	**5.06**	**5.06**

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5(v) Investments

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Current			
Unquoted Investments (all fully paid)			
(a) Investment in mutual funds (Unquoted) - at fair value thorugh Profit and loss (FVTPL)			
i) Nil (72,599 as at March 31, 2016 and Nil as at April 01, 2015) units of ₹ 1,000 each in UTI Liquid Cash Plan Institutional- Growth Option	-	1,801.88	-
ii) Nil (242,371 as at March 31, 2016 and nil as at April 01, 2015) units of ₹ 1,000 each in Religare Liquid Fund Super Institutional Growth	-	5,053.69	
iii) Nil (Nil as at March 31, 2016 and 90,789,41 as at April 01, 2015) units of ₹ 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	-	-	1,000.00
iv) Nil (2,253,537 as at March 31, 2016 and 821,247 as at April 01, 2015) units of ₹ 10 each in ICICI Prudential Flexible Income - Direct Plan - Growth	-	5,054.39	1,700.79
v) Nil (274,507 as at March 31, 2016 and 41,189 as at April 01, 2015) units of ₹ 10 each in IDFC Cash Fund Growth	-	5,055.92	700.46
vi) Nil (Nil as at March 31, 2016 and as at 4,300,619 April 01, 2015) units of ₹ 10 each in IDFC Money Manager Fund - Treasury Plan - Growth - Direct Plan	-	-	954.22
vii) Nil (Nil as at March 31, 2016 and 20,431 as at April 01, 2015) units of ₹ 10 each in Reliance Liquid Fund-Treasury plan Growth	-	-	700.37
viii) Nil (Nil as at March 31, 2016 and 23,468 as at April 01, 2015) units of ₹ 10 each in L & T Liquid Fund-Growth Direct Plan	-	-	450.26
ix) Nil (Nil as at March 31, 2016 and 51,939 as at April 1, 2015) units of ₹ 10 each in Reliance Money Manager Fund	-	-	1,002.72
x) Nil (Nil as at March 31, 2016 and 3,260,893 as at April 1, 2015) units of ₹ 10 each in HDFC Liquid Fund	-	-	900.42
xi) Nil (169,029 as at March 31, 2016 and Nil as at April 01, 2015) units of ₹ 1,000 each in HDFC Liquid Fund	-	5,054.29	-

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
xii) Nil (Nil as at March 31, 2016 and 51,585 as at April 01, 2015) units of ₹ 10 each in Religare Invesco Ultra Short Term Fund	-	-	1,001.48
xiii) Nil (Nil as at March 31, 2016 and 913,111 as at April 1, 2015) units of ₹ 100 each in Birla Sun Life Floating Rate Fund - Growth Direct Plan	-	-	1,701.34
TOTAL AGGREGATE UNQUOTED CURRENT INVESTMENTS	-	**22,020.17**	**10,112.06**
<u>**Non Current**</u>			
Unquoted Investments (all fully paid)			
(a) Investments in Equity Instruments - at cost			
Investment in subsidiaries			
i) Escorts Heart Institute and Research Center Limited	71,894.80	71,894.80	71,894.80
(2,000,310 (2,000,310 as at March 31, 2016 and 2,000,310 as at April 01, 2015) Equity Shares of ₹ 10 each)			
(Of the above, 50 shares (Previous year 50 shares) are held with nominee share holders)			
ii) Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	5.00	5.00	5.00
(50,000 (50,000 as at March 31, 2016 and 50,000 as at April 01, 2015) Equity Shares of ₹ 10 each)			
(Of the above, 6 shares (Previous year 6 shares) are held jointly with individual share holders)			
iii) Fortis Healthcare International Limited, Mauritius	14,744.49	14,744.49	14,744.49
(98,560,000 (98,560,000 as at March 31, 2016 and 98,560,000 as at April 01, 2015) Ordinary Equity Shares of US$ 0.32 each (as at March 31, 2016 US$ 0.32 each and as at April 01, 2015 US$ 0.32 each)			
iv) Fortis Hospitals Limited	40,210.58	40,210.58	40,210.58
(40,300,577 (40,300,577 as at March 31, 2016 and 40,300,577 as at April 01, 2015) Equity Shares of ₹ 10 each)			
(Of the above, 6 shares (Previous year 6 shares) are held jointly with individual share holders)			

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars			As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
	v)	Hiranandani Healthcare Private Limited	3,040.00	3,040.00	3,040.00
		(3,400,000 (3,400,000 as at March 31, 2016 and 3,400,000 as at April 01, 2015) Equity Shares of ₹ 10 each)			
		(Of the above, 3 shares (Previous year 3 shares) are held jointly with individual share holders)			
	vi)	SRL Limited ('SRL')	90,905.48	90,905.48	80,368.53
		(45,236,779 (45,236,779 as at March 31, 2016 and 42,749,217 as at April 01,2015) Equity Shares of ₹ 10 each)			
		(Shareholding in SRL is pledged to secure a term loan from a body corporate (refer note XXX))			
	vii)	Fortis Hospotel Limited	30,000.00	-	-
		(149,822,782 (Nil as at March 31, 2016 and Nil as at April 01, 2015) Equity Shares of ₹ 10 each)			
		(of the above, 6 shares (Previous year 6 shares) are held by nominee shareholders (refer note 22))			
	viii)	Fortis Hospotel Limited			
		4,439,040 equity component of 17.5 % Compulsory Convertible Debentures of face value of ₹ 1,000 each (Nil as at March 31, 2016 and Nil as at April 01, 2015) (refer note 22).	63,153.92	-	-
	ix)	Fortis CSR Foundation	5.00	5.00	5.00
		(50,000 (50,000 as at March 31, 2016 and 50,000 as at April 01, 2015) Equity Shares of ₹ 10 each)			
		(Of the above, 6 shares (Previous year 6 shares) are held with nominee share holders)			
(b)	**Investments in Debt instrument**				
	Investment in subsidiaries - at amortised cost				
	i)	Fortis Hospotel Limited			
		4,439,040 Debt component of 17.5 % Compulsory Convertible Debentures of face value of ₹ 1,000 each (Nil as at March 31, 2016 and Nil as at April 01, 2015) (refer note 22).	46,302.70	-	-

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
TOTAL AGGREGATE UNQUOTED NON CURRENT INVESTMENTS	**360,261.97**	**220,805.35**	**210,268.40**
Aggregate carrying value of unquoted investments	**360,261.97**	**242,825.52**	**220,380.46**
Current	-	22,020.17	10,112.06
Non Current	360,261.97	220,805.35	210,268.40

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
5(v)(i) Non Current Investments			
(a) Financial Assets - at cost			
i) Equity instruments - Equity Shares	250,805.35	220,805.35	210,268.40
ii) Equity Component of Compulsory Convertible Debentures (refer note 22)	63,153.92	-	-
	313,959.27	**220,805.35**	**210,268.40**
(b) Financial Assets measured at amortised cost			
i) Debt Componet of Compulsory Convertible Debentures (refer note 22)	46,302.70	-	-
	46,302.70	-	-

5(vi) Trade receivables (Unsecured)

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-current - at amortised cost			
(a) Considered good*	-	471.15	913.76
(b) Considered Doubtful	-	31.09	40.98
Allowance for doubtful debts (expected credit loss allowance)	-	(31.09)	(40.98)
	-	**471.15**	**913.76**
Current - at amortised cost			
(a) Considered good	7,554.31	10,233.58	9,511.38
(b) Considered Doubtful	3,526.88	2,370.64	1,888.98
	(3,526.88)	(2,370.64)	(1,888.98)
	7,554.31	**10,233.58**	**9,511.38**

*The management has reclassified the balance in relation to trade receivable from Operation and management, on basis of their expectation of the ability of these O&M to generate cash surplus for repayment to the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. There are customers who represents more than 5% of the total balance of trade receivable. The risk of non-payment from these customers is considered low as most of these balances relates to Government bodies / Goverment enterprises for which the default risk is considered low by the management.

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

Ageing	Expected Credit Allowance %
0 - 1 year	0% - 50%
1 - 2 year	15% - 100%
2 - 3 year	40% - 100%
More than 3 years	70% - 100%

The Company has recorded an allowance of ₹ 3,526.88 lacs towards trade receivables. The Management believes that there is no further provision required in excess of the allowance for doubtful debts.

The trade receivables are pledged as security towards borrowings taken by the Company.

5(vii) Loans (Unsecured)

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-current - at amortised cost			
Considered good			
(a) Loans and advance to related parties (refer note 28)	69,781.53	134,015.53	154,484.91
(b) Loan to employees	15.64	453.56	-
Total	**69,797.17**	**134,469.09**	**154,484.91**
Current - at amortised cost			
Considered good			
(a) Loan to employees	7.74	11.63	105.93
(b) Loans and advance to related parties (refer note 28)	7,462.76	9,196.75	29,668.46
	7,470.49	**9,208.38**	**29,774.39**
Doubtful			
(a) Loans and advance to related parties	126.73	142.43	142.43
Provision for doubtful advances	(126.73)	(142.43)	(142.43)
	7,470.49	**9,208.38**	**29,774.39**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(viii) Other financial assets (Unsecured)

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non Current - at Fair Value through FVTPL			
(a) Fair value of Derivative asset (refer note 23)	-	5,636.00	-
Non current - at amortised cost			
Considered good			
(a) Security deposits	**356.91**	1,191.25	1,184.40
(b) Deposit accounts with bank *	**120.25**	96.64	59.04
(c) Interest accrued on loans and bank deposits	**375.74**	3,109.19	5,651.46
(d) Technology Renewal fund advance to related party	**13.41**	23.91	-
(e) Advances others - recoverable in cash	-	48.81	-
(f) Receivable from associate company pursuant to share purchase agreement (refer note 22)	-	30,000.00	-
	866.31	40,105.80	6,894.90

*Fixed deposits is under lien with bank and is restricted from being exchanged for more than 12 months from the Balance Sheet date.

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Current - Fair Value through FVTPL			
(a) Fair value of Derivative asset (refer note 23)	-	-	1,908.90
Current - at amortised cost			
Considered good			
(a) Security deposits	119.13	96.21	119.37
(b) Interest accrued but not due on loans and deposits	13,660.53	13,631.84	20,180.93
(c) Technology Renewal fund advance to related party	19.19	-	42.95
(d) Insurance Claim Receivable	1.93	-	-
(e) Receivable from associate company pursuant to share purchase agreement (refer note 22)	-	-	30,000.00
(f) Full and Final Settlement Recoverable from employees	105.52	111.59	114.91
(g) Earnest Money Deposit	-	5.00	-
(h) Staff Advance recoverable in cash	57.29	145.71	21.86
(i) Advances Others recoverable in cash	2,023.39	412.74	216.33
(j) Accrued operating income	693.41	696.38	928.87
	16,680.39	**15,099.48**	**53,534.12**
Doubtful		-	-
(a) Full Final Settlement Recoverable from employees	480.18	402.88	350.80
Provision for doubtful financial assets			
(a) Full Final Settlement Recoverable from employees	(480.18)	(402.88)	(350.80)
	16,680.39	**15,099.48**	**53,534.11**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(ix) Deferred tax

The following is the analysis of deferred tax assets/(liabilities)

Recognised in profit and loss account and other comprehensive income

Deferred tax assets/(liabilities) in relation to:	As at March 31, 2016	Credit / (Charge) to Profit or loss	Credit / (Charge) to Other Comprehensive Income	As at March 31, 2017
Property, plant and equipment	(571.75)	(45.22)	-	(616.97)
Intangible assets	(444.77)	(125.13)	-	(569.90)
Fair Value adjustment	(5,155.31)	5,155.31	-	-
Provision for Contingency	80.16	1.75	-	81.91
Provision for doubtful advances	188.72	21.32	-	210.04
Provision for expected credit loss	820.43	400.15	-	1,220.59
Defined benefit obligation	786.33	(4.63)	(56.46)	725.25
Unabsorbed Losses	2,961.84	1,735.20	-	4,697.03
MAT Credit Entitlement	4,157.31	(3,204.80)	-	952.51
	2,822.96	**3,933.95**	**(56.46)**	**6,700.45**

	As at April 01, 2015	Credit / (Charge) to Profit or loss	Credit / (Charge to Other Comprehensive Income	As at March 31, 2016
Property, plant and equipment	(667.12)	95.37	-	(571.75)
Intangible assets	(227.43)	(217.34)	-	(444.77)
Fair Value adjustment	(3,865.43)	(1,289.88)	-	(5,155.31)
Provision for Contingency	72.41	7.75	-	80.16
Provision for doubtful advances	170.70	18.02	-	188.72
Provision for expected credit loss	653.74	166.69	-	820.43
Employee benefits	741.38	144.96	(100.02)	786.33
Unabsorbed Losses	941.77	2,020.07	-	2,961.84
MAT Credit Entitlement	4,157.31	-	-	4,157.31
	1,977.32	**945.65**	**(100.02)**	**2,822.95**

5(x) Non- Current tax assets and liabilities

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Advance income tax (net of provision for taxation)	5,645.35	9,509.91	7,029.05
	5,645.35	**9,509.91**	**7,029.05**

5(xi) Other assets (Unsecured)

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-current			
(a) Capital advances	61.98	132.63	141.34
(b) Prepaid expenses	550.65	1,284.71	1,448.32
	612.63	**1,417.34**	**1,589.65**
Current			
(a) Balances with customs excise and other authorities	350.52	240.09	184.67
(b) Deposit with income tax authorities	-	-	347.96
(c) Advance to Vendors	170.39	117.44	162.34
(d) Prepaid Expenses	391.91	504.54	572.18
(e) Accrued Operating Income SEIS	-	-	116.16
	912.83	**862.07**	**1,381.43**

5(xii) Inventories

(Valued at lower of cost and net realisable value)			
(a) Medical consumables, drugs and others	558.06	582.74	711.94
(b) Stores and spares	-	-	11.76
	558.06	**582.74**	**723.70**

5(xiii) Cash and cash equivalents

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

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a) Balances with Banks			
- on current accounts	536.12	859.28	545.19
(b) Cash on hand	33.34	50.75	66.36
Cash and cash equivalents as per balance sheet	569.46	910.03	611.55

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(xiv) Share capital

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Authorised Share Capital:			
600,000,000 (600,000,000 as at March 31, 2016 and 600,000,000 as at April 01, 2015) Equity shares of ₹ 10 each	60,000.00	60,000.00	60,000.00
200 Class 'A' (200 as at March 31, 2016 and 200 as at April 01, 2015) Non- Cumulative Redeemable Preference Shares of ₹ 100,000 each	200.00	200.00	200.00
11,498,846 Class 'B' (11,498,846 as at March 31, 2016 and 11,498,846 as at April 01, 2015) Non- Cumulative Redeemable Preference Shares of ₹ 10 each	1,149.88	1,149.88	1,149.88
64,501,154 Class 'C' (64,501,154 as at March 31, 2016 and 64,501,154 as at April 01, 2015) Cumulative Redeemable Preference Shares of ₹ 10 each	6,450.12	6,450.12	6,450.12
Total authorised share capital	**67,800.00**	**67,800.00**	**67,800.00**
Issued, subscribed and fully paid up shares			
517,727,631 (463,129,994 as at March 31, 2016 and 462,805,414 as at April 1, 2015) Equity shares of ₹ 10 each	51,772.76	46,312.99	46,280.54
Total issued, subscribed and fully paid up share capital	**51,772.76**	**46,312.99**	**46,280.54**

Notes :

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

Equity Shares

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Number	₹ in Lacs	Number	₹ in Lacs	Number	₹ in Lacs
At the beginning of the year	463,129,994	46,312.99	462,805,414	46,280.54	462,786,314	46,278.63
Issued during the year: Conversion of Foreign Currency Convertible Bonds (FCCB's) (Refer note 25 and 26)	53,761,537	5,376.15	-	-	-	-
Issued during the year: Employee Stock Option Plan (ESOP) (refer note 12)	836,100	83.61	324,580	32.45	19,100	1.91
Outstanding at the end of the year	517,727,631	51,772.75	463,129,994	46,312.99	462,805,414	46,280.54

(b) Terms/ rights attached to equity shares

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

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

Equity Shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	₹ in Lacs	Number	₹ in Lacs	Number	₹ in Lacs
Fortis Healthcare Holdings Private Limited, the Holding Company	270,241,529	27,024.15	329,591,529	32,959.15	329,591,529	32,959.15
RHC Holding Private Limited, the Ultimate Holding Company	218,250	21.83	218,250	21.83	218,250	21.83

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

Equity Shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Holdings Private Limited, the Holding Company	270,241,529	52.20%	329,591,529	71.17%	329,591,529	71.22%
International Finance Corporation	34,990,887	6.76%	19,345,462	4.18%	25,793,949	5.57%

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

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 12.

(f) Shares reserved for issue on conversion

For details of shares reserved for issue on conversion of bonds, please refer note 25 and 26 regarding terms of conversion/ redemption of bonds.

(xv) Other Equity

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
i) Equity Component of Compount Financial Instrument		
Opening balance	1,663.84	1,663.84
Add : Equity Component of issue of Compount Financial Instrument	-	-
Less: Conversion of FCCB into equity shares	(1,663.84)	-
Closing balance	-	**1,663.84**
ii) Reserve and Surplus		
(A) Securities premium account		
Opening balance	298,306.14	298,110.10
Add : Premium on shares issued during the year	48,607.43	287.90
Less: Amount utilized for accrual of premium payable on redemption of 5% foreign currency convertible bonds (refer note XXX)	-	(91.86)
Closing balance	**346,913.57**	**298,306.14**

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Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
(B) Amalgamation reserve		
Opening balance	156.00	156.00
Addition	-	-
Deduction	-	-
Closing balance	**156.00**	**156.00**
(C) Debenture redemption reserve		
Opening balance	-	15,174.63
Transferred (to)/ from surplus balance in the statement of profit and loss	-	(15,174.63)
Closing balance	-	-
(D) General reserves		
Opening balance	5,513.99	5, 513.99
Addition	-	-
Closing balance	**5,513.99**	**5,513.99**
(E) Share options outstanding Account		
Opening balance	1,227.38	554.64
Add: Charge for the year	801.60	672.75
Closing balance	**2,028.98**	**1,227.38**
(F) Surplus in the statement of profit and loss		
Opening balance	21,560.76	10,219.53
Loss for the year	(7,469.90)	(4,020.51)
Transfer from Debenture redemption reserve	-	15,174.63
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	106.67	188.98
Transfer from FCMIT	-	(1.88)
Conversion of FCCB into equity shares	1,663.84	-
FCCB reserver transferred on conversion	4,939.60	-
Net surplus in the statement of profit and loss	**20,800.97**	**21,560.76**
Total (A+B+C+D+E+F)	**375,413.51**	**328,428.10**

5(xvi) Non current borrowings

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Secured - at amortised cost			
(a) Term Loans			
- from a bank (refer note 8(i)(a)(b)(g))	14,820.03	5,325.30	-
- from a body corporate (refer note 8(i)(h))	923.98	-	6,736.73
	15,744.01	**5,325.30**	**6,736.73**

Particulars		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Unsecured - at amortised cost				
(a)	Finance Lease Obligations (refer note 8(i))	2,567.41	2,498.42	2,422.01
(b)	Foreign Currency Convertible Bonds			
	- (4.86%+LIBOR) Foreign currency convertible bonds (refer note 25)	-	36,298.23	34,137.22
	- (4.66%+LIBOR) Foreign currency convertible bonds (refer note 26)	-	19,632.97	18,398.69
		2,567.41	**58,429.62**	**54,957.92**
Total non-current borrowings		**18,311.42**	**63,754.92**	**61,694.65**

5(xvii) Other financial liabilities

Particulars		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non current (Unsecured) - at amortised cost				
(a)	Capital creditors	-	-	53.76
(b)	Other long term liabilities	-	-	14.40
		-	**-**	**68.16**
Current				
Secured - at amortised cost				
(a)	Current maturities of term loan (refer note 8(i)(a)(b)(g))	2,083.07	1,547.20	1,328.67
Unsecured - at amortised cost				
(a)	Current maturities of foreign currency convertible bonds (refer note 24)	-	-	62,335.53
(b)	Current maturities of finance lease obligation (refer note 7(c))	131.82	132.55	147.89
(c)	Book Overdrafts	-	-	336.02
(d)	Security deposits	2.16	7.57	12.05
(e)	Interest accrued and due on borrowings	148.54	1,150.44	2,269.65
(f)	Premium payable on redemption of FCCB's	-	-	1,922.85
(g)	Capital creditors	814.12	807.51	1,153.41
(h)	Technology renewal fund payable to related party*	30.00	24.00	18.00
(i)	Other payable to related parties	4,815.97	4,004.77	2,682.86
(j)	Employee payable	190.38	158.79	88.12
(k)	Other Liabilities	167.39	100.00	25.88
		6,300.38	**6,385.63**	**70,992.26**
Total		**8,383.45**	**7,932.83**	**72,320.93**

*Technology renewal fund represents fund maintained from the Base Service Fee payable to the Hospital Service Companies, for funding the replacement, refurbishment and/or upgrade of radiology and other medical equipment owned/used by Hospital Service Companies.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(xviii) Provisions

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non current			
Provision for employees' benefits			
(a) Provision for gratuity (refer note 13)	1,036.55	1,267.16	1,140.81
	1,036.55	**1,267.16**	**1,140.81**
Current			
Provision for employees' benefits			
(a) Provision for gratuity (refer note 13)	232.08	64.36	83.22
(b) Provision for compensated absences	826.97	940.58	918.20
Others			
(a) Provision for contingencies *	236.68	231.62	209.23
(b) Provision for wealth tax	-	-	10.98
	1,295.73	**1,236.56**	**1,221.63**

* Provision for contingencies :

			As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
(i)	Provision for imdenification (refer note 21(ii))	**A**	205.03	205.03
(i)	Others **	**B**		
	Opening balance		26.59	4.20
	Add: Provision during the year		5.06	26.59
	Less: Reclassified during he year		-	4.20
			31.65	**26.59**
Provision for contingencies - Total (A+B)			**236.68**	**231.62**

** Provision for contingency - Others is made against clinical research studies and amount of refund due to the patients, which is expected to be settled in due course and therefore considered as current in nature.

5(xix) Current Borrowings

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Secured - at amortised cost			
(a) Bank overdraft (refer note 8 (i)(d))	570.69	381.87	-
(b) Working capital demand loan (refer note (i)(c)(e))	12,500.00	-	-
	13,070.69	**381.87**	**-**

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Unsecured - at amortised cost			
(a) Loans from body corporates and others (refer note 8(ii)(a))	2,500.00	-	-
(b) Loan from related parties (refer note 7 8(ii)(b))	400.00	-	-
(c) Commercial papers (refer note 8(ii)(c))	28,204.51	41,786.43	-
	31,104.51	41,786.43	-
	44,175.20	42,168.30	-

5(xx) Trade Payable

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Unsecured - at amortised cost			
(a) Total oustanding dues of micro enterprises and small enterprises (Refer note 27)	-	-	-
(b) Total oustanding dues of creditors other than micro enterprises and small enterprises	14,025.25	11,438.03	9,655.30
	14,025.25	**11,438.03**	**9,655.30**

5(xxi) Other current liabilities (Unsecured)

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a) Advance from patients	763.08	611.08	926.22
(b) Statutory payable	919.39	743.48	744.58
	1,682.47	**1,354.56**	**1,670.80**

5(xxii) Revenue from operations

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a) Sale of services		
i) Operating Income - In Patient Department	53,199.39	50,131.01
ii) Operating Income - Out Patient Department	9,533.49	8,828.36
iii) Laboratory/ clinical services	4.66	15.37
iv) Income from medical services	62.17	82.73
v) Management fees from hospitals	346.89	390.19
vi) Income from clinical research	2.55	10.06
	63,149.15	59,457.72
Less: Trade discounts	850.04	944.96
	62,299.11	**58,512.76**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(b) Sale of products - Trading		
i) Out patient pharmacy	1,184.50	1,154.26
	1,184.50	**1,154.26**
(c) Other operating revenues		
i) Income from academic services	46.73	32.61
ii) Income from rent (refer note 7(b))	3.97	28.63
iii) Equipment lease rental (refer note 7(c))	641.38	1,038.68
iv) Sponsorship income	3.16	12.35
iv) Scrap sale	10.53	10.04
v) Sale of plasma	8.43	11.92
vi) Excess liabilities towards operating expenses no longer required written back	185.27	151.53
vii) Miscellaneous income	128.42	206.38
	1,027.89	**1,492.14**
Total Revenue from operation (a+b+c)	**64,511.50**	**61,159.16**

5(xxiii) Other Income

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a) Interest Income		
i) Bank Deposits	5.05	9.98
ii) Interest on financial assets carried at amortised cost	2.58	10.11
iii) Interest on loan others	16,111.06	13,445.58
iv) Interest on income tax refunds	739.58	-
	16,858.27	**13,465.67**
(b) Other non-operating Income		
i) Profit on redemption of mutual funds at FVTPL	57.25	464.71
ii) Miscellaneous income	4.28	12.23
	61.53	**476.94**
(c) Others Gains and losses		
i) Net gain on foreign currency transactions and translation	-	791.00
ii) Net gain arising on financial assets designated at FVTPL (refer note 23)	-	3,735.21
	-	4,526.21
Total Other Income (a+b+c)	**16,919.80**	**18,468.82**

5(xxiv) Changes in inventories of medical consumable and drugs

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Inventory at the beginning of the year	582.74	711.94
(b)	Inventory at the end of the year	558.06	582.74
	Decrease/ (increase) in inventories ((a)-(b))	**24.68**	**129.20**

5(xxv) Employee benefits expense

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Salaries, wages and bonus	16,579.15	16,569.51
(b)	Gratuity expense	245.29	234.84
(c)	Compensated absences	277.78	255.22
(d)	Contribution to provident and other funds	807.37	860.46
(e)	Staff welfare expenses	303.77	506.83
(f)	Share based payment to employees	801.60	664.59
		19,014.96	19,091.45
	Less: Expenses capitalized (refer note 29)	-	940.74
		19,014.96	**18,150.71**

5(xxvi) Finance costs

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Interest expense		
	-on term loans	739.48	6,191.18
	-on cash credit	31.82	1.18
	-on others	8,753.33	1.31
	-on defined benefit plan	162.99	155.39
(b)	Bank charges	221.02	150.40
(c)	Other borrowing costs		
	-Finance charges	727.34	12.34
		10,635.98	**6,511.80**

The weighted average capitalisation rate on funds borrowed (as determined by the management) is 11% per annum (2015-2016: 11% per annum).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(xxvii) Depreciation and amortisation expense

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a) Depreciation of Property, Plant and Equipment	2,164.90	2,101.14
(b) Amortisation of intangible assets	496.75	441.27
	2,661.65	**2,542.41**

5(xxviii) Other expenses

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a) Contractual manpower	1,285.22	1,352.85
(b) Power, fuel and water	1,092.82	1,281.04
(c) Housekeeping expenses including consumables	247.44	273.89
(d) Patient food and beverages	908.97	873.74
(e) Pathology laboratory expenses	1,902.49	2,549.82
(f) Radiology expenses	17.29	11.00
(g) Consultation fees to doctors	2,263.10	2,187.29
(h) Professional charges to doctors	7,646.59	7,802.21
(i) Hospital service fee expense	13,603.55	13,246.90
(j) Cost of medical services	25.50	63.47
(k) Repairs and maintenance		
- Building	136.15	133.36
- Plant and machinery	965.86	700.91
- Others	208.29	283.74
(l) Rent		
- Hospital buildings, offices and labs	618.30	1,371.93
- Equipments	188.76	115.34
- Others	192.76	304.22
(m) Donations	-	27.22
(n) Legal and professional fee	1,470.61	2,783.60
(o) Travel and conveyance	1,467.46	2,036.09
(p) Rates and taxes	101.80	141.41
(q) Recruitment and trainings	115.16	334.26
(r) Printing and stationary	273.27	303.09
(s) Communication expenses	413.77	442.51
(t) Directors' sitting fees	120.79	95.28
(u) Insurance	386.49	374.26
(v) Marketing and business promotion	1,240.33	2,702.06
(w) Loss on sale of assets (net)	3.22	67.28

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(x) Auditors' remuneration		
- Audit fee	62.89	53.02
- Limited reviews	28.64	47.94
- Fees for audit of consolidated financial statement	30.00	-
- Tax audit fee	2.51	2.53
- Certification and other services	16.57	7.22
- Out of pocket expenses	18.50	12.04
(y) Foreign exchange fluctuation loss (net)	1,204.33	-
(z) Bad debts and sundry balances written off (net)	-	0.03
(aa) Provision for doubtful receivables	1,261.27	994.99
(ab) Provision for doubtful advances	41.16	-
(ac) Provision for contingencies	-	26.59
(ad) Corporate Social Resposibility Expenses (Note 30)	35.90	53.79
(ae) Net loss arising on financial asset designated at FVTPL (Note 23)	5,636.00	-
(af) Miscellaneous expenses	16.06	25.12
	45,249.82	**43,082.02**
Less: Expenses capitalzed (refer note 29)	151.69	1,969.86
	45,098.13	41,112.16

5(xxix) Exceptional items

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Expenses:		
(a) Expenses on Composite Scheme of Arrangement and Amalgamation (refer note 18)	373.28	-
(b) Loss on sale of undertaking (refer note 18)	-	1,545.98
(c) Statutory bonus (refer note 20)	-	275.88
	(373.28)	**(1,821.86)**

5(xxx) Income tax

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Recognised in Profit or loss account		
Current tax		
(a) In respect of the current year	-	-
	-	-
Deferred tax		
(a) In respect of the current year	(3,933.95)	(945.65)
	(3,933.95)	(945.65)
Tax expense recognised throught profit & loss account	**(3,933.95)**	**(945.65)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Recognised in Other Comprehensive Income		
Deferred tax		
In respect of the current year	(56.46)	(100.02)
Tax credit recognised through Other Comprehensive income	**(56.46)**	**(100.02)**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Loss before tax from continuing operations	(11,403.85)	(4,966.16)
Enacted income tax rate in India	34.608%	34.608%
Income tax credit calculated	(3,946.64)	(1,718.69)
Effect of expenses not deductible in determining taxable profit	12.70	(523.13)
Effect of income that is exempt under income tax	-	1,296.18
Income tax expense recognised in profit or loss	**(3,933.95)**	**(945.64)**

The tax rate used for the 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

5(xxxi) Earnings per share (EPS)

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Loss as per statement of profit and loss (₹ in lacs)	**(7,469.90)**	(4,020.51)
Weighted average number of equity shares in calculating Basic EPS and DPS(Numbers)	**475,528,194**	462,978,613
Basic EPS (in ₹)	**(1.57)**	(0.87)
Diluted EPS (in ₹)	**(1.57)**	(0.87)

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding convertible bonds (Refer note 24 and 25 issued by the Company) for the respective periods and effect of shares issued to employees under employee stock option plan. Since, the effect of the conversion of Bonds was anti-dilutive, it has been ignored.

6) Related party disclosures

Names of related parties and related party relationship

Ultimate Holding Company		RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited)
Holding Company		Fortis Healthcare Holdings Private Limited ('FHHPL')
Subsidiary Companies - direct or indirect through investment in subsidiaries	1	Fortis Hospotel Limited ('FHTL') (refer note xxx) (w.e.f. October 13, 2016)
	2	Hiranandani Healthcare Private Limited ('HHPL')
	3	Fortis La Femme Limited ('FLFL') (formerly known as Fortis Health Management (West) Limited)
	4	Fortis Emergency Services Limited ('FESL')

	5	Fortis Health Management (East) Limited ('FHMEL')
	6	SRL Limited ('SRL')
	7	SRL Diagnostics Private Limited ('SRLDPL')
	8	Fortis Healthcare International Limited ('FHIL')
	9	Fortis Global Healthcare (Mauritius) Limited ('FGHML')
	10	Fortis Hospitals Limited ('FHsL')
	11	Fortis Cancer Care Limited ('FCCL') (formerly known as Fortis Health Management (South) Limited)
	12	Lalitha Healthcare Private Limited ('LHPL')
	13	Fortis Malar Hospitals Limited ('FMHL')
	14	Malar Stars Medicare Limited ('MSML')
	15	Escorts Heart Institute And Research Centre Limited ('EHIRCL')
	16	Fortis Healthstaff Limited ('FHSL')
	17	Fortis Asia Healthcare Pte Limited ('FAHPL')
	18	Fortis Healthcare International Pte Limited ('FHIPL')
	19	Fortis Healthcare Singapore Pte Limited ('FHSPL') (upto April 7, 2015)
	20	Radlink Asia Pte Limited (Radlink) ('RADLINK') (upto May 12, 2015)
	21	Radlink Medicare Pte Limited ('RMPL') (upto May 12, 2015)
	22	DRS Thompson & Thomson (Radlink Medicare) Pte Limited (upto May 12, 2015)
	23	Radlink Medicare (Bishan) Pte Limited (upto May 12, 2015)
	24	Radlink Medicare (Woodlands) Pte Limited (upto May 12, 2015)
	25	Radlink Medicare (Tampines) Pte Limited (upto May 12, 2015)
	26	Radlink Medicare (Jurong East) Pte Limited (upto May 12, 2015)
	27	Clinic 1866 Pte Limited (upto May 12, 2015)
	28	Radlink Diagnostic Imaging (S) Pte Limited ('RDISPL') (upto May 12, 2015)
	29	Drs Lim Hoe & Wong Radiology Pte Limited (upto May 12, 2015)
	30	Healthcare Diagnostic Services Pte Limited (upto May 12, 2015)
	31	Radlink Women & Fetal Imaging Centre Pte Limited (upto May 12, 2015)
	32	Radlink Pet & Cardiac Imaging Centre Pte Limited ('RADLINK PET') (upto May 12, 2015)
	33	Singapore Radiopharmaceuticals Pte Limited (upto May 12, 2015)
	34	Singapore Molecular Therapy Centre Pte Limited (upto May 12, 2015)
	35	Mena Healthcare Investment Company Limited ('MHICL')
	36	SRL Diagnostics FZ-LLC
	37	Medical Management Company Limited
	38	Fortis Healthcare Middle East LLC
	39	Healthcare Clinic and Surgery Pte. Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	40	Birdie & Birdie Realtors Private Limited
	41	Fortis CSR Foundation
	42	Stellant Capital Advisory Services Private Limited (w.e.f. November 3, 2015)
	43	RHT Health Trust Trustee Manager Pte. Limited (formerly known as Religare Health Trust Trustee Manager Pte. Limited) (w.e.f.February 2, 2015)
	Companies (4), (5), (11), (13) and (43) of above are subsidiaries of FHsL; Company (7) of above is subsidiary of SRL; Company (9) of above is a subsidiary of FHIL; Companies (12) of above is subsidiary of FCCL; Company (14) of above is a subsidiary of FMHL; Companies (16) and (17) of above are subsidiaries of EHIRCL; Company (18) of above is subsidiary of FAHPL; Company (18), (19), (35), (36), and (38) of above are subsidiaries of FHIPL; Company (20) of above is subsidiary of FHSPL; Companies (21) and (28) of above are subsidiaries of RADLINK; Companies (22) to (27) of above are subsidiaries of RMPL; Companies (29) to (32) of above are subsidiaries of RDISPL; Companies (33) and (34) of above are subsidiaries of RADLINK PET; Company (37) of above is subsidiary of MHICL; Company (43) of above is a subsidiary of Company (42) of above.	
Fellow Subsidiaries (with whom transactions have been taken place)	(a)	RWL Healthworld Limited (formerly known as Religare Wellness Limited)
	(b)	Escorts heart Centre Limited
	(c)	Medsource Healthcare Private Limited
Associates (with whom transactions have been taken place)	(a)	Sunrise Medicare Private Limited
	(b)	Medical and Surgical Centre Limited, Mauritius (Associate of Fortis Healthcare International Limited)
	(c)	International Hospital Limited ('IHL')
	(d)	Escorts Heart and Super Speciality Institute Limited ('EHSSIL')
	(e)	Escorts Heart and Super Speciality Hospital Limited ('EHSSHL')
	(f)	Fortis Health Management Limited ('FHML')
	(g)	Fortis Medicare International Limited ('FMIL')
	(h)	Hospitalia Eastern Private Limited ('HEPL')
Joint Ventures	(a)	Super Religare Reference Laboratories (Nepal) Private Limited (Joint venture of SRL)
	(b)	DDRC SRL Diagnostics Services Private Limited (Joint venture of SRLDPL)
	(c)	Fortis Cauvery, Partnership firm (Joint venture of FCCL)
	(d)	Fortis C-Doc Healthcare Limited ('C-Doc')
Key Management Personnel ('KMP')	(a)	Mr. Malvinder Mohan Singh – Executive Chairman
	(b)	Mr. Shivinder Mohan Singh - Non-Executive Vice Chairman (w.e.f January 1, 2016)
	Additional related parties as per the Companies Act, 2013	
	(c)	Mr. Bhavdeep Singh –Chief Executive Officer (w.e.f. July 24, 2015)
	(d)	Mr. Gagandeep Singh Bedi - Chief Financial Officer
	(e)	Mr. Rahul Ranjan - Company Secretary
	(f)	Mrs. Ritu Vij - Relative of KMP

	(g)	Dr. Brian William Tempest - Non-Executive Independent Director
	(h)	Mr. Gurcharan Das - Non-Executive Director
	(i)	Mr. Harpal Singh - Non-Executive Director
	(j)	Ms. Joji Sekhon Gill - Non-Executive Independent Director
	(k)	Ms. Lynette Joy Hepburn Brown - Non-Executive Independent Director
	(l)	Mr. Pradeep Ratilal Raniga - Non-Executive Independent Director
	(m)	Dr. Preetinder Singh Joshi - Non-Executive Independent Director
	(n)	Mr. Ravi Umesh Mehrotra - Non-Executive Director
	(o)	Ms. Shradha Suri Marwah - Non-Executive Independent Director
	(p)	Mr. Sunil Godhwani - Non-Executive Director
	(q)	Mr. Udai Dhawan - Non-Executive Independent Director
Enterprises owned or significantly influenced by key management personnel ('KMP') or their relatives (with whom transactions have been taken place)	(a)	Fortis Nursing and Education Society
	(b)	Ligare Travel Limited (formerly known as Religare Travels (India) Limited)
	(c)	Ligare Aviation Limited (formerly known as Religare Aviation Limited)
	(d)	Dion Global Solutions Limited
	(e)	Healthfore Technologies Limited

The schedule of Related Party Transactions is as follows:

(₹ in Lacs)

Transactions details	Year Ended March 31, 2017	Year Ended March 31, 2016
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals, Income from rehabilitation centre, Rental, Pharmacy income and other income)		
Fortis Hospitals Limited (Subsidiary)	3.87	5.34
Sunrise Medicare Private Limited (Associate)	-	6.87
Fortis Nursing and Education Society (Enterprises owned or significantly influenced by KMP or their relatives)	-	24.00
SRL Limited (Subsidiary)	0.43	20.30
Fortis C-Doc Healthcare Limited (Joint Venture)	1.13	21.82
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	54.29	5.47
Reliant Healthcare Consultancy Private Limited (Enterprises owned or significantly influenced by KMP or their relatives)	-	7.12
Escorts Heart Institute and Research Centre Limited (Subsidiary)	0.71	0.99
Expense incurred by the Company on behalf of		
International Hospital Limited (Associate)	-	0.74

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Lacs)

Transactions details	Year Ended March 31, 2017	Year Ended March 31, 2016
Escorts Heart Institute and Research Centre Limited (Subsidiary)	146.24	117.91
Fortis Hospotel Limited (Subsidiary)	0.52	0.39
Fortis Health Management Limited (Associate)	-	-
Fortis Malar Hospitals Limited (Subsidiary)	38.07	13.54
Fortis Hospitals Limited (Subsidiary)	142.67	402.97
Hiranandani Healthcare Private Limited (Subsidiary)	3.42	3.36
Lalitha Healthcare Private Limited (Subsidiary)	-	0.34
SRL Limited (Subsidiary)	10.47	3.38
Fortis Nursing & Education Society (Enterprises owned or significantly influence by KMPs or their relatives)	4.86	-
Medical and Surgical Centre Limited (Associate)	7.34	6.27
Hospitalia Eastern Private Limited (Associate)	-	34.89
Stellant Capital Advisory Services Private Limited (Subsidiary)	27.71	12.74
Fortis CSR Foundation (Subsidiary)	-	3.57
Fortis Emergency Services Limited (Subsidiary)	0.18	0.20
Fortis C-Doc Healthcare Limited(Joint Venture)	2.37	-
Fortis Charitable Foundation(Subsidiary)	35.90	-
Expense incurred on behalf of the Company by		
SRL Limited (Subsidiary)	40.32	4.59
Escorts Heart Institute and Research Centre Limited (Subsidiary)	2.34	58.92
Hiranandani Healthcare Private Limited (Subsidiary)	0.51	21.87
Escorts Heart and Super Speciality Hospital Limited (Associate)	578.68	599.98
Fortis Hospotel Limited (Subsidiary)	153.56	64.22
Fortis Malar Hospitals Limited (Subsidiary)	18.72	88.05
Fortis Hospitals Limited (Subsidiary)	172.88	387.96
Fortis Emergency Services Limited (Subsidiary)	9.83	-
Fortis CSR Foundation(Subsidiary)	-	73.94
Fortis C-Doc Healthcare Private Limited (Joint Venture)	3.73	0.23
Interest income on loans and advances to		
Fortis Hospitals Limited (Subsidiary)	10,200.14	7,957.58
Escorts Heart Institute and Research Centre Limited (Subsidiary)	-	424.64
Fortis Healthcare International Limited (Subsidiary)	2,651.09	4,618.55
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	4.53	3.86
Hiranandani Healthcare Private Limited (Subsidiary)	116.54	382.57
Bhavdeep Singh (KMP)	8.46	25.43

(₹ in Lacs)

Transactions details	Year Ended March 31, 2017	Year Ended March 31, 2016
Fortis Hospotel Limited (Subsidiary)	3,618.12	-
Interest expense on loans and advances from		
SRL Diagnostic Private Limited-Expense (Subsidiary)	24.83	-
Loans/ advances given		
Fortis Hospitals Limited (Subsidiary)	216,997.68	146,260.00
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	8.78	
Escorts Heart Institute and Research Centre Limited (Subsidiary)	-	744.00
Hiranandani Healthcare Private Limited (Subsidiary)	395.92	-
Bhavdeep Singh(KMP)	-	430.18
Loans/ advances received back		
Hiranandani Healthcare Private Limited (Subsidiary)	2,966.00	1,465.00
Fortis Healthcare International Limited (Subsidiary)	65,568.93	1,231.66
Fortis Hospitals Limited (Subsidiary)	215,662.75	177,385.85
Escorts Heart Institute and Research Centre Limited (Subsidiary)	-	1,500.00
Bhavdeep Singh(KMP)	430.18	-
Loan Taken		
SRL Limited (Subsidiary)	400.00	-
Consultation fees to doctors		
Fortis Hospitals Limited (Subsidiary)	-	39.33
Escorts Heart Institute & Research Centre Limited (Subsidiary)	0.15	0.10
Pathology laboratory expenses		
SRL Limited (Subsidiary)	1,857.83	2,436.17
Medical service expenses		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	24.31	63.47
Employee Benefit		
Fortis Malar Hospitals Limited (Subsidiary)	-	0.05
Travel and conveyance expenses		
Ligare Travel Limited (formerly known as Religare Travels (India) Limited) (Enterprises owned or significantly influenced by KMP or their relatives)	-	128.85
Ligare Aviation Limited (formerly known as Religare Aviation Limited) (Enterprises owned or significantly influenced by KMP or their relatives)	176.00	201.88
Fortis Emergency Services Limited (Subsidiary)	58.75	-
Marketing expenses		
Fortis Emergency Services Limited (Subsidiary)	9.83	10.48
Managerial remuneration		
Shivinder Mohan Singh (KMP)	-	351.33

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Lacs)

Transactions details	Year Ended March 31, 2017	Year Ended March 31, 2016
Malvinder Mohan Singh (KMP)	600.20	157.57
Gagandeep Singh Bedi (KMP)	240.04	214.35
Sandeep Puri (KMP)	-	-
Rahul Ranjan (KMP)	49.87	48.68
Bhavdeep Singh (KMP)	1,680.77	1,115.40
Rajeev Kumar Dua (KMP)	75.20	-
Avinash Khaitan (KMP)	50.05	-
Brij Kishore Kiradoo (KMP)	3.11	-
Transfer of CWIP		
Fortis Hospitals Limited (Subsidiary)	-	2,969.88
Fortis C-Doc Healthcare Limited (Joint Venture)	-	0.62
Escorts Heart Institute & Research Centre Limited (Subsidiary)	-	12.74
Fortis Malar Hospitals Limited (Subsidiary)	-	252.56
Fortis Health Management (East) Limited (Subsidiary)	-	37.57
Healthfore Technologies Limited (Enterprises owned or significantly influence by KMPs or their relatives)	-	53.54
Hiranandani Healthcare Private Limited (Subsidiary)	-	239.42
Corporate Guarantees given to banks for loans availed by*		
Fortis Hospitals Limited (Subsidiary)	37,500.00	6,000.00
Fortis Healthcare International Limited (Subsidiary)	78,110.00	-
Hiranandani Healthcare Private Limited (Subsidiary)	5,060.00	-
Corporate guarantee withdrawn for loans taken by		
Fortis Hospitals Limited (Subsidiary)	2,000.00	-
Escorts Heart Institute & Research Centre Limited (Subsidiary)	1,500.00	-
License user agreement fees		
RHC Holding Private Limited (Ultimate holding company)	54.46	52.25
Linen Purchased		
Fortis Hospitals Limited (Subsidiary)	16.65	65.70
Legal & professional fee		
RHC Holding Private Limited (Ultimate holding company)	122.02	-
Collection on behalf of Company by:		
Fortis Hospitals Limited (Subsidiary)	52.04	32.33
Escorts Heart Institute & Research Centre Limited (Subsidiary)	14.00	54.13
Fortis Hospotel Limited (Subsidiary)	-	1.86
Collection by Company on behalf of :		
Fortis Malar Hospitals Limited (Subsidiary)	7.66	45.22

(₹ in Lacs)

Transactions details	Year Ended March 31, 2017	Year Ended March 31, 2016
Hiranandani Healthcare Private Limited (Subsidiary)	58.22	75.19
Escorts Heart Institute & Research Centre Limited (Subsidiary)	582.57	914.77
Fortis Hospitals Limited (Subsidiary)	1,329.34	2,359.84
Lalitha Healthcare Private Limited (Subsidiary)	-	0.23
Fortis Emergency Services Limited (Subsidiary)	18.05	0.64
Fortis Health Management (East) Limited (Subsidiary)	1.82	6.37
Fortis Charitable Foundation (Enterprises owned or significantly influence by KMPs or their relatives)	7.13	-
Fortis C-Doc Healthcare Limited (Associate)	6.34	-
Hospital Service fee expenses		
Escorts Heart and Super Speciality Hospital Limited (Associate)	4,751.93	4,734.20
Fortis Hospotel Limited (Subsidiary)	8,847.87	8,512.70
Investment made		
Fortis Hospotel Limited (Subsidiary)	44,390.40	-
Purchase of medical consumables and pharmacy		
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	2.62	61.10
Medsource Healthcare Private Limited (Fellow Subsidiary)	462.70	501.30
Fortis Emergency Service Limited (Subsidiary)	-	35.52
Sale of clinical establishment/fixed assets		
International Hospital Limited (Associate)	-	25.75
Fortis Hospitals Limited (Subsidiary)	592.17	388.84
Fortis Malar Hospitals Limited (Subsidiary)	-	268.29
Purchase of Fixed Assets		
Fortis Hospitals Limited (Subsidiary)	2.92	4.97
Director Sitting Fee		
Brian William Tempest (KMP)	24.28	18.93
Harpal Singh (KMP)	20.68	11.86
Joji Sekhon Gill (KMP)	9.19	7.23
Pradeep Ratilal Raniga (KMP)	11.49	9.29
Preetinder Singh Joshi (KMP)	14.94	12.89
Sunil Godhwani (KMP)	2.29	4.13
Udai Dhawan (KMP)	-	5.15
Lynette Joy Hepburn Brown (KMP)	12.64	10.32
Ravi Umesh Mehrotra (KMP)	6.90	6.19
Shradha Suri Marwah (KMP)	10.34	7.22
Shivinder Mohan Singh (KMP)	8.05	2.07

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Lacs)

Balance outstanding at the year end	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans and advances			
Fortis Hospitals Limited (Subsidiary)	72,350.69	66,413.02	85,222.39
Hiranandani Healthcare Private Limited (Subsidiary)	70.27	2,698.15	3,578.22
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	54.29	0.85	0.85
Escorts Heart Institute and Research Centre Limited (Subsidiary)	12.11	3.95	21,963.77
Fortis C-Doc Healthcare Limited (Joint Venture)	66.31	72.79	52.81
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited) (Subsidiary)	4.26	4.26	4.26
SRL Limited (Subsidiary)	-	1.15	1.59
Fortis Health Management Limited (Associate)	-	9.47	9.47
Fortis Healthcare International Limited (Subsidiary)	7,938.85	73,507.77	73,404.02
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	47.29	38.51	35.33
Dion Global Solutions Limited (Enterprises owned or significantly influence by KMPs or their relatives)	0.93	0.93	0.93
Fortis Health Management (East) Limited (Subsidiary)	46.43	49.33	20.35
Fortis Nursing & Education Society(Enterprises owned or significantly influence by KMPs or their relatives)	6.76	-	1.80
Fortis Malar Hospitals Limited (Subsidiary)	17.27	426.71	-
Stellant Capital Advisory Services Private Limited (Subsidiary)	-	12.74	-
International Hospital Limited (Associate)	25.75	25.75	-
Escorts Heart Centre Limited (Fellow Subsidiary)	-	6.52	-
Fortis Hospital Management Limited (Associate)	142.42	142.43	-
Bhavdeep Singh (KMP)	-	430.18	
Fortis Hospotel Limited (Subsidiary)	44,390.40	-	-
Unsecured Loan			
SRL Limited (Subsidiary)	400.00	-	-
Interest accrued (and due/but not due) on loans given			
Hiranandani Healthcare Private Limited (Subsidiary)	113.66	374.92	460.86
Escorts Heart Institute and Research Centre Limited (Subsidiary)	-	-	2,486.93
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	4.44	3.78	3.18
Fortis Healthcare International Limited (Subsidiary)	373.35	10,127.94	12,327.66
Fortis Hospitals Limited (Subsidiary)	9,996.13	6,207.68	10,552.72
Bhavdeep Singh (KMP)	-	25.43	

(₹ in Lacs)

Balance outstanding at the year end	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fortis Hospotel Limited (Subsidiary)	3,196.56	-	-
Interest accrued (and due/but not due) on loans taken			
SRL Limited (Subsidiary)	10.21	-	-
Trade receivables			
Sunrise Medicare Private Limited (Associate)	-	12.89	11.23
Fortis Hospitals Limited (Subsidiary)	-	1,410.80	1,478.20
Trade payables and other current liabilities			
SRL Limited (Subsidiary)	813.07	191.61	254.60
Fortis Malar Hospitals Limited (Subsidiary)	2.33	-	9.34
Fortis Hospotel Limited (Subsidiary)	2,684.12	3,674.34	1,615.57
Hiranandani Healthcare Private Limited (Subsidiary)	9.24	-	0.67
Ligare Travel Limited (formerly known as Religare Travels (India) Limited) (Enterprises owned or significantly influence by KMPs or their relatives)	-	-	10.83
Fortis Healthcare International Pte. Limited (Subsidiary)	-	-	7.29
Escorts Heart and Super Speciality Hospital Limited (Associate)	1,304.00	610.75	884.37
Fortis Hospitals Limited (Subsidiary)	5,071.08	3,710.13	2,651.59
Escorts Heart Institute and Research Centre Limited (Subsidiary)	271.91	294.01	25.69
Medsource Healthcare Private Limited (Fellow Subsidiary)	38.68	32.64	26.28
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	0.06	0.12	39.79
Fortis Emergency Services Limited (Subsidiary)	16.16	4.82	-
Lalitha Healthcare Private Limited (Subsidiary)	-	0.03	-
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	5.00	5.00	5.00
Fortis Charitable Foundation (Enterprises owned or significantly influence by KMPs or their relatives)	0.60	-	-
Escorts Heart Centre Limited (Follow Subsidiaries)	6.52	-	-
Stellant Capital Advisory Services Private Limited (Subsidiary)	9.35	-	-
Investments			
Escorts Heart Institute and Research Centre Limited (Subsidiary)	71,894.80	71,894.80	71,894.80
Fortis Hospotel Limited (Subsidiary)	139,456.62	20,739.71	20,739.71
Fortis Hospitals Limited (Subsidiary)	40,210.58	40,210.58	40,210.58
SRL Limited (Subsidiary)	90,905.48	90,905.48	80,368.53

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Lacs)

Balance outstanding at the year end	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fortis CSR Foundation (Subsidiary)	5.00	5.00	5.00
Hiranandani Healthcare Private Limited (Subsidiary)	3,040.00	3,040.00	3,040.00
Fortis Healthcare International Limited (Subsidiary)	14,744.49	14,744.49	14,744.49
Fortis Medicare International Limited (Associate)	4.75	-	4.75
Sunrise Medicare Private Limited (Associate)	0.31	-	0.31
Corporate guarantee given for loans availed by*			
Fortis Hospitals Limited (Subsidiary)	85,220.00	49,720.00	43,720.00
Escorts Heart Institute and Research Centre Limited (Subsidiary)	5,000.00	6,500.00	6,500.00
Fortis C-Doc Healthcare Limited (Joint Venture)	1,031.00	1,031.00	1,031.00
Hiranandani Healthcare Private Limited (Subsidiary)	5,060.00	-	-
Fortis Healthcare International Limited (Subsidiary)	78,110.00	-	-

Related Parties have been identified by the management.

Notes:

*The loans availed by above companies against guarantee given have been used by the respective companies for acquiring fixed assets and meeting working capital requirements.

The above outstanding are unsecured and will be settled in cash. No expenses has been recognised in the current or prior years for bad or doubtful debt in respect of the amounts owned by related party.

7) Leases

(a) Assets taken on Operating Lease:

Hospital/ Office premises, few medical equipment's and other premises are obtained on operating lease. The total lease payments in respect of such leases recognised in the statement of profit and loss for the year are ₹ 999.82 lacs (FY 2015-16 ₹ 1,791.49 lacs & FY 2014-15 ₹ 2,262.21 lacs) out of which amount of rent capitalized during the year are Nil (FY 2015-16 ₹ 1,225.21 lacs & FY 2014-15 ₹ 1,212.24 lacs).

The total future minimum lease payments under the non-cancellable operating leases are as under:

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Minimum lease payments:			
Not later than one year	526.56	461.42	656.60
Later than one year but not later than five years	1,076.23	1,588.83	2,136.43
Later than five years	-	-	43.06

(b) Assets given on Operating Lease

i) The Company has sub- leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. The total lease income received / receivable in respect of the above leases recognised in the statement of profit and loss for the year are ₹ 3.97 lacs (FY 2015-16 ₹ 28.63 lacs & FY 2014-15 ₹ 26.32 lacs).

ii) The Company has leased out certain Property, Plant and Equipment on operating lease to a Trust managing hospital operations. The lease term is for 3 years and thereafter renewable at the option of the lessor. The lease arrangement is non-cancellable in nature. The details of the capital assets given on operating lease are as under:

	Plant And Machinery	Medical Equipment	Furniture and Fittings	Computers	Office Equipment	Vehicles	Total
As at March 31, 2017							
Gross Block	96.66	4,140.18	161.21	98.84	26.58	36.69	**4,560.16**
Accumulated Depreciation	96.66	2,240.39	147.04	98.84	25.25	30.74	**2,638.92**
Net Block	-	1,899.78	14.17	-	1.33	5.96	**1,921.24**
As at March 31, 2016							
Gross Block	96.66	4,226.49	161.21	98.84	27.19	36.69	**4,647.08**
Accumulated Depreciation	96.66	2,177.09	133.85	98.84	24.70	28.69	**2,559.83**
Net Block	-	2,049.40	27.36	-	2.49	8.00	**2,087.25**
As at April 01, 2015							
Gross Block	96.66	3,959.80	177.73	120.25	33.16	48.70	**4,436.30**
Accumulated Depreciation	96.66	1,881.80	134.91	120.25	29.52	26.99	**2,290.13**
Net Block	-	2,078.00	42.82	-	3.64	21.71	**2,146.17**

The total lease payments received in respect of such leases recognised in the statement of profit and loss account for the year are ₹ 641.38 lacs (FY 2015-16 ₹ 1,038.68 lacs & FY 2014-15 ₹ 954.92lacs).

The total of future minimum lease payments receivable under the non-cancellable operating leases are as under:

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Minimum lease payments :			
Not later than one year	648.64	1065.69	235.26
Later than one year but not later than five years	162.16	1332.11	-
Later than five years	-	-	-

(c) Assets taken on Financial Lease:

The Company has taken building on financial lease. The total finance charges paid in respect of such lease recognize in the statement of profit & loss during the year is ₹ 292.88 lacs (as at March 31, 2016 ₹ 285.70 lacs). Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Minimum Lease Payments	Present value	Minimum Lease Payments	Present value	Minimum Lease Payments	Present value
Not later than one year	249.33	131.82	224.62	132.55	224.62	147.89
Later than one year but not later than five years	1,345.92	875.05	1,313.51	826.11	1,256.37	758.88
Later than five years	7,567.26	1,692.36	7,846.88	1,672.31	8,128.65	1,663.13
Total minimum lease payments	9,162.50	2,699.23	9,385.01	2,630.97	9,609.64	2,569.90
Less: amounts representing finance charges	6,463.27	-	6,754.04	-	7,039.74	-
Present value of minimum lease payments	2,699.23	2,699.23	2,630.97	2,630.97	2,569.90	2,569.90
Current	-	131.82	-	132.55	-	147.89
Non-Current	-	2,567.41	-	2,498.42	-	2,422.01

8) Borrowings

(i) Secured Loans

(₹ in lacs)

Particulars	Note	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 01, 2015	April 01,2015
		Non-Current	Current	Non-Current	Current	Non-Current	Current
Term loan from Bank	(a)	3,487.76	1,835.66	5,325.30	1,547.20	-	-
Term loan from Bank	(b)	1,496.45	124.70	-	-	-	-
Loan from a body corporate	(c)	-	10,000.00	-	-	-	-
Bank overdraft	(d)	-	570.69	-	381.87	-	-
Loan from Bank	(e)	-	2,500.00	-	-	-	-
Term loan from a body corporate	(f)	923.98	122.70	-	-	-	-
Term loan from Bank	(g)	9,835.82	-	-	-	-	-
Term loan from a body corporate	(h)	-	-	-	-	6,736.73	1,328.67
Total		**15,744.01**	**15,153.75**	**5,325.30**	**1,929.07**	**6,736.73**	**1,328.67**

(a) The loan has been taken from HDFC Bank Limited in the financial year 2015-16. The loan is secured by a first pari passu charge by way of hypothecation of the Company's movable fixed assets. The rate of interest is HDFC Bank Base Rate of the bank plus 0.85% per annum, payable monthly. The loan is repayable in 52 structured monthly installments commencing from October 1, 2015. As at March 31, 2017, ₹ 5,323.42 lacs (as at March 31, 2016 ₹ 6,872.50 lacs and as at April 01, 2015 Nil) is outstanding. The current effective average rate of interest is 9.85% p.a.

(b) Term loan from Yes Bank has been taken in financial year 2016-17 for purchase of various medical equipment's and is secured by hypothecation on invoices and insurance copies of that medical equipment's. The rate of interest is 0.50% per annum over and above yearly MCLR, payable monthly. The loan is repayable in 26 structured quarterly instalments, after a moratorium period of 180days from the date of disbursement to the Company. As at March 31, 2017, ₹ 1,621.15 lacs (as at March 31, 2016 Nil & as at April 01, 2015 Nil) is outstanding. The current effective average rate of interest is 9.45% p.a.

(c) The short term loan has been taken from Standard Chartered Investments & Loans (India) Limited in the financial year 2016-17 for the purpose of working capital and is secured by share pledge of the FHL 51% shareholding in Fortis Hospitals Limited and personal guarantee of Mr. Malvinder Mohan Singh. Standard Chartered Investments & Loans (India) Limited has the right to revise the specified rate at its discretion on the interest reset dates. The loan was repayable in maximum nine months from the date of disbursement to the Company. As at March 31, 2017, the balance of the loan ₹ 10,000 lacs (as at March 31, 2016 Nil & as at April 01, 2015 Nil) is outstanding. The current effective average rate of interest is 11.50% p.a.

(d) The overdraft facility has been availed from Standard Chartered Bank. Overdraft limit of ₹ 4,000 lacs and is secured by pari passu charge over moveable fixed assets at Mohali hospital and current assets of the Company. The rate of interest is Base rate plus margin, as may be agreed from time to time. The current effective average rate of interest is 11.25% p.a.

(e) The short term loan has been taken from Standard Chartered Bank in the financial year 2016-17 for the purpose of working capital. The loan is secured it is also secured by pari passu charge over moveable fixed assets at Mohali hospital ,current assets of the Companyand personal guarantee of Mr. Malvinder Mohan Singh. The rate of interest is MCLR plus applicable margin, as may be agreed from time to time. The loan is repayable in maximum four months from the date of disbursement to the company. As at March 31, 2017, the balance of the loan ₹ 2,500 lacs (as at March 31, 2016 Nil &as at April 01, 2015 Nil) is outstanding.The current effective average rate of interest is 11.50% p.a.

(f) Term loan from Siemens Financial Services Private Limited has been taken in financial year 2016-17 for purchase of medical equipment's and is secured by exclusive charge by way of hypothecation of that medical equipment's, along with all standard accessories. The rate of interest is 7.78% per annum, payable monthly. The loan is repayable in 84 structured monthly instalments, after a moratorium period of 30 days from the date of invoice of medical equipment's. As at March 31, 2017, the balance of the loan ₹ 1,046.68 lacs (as at March 31, 2016 Nil & as at March 31, 2015 Nil) is outstanding.

(g) Term loan from RBL Bank Limitedis taken in financial year 2016-17 and is secured by first pari-passu charge by way of hypothecation on moveable fixed assets (present & future). Also secured by first charge over interest/dividend/cash flows arising from CCD (Compulsorily Convertible Debentures).The rate of interest is 10% per annum (Floating) linked to RBL Bank's 1Y MCLR, payable monthly. The loan is repayable in 16 equal quarterly instalments, after a moratorium period of 12 months from the date of disbursement to the Company. As at March 31, 2017, the balance of the loan ₹ 9,835.82 (as at March 31, 2016 Nil& as at March 31, 2015 Nil) is outstanding.

(h) Term loan from L&T Infrastructure Finance Company Limited ("Lender") was taken in financial year 2011-2012 and was secured by a first pari passu charge by way of mortgage of the Company's immovable

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

properties, present and future. Further secured by a first pari passu charge by way of hypothecation of the Company's movable assets, including movable machinery, machinery spares, tools and accessories, present and future. Also, secured by a second pari passu charge by way of hypothecation on the Company's book debts, operating cash flows and the receivables and revenues, current assets commissions and revenues of whatsoever nature and wherever arising, both present and future. Further, there was an exclusive pledge of shareholding of the Company in SRL Limited in favour of the lender, to the extent of at least 2 times of the facility amount, to be maintained at all time during the subsistence of the facility. The rate of interest for each tranche of facility was Prime Lending rate less 3.75% per annum, payable monthly. On July 31, 2013, Lender had assigned ₹ 10,000 lacs to L&T Fincorp Limited out of outstanding amount of ₹ 16,683.33 lacs as on that date. The loan was repayable in 84 structured monthly instalments, after a moratorium of 12 months from the date of first disbursement to the Company. As at March 31, 2017, the balance of the loan is Nil (as at March 31, 2016 Nil; as at March 01, 2015, ₹ 8,065.40 lacs) as it was fully repaid to L&T Fincorp Limited during the financial year 2015-16.

(ii) Unsecured Loans

Particulars	Note	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 01, 2015	April 01,2015
		Non-Current	Current	Non-Current	Current	Non-Current	Current
Debt Component 5% Foreign currency convertible bonds	23	-	-	-	-	-	62,335.53
Debt Component 4.66%+LIBOR Foreign currency convertible bonds	24	-	-	19,632.97	-	18,398.69	-
Debt Component 4.86%+LIBOR Foreign currency convertible bonds	25	-	-	36,298.23	-	34,137.22	-
Finance lease obligation	7(c)	2,567.41	131.82	2,498.42	132.55	2,422.01	147.89
Loan from a body corporate	(a)	-	2,500.00	-	-	-	-
Loan from a body corporate	(b)	-	400.00	-	-	-	-
Commercial Papers	(c)	-	28,204.51	-	41,786.43	-	-
		2,567.41	**31,236.33**	**58,429.62**	**41,918.98**	**54,957.92**	**62,483.42**

(a) The short term loan has been taken from body corporate as Inter Corporate Deposit in the financial year 2016-17. The rate of interest is 10.25% per annum. The loan is repayable in maximum 181 days from the date of disbursement to the company i.e. 29th November, 2016. As at March 31, 2017, the balance of the loan is ₹ 2,500 lacs (as at March 31, 2016 Nil & as at March 31, 2015 Nil) is outstanding.

(b) The short term loan has been taken from related party as Inter Corporate Deposit in the financial year 2016-17. The rate of interest is 11.50% per annum, payable quarterly. The loan is repayable on 30th September, 2017. As at March 31, 2017, the balance of the loan is ₹ 2,500 lacs (as at March 31, 2016 Nil & as at March 31, 2015 Nil) is outstanding.

(c) **As at March 31, 2017**

S. No.	Particulars	Issued to	Rate of Interest (% p.a.)	Due Date	Amount
1	Commercial Paper	Axis Bank	8.00%	9-Apr-17	9,980.66
2	Commercial Paper	HDFC Bank	9.50%	17-May-17	2,470.12
3	Commercial Paper	HDFC Bank	9.50%	18-May-17	2,469.47
4	Commercial Paper	Yes Bank	8.00%	18-May-17	3,463.87
5	Commercial Paper	HDFC Bank	9.50%	25-May-17	4,930.03
6	Commercial Paper	RBL Bank	10.00%	21-Jun-17	4,890.38
Total					**28,204.51**

As at March 31, 2016

S. No.	Particulars	Issued to	Rate of Interest (% p.a.)	Due Date	Amount
1	Commercial Paper	HDFC Bank	9.00%	19-May-16	9,881.73
2	Commercial Paper	Yes Bank	9.30%	23-May-16	9,867.99
3	Commercial Paper	EXIM Bank	10.00%	12-Jun-16	4,902.41
4	Commercial Paper	Yes Bank	9.75%	19-Jun-16	17,134.80
Total					**41,786.93**

9. Commitments:

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Estimated amount of contracts remaining to be executed on capital account (net of capital advances of ₹ 61.98 lacs (as at March 31, 2016 ₹ 132.63 lacs and as at April 01, 2015 ₹ 141.34lacs))	2,945.73	1,861.69	933.57

b. Going concern support in form of funding and operational support letters issued by the Company in favour of FLFL, FCCL, Fortis C-Doc Healthcare Limited, FHMEL, LHPL, FESL, FHIL, FGHML,FHIPL, FAHPL, and Birdie and Birdie Realtors Private Limited.

c. For commitment under sponsor agreement entered between the trustee-manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (Collectively referred as 'Indemnified Parties') with the Company, refer note 21.

d. For commitment under Shareholders agreements entered between the Company, FHTL and FHML refer Note 22.

e. The Company is obligated to provide exit to investors in SRL Limited, subsidiary company through swap of its shares at fair market value under terms of share purchase agreement for Compulsory Convertible Preference Shares issued by the subsidiary company.

f. The Company has other commitments, for purchase/sales order which are issued after considering requirements per operation cycle for purchase/sale of service, employee's benefits. 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.

g. These were no amount which were required to be transferred to be the investor education and protection fund by the company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

10. Hospital service and management fees

The company has entered into individual Hospital and Medical Service Agreement(HMSA) with RHT Health Trust (formerly known as Religare Health Trust Group of companies (RHT)) wherein the RHT provides and maintains the clinical establishments along with other service like out-patient diagnostics and radio diagnostic to the company the term of individual HMSA is 15 year and the company is required to pay a composite service fee i.e. base and variable fee. The base fee is fixed at the beginning of each year and increase 3% year on year. The variable fee is based on a percentage of company's net operating revenue in accordance with the HMSA.

The total of future minimum Hospital and Medical Service fees over remaining non-cancelable period payable inform of the base fees is as under:

((₹ in Lacs)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Minimum lease payments :			
Not later than one year	9,172.85	9,036.92	8,773.71
Later than one year but not later than five years	38,097.69	37,530.35	36,972.55
Later than five years	60,436.82	70,177.01	79,771.73

The Company has also provided guarantee to RHT group companies as terms of HMSA.

11) Contingent liabilities (not provided for) in respect of:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commission. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.	4,144.31	1,466.01	1,319.13
The Company is under litigation with the Income Tax Department against certain income tax demands on account of deduction of tax under section 194J of Income Tax Act, 1961 instead of section 192 on payments made to retainer doctors, u/s 201(1)/201(1A) for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14, thereby raising demands of ₹ Nil (as at March 31,2016 ₹ Nil & as at April 1, 2015 ₹ 239.92 lacs) , ₹ Nil (as at March 31,2016 ₹ Nil & as at April 1, 2015 ₹ 261.49 lacs), ₹ Nil (as at March 31,2016 ₹ Nil & as at April 1, 2015 ₹ 20.87 lacs) and ₹ Nil (as at March 31,2016 ₹ Nil & as at April 1, 2015 ₹ 23.86 lacs) respectively. Company had filed appeals with the Commissioner of Income Tax (Appeals), Chandigarh which passed order in favour of the Company for all assessment years. Department has filed further appeal to the Income Tax Appellate Tribunal (ITAT) for assessment years 2010-11 and 2011-12. During the previous year, ITAT had decided the case in favour of the company.	-	-	501.41

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
The Commissioner of Service-tax, Chandigarh has passed an Order dated March 14, 2014 under Finance Act, 1994 alleging that assesse is liable to pay service-tax on support services of business or commerce provided to doctors, thereby raising demand of ₹ 215.34 lacs (as at March 31, 2016 ₹ 215.34 lacs & as at April 1, 2015 ₹ 215.34 lacs) and ₹ 50.14 lacs (as at March 31, 2016 ₹ 50.14 lacs & as at April 1, 2015 ₹ 50.14 lacs) for financial years 2007-08 to 2011-12 and 2012-13 respectively. The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Company believes that it has good chance of success in these cases.	265.47	265.47	265.47
The Company is under litigation with the Income Tax Department a gainst income tax demand on account of disallowance u/s 14A, disallowance of credit card expenditure, disallowance of foreign travelling expenses and interest income not offered to tax for assessment year 2012-13. Based on management assessment, Company believes that it has good chance of success in this case.	332.08	332.08	332.08
Service Tax Department issued notice alleging therein that Hospital is providing services of infrastructure and administrative support to Vendors and thus, is liable to pay service-tax on amounts retained from doctors' fees for the financial years 2008-09 to 2012-13. The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, the Company believes that it has good chance of success in this case.	294.35	294.35	294.35
The Excise & Taxation Officer, Mohali passed an order dated October 08, 2013 u/s 29(2) of PVAT there raising a demand of ₹ 141,235,456 (₹ 37,069,675, interest thereon amounting to ₹ 30,024,435 and Penalty amounting to ₹ 74,139,346). A writ filed before the Punjab and Haryana High Court on January 09, 2014. Stay granted and writ was decided in favour of the Company. Department has filed Special Leave Petition before Supreme Court. Based on management assessment, the Company believes that it has good chance of success in this case.	1,412.35	1,412.35	1,412.35

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
The Excise & Taxation Officer, Mohali passed an order dated August 08, 2013 u/s 29(2) of PVAT there raising a demand of ₹ 220,881,550 (being demand at ₹ 59,617,192, interest thereon amounting to ₹ 42,030,092 & Penalty amounting to ₹ 119,234,304). A writ filed before the Punjab and Haryana High Court on January 09, 2014. Stay granted and writ was decided in favour. Department has filed Special Leave Petition before Supreme Court. Based on management assessment, the Company believes that it has good chance of success in this case. Based on management assessment, the Company believes that it has good chance of success in this case.	2,208.81	2,208.81	2,208.81
The adjudication authority passed order dated January 21, 2014 for payment of RF amounting to ₹ 10.00 lacs and Penalty of ₹ 2.00 lacs. Appeal filed by the assesse before Commissioner of Custom decided in favour on August 01, 2014. Department in appeal before Appellate Tribunal, which is pending disposal.Based on management assessment, the Company believes that it has good chance of success in this case.	12.00	12.00	12.00
Corporate guarantee given to financial institutions/ banks in respect of financial assistance availed by subsidiaries and associates of the Company. None of the corporate guarantee have been evoked by the Banks/ Financial institutions during the year as the subsidiaries and associates of the Company have complied with the loan covenants (F.Y. 2008-09 to 2012-2013)			
- Axis Bank	7,750.00	7,751.00	7,751.00
- Royal Bank of Scotland	-	1,500.00	1,500.00
- HDFC Bank Limited	33,560.00	28,000.00	22,000.00
- ICICI Bank Limited	20,000.00	20,000.00	20,000.00
- YES Bank Limited	25,000.00	-	-
- Lakshmi Vilas Bank Limited	10,000.00	-	-
- Deutsche Bank	78,110.00	-	-

Note: The amount included above for financial guarantee contracts towards loan outstanding are the maximum amounts the Company could be forces to settle under the loan arrangement for the full guaranteed amount if that is claims by the counterparty.

Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such amount will not be payable under the arrangement. However, this estimate is subject to change depending on the financial position of the subsidiary company. Based on the assessment made by the Company the Fair Value of Financial guarantees is Nil as at March 31, 2017. (as at March 31, 2016 Nil and as at April 01, 2015 is Nil)

12) Employee Stock Option Plan

The Company has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiaries and holding company. During the year ended March 31, 2008, 458,500 options (Grant I) were granted to the employees under Plan 'A'. Under the same plan, 33,500 options (Grant II) were granted to the employees during the year ended March 31, 2009, 763,700 options (Grant III) were granted during the year ended March 31, 2010, 1,302,250 options (Grant IV) were granted during the year ended March 31, 2011 and 200,000 options (Grant V) were granted during the year ended March 31, 2012. Under plan 'B', 4,050,000 options (Grant VI) were granted during the year ended March 31, 2013, 3,715,000 options (Grant VII) were granted during the year ended March 31, 2014, 240,000 option (Grant VIII) were granted during the year March 31, 2015, 100,000 option (Grant IX) during the previous year and 2,500,000 options (Grant X) were granted during the previous year. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company. As at March 31, 2017, the following schemes were in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Vesting Period	Exercise Period up to
Grant I*	13-Feb-08	30-Jul-07	27-Sep-07	458,500	February 13, 2009 to February 12, 2013	12-Feb-18
Grant II	13-Oct-08	30-Jul-07	27-Sep-07	33,500	October 13, 2009 to October 12, 2013	12-Oct-18
Grant III	14-Jul-09	30-Jul-07	27-Sep-07	763,700	July 14, 2010 to July 13, 2014	13-Jul-19
Grant IV	1-Oct-10	30-Jul-07	27-Sep-07	1,302,250	October 1, 2011 to September 30, 2015	30-Sep-20
Grant V	12-Sep-11	30-Jul-07	27-Sep-07	200,000	September 12, 2012 to September 11, 2016	11-Sep-21
Grant VI	23-Feb-12	12-Aug-11	19-Sep-11	4,050,000	September 23, 2012 to September 23, 2015	22-Feb-19
Grant VII	10-Jun-13	12-Aug-11	19-Sep-11	3,715,000	June 20, 2013 to June 09, 2016	9-Jun-20
Grant VIII	12-Nov-14	12-Aug-11	19-Sep-11	240,000	Nov 12, 2014 to Nov 11, 2017	10-Nov-21
Grant IX	1-Jun-15	12-Aug-11	19-Sep-11	100,000	Jun 01, 2015 to May 31, 2018	31-May-22
Grant X	5-Aug-15	12-Aug-11	19-Sep-11	2,500,000	Aug 05, 2015 to Aug 04, 2018	4-Aug-22

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The details of activity under the Plan have been summarised below:

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	6,472,950	142.94	4,704,130	108.82	5,808,230	106.24
Granted during the year	-	-	2,600,000	192.31	240,000	121.00
Forfeited during the year	394,900	158.25	509,000	107.65	1,322,600	100.26
Exercised during the year	836,100	95.07	322,180	98.90	21,500	73.96
Outstanding at the end of the year	5,241,950	149.43	6,472,950	142.94	4,704,130	108.82
Exercisable at the end of the year	1,670,000	91.00	-	-	1,353,490	115.57

*Under grant I, 2,400 options were exercised on March 31, 2015 and allotment was made on April 10, 2015.

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Range of exercise prices	₹ 50.00 to ₹ 193.00	₹ 50.00 to ₹ 193.00	₹ 50.00 to ₹ 158.00
Number of options outstanding	5,241,950	6,472,950	4,704,130
Weighted average remaining contractual life of options (in years)	4.05	4.86	4.91
Weighted average fair value of options granted (in ₹)	63.48	59.71	39.03
Weighted average exercise price (in ₹)	149.43	142.94	108.82

Stock Options granted

There have been no grants made in the current year by the Company. The weighted average fair value of stock options granted during the year end March 31, 2016, ₹98.90 and as at April 01, 2015, ₹ 73.96). The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Exercise Price	₹ 50.00 to ₹ 193.00	₹ 50.00 to ₹ 193.00	₹ 50.00 to ₹ 158.00
Expected Volatility	6.42% to 34%	6.42% to 34%	6.42% to 34%
Life of the options granted (Vesting and exercise period) in years	2 years to 7 years	2 years to 7 years	3 years to 7 years
Expected dividends	-	-	-
Average risk-free interest rate	7.31% to 8.70%	7.31% to 8.70%	7.31% to 8.70%
Expected dividend rate	-	-	-

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

13) Employee Benefits Plan:

Defined Contribution Plan

The Company's contribution towards its provident fund is a defined contribution retirement plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognised by the Income Tax authorities.

The Company recognised ₹. 807.37 lacs (previous year ₹ 860.46 lacs) for Provident Fund and Employee state insurance contribution in the statement of profit and loss account. The Contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

Defined Benefit Plan

The Company has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service subject to a maximum limit of ₹ 1,000,000 in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service. The Gratuity is unfunded.

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i. Movement in Net Liability			
Present value of obligation at the beginning of the year	1,331.52	1,224.03	881.24
Current service cost	245.29	233.62	187.11
Past Service Cost	-	1.22	-
Interest cost	97.52	90.14	79.20
Amount recognised to OCI	(45.68)	(138.89)	166.45
Obligation acquired on slump sale	-	(12.33)	39.77
Obligation transferred from subsidiary	(263.93)	-	-
Benefits paid	(96.09)	(66.27)	(129.74)
Present value of obligations at the end of the year	**1,268.63**	**1,331.52**	**1,224.03**
Present value of unfunded obligation			
Amounts in the Balance Sheet			
(a) Liabilities	1,268.63	1,331.52	1,224.03
(b) Assets	-	-	-
(c) Net liability/(asset) recognised in the balance sheet	**1,268.63**	**1,331.52**	**1,224.03**
Current Liability	232.08	64.36	83.22
Non-Current Liability	1,036.55	1,267.16	1,140.81

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		Year ended March 31, 2017	Year ended March 31, 2016
ii.	**Expense recognised in Statement of Profit and Loss is as follows :**		
	Amount recognised in employee benefit expense		
	Service cost	245.29	233.62
	Past Service Cost	-	1.22
	Total	**245.29**	**234.84**
	Amount recognised in finance cost		
	Interest cost	97.52	90.14
	Total	**97.52**	**90.14**
	Total Amount charged to Statement to Profit and Loss	**342.81**	**324.98**

		Year ended March 31, 2017	Year ended March 31, 2016
iii.	**Expense recognised in Statement of Other comprehensive income is as follows :**		
	Net actuarial loss / (gain) due to experience adjustment recognised during the year	(45.68)	(138.89)
	Net actuarial loss / (gain) due to assumptions changes recognised during the year	-	-

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Principal Actuarial assumptions for Gratuity and compensated absences			
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected salary increase rate	7.50%	7.50%	7.50%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	18%	18%
Age from 31 to 44 years	6%	6%	6%
Age above 44 years	2%	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience gain/(loss) adjustments on plan liabilities	(45.68)	(138.89)	19.01

Notes:

a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

(₹ in lacs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Increase	Decrease	Increase	Decrease
Change in discount rate by .50%	61.43	56.5	62.21	57.23
Change in Salary escalation rate by 1%	126.82	109.29	128.36	110.73
Change in withdrawal rate by 5%	30.66	29.47	31.01	30.58

14) Financial Instruments

i) Capital Management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 5(xvi), 5(xvii) and 5(xix) offset by cash and bank balances) and total equity of the company.

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

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2017 of 15.05 %.(see below)

Gearing ratio

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

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt*	64,850.05	108,753.41	127,776.39
Less: Cash and bank balances	(569.46)	(910.03)	(611.55)
Net debt	64,280.59	107,843.38	127,164.84
Total equity	427,186.27	374,741.09	377,673.26
Net debt to equity ratio	**15.05%**	**28.78%**	**33.67%**

*Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

ii) Categories of financial instruments

(₹ in lacs)

Financial assets	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Measured at fair value through profit or loss (FVTPL)			
Mutual Funds	-	22,020.17	10,112.07
Fair value of Derivative asset		5,636.00	1,908.90
Measured at amortised cost			
Debt component of investment in compulsory convertible debenture in subsidiary	46,302.70	-	-
Trade receivables - Non Current	-	471.15	913.76
Loans - Non Current	69,797.17	134,469.09	154,484.91
Other financial assets - Non Current	866.31	34,469.80	6,894.90
Trade receivables – Current	7,554.31	10,233.58	9,511.38
Cash and cash equivalents	569.46	910.03	611.55
Loans – Current	7,470.49	9,208.38	29,774.39
Other financial assets – Current	16,680.39	15,099.48	51,625.22
Total	**149,240.83**	**232,517.67**	**265,837.06**

At the end of the reporting period, there are no significant concentrations of financial assets designated at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

(₹ in lacs)

Financial liabilities	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Measured at amortised cost			
Borrowings	18,311.42	63,754.91	61,694.65
Other financial liabilities - Non Current	-	-	68.16
Borrowings – Current	44,175.20	42,168.30	-
Trade payables – Current	14,025.25	11,438.03	9,655.30
Other financial liabilities – Current	8,383.45	7,932.83	72,320.93
Total	**84,895.33**	**125,294.07**	**143,739.04**

(iii) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets includingmarket 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 analyse exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. The Company has limited exposure towards foreign currency risk it earns approx. 10% of its revenue from in foreign currency from international patients. Also capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Company has not taken any derivative contracts to hedge the exposure. However the exposure towards foreign currency foreign currency fluctuation is party hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

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

a) Foreign currency risk management

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

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

Particulars		As at March 31, 2016		As at March 31, 2016		As at April 1,2015	
		FC In lacs	Equivalent ₹ in Lacs	FC In lacs	Equivalent ₹ in Lacs	FC In lacs	Equivalent ₹ in Lacs
Import trade payable	USD	1.25	80.77	11.15	738.17	7.88	491.51
Import trade payable	EURO	0.39	27.34	-	-	-	-
Foreign Currency Loans							
-Loans taken including interest accrued thereon	USD	-	-	866.49	57,340.18	1,883.19	117,434.77
-Loans given including interest accrued thereon	USD	128.16	8,312.20	1,263.85	83,635.71	1,375.33	85,731.79
Cash and Bank Balance	USD	-	-	-	-	0.57	35.44

Foreign currency sensitivity analysis

The company is mainly exposed to the USD& EURO currency.

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

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(₹ in lacs)

If increase by 5%	Currency Impact USD	
Particulars	As at March 31, 2017	As at March 31, 2016
Increase / (decrease) in profit or loss for the year	411.57	1,277.87
Increase / (decrease) in total equity as at the end of the reporting period	411.57	1,277.87

If decrease by 5%	Currency Impact USD	
Particulars	As at March 31, 2017	As at March 31, 2016
Increase / (decrease) in profit or loss for the year	(411.57)	(1,277.87)
Increase / (decrease) in total equity as at the end of the reporting period	(411.57)	(1,277.87)

(₹ in lacs)

If increase by 5%	Currency Impact EURO	
Particulars	As at March 31, 2017	As at March 31, 2016
Increase / (decrease) in profit or loss for the year	(1.37)	-
Increase / (decrease) in total equity as at the end of the reporting period	(1.37)	-

If decrease by 5%	Currency Impact EURO	
Particulars	As at March 31, 2017	As at March 31, 2016
Increase / (decrease) in profit or loss for the year	1.37	-
Increase / (decrease) in total equity as at the end of the reporting period	1.37	-

b) **Interest rate risk management**

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

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

(₹ in lacs)

If increase by 50 basis point	Interest Impact	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Increase / (decrease) in profit or loss for the year	315.60	346.30
Increase / (decrease) in total equity as at the end of the reporting period	315.60	346.30

(₹ in lacs)

If decrease by 50 basis point	Interest Impact	
Particulars	**Year ended March 31, 2016**	**Year ended March 31, 2017**
Increase / (decrease) in profit or loss for the year	(315.60)	(346.30)
Increase / (decrease) in total equity as at the end of the reporting period	(315.60)	(346.30)

c) Other price risk

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

d) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors. Refer Note 5 (vi) for further details.

e) Liquidity risk management

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

Liquidity and interest risk tables

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

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

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in lacs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2017					
Finance Lease obligation	249.33	251.58	8,659.48	9,160.39	2,699.23
Commercial Paper	28,500.00	-	-	28,500.00	28,204.51
Term loan	19,960.05	13,293.97	4,029.93	37,283.95	33,227.08
Bank Overdraft	570.69	-	-	570.69	570.69
Trade payables	14,025.25	-	-	14,025.25	14,025.25
Security Deposit	2.16	-	-	2.16	2.16
Interest accrued and due on borrowings	148.54	-	-	148.54	148.54

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(₹ in lacs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
Capital creditors	814.12	-	-	814.12	814.12
Technology renewal fund	30.00	-	-	30.00	30.00
Payable to related parties	4,815.98	-	-	4,815.98	4,815.98
Employee payable	190.38	-	-	190.38	190.38
Other Liabilities	167.39	-	-	167.39	167.39
Total	**69,473.89**	**13,545.55**	**12,689.41**	**95,708.85**	**84,895.33**

(₹ in lacs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2016					
Foreign Currency Convertible Bonds	4,097.73	58,049.79	-	62,147.52	55,931.19
Finance Lease obligation	224.62	249.33	8,911.06	9,385.01	2,630.97
Commercial Paper	42,500.00	-	-	42,500.00	41,786.43
Term loan	2,161.44	2,264.25	3,774.43	8,200.12	6,872.51
Bank Overdraft	381.87	-	-	381.87	381.87
Trade payables	11,438.04	-	-	11,438.04	11,438.04
Security Deposit	7.57	-	-	7.57	7.57
Interest accrued and due on borrowings	1,150.44	-	-	1,150.44	1,150.44
Capital creditors	807.51	-	-	807.51	807.51
Technology renewal fund	24.00	-	-	24.00	24.00
Payable to related parties	4,004.77	-	-	4,004.77	4,004.77
Employee payable	158.79	-	-	158.79	158.79
Other Liabilities	100.00	-	-	100.00	100.00
Total	**67,056.76**	**60,563.37**	**12,685.49**	**140,305.62**	**125,294.07**

(₹ in lacs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at April 1, 2015					
Foreign Currency Convertible Bonds	66,890.37	2,856.82	53,795.04	123,542.23	114,871.44
Finance Lease obligation	224.62	224.62	9,160.39	9,609.64	2,569.90
Term loan	2,230.13	2,301.12	6,046.21	10,577.46	8,065.40
Trade payables	9,655.33	-	-	9,655.33	9,655.33
Security Deposit	12.05	-	-	12.05	12.05
Book Overdrafts	336.02	-	-	336.02	336.02

(₹ in lacs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
Interest accrued and due on borrowings	2,269.65	-	-	2,269.65	2,269.65
Premium payable on redemption of debentures	1,922.85	-	-	1,922.85	1,922.85
Capital creditors	1,153.41	53.76	-	1,207.17	1,207.17
Technology renewal fund	18.00	-	-	18.00	18.00
Payable to related parties	2,682.86	-	-	2,682.86	2,682.86
Employee payable	88.12	-	-	88.12	88.12
Other Liabilities	25.88	14.40	-	40.28	40.28
Total	**87,509.30**	**5,450.72**	**69,001.62**	**161,961.65**	**143,739.08**

15) **Fair value measurement**

i) Fair value of the company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Particulars	Fair value as at (₹ in lacs)			Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015		
Financial assets					
Investment in Mutual Funds	-	22,020.17	10,112.06	Level 1	Quoted prices in active market
Derivative asset	-	5,636.00	1,908.90	Level 3	Fair value based on unobservable inputs

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There was no transfer between Level 1. Level 2 and Level 3 in the period.

ii) Financial Assets measured at Amortised Cost

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

16) The Company has entered into'Operation and Management' agreement with entities which are into hospital operations, in terms of which, the Company is responsible for developing and providing maintenance support and related services necessary to support, manage and maintain the hospital as may be required. The management fee in this case is generally based on gross billing of the hospital subject to certain conditions as per the underlying agreement. The gross billing of the hospital is considered based on the unaudited financial statements of the respective entity. The management does not anticipate any material changes in the amounts considered in financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

17) Restructuring

The Company has completed following restructuring during the year ended march 31, 2015:-

a. The Company's primary business consists of provision of Hospital Services through various entities. The Company initiated internal restructuring with a view to streamline and focus companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light models. Subsequent to the internal restructuring, the business of certain identified hospitals of the Company have been divided into the following two verticals, such that they are managed under different verticals whilst continuing to have mutual interdependencies:

   i. One vertical (the "Clinical Establishments Division") will own, maintain and operate clinical establishments (being fully air conditioned institutions established, and specifically customized and duly fitted with all fixtures, fittings, certain medical equipment and infrastructure required for running and operating the hospitals), along with providing services under outpatient division and radio-diagnostic services (hereinafter referred to as the "Clinical Establishment Services").

   ii. The other vertical (the "Medical Services Division") will undertake the business of running the hospital operations, being hereinafter referred to as provision of medical services, including in-patient services and emergency services ("Medical Services").

b. In continuance of Company's strategy of Asset Light model, During the year ended March 31,2015, the Company had entered in to an agreement with Escorts Heart and Super Specialty Hospital Limited ("EHSSHL"), a subsidiary of RHT Health Trust (formerly knowns as Religare Health Trust), for transfer of net assets relating to the Mohali Clinical Establishment (in Punjab) to EHSSHL. Such transaction had resulted in net gain of ₹ 265.37 lacs and disclosed as an exceptional item.

S. No.	Particulars	Amount (₹ in lacs)
1	Net Fixed Assets	1,508.25
2	Net Current Assets	(194.80)
3	Total Assets Transferred (1+2)	1,313.45
4	Sale Consideration	1,578.82
5	Profit on Sale of Undertaking (4-3) (included under Exceptional items)	265.37

18) During the previous year, the Company entered into a Business transfer agreement to sell the business of its hospital at Kangra, Himachal Pradesh as a going concern on a slump sale basis with effect from September 1, 2015. Such transaction had resulted in net loss of ₹1,545.98 lacs and has been disclosed as an exceptional item. Refer Note 5(xxix)

19) Exceptional item amounting to ₹ 373.28 lacs represents expenses on composite scheme of arrangement and amalgamation. The Board of Directors of the Company at its meeting held on August 19, 2016 approved the proposal to demerge its diagnostic business, including that housed in its majority owned subsidiary SRL Limited ("SRL") into another majority owned subsidiary, Fortis Malar Hospitals Limited ("Fortis Malar") pursuant to a composite scheme of arrangement and amalgamation ('the Scheme'). The Scheme also provides for the sale of its hospital business by Fortis Malar to the Company by way of a slump sale. The demerger shall be followed by SRL being merged with Fortis Malar as an integral part of the same Scheme. On transfer of the diagnostic business to Fortis Malar and Fortis Malar issuing its equity shares to the shareholders of the Company, the diagnostic business (including SRL) will be demerged from the Company. The appointed date for the slump sale, demerger and merger under the composite scheme is January 1, 2017. The composite scheme of arrangement and amalgamation is subject to various judicial/regulatory and other required approvals and is therefore not considered as highly probable transaction. Pending such approvals, no effect of the proposed Scheme has been given in the Financial Statements.

20) Statutory bonus amounting to ₹ 275.88 lacs recorded as an exceptional item in previous year ended March 31, 2016 represents the amounts accrued towards incremental bonus payable to existing and deemed employees by the Company for the period from April 1, 2015 to December 31, 2015 due to enactment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014 for which notification was issued in January, 2016.

21) As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively referred as 'Indemnified parties') with the Company, the Company has provided following indemnities:-

i. To RHT and its directors, officers, employees and agents under the relevant transaction agreements against any losses or liabilities finally determined as payable for any breach of the Consolidated Foreign Direct Investment (FDI) Policy or Foreign Exchange Management Act ('FEMA'), to the extent that such breach has resulted from the acquisition by RHT of the Hospital Services Companies.

Further, the Company has undertaken to transfer or procure additional medical and healthcare services to Hospital Services Companies in the event that any regulatory authority raises concerns over compliance with any applicable law.

However, the Company will not be liable to indemnify the Indemnified Parties for any losses resulting from delay or failure of the Indemnified Parties in completing any statutory filings or similar formalities under the Consolidated FDI Policy, FEMA and other laws in force in India as of the Listing Date i.e. October 19, 2012, required to be undertaken by the Indemnified Parties in relation to the acquisition by RHT or FGHIPL of the equity shares of the Hospital Services Companies.

The Company's obligations under this indemnity shall continue so long as the Company or the Group holds 15.0% or more of the total units from time to time issued in RHT or three years from the Listing Date, whichever is later.

However, the Company will be liable in respect of the indemnity for a maximum period of five years from the Listing Date.

ii. The Company has also undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, Company has till date accrued ₹ 205.03 lacs (as at March 31, 2016₹ 205.03 lacs; and as at April 01, 2015 ₹ 205.03 lacs) as provision for contingency.

iii. Further, as per terms of the various Agreements entered into between Hospital Services Companies and Fortis Operating companies, the Hospital Services Companies have right to recover certain statutory dues levied on them from Fortis Operating Companies. There is a possible present obligation on Hospital Services Companies to collect certain statutory dues from the Fortis Operating Companies and pay it to the relevant authorities. In view of uncertainty arising from interpretation of the regulations, management believes that value of such statutory dues cannot be measured reliably and therefore has not been considered in these financial statements.

22) During the year ended 31 March, 2012, the Company entered into Share Purchase Agreement with Fortis Health Management Limited (FHML), subsidiary of RHT Health Trust on January, 9 2012, pursuant to which FHML acquired 49% interest held by the Company in Fortis Hospotel Limited (FHTL) at an aggregate consideration of ₹ 37,728.39 lacs. FHTL is the owner of Clinical Establishment at Shalimar Bagh and Gurgaon.

Escorts Heart Institute and Research Centre Limited ('EHIRCL') also issued 401,769 Compulsorily Convertible Preference Shares ('CCPS') of face value of ₹ 10 each at a premium of ₹ 7,456.98 per CCPS to Kanishka Healthcare Limited ('KHL') with a maturity period of 15 years aggregating to ₹ 30,000 lacs (CCPS subscription amount)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

on September 16, 2027. The holder of the CCPS is entitled to receive, only out of legal funds available for the repayment of dividends, dividends in respect of the par value of the invested CCPS at a per annum rate of 0.01%. Subsequently, KHL merged with International Hospitals Limited ('IHL'), subsidiary of RHT Health Trust.

Further, FHML on September 17, 2012 entered into Shareholders' Agreement with the Company, pursuant to which FHML had a call option over the Company's 51% interest in FHTL ("FHTL Call Option") at a determined call option price of ₹ 30,000 lacs, subject to applicable laws including fulfilment of certain conditions and receipt of necessary approvals from all third parties. Per Shareholders' Agreement, FHML also had the right to appoint 50% of the directors of FHTL, including the Chairman of the Board of Directors who had the casting vote in case of deadlock on any matter, on all financial and operating policies of the FHTL, brought to the Board of Directors for its approval. Additionally, the Company had assigned its right to receive dividends from FHTL in favour of FHML. The Management thereafter concluded that it does not exercises any control to direct relevant activities of FHTL and does not have any economic interest therefore, deconsolidated FHTL from the Group.

FHML also had a put option on its 49% interest in FHTL ("FHTL Put Option"), exercisable if FHML was unable to acquire 100% of the issued and paid-up share capital of FHTL within 5 years from the date of transfer of the 49% shareholding of FHTL by the Company to FHML, for any reason outside the control of FHML. The put option could have been exercised at a price that is equal to the fair market value of Put Securities on the date of exercise of put option, determined on a discounted cash flow basis.

Key terms of CCPS agreement are:-

a) CCPS Put Option – IHL is entitled to exercise an unconditional and irrevocable right to require the Company or its nominee to buy all of CCPS held by IHL in EHIRCL upon occurrence of IHL having exercised FHTL Put Option or FHTL Call Option under shareholders agreement entered between the Company, FHTL and FHML. The considerations payable by the Company to IHL is as follows :-

   - In case of FHTL call option - the Company is required to pay call option price determined at ₹ 30,000 Lacs, subject to compliance with the applicable law.
   - In case of FHTL put option - the Company is required to purchase, subject to due compliance with law, all CCPS at consideration equal to IHL's contribution along with coupon rate agreed.

b) CCPS Call Option - If IHL becomes entitled to exercise the CCPS Put Option, but does not exercise the CCPS Put Option within 90 business days thereof, then the Company shall at any time after the expiry of such 90 business days, be entitled to require IHL to sell all of the CCPS to the Company for a consideration equal to the CCPS Subscription amount along with the coupon of 0.01% accrued thereon as of such date.

   In accordance with Ind AS 109, the Company's 51% interest in FHTL has been recognized at ₹ 30,000 lacs as receivable from associate company, in the opening Balance Sheet prepared under Ind AS, being the amount committed to be provided to the Company on transfer of legal right in FHTL on receipt of regulatory approval, which as per Management was more likely to receive being prefunctionary in nature. The amount was earlier recognised at ₹ 20,739.71 lacs (at derived cost) under the previous GAAP.

   Further, the Company in its standalone books of account recognized at derivative asset of ₹ 1,908.90 lacs in the opening Balance Sheet prepared under Ind AS as at April 01, 2015 and derivative gain of ₹ 3,727.10 lacs in the Statement of Profit and Loss under Ind AS for the year ended March 31, 2016, being fair value uplift in the value of EHIRCL CCPS, in excess of call option price of ₹ 30,000 Lacs.

   During the previous year ended 31 March, 2016, the Board of directors approved the acquisition of 51% economic interest in FHTL, basis which the Management classified the amounts recorded in the financial statement as non-current as at 31 March, 2016.

   During the current year ended 31 March, 2017, the Company completed the acquisition of 51% economic interest in FHTL by way of acquiring 51% of the compulsorily convertible debentures (CCDs) from Fortis Global Healthcare Infrastructure Pte Ltd (FGHIPL)-a subsidiary of RHT Health Trust (RHT) for an aggregate consideration of ₹ 110,093 lacs on 13 October, 2016. As per the Amended and Restated Shareholders Agreement ('SHA') signed between FHML, effective on completion of acquisition of CCDs, the Company has the right to appoint majority of the non-independent directors of FHTL, including the Chairman of the Board of Directors of FHTL who has casting vote in case of deadlock in relation to any matter at a meeting of the Board of Directors. The Management has concluded that it has obtained control over FHTL, as it now has control to direct relevant activities and therefore consolidated FHTL in the Group w.e.f. 13 October 2016.

Fortis Hospitals Limited, subsidiary of FHL, acquired EHIRCL CCPS from IHL for an aggregate consideration of ₹ 35,669 lacs on October 13, 2016.

Further, other terms of the Share Purchase Agreement in relation to Call and Put Option have been deleted and the Company has therefore reversed the derivative asset of ₹ 5,636 Lacs recorded in standalone books of account in the current year ended 31 March, 2017.

The carrying value of the receivable on transfer of legal right has been considered as cost of investment in the FHTL, now a subsidiary of the Group. Additional investment made in CCDs carry an interest rate of 17.5% per annum and mandatorily convertible into equity shares on September 16, 2027 and therefore the Company has segregated the total value paid towards debt component and equity component, based on fair value measurement principles as per Ind AS.

23) During the year ended March 31, 2011, the Company had issued 1,000 5% Foreign Currency Convertible Bonds of US Dollar 1 lac each aggregating to US Dollar 1,000 lacs due 2015 (the "Bonds"). These Bonds were listed on the Euro MTF market of the Luxembourg Stock Exchange. The Bonds were convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to May 11, 2015 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 167 with 26,922.1557 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 44.96 = US Dollar 1.00. The Conversion Price was subject to adjustment in certain circumstances.

The Bonds were redeemable, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds were redeemable, in whole but not in part, at the option of the Company at any time on or after 18 May 2013 (subject to the Company having given at least 30 days' notice) at 100 percent of their aggregate principal amount plus accrued but unpaid interest if the closing price of the Shares on each trading day with respect to the shares for a period of at least 30 consecutive such trading days is equal to or greater than 130 per cent of the Accreted Conversion Price (as defined in the terms and conditions of the Bonds).

The Bonds were redeemable in whole, but not in part, at the option of the Company subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at certain early redemption amount, as specified, on the date fixed for redemption in the event of certain changes relating to taxation in India.

The Bonds were redeemed by the Company in US Dollars on May 18, 2015 at 103.1681 per cent of its principal amount at exchange rate of ₹ 63.59357= US Dollar 1. The Company has utilized Securities premium account and provided for the proportionate premium on redemption for the period up to the date of redemption amount to ₹ 2,014.71 lacs (as at March 31, 2016₹ 2,014.71 lacs and as atMarch 31, 2015 ₹ 1,922.85 lacs).

The fair value of the liability portion of such optional convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds received on issuance of FCCB is considered to be attributable to the equity portion of the compound instruments. This is recognised and included in the shareholders' equity, and not subsequently premeasured.

The effective interest rate on the liability element on initial recognition, pursuant to such segregation is 6.19 % per annum.

24) During the year ended March 31, 2014, the Company issued 150 Foreign Currency Convertible Bonds aggregating to US Dollar 300 lacs due 2018 (the "Bonds") at the rate of (4.66%+LIBOR). These Bonds were listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Bonds were convertible upto US Dollar 240 lacs of principal amount at the option of the holder at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to August 01, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 with 120,471 shares being issued per Bond with a fixed rate of exchange on conversion of ₹59.6875 = US Dollar 1.00. The Conversion Price was subject to adjustment in certain circumstances.

Subject to certain conditions, the Bonds could be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond outstanding (but in no event exceeding US Dollar 60 lacs in aggregate principal amount of Bonds), at the option of the Company at any time on or after September 17, 2013 up to August 01, 2018 at the Partial Reset Conversion Price (as defined in the "Terms & Conditions of the Bonds").

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Unless previously redeemed, converted or purchased and cancelled, the Bonds would be redeemed by the Company in US Dollars on August 08, 2018 at 100 per cent of its principal amount. These Bonds were considered a monetary liability and are redeemable only if there is no conversion before maturity date.

The proceeds of the issue amounting to ₹ 18,390.74 lacs were used for repayment of debts.

During the current year, the Company allotted 18,070,650 equity shares to Standard Chartered (Mauritius) III Limited against USD 30 Million FCCB, on exercise of conversion option as per Offering Circular.

The fair value of the liability portion of such optional convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds received on issuance of FCCB is considered to be attributable to the equity portion of the compound instruments. This is recognised and included in the shareholders' equity, and not subsequently remeasured and on conversion of FCCB into equity shares the amount is transferred to retained earnings in the year of conversion.

The effective interest rate on the liability element on initial recognition, pursuant to such segregation is 6.03 % per annum.

25) During the year ended March 31, 2014, the Company issued 550 Foreign Currency Convertible Bonds of US Dollar 1 lac each aggregating to US Dollar 550 lacs due 2018 (the "Bonds") at the rate of LIBOR+4.86%. The Bonds were convertible at the option of International Finance Corporation ("IFC"), an international organization established by Articles of Agreement among its member countries including the Republic of India (the holder) giving 7 day notice to the Company at any time on or after June 07, 2013 up to June 08, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 and number of shares to be issued would be calculated on conversion on the basis of applicable rate of exchange of US Dollar and ₹ on conversion date. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds could be converted on the request of the holder but not less than value of US Dollar 5,000,000 or in multiple of US Dollar 1,000,000 thereafter. Except in certain condition mentioned in the "Terms & Conditions of the Bonds" the holder could not exercise the Conversion Option in part or in full in respect of twenty per cent (20%) of the original bond value for a period of three (3) years after the Subscription Date.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond at the option of the Company at any time on or after June 07, 2013 at Modified Conversion Price (as defined in the "Terms & Conditions of the Bonds").

Unless previously redeemed, converted or purchased and cancelled, the Bonds would be redeemed by the Company in US Dollars on June 08, 2018 at 100 per cent of its principal amount. These Bonds were considered a monetary liability and redeemable only if there is no conversion before maturity date.

During the current year, the Company allotted 35,690,887 equity shares to International Finance Corporation against USD 55 Million FCCB, on exercise of conversion option as per FCCB Subscription Agreement.

The fair value of the liability portion of such optional convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds received on issuance of FCCB is considered to be attributable to the equity portion of the compound instruments. This is recognised and included in the shareholders' equity, and not subsequently remeasured and on conversion of FCCB into equity shares the amount is transferred to retained earnings in the year of conversion.

The effective interest rate on the liability element on initial recognition, pursuant to such segregation is 5.28 % per annum.

26) Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

During the period ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements

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

(₹ in lacs)

	Hiranandani Healthcare Private Limited	Escorts Heart Institute and Research Centre Limited	Fortis Hospitals Limited	Fortis Healthcare International Limited	Fortis La Femme Limited	Total
March 31, 2017						
Current	4.00	-	-	-	47.29	**51.29**
Non-current	-	-	61,842.69	7,938.85	-	**69,781.54**
Maximum Amount Outstanding	2,949.00	-	112,010.44	74,999.83	47.29	**190,006.56**
March 31, 2016						
Current	2,574.08	-	-	-	38.51	**2,612.59**
Non-current	-	-	60,507.76	73,507.77	-	**134,015.53**
Maximum Amount Outstanding	4,039.08	24,204.42	101,252.76	79,686.06	38.51	**209,220.83**
April 01, 2015						
Current	3,578.22	21,717.49	-	-	35.33	**25,331.04**
Non-current	-	-	81,080.89	73,404.02	-	**154,484.91**
Maximum Amount Outstanding	4,638.22	21,907.49	138,569.89	74,408.99	35.33	**239,559.92**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

Name of the Party	Rate of Interest	Due date	Secured/ unsecured	31-Mar-17	31-Mar-16	31-Mar-15
Hiranandani Healthcare Private Limited	11.75%	March 31, 2017	Unsecured	4.00	2,574.08	3,578.22
Escorts Heart Institute and Research Centre Limited	14%	March 31, 2017	Unsecured	-	-	21,717.49
Fortis Hospitals Limited	11.50%, 13.00%, 13.75%	March 31, 2017	Unsecured	61,842.69	60,507.76	81,080.89
Fortis Healthcare International Limited	5% & 6.5%	August 8, 2018	Unsecured	7,938.85	73,507.77	73,404.02
Fortis La Femme Limited	10%	March 31, 2017	Unsecured	47.29	38.51	35.33
TOTAL				**69,832.82**	**136,628.12**	**179,815.95**

28) During the year, the Company has capitalised the following expenses to the cost of Property, Plant and equipment's/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amount capitalised by the Company.

(₹ in lacs)

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening Balance (A)	**7,945.34**	**6,602.63**	**4,662.71**
EMPLOYEE BENEFITS			
Salaries, wages and bonus	-	940.74	539.65
Total (B)	**-**	**940.74**	**539.65**
OTHER EXPENSES			
Contractual manpower	50.79	139.26	50.13
Power, fuel and water	-	147.17	126.38
Housekeeping expenses including consumables	-	-	55.00
Consultation fees to doctors	-	-	294.73
Repairs & maintenance	9.49	-	-
Rent	-	1,225.21	1,212.24
Legal and professional fee	85.07	70.44	75.10
Travel and conveyance	6.34	328.03	202.17
Rates and taxes	-	50.20	
Communication expenses	-	9.55	4.31
Total (C)	**151.69**	**1,969.86**	**2,020.06**
Total (D=A+B+C)	**8,097.03**	**9,513.23**	**7,222.42**
Amount Capitalized to Fixed Assets (E)	**-**	**1,567.89**	**619.79**
Balance carried forward to Capital Work in Progress (F=D-E)	**8,097.03**	**7,945.34**	**6,602.63**

29) Corporate social responsibility

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

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance to be spent as per previous year (A)	35.90	53.79
Amount required to be spent for current year (B)	-	35.90
Gross amount required to be spent (A+B)	35.90	89.69
Spent during the year	35.90	53.79
Balance unspent at end of the year	-	35.90

30) Specified Bank Notes

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 the denomination wise SBNs and other notes as per the notification is given below:

(₹ in lacs)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	**49.35**	**4.39**	**53.74**
(+) Non- Permitted receipts	7.47	-	7.47
(+) Permitted receipts	-	1,223.33	1223.33
(+) Cash Withdrawal	-	6.87	6.87
(-) Permitted payments	-	59.57	59.57
(-) Amount deposited in Banks	56.82	1,153.53	1,210.35
Closing cash in hand as on 30.12.2016	**-**	**21.49**	**21.49**

Explanation : for the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated 8 November, 2016.

31) First Time Ind AS Adoption Reconciliations

For all periods up to and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following

a) Effect of Ind AS adoption on the standalone balance sheet as at March 31, 2016 and April 01, 2015.

b) Reconciliation of total equity as at March 31, 2016 and April 01, 2015.

c) Effect of Ind AS adoption on the standalone profit and loss for the year ended March 31, 2016.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

32) Previous year Figures

Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

33) The comparative financial information of the Company for the transition date opening balance sheet as at 1 April 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended 31 March 2015 have been restated to comply with Ind AS and in accordance with the format prescribed in MCA Circular Notification No. GSR 404(E) [F.NO.17/62/2015CLV], dated 6 April 2016.

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May, 30 2017

Independent Auditor's Report

We have audited the accompanying consolidated Ind AS financial statements of **FORTIS HEALTHCARE LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associates and its Joint ventures, comprising the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the 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 consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to following matters in Notes forming part of the consolidated Ind As financial statements:

a) Notes 14(A), 14(B), 14(C), 14(D) and 14(E) to the consolidated Ind AS financial statements relating to outcome of income tax assessments; arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and matter related to non-compliance with the order of the Honourable High Court of Delhi in relation to provision of free treatment / beds to poor against one of the subsidiaries ("Escorts Heart Institute and Research Centre Limited").

b) Note 14(G) to the consolidated Ind AS financial statements, regarding matter relating to termination of Hospital lease agreement of one of its subsidiaries (Hiranandani Healthcare Private Limited) by Navi Mumbai Municipal Corporation ('NMMC') vide order dated 18 January 2017.

Based on the advice given by external legal counsel, no provision/ adjustment has been considered necessary by the Management in this regard in the consolidated financial statements.

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of ₹ 21,218.97 lacs as at 31 March 2017, total revenues of ₹ 1,733.65 lacs and net cash inflows amounting to ₹ 21.55 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 568.75 lacs for the year ended 31 March 2017, as considered in the consolidated Ind AS financial statements, in respect of 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

We also did not audit financial statements of 3 overseas associates and 1 overseas joint venture included in the consolidated Ind AS financial statements whose financial statements, prepared under Singapore Financial Reporting Standards "SFRS" and Nepal Accounting Standard "NAS" respectively, reflect Group's share of net profit of ₹ 60,696.11 lacs for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements. The financial statements of the associates prepared in accordance with SFRS and joint venture prepared in accordance with NAS have been audited by other auditors who have submitted their conclusions, prepared under generally accepted auditing standards of their respective countries. The Management of the Parent has converted these financial statements of the joint venture and associates to Ind AS, for the purpose of the preparation of the consolidated Ind AS financial statements. Our report in terms of sub-section (3) of Section 143 of the Act on the consolidated Ind AS financial statements, in so far it relates to amount and disclosures included in respect of the joint venture and associates, is based solely on the report of other auditors and our audit of the conversion process followed by the Management.

(b) We did not audit the financial statements of 8 subsidiaries, whose financial statements reflect total assets of ₹ 93,449.63 lacs as at 31 March 2017, total revenues of ₹ 6,445.78 and net cash outflows amounting to ₹ 117.62 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 1,780.86 lacs for the year ended 31 March 2017, as considered in the consolidated Ind AS financial statements, in respect of 3 associates and 1 joint venture, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(c) The comparative financial information for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 in respect of 4 subsidiaries, 3 associates and 2 joint ventures included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

(d) The comparative financial information of the Group and its associates and joint ventures for the transition date opening balance sheet as at 1 April 2015 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2015 dated 28 May, 2015 expressed an unmodified opinion on those consolidated financial statements and have been restated to comply with Ind AS. Adjustments made to the said consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) In the absence of the written representation from Mr. Sunil Godhwani, as on 31 March 2017 we are unable to comment whether he is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act. As far as other directors are concerned, on the basis of the written representations received from the directors of the Parent as on 31 March 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and Joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint ventures incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India.

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

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer note 13 and 14 to the consolidated financial statements;

   ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer note 12(g) to the consolidated financial statements;

   iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint ventures incorporated in India – Refer note 12(h) to the consolidated financial statements;

   iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016 of the Group entities as applicable. However, as stated in note 40 to the consolidated Ind AS financial statements, the Management have received amount aggregating ₹ 129.92 lacs from transactions which are not permitted. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and the other auditors by the Management of the respective Group entities – Refer note 40 to the consolidated financial statements.

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

RASHIM TANDON
Partner
Membership No. 095540

Gurugram
30 May, 2017
RT/JB/2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of FORTIS HEALTHCARE LIMITED (hereinafter referred to as “the Parent”) and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 4 subsidiary companies and 1 joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Gurugram
30 May, 2017
RT/JB/2017

RASHIM TANDON
Partner
Membership No. 095540

Consolidated Balance Sheet

Particulars	Notes	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
ASSETS				
A. Non-current assets				
(a) Property, plant and equipment	6(i)(a)	297,398.56	142,553.07	149,085.59
(b) Capital work-in-progress	6(i)(b)	23,538.18	20,263.42	21,013.07
(c) Goodwill	6(ii)	232,587.29	209,211.23	237,258.43
(d) Other intangible assets	6(iii)(a)	11,918.38	12,387.24	9,406.81
(e) Intangible assets under development	6(iii)(b)	3,274.11	2,313.76	2,388.24
(f) Financial assets				
(i) Investments				
a) Investment - others	6(iv)	-	-	-
b) Investments in associates/Joint venture	6(v)	148,626.61	88,297.77	86,509.47
(ii) Trade receivables	6(vii)	1,092.59	1,961.98	1,869.96
(iii) Loans	6(viii)	1,748.97	6,169.00	543.43
(iv) Other financial assets	6(ix)	8,923.49	38,635.23	6,030.16
(g) Non-current tax assets (Net)	6(x)	38,328.94	32,753.83	28,944.69
(h) Deferred tax assets (Net)	6(xi)	23,313.60	22,533.11	12,772.35
(i) Other non-current assets	6(xii)	3,463.60	4,666.53	11,228.59
Total non-current assets (A)		**794,214.32**	**581,746.17**	**567,050.79**
B. Current assets				
(a) Inventories	6(xiii)	6,156.67	6,003.54	6,139.88
(b) Financial assets				
(i) Other investments	6(vi)	39,160.01	56,894.61	40,897.70
(ii) Trade receivables	6(vii)	47,294.23	44,405.59	40,508.23
(iii) Cash and cash equivalents	6(xiv)	54,430.26	14,193.83	17,942.34
(iv) Bank balances other than (iii) above	6(xv)	219.34	2,529.48	553.38
(v) Loans	6(viii)	8,692.63	5,240.08	20,117.07
(vi) Other financial assets	6(ix)	11,105.80	7,790.94	41,111.44
(c) Other current assets	6(xii)	5,744.26	4,354.23	5,033.02
		172,803.20	**141,412.30**	**172,303.06**
Assets classified as held for sale	6(xvi)	4,679.46	60.95	24,174.64
Total current assets (B)		**177,482.66**	**141,473.25**	**196,477.70**
Total assets (A+B)		**971,696.98**	**723,219.42**	**763,528.49**
EQUITY AND LIABILITIES				
A. Equity				
(a) Equity share capital	6(xvii)	51,772.76	46,312.99	46,280.54
(b) Convertible non-participating preference share capital		-	30,000.00	30,000.00
(c) Other equity	6(xviii)	462,575.70	369,802.93	381,546.00
Equity attributable to owners of the Company		**514,348.46**	**446,115.92**	**457,826.54**
Non-controlling interests		116,728.00	39,165.12	38,062.48
Total equity (A)		**631,076.46**	**485,281.04**	**495,889.02**
B. Liabilities				
I Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	6(xix)	127,870.11	86,685.95	102,168.18
(ii) Other financial liabilities	6(xx)	1,446.76	1,616.11	1,911.59
(b) Provisions	6(xxi)	5,510.62	4,340.45	4,597.43
(c) Deferred tax liabilities (Net)	6(xi)	12,886.97	33.07	22.65
(d) Other non-current liabilities	6(xxii)	260.67	216.20	251.68
Total non-current liabilities (B)		**147,975.13**	**92,891.78**	**108,951.53**
II Current liabilities				
(a) Financial liabilities				
(i) Borrowings	6(xxiii)	68,034.35	51,155.98	2,352.14
(ii) Trade payables	6(xxiv)	58,866.06	56,140.91	51,179.89
(iii) Other financial liabilities	6(xx)	41,033.70	22,137.95	88,360.50
(b) Provisions	6(xxi)	6,100.34	4,399.40	4,543.01
(c) Current tax liabilities (Net)	6(x)	1,581.47	1,200.60	1,678.40
(d) Other current liabilities	6(xxv)	12,453.95	10,011.76	9,730.79
Liabilities directly associated with assets classified as held for sale	6(xvi)	4,575.52	-	843.21
Total current liabilities (C)		**192,645.39**	**145,046.60**	**158,687.94**
Total liabilities (B+C)		**340,620.52**	**237,938.38**	**267,639.47**
Total equity and liabilities (A+B+C)		**971,696.98**	**723,219.42**	**763,528.49**
See accompanying notes forming part of the consolidated financial statements	1 - 43			

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : Gurugram
Date : May 30, 2017

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

Consolidated Statement of Profit and Loss

	Particulars	Notes	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
I	Revenue from operations	6(xxvi)	457,371.47	419,888.65
II	Other income	6(xxvii)	16,600.31	15,349.51
III	**Total Income (I+II)**		**473,971.78**	**435,238.16**
IV	**Expenses**			
	(i) Purchases of medical consumable and drugs		95,988.84	91,046.84
	(ii) Changes in inventories of medical consumable and drugs	6(xxviii)	3,767.28	3,119.72
	(iii) Employee benefits expense	6(xxix)	90,540.82	81,837.92
	(iv) Finance costs	6(xxx)	22,943.64	13,305.03
	(v) Depreciation and amortisation expense	6(xxxi)	22,217.86	22,509.64
	(vi) Other expenses	6(xxxii)	231,786.07	223,482.74
	Total expenses (IV)		**467,244.51**	**435,301.89**
V	Share of profit of associates/joint ventures		48,605.94	7,247.23
VI	**Profit before exceptional item/ tax (III-IV+V)**		**55,333.21**	**7,183.50**
	Exceptional item	6(xxxiii)	**(164.28)**	**(4,013.51)**
VII	**Profit before tax**		**55,168.93**	**3,169.99**
VIII	Tax expense			
	(i) Current tax	6(xxxiv)	9,325.66	8,097.90
	(ii) Deferred tax	6(xxxiv)	(2,085.62)	(8,899.46)
			7,240.04	**(801.56)**
IX	**Profit for the period from continuing operations (VII-VIII)**		47,928.89	3,971.55
X	Profit from discontinued operations before tax		-	232.50
XI	Tax expense of discontinued operations		-	26.68
XII	**Profit from discontinued operations (after tax) (X-XI)**		-	**205.82**
XIII	**Profit for the period (IX+XII)**		**47,928.89**	**4,177.37**
	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans	6(xxxv)	(1,200.49)	(14.58)
	(b) Deferred tax relating to items that will not be reclassified to profit or loss	6(xxxv)	416.43	10.67
	(ii) Items that may be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations	6(xxxv)	(1,950.19)	(5,070.19)
XIV	**Total other comprehensive income**		**(2,734.25)**	**(5,074.11)**
XV	**Total comprehensive income for the period (XIII+XIV)**		**45,194.64**	**(896.74)**
	Profit for the year attributable to:			
	(i) Owners of the Company		42,166.47	1,842.39
	(ii) Non-controlling interests		5,762.42	2,334.98
			47,928.89	**4,177.37**
	Other comprehensive income for the year attributable to:			
	(i) Owners of the Company		(2,709.67)	(5,069.21)
	(ii) Non-controlling interests		(24.58)	(4.90)
			(2,734.25)	**(5,074.11)**
	Total comprehensive income for the year attributable to:			
	(i) Owners of the Company		39,456.80	(3,226.82)
	(ii) Non-controlling interests		5,737.84	2,330.08
			45,194.64	**(896.74)**
	Earnings per equity share (for continuing operations):			
	(i) Basic (in ₹)		8.87	0.35
	(ii) Diluted (in ₹)		8.87	0.08
	Earnings per equity share (for discontinued operations):			
	(i) Basic (in ₹)		-	0.04
	(ii) Diluted (in ₹)		-	0.04
	Earnings per equity share (for discontinued and continuing operations):			
	(i) Basic (in ₹)		**8.87**	0.40
	(ii) Diluted (in ₹)		**8.87**	0.13
	See accompanying notes forming part of the consolidated financial statements	1 - 43		

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : Gurugram
Date : May 30, 2017

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

Consolidated Cash Flow Statement

	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Cash flows from operating activities		
Profit for the year from continuing operations	55,168.93	3,169.99
Profit for the year from discontinuing operations	-	205.82
Adjustments for:		
Finance costs recognised in profit or loss	22,943.64	13,305.03
Interest income recognised in profit or loss	(10,969.10)	(5,971.94)
Loss on disposal of property, plant and equipment	116.39	209.36
Profit on sale of current investment	(5,207.95)	(3,364.43)
Remeasurement of acturial gain/loss	(2,734.25)	(5,074.11)
Provision for doubtful receivable	5,244.17	2,077.52
Provision for doubtful advances	830.98	282.04
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	22,217.86	22,509.64
Provision for contingencies	238.58	81.09
Provision for litigations	347.64	-
Bad Debts Loss	30.14	84.35
Expense recognised in respect of equity-settled share-based payments	942.84	787.89
	89,169.87	**28,302.25**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(2,049.39)	(4,073.73)
(Increase)/decrease in inventories	(153.13)	136.34
(Increase)/decrease in other assets	(3,352.11)	3,668.57
Increase/ (Decrease) in trade payables	2,725.15	4,961.02
Increase/ (Decrease) in provisions	16,807.25	(4,357.46)
Increase/ (Decrease) in other liabilities	6,989.23	4,066.03
Cash generated from operations	110,136.88	32,703.02
Income taxes paid	(11,116.60)	(13,235.72)
Net cash generated by operating activities	**99,020.28**	**19,467.30**
Cash flows from investing activities		
Interest received	9,310.77	5,729.56
Maturity/ (Investment) in Fixed deposit	2,390.32	(3,839.92)
Payments for property, plant and equipment	(27,762.17)	(22,994.30)
Proceeds from disposal of mutual fund	22,942.55	(12,632.48)
Dividends received from associates	36,247.80	9,363.59
CCPS purchased	(35,669.00)	-
Net cash inflow/(outflow) on disposal/ investment of subsidiary	(109,998.41)	35,650.34
Net cash (used in)/generated by investing activities	**(102,538.14)**	**11,276.79**
Cash flows from financing activities		
Proceeds from issue of equity instruments of the company	794.90	320.35
(Repayments of) / Proceeds from long term borrowings (net)	49,039.19	(71,185.90)
(Repayments of) / Proceeds from short term borrowings (net)	16,878.37	48,803.84
Interest paid	(22,993.14)	(13,366.92)
Net cash used in financing activities	**43,719.31**	**(35,428.62)**
Net increase in cash and cash equivalents	**40,201.45**	**(4,684.53)**
Cash and cash equivalents at the beginning of the year	14,193.83	17,942.34
Add: Cash and cash equivalents in respect of subsidiaries acquired during the year	34.98	936.02
Cash and cash equivalents at the end of the year	**54,430.26**	**14,193.83**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : Gurugram
Date : May 30, 2017

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurugram
Date : May 30, 2017

Consolidated Statement of change in Equity

	Particulars	(₹ in Lacs)
a.	**Equity share capital**	
	Balance at April 1, 2015	**46,280.54**
	Issue of equity shares under employee share option plan	32.45
	Balance at March 31, 2016	**46,312.99**
	(a) Issue of equity shares under employee share option plan	83.61
	(b) Conversion of Foreign Currency Convertible Bonds into equity shares	5,376.16
	Balance at March 31, 2017	**51,772.76**
b.	**Convertible non-participating preference share capital**	
	Balance at April 1, 2015	30,000.00
	Additon during the year	-
	Balance at March 31, 2016	**30,000.00**
	Acquired by Group Company	(30,000.00)
	Balance at March 31, 2017	-

Consolidated Statement of change in Equity

c. Other equity

Particular		Reserve and surplus							Items of other comprehensive income			
	Equity component of compound financial instruments	Securities premium reserve	Amalgamation reserve	Debenture redemption reserve	General Reserve	Share options outstanding Account	Capital redemption reserve	Other Reserves	Retained earnings	Foreign currency translation reserve	Attributable to owners of the parents	Non-controlling interests	Total
Balance at April 1, 2015 (A)	1,663.84	294,534.99	156.00	15,174.63	41,964.89	33.22	-	(1,432.06)	29,450.49	-	381,546.00	38,062.48	419,608.48
Profit for the year	-	-	-	-	-	-	-	-	1,842.39	-	1,842.39	2,334.98	4,177.37
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	0.98	(5,070.19)	(5,069.21)	(4.90)	(5,074.11)
Total comprehensive income for the year (B)	-	-	-	-	-	-	-	-	1,843.38	(5,070.19)	(3,226.82)	2,330.08	(896.74)
Recognition of share-based payments	-	-	-	-	-	787.89	-	-	-	-	787.89	-	787.89
Premium on shares issued during the year	-	287.90	-	-	-	-	-	-	-	-	287.90	-	287.90
Amount utilised for accrual of premium payable on redemption of foreign currency convertible bonds	-	(91.86)	-	-	-	-	-	-	-	-	(91.86)	-	(91.86)
Final Equity Dividend & Dividend Distribution Tax	-	-	-	-	-	-	-	-	(61.89)	-	(61.89)	-	(61.89)
Non controlling interest and goodwill adjustment	-	-	-	-	-	-	-	-	(715.51)	-	(715.51)	(1,227.43)	(1,942.94)
Transfer to Capital redemption reserve	-	-	-	-	-	-	**337.50**	-	**(337.50)**	-	-	-	-
Transfer from Debenture redemption reserve	-	-	-	(15,174.63)	-	-	-	-	15,174.63	-	-	-	-
Acquistion of further interest in subsidiary	-	-	-	-	-	-	-	-	(8,722.78)	-	(8,722.78)	-	(8,722.78)
Balance at March 31, 2016 (C)	**1,663.84**	**294,731.03**	**156.00**	**-**	**41,964.89**	**821.11**	**337.50**	**(1,432.06)**	**36,630.81**	**(5,070.19)**	**369,802.93**	**39,165.12**	**408,968.05**
Profit for the year	-	-	-	-	-	-	-	-	42,166.47	-	42,166.47	5,762.42	47,928.89
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(759.48)	(1,950.19)	(2,709.67)	(24.58)	(2,734.25)
Total comprehensive income for the year (D)	-	-	-	-	-	-	-	-	**41,406.98**	**(1,950.19)**	**39,456.80**	**5,737.84**	**45,194.64**
Premium on shares issued during the year	-	48,607.43	-	-	-	(24.84)	-	-	-	-	48,582.59	-	48,582.59
Transferred from equity component of compound financial instrument	(1,663.84)	-	-	-	-	-	-	-	1,663.84	-	-	-	-
Dividend distribution tax on dividend	-	-	-	-	-	-	-	-	(49.50)	-	(49.50)	-	(49.50)
Non controlling interest and goodwill adjustment	-	-	-	-	-	-	-	-	(1,099.56)	-	(1,099.56)	(663.12)	(1,762.68)
Acquistion of subsidiary during the year	-	-	-	-	-	-	-	-	-	-	-	72,488.16	72,488.16
Recognition of share-based payments	-	-	-	-	-	942.84	-	-	-	-	942.84	-	942.84
FCCB Reserve transferred on conversion	-	-	-	-	-	-	-	-	4,939.60	-	4,939.60	-	4,939.60
Balance at March 31, 2017 (E)	**-**	**343,338.46**	**156.00**	**-**	**41,964.89**	**1,739.11**	**337.50**	**(1,432.06)**	**83,492.18**	**(7,020.38)**	**462,575.70**	**116,728.00**	**579,303.71**
See accompanying notes forming part of the consolidated financial statements		1 - 43											

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
RASHIM TANDON
Partner

Place : Gurugram
Date : May 30, 2017

For and on behalf of the Board of Directors
FORTIS HEALTHCARE LIMITED

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035
Place : Gurugram
Date : May 30, 2017

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations

Fortis Healthcare Limited (the 'Company' or 'FHL') was incorporated in the year 1996 and commenced its hospital operations in the year 2001. As part of its business activities, the Company holds interests in its subsidiaries, joint ventures and associate companies (hereinafter referred to as 'the Group') through which it manages and operates a network of multi-speciality hospitals and diagnostics centers.

The registered office of the Company is located at Fortis Hospital, Sector-62, Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is located at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41, Gurgaon 122001, Haryana.

The Company's equity shares are listed on both BSE Limited and National Stock Exchange of India Limited. The Company's 4.66%+ LIBOR foreign currency convertible bonds which have been converted in to equity during the year were listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

2. Application of new and revised Ind ASs

On 16 February 2015, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules, 2015. The rules specify the Indian Accounting Standards ('Ind AS') applicable to certain class of companies and set out dates of applicability. Fortis Healthcare Limited, being Holding Co., to whom Ind AS is applicable from April 1, 2016 as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules 2015 and accordingly the Group has adopted Ind AS from April 1, 2016 with transition dates as April 1, 2015.

As at the date of authorisation of the financial statements, the Group has not applied the following revisions to the Ind AS that have been issued by MCA but are not yet effective:

Ind AS 102 (Amendment)	Measurement of cash settled awards, modification of cash settled awards and equity settled awards that includes a 'net settlement' feature
Ind AS 7 (Amendment)	Disclosure of changes in liabilities on account of financing activities.

The directors of the Company do not expect that the adoption of the amendments to the standards will have an impact on the financial statements of the Group.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements of the Group has been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all the periods up to and including the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These are the Group first Ind AS consolidated financial statements and the date of transition to Ind AS is April 1, 2015. Detailed explanation of how the transition from previous GAAP to Ind AS has affected the Group Balance Sheet, financial performance and cash flows is given under Note 41.

(b) Basis of preparation and presentation of Consolidated Financial Statements

The Consolidated financial statements relates to FHL and its subsidiaries, joint ventures and associates ('Fortis Group' or 'Group') more fully described in "Composition of Group" in note 3 below. In the preparation of the CFS, investments in subsidiaries, associates and joint ventures are accounted for in accordance with the requirements of Ind AS 110 (Consolidated Financial Statements) and Ind AS 28 (Investments in Associates and Joint Ventures) vide notification dated 16 February 2015 under section 133 of the Companies Act 2013.

The Consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical Cost is generally based on the fair value of the consideration given in exchange of goods and services. The accounting policies have been applied consistently over all the periods presented in the consolidated financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transaction that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 and value in use in Ind AS 36.

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

i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

iii) Level 3 inputs are unobservable inputs for the asset or liability.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances assessing whether or not the Company's voting rights in an investee are sufficient to give it power including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Group ceases to control subsidiary.

Changes in the Group's ownership interests in existing subsidiaries

When the Group do not result in the group losing control of subsidiary.

- Changes in the Group's ownership interests in subsidiaries are accounted for as equity transactions.
- The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.
- Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary,

- derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet.
- a gain or loss is recognised in profit or loss and is calculated as the difference between
  - (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and
  - (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.
- All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS).
- The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(d) Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

(i) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively; and

(ii) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

<u>Transitional Provisions in opening balance sheet per Ind AS 101</u>

In accordance with Ind AS 101, the Group has not applied Ind AS 103 retrospectively to a past business combination, this has led to the following consequences for the business combination that occurred before the date of transition to Ind ASs:

(i) The Group has kept the same classification as in its previous GAAP financial statements.

(ii) The Group has recognised all its assets and liabilities at the date of transition to Ind ASs that were acquired or assumed in a past business combination, other than:

- some financial assets and financial liabilities derecognised in accordance with previous GAAP and
- assets, including goodwill, and liabilities that were not recognised in the acquirer's consolidated Balance Sheet in accordance with previous GAAP.

The Group then recognises any resulting change by adjusting retained earnings (or, if appropriate, another category of equity), unless the change results from the recognition of an intangible asset that was previously subsumed within goodwill.

The Group excludes from its opening Ind AS Balance Sheet any item recognised in accordance with previous GAAP that does not qualify for recognition as an asset or liability under Ind ASs.

The Group determines whether a transaction or other event is a business combination by applying the definition in Ind AS 103, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, the group accounts for the transaction or other event as an asset acquisition.

Where the acquisition of an asset or a group of assets does not constitute a business, the group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The cost of the group is then allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase

(e) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3(d) above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3(f) below.

(f) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that not related to the Group.

(g) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

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When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(h) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

The Group assessed its revenue arrangements against specific criteria to determine it is acting as principal or agent. The Group has concluded that it is acting as a principal in its revenue arrangements.

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

Operating income

Operating income from healthcare services is recognised as and when the services are rendered and pharmacy items (medical consumables and drugs) are sold.

Revenue from diagnostic services is recognised at the time of generation and release of test reports, which coincides with the completion of service to the customer.

Management fee from hospitals and income from medical services is recognised as and when the contractual obligations arising out of the contractual arrangements with respective hospitals are fulfilled.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Trustee-manager fees earned are recognized when services are rendered.

Income from Satellite Centers

Income from satellite centers is recognised on accrual basis in accordance with the terms of respective agreements entered into in respect thereof.

Income from Clinical Research

Income from clinical research is recognised as and when the services are rendered in accordance with the terms of the respective agreements.

Income from Sponsorships

Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

Income from Academic Services

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

Equipment Lease Rentals and Income from Rent

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis except where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases.

Export benefits

Income from 'Service from India Scheme' 'SFIS' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Group.

Interest income

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

(i) Leasing

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

Where the Group is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Leases where the lessor effectively transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases and are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in PPE. Rental income on operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

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

(j) Foreign currencies

In preparing the financial statements, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period

i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

ii) Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for:

i) Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings;

ii) Exchange differences on transactions entered into in order to hedge certain foreign currency risks.

iii) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the statement of profit and loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations are translated into Indian ₹ using exchange rates prevailing at end of each reporting period. Income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange difference are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

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

(l) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and such grants can reasonably have a value placed upon them.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(m) Employee benefits

i) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans like provident fund, employee state insurance scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense' and "Finance Cost" respectively. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

ii) Short-term and other long-term employee benefits:

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and liability is determined using the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

iii) Contributions to provident fund

The Group makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined benefit scheme the contribution of which is being deposited with "Escorts Heart Institute and Research Centre Employees Provident Fund Trust" managed by the Group; such contribution to the trust additionally requires the Group to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date.

(n) Share-based payment arrangements

<u>Share-based payment transactions of the Group</u>

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 17.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled share option outstanding account.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(o) Taxation

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

i) Current tax

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

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates.

ii) Deferred tax

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

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

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the Group reassesses unrecognized deferred tax assets and, the Group recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

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

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

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

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

iii) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(p) Property, plant and equipment(PPE)

For transition to Ind AS, The Group has elected to continue with the carrying value of all of its PPE recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Land and Building held for use in the supply of services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. . Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Components of costs

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

Subsequent expenditure related to an item of PPE is added to its carrying value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

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

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

Depreciation commences when the assets are ready for their intended use. Depreciation on all PPE except land are provided on a straight line method based on the estimated useful life of PPE, which is follows:

PPE	Useful Lives
Building	30-60 Years
Plant and Machinery	15 years
Medical and laboratory equipment	10-13 years
Computers	3 years
Furniture and fittings	10 years
Office equipment's	5 years
Vehicles	4- 8 years

Freehold Land is not depreciated. Leasehold land is amortised over the period of lease except in respect of one subsidiary, where the same is available on a perpetual lease basis.

Buildings constructed over the land under lease are depreciated over the shorter of estimated life or lease period.

Depreciation on Leasehold improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

The useful life of PPE are reviewed at the end of each reporting period if the expected useful life of the asset changes significantly from previous estimates, the effect of such change in estimates are accounted for prospectively.

(q) Intangible Assets

For transition to Ind AS, The Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

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

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows.

<u>Technical Know-how fees</u>

Technical Know-how fees are amortised over a period of 3 – 5 years from the date of commencement of commercial operation by the respective entity.

<u>Software</u>

Cost of software is amortized over a period of 3-6 years, being the estimated useful life as per the management estimates.

<u>License fee</u>

License fees capitalized as intangible asset is amortised over a period of 4-10 years, being management estimate of the useful life of the asset.

<u>Assays developed</u>

Assays developed are amortized over a period of 5 years, being the estimated useful life as per the management estimates.

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Right of use of land

Right of use of land capitalized as an intangible asset and is not amortised, considering the right is available on perpetual basis.

Non-Compete fee

Non-compete fee which is valued based on the incremental cash flows attributable to the non-compete covenant entered during the acquisition of business by a subsidiary is capitalised and amortised over an estimated useful life of 3-5 years over which the benefits are likely to accrue, on a straight line basis.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from de-recognition of an intangible 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 when the asset is de-recognised.

(r) Impairment of tangible and intangible asset other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

(s) Inventories

Inventories of medical consumables, drugs, and stores and spares are valued at lower of cost or net releasable value. Cost is determined on weighted average basis.

Net realizable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(t) Provision

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

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

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

(u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

(v) Segment Reporting

The Group is primarily engaged in the business of healthcare services which is the only reportable business segment as per Ind AS 108 'Operating Segments'. Healthcare services include various patient services delivered through clinical establishment, medical service companies, pathology and radiology services etc.

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The Group's business activity primarily falls within a single geographical segment.

(w) Earnings per share

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

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

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares. For the purposes of calculating basic EPS, shares allotted to ESOP trust pursuant to employee share based payment plan are not included in the shares outstanding till the employees have exercised their rights to obtain shares after fulfilling the requisite vesting conditions. Till such time, the shares are allotted are considered as dilutive potential equity shares for the purposes of calculating diluted EPS.

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

(x) Operating cycle

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

(y) Financial Instrument

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

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

(z) Financial Assets

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

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

<u>Classification of financial assets</u>

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

- ➢ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Interest income is recognised in profit or loss for FVTOCI financial assets. For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

<u>Effective interest method</u>

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

<u>Financial assets at fair value through profit or loss (FVTPL)</u>

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

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

<u>Impairment of financial assets</u>

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

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Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

<u>Derecognition of financial assets</u>

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

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

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss since there are no designated hedging instruments in a hedging relationship.

(aa) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Compound financial instruments

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

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

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance

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recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

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

<u>Financial liabilities</u>

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

<u>Financial liabilities subsequently measured at amortised cost</u>

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

Financial guarantee contracts

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

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(bb) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks which includes foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of

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Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Cash and cash equivalents (for the purpose of Cash Flow Statement)

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

(cc) First time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

a) Exceptions: -

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively;

Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

b) Optional Exemptions: -

Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Cumulative translation differences on foreign operations

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

Foreign Currency Monetary Items Translation Difference Account

The Group has elected the option to reset the foreign currency monetary items translation difference on long term foreign currency monetary items that exist as of the transition date to zero.

Investments in subsidiaries & joint venture

The Group has elected to measure its investments in subsidiaries and joint ventures at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Share-based payments

The Group has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

Accounting for SRL Diagnostics (Nepal) Private Limited ('SRLD')

SRLD was accounted for using the proportionate consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Group has:-

- On the transition date, recognised investment in SRLD by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had proportionately consolidated under previous GAAP as of the transition date;
- This investment amount has been deemed to be the cost of investment at initial recognition;
- The Group has tested the investment in SRLD for impairment as of the transition date;
- After initial recognition at the transition date, the Group has accounted for SRLD using the equity method in accordance with Ind AS 28; and

Accounting for DDRC SRL Diagnostics Private Limited ('DDRC')

DDRC was accounted for using the proportionate consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Group has:-

- On the transition date, recognised investment in DDRC by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had proportionately consolidated under previous GAAP as of the transition date;
- This investment amount has been deemed to be the cost of investment at initial recognition;
- The Group has tested the investment in DDRC for impairment as of the transition date;
- After initial recognition at the transition date, the Group has accounted for DDRC using the equity method in accordance with Ind AS 28.

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4. Critical Accounting Judgements

(a) Accounting for Hospital and Medical Services agreement

Fortis Group of companies has entered into separate Hospital and Medical Services Agreements ("HMSA") with RHT Health Trust Group of companies wherein the RHT Health Trust is required to provide and maintain the clinical establishments along with providing other services towards out-patient diagnostics and radio diagnostic.

The clinical establishments owned by RHT Health Trust are specifically customised and duly fitted with all fixtures, fittings, medical equipment and infrastructure required for running and operating a hospital, offering:

i. doctors and services for diagnosis and treatment for illness, disease, injury, deformity and/or abnormality;

ii. diagnosis of diseases through radiological and other diagnostic or investigative services with the aid of laboratory or other medical equipment; and

iii. beds for in-patient treatment.

Fortis Group has analysed the substance of the HMSA and has determined that fulfilment of service arrangement is based on the use of specified assets and conveys Fortis Group right to use the RHT Health Trust Group's Clinical Establishments.

The term of the individual HMSA is 15 years and the Group pays a composite service fee i.e. base and variable fee. The base fee is fixed and increase 3% year on year. The variable fee is based on a percentage of the FHL group of companies' net operating income in accordance with the HMSA.

Fortis Group has analysed increase in base fee payments and has determined that such increase is to compensate RHT Health Trust for the expected cost inflation, being in line with general cost inflation; accordingly, the escalation increase of 3% year on year is not factored for straight-lining over the lease term

(b) Ongoing Litigation on the Company

There are certain critical outstanding litigations which may have an effect on the operations of the Company/ numbers presented in the financial statement.

In respect of one of the subsidiaries ("Escorts Heart Institute and Research Centre Limited") ('EHIRCL'), that was formed after amalgamation of Escorts Heart Institute and Research Centre ('EHIRC'), Delhi Society with EHIRC, Chandigarh Society and thereafter registration of EHIRC, Chandigarh Society as a company:

i. Termination the lease deeds and allotment letters by Delhi Development Authority ('DDA') Consequent to termination, DDA has issued show cause notice and initiated eviction proceedings against EHIRCL. Both these matters are currently pending in various courts of law.

ii. Tax demands of ₹ 10,213 lacs (after adjusting ₹ 12,756 lacs of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters) for various assessment years. The matter is currently pending at ITAT.

iii. Demand of ₹ 50,336 lacs which was raised vide notice dated June 9, 2016 to non-compliance with the order of the Honorable High Court of Delhi in relation to provision of free treatment/beds to poor.

In case of one of the subsidiaries ("Hiranandani Healthcare Private Limited") ('HHPL'):

i. Termination the Hospital lease agreement with HHPL by Navi Mumbai Municipal Corporation ('NMMC') has vide order dated 18 January, 2017 (`Termination Order') for certain alleged contravention of the Hospital Lease agreement. Notes to consolidate financial statements describes matters relating to litigations

Management has engaged external specialist (Legal Counsel) to defend its position in the ongoing litigation. The directors of the Company have assessed that no provision / adjustment is required to be made in the financial statements for the above matters as they expects a favourable decision basis the advice given by external legal counsel of the Company.

(c) Control over Fortis Emergency Services Limited (FESL)

In the case of FESL, since the Group did not hold more than 50% equity shares of FESL, it was not considered as a subsidiary under the previous GAAP. However, since the Group held 49% of the equity shares of FESL, it was accounted for as an associate of the Company using the equity method of accounting under previous GAAP.

Based on a control assessment carried out under Ind AS 110 Consolidated Financial Statements. FESL is considered to be a subsidiary of the Group under Ind AS because the Group has a sufficiently dominant interest to direct the relevant activities of FESL owing to its contractual arrangement with FESL.

(d) Control assessment over Fortis C-Doc Healthcare Limited

In the case of C-Doc, since the Group held 60% equity shares of C-Doc, it was considered as a subsidiary under the previous GAAP.

As per terms of Joint Venture agreement, The Group and other investor have right to appoint equal number of directors in the Board of Directors and basis control assessment, the Group has considered the same as joint venture. Hence, it has been accounted for using the equity method.

(e) Control over Fortis Healthstaff Limited

Fortis Healthstaff Limited is a subsidiary of the Group although the Group owns only 29.4 % ownership interest in Fortis Healthstaff Limited since it exercises control over Fortis Healthstaff Limited by virtue of contractual right to appoint all the directors of the Fortis Healthstaff Limited. The Board of directors have power to take decisions on the relevant activities of the Company.

5. Key sources of estimation uncertainty

a) Expected Credit Loss

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

b) Goodwill

Goodwill with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

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6(i)(a) Property, plant and equipment

(₹ in lacs)

Particulars	Leasehold land (refer note 2 and 4 below)	Freehold land	Building	Leasehold improvements	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Vehicles	Total
Cost or deemed cost											
As at April 1, 2015	398.22	31,363.76	29,392.13	4,588.56	13,285.94	60,162.33	4,818.15	1,405.43	1,210.81	2,460.26	149,085.59
Additions	-	-	182.56	5,077.48	3,038.32	12,666.05	1,189.02	1,069.23	718.40	828.07	24,769.12
Additions on acquisition of subsidiaries (refer note 38)	-	-	-	11.43	-	-	15.69	8.36	0.04	-	35.51
Disposals	-	-	-	(2,348.55)	(1,395.04)	(1,591.12)	(258.03)	(78.05)	(116.25)	(315.43)	(6,102.47)
Disposals on sale of subsidiaries	-	(445.94)	(158.03)	-	(81.64)	(5,178.25)	(774.22)	(21.18)	-	-	(6,659.26)
Other adjustments (refer note 1 below)	-	-	7.47	-	(67.39)	419.04	9.37	1.77	70.34	(2.30)	438.30
Exchange translation adjustments	-	-	-	78.12	-	50.88	0.00	4.09	0.08	0.60	133.77
As at March 31,2016	**398.22**	**30,917.82**	**29,424.13**	**7,407.04**	**14,780.19**	**66,528.93**	**4,999.99**	**2,389.64**	**1,883.41**	**2,971.20**	**161,700.57**
Additions	-	-	1,633.28	1,364.91	1,384.18	12,787.68	417.50	678.94	461.79	1,302.28	20,030.57
Additions on acquisition of subsidiaries (refer note 38)	50,070.00	58,420.00	41,640.00	-	4,930.38	2,929.53	923.70	39.44	192.31	-	159,145.37
Disposals	-	-	(147.83)	(36.11)	(518.46)	(821.29)	(45.45)	(20.44)	(59.70)	(276.35)	(1,925.64)
Other adjustments	-	-	-	(9.34)	(0.08)	(7.83)	(9.49)	(0.21)	0.20	-	(26.76)
Reclassified as held for sale (refer note 5 below)	-	(4,249.02)	-	-	-	-	-	-	-	-	(4,249.02)
Exchange translation adjustments	-	-	-	(30.14)	-	(21.34)	(0.01)	(1.09)	(0.03)	(0.28)	(52.89)
As at March 31,2017	**50,468.22**	**85,088.81**	**72,549.58**	**8,696.35**	**20,576.21**	**81,395.68**	**6,286.24**	**3,086.28**	**2,477.99**	**3,996.85**	**334,622.21**
Accumulated Depreciation											
As at April 1, 2015											
Charge for the year	-	-	578	3,347.83	3,326.16	7,798.29	823.40	1,046.06	530.31	1,253.50	18,703.45
Impairment [refer note 32(b)]	-	-	-	-	-	2,981.44	-	-	-	-	2,981.44
Disposals	-	-	-	(1,984.72)	(50.83)	(273.16)	(125.05)	(55.41)	(30.02)	(127.00)	(2,646.20)
Exchange translation adjustments	-	-	-	77.47	-	28.49	-	0.00	2.77	0.07	108.81
As at March 31,2016	**-**	**-**	**578**	**1,440.58**	**3,275.33**	**10,535.06**	**698.35**	**990.66**	**503.06**	**1,126.57**	**19,147.50**
Charge for the year	-	-	1,905.10	1,641.38	2,307.33	9,679.02	798.21	791.45	597.43	962.73	18,682.64
Disposals	-	-	(46.48)	(27.24)	(49.06)	(236.26)	(11.88)	(14.85)	(31.12)	(137.13)	(554.03)
Exchange translation adjustments	-	-	-	(30.35)	-	(20.24)	(0.03)	(1.62)	(0.03)	(0.19)	(52.46)
As at March 31,2017	**-**	**-**	**2,436.50**	**3,024.36**	**5,533.60**	**19,957.58**	**1,484.65**	**1,765.64**	**1,069.34**	**1,951.98**	**37,223.65**
Net Block(As at April 1,2015)	398.22	31,363.76	29,392.13	4,588.56	13,285.94	60,162.33	4,818.15	1,405.43	1,210.81	2,460.26	**149,085.59**
Net Block(As at March 31,2016)	398.22	30,917.82	28,846.24	5,966.46	11,504.86	55,993.87	4,301.63	1,398.99	1,380.35	1,844.63	**142,553.07**
Net Block(As at March 31,2017)	50,468.22	85,088.81	70,113.08	5,671.99	15,042.60	61,438.10	4,801.59	1,320.64	1,408.66	2,044.87	**297,398.56**

Notes

1. Other adjustments include necessary reclassifications, rectifications and inter head transfers and adjustments to depreciation thereof.
2. Leasehold Land includes ₹ 398.22 lacs (as at March 31,2016 ₹ 398.22 lacs and as at April 1, 2015 ₹ 398.22 lacs) in respect of a subsidiary, for which, during the financial year 2005-06, Delhi Development Authority had terminated all the allotment letters lease/ deeds for which the subsidiary has filed an appeal in the Delhi High Court. Repossession of land has been stayed by an interim stay order passed by Delhi High Court [refer note 14(C) and 14(D)].
3. The above assets include certain fixed assets leased pursuant to operating lease agreement (refer note 10 (d)).
4. Leasehold land is not amortised since it has been taken on a perpetual lease.
5. Freehold land has been classified as assets held for sale. Refer note 6(xvi).
6. The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS. Refer note 3(cc)

6(i)(b)Capital work-in-progress

Capital work in progress as at March 31, 2017 is ₹ 23,538.18 lacs (as at March 31, 2016 ₹ 20,263.42 lacs and as at April 01, 2015 ₹ 21,013.07 lacs).

6(ii) Goodwill

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

(₹ in lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Cost or deemed cost			
Goodwill on consolidation			
Escorts Heart Institute and Research Center Limited	45,817.57	45,817.57	45,817.57
Fortis Malar Hospitals Limited (refer note 25)	(1,288.53)	(1,288.53)	(1,288.53)
Lalitha Healthcare Private Limited	-	-	307.39
Hiranandani Healthcare Private Limited	4,984.38	4,984.38	4,984.38
SRL Limited	92,154.73	92,154.73	92,154.73
Birdie & Birdie Realtors Private Limited	10,661.33	10,661.33	10,661.33
Fortis Healthcare International Limited	17.33	17.33	17.33
Fortis Healthcare International Pte Limited	-	-	36,267.13
Stellant Capital Advisory Services Private Limited (refer note 38)	494.38	494.38	-
Religare Health Trust Trustee Manager (refer note 38)	8,642.34	8,642.34	-
Fortis Hospotel Limited (refer note 38)	23,376.07	-	-
Goodwill on consolidation - Total (A)	**184,859.61**	**161,483.54**	**188,921.34**
Goodwill acquired separately			
Hospital business			
Banergatta Road Hospital	17,057.66	17,057.66	17,057.66
Cunningham Road Hospital	2,704.57	2,704.57	2,704.57
Mulund Hospital	13,402.39	13,402.39	13,402.39
Kalyan Hospital	1,523.12	1,523.12	1,523.12
Fortis Heart and Kidney Institute	1,984.82	1,984.82	1,984.82
Anandpur Hospital	6,503.88	6,503.88	6,503.88
Jaipur Hospital	657.15	657.15	657.15
Faridabad Hospital	323.05	323.05	323.05
Noida Hospital	482.00	482.00	482.00
Amritsar Hospital	295.15	295.15	295.15
Shalimar Bagh Hospital	1,624.55	1,624.55	1,624.55
Hospital business - Total (B)	**46,558.33**	**46,558.33**	**46,558.33**
Diagnostic business			
SRL laboratories	1,169.35	1,169.35	1,778.76
Diagnostic business - Total (C)	**1,169.35**	**1,169.35**	**1,778.76**
Goodwill acquired separately - Total (D = B+C)	**47,727.69**	**47,727.69**	**48,337.10**
Grand Total (A+D)	**232,587.29**	**209,211.23**	**237,258.43**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Group's goodwill on consolidation and 'goodwill acquired separately' are tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using estimate rates stated above.

Key Assumptions used for value in use calculations are as follows:

Particulars	As at March 31, 2017
Compound average net sales growth rate for five-year period	6% - 15%
Growth rate used for extrapolation of cash flow projections beyond five-year period	3%
Discount rate	11% - 15%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

6(iii) (a) Other Intangible Assets

(₹ in lacs)

Particulars	Technical know how fees	Non compete fees	License fee	Software	Total
Cost or deemed cost					
As at April 1, 2015	**469.40**	-	**559.31**	**8,378.10**	**9,406.81**
Additions	440.23	-	329.72	6,024.57	**6,794.52**
Disposals	-	-	-	(17.71)	**(17.71)**
As at March 31,2016	**909.63**	-	**889.03**	**14,384.96**	**16,183.62**
Additions	65.25	-	57.19	2,768.64	**2,891.08**
Additions on acquisition of subsidiary	-	-	-	173.49	**173.49**
Disposals	-	-	-	(1.53)	**(1.53)**
Other adjustments (refer note 1 below)	-	-	-	3.03	**3.03**
As at March 31,2017	**974.88**	-	**946.22**	**17,328.59**	**19,249.69**

Particulars	Technical know how fees	Non compete fees	License fee	Software	Total
Amortisation					
As at April 1, 2015					
Charge for the year	615.09	-	429.67	2,761.44	**3,806.20**
Deletions	-	-	-	(9.82)	**(9.82)**
As at March 31,2016	**615.09**	-	**429.67**	**2,751.62**	**3,796.38**
Charge for the year	196.87	-	89.44	3,248.91	**3,535.22**
Deletions	-	-	-	(0.29)	**(0.29)**
As at March 31,2017	**811.96**	-	**519.12**	**6,000.23**	**7,331.31**
Net block					-
As at April 1, 2015	469.40	-	559.31	8,378.10	**9,406.81**
As at March 31,2016	294.54	-	459.36	11,633.35	**12,387.24**
As at March 31,2017	162.92	-	427.11	11,328.36	**11,918.38**

Notes

1. Other adjustments include necessary reclassifications, rectifications and inter head transfers and adjustments to depreciation thereof.
2. The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS. Refer note 3(cc).

6(iii) (b) Intangible assets under development

(a) Intangible assets under development as at March 31, 2017 is ₹ 3,274.11 lacs (as at March 31, 2016 ₹ 2,313.76 lacs and as at April 01, 2015 ₹ 2,388.24 lacs)

6(iv) Investment - others

	Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
A.	**Unquoted Investments (all fully paid)**			
	(a) Investment in equity instruments - at FVTPL			
	(i) Fortis CSR Foundation [refer note 7(2)]			
	[50,000 (50,000 as at March 31, 2016 and 50,000 as at April 01, 2015) shares of ₹ 10 each, fully paid up]	-	-	-
	(Of the above, 6 shares are held by nominee shareholders)			
	Investment others - Total	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6(v) Investments in Associates/Joint venture

A. Quoted Investments (all fully paid)

(a) Investments in equity instruments

Investment in Associate companies (accounted under equity method)

		As at March 31, 2017 (₹ in Lacs)		As at March 31, 2016 (₹ in Lacs)		As at April 1, 2015 (₹ in Lacs)	
(i)	RHT Health Trust, Singapore (previously known as Religare Health Trust) [(refer note 7(1)]						
	230,386,943 (220,676,943 as at March 31, 2016 and 220,676,943 as at April 01, 2015) units of SGD 0.90 each, fully paid up	62,342.68		57,904.71		57,904.71	
	Add: Acquired during the year [8,490,000 (Previous year March 31, 2016 9,710,000) units of SGD 0.90 each, fully paid up] (including capital reserve of ₹ 22.20 lacs (Previous year March 31, 2016 goodwill) of ₹ 2,300.80 lacs)	3,565.83		4,437.97		-	
	Add: Share in post acquisition profits till previous year	(640.77)		1,901.03		-	
	Add: Share in profits for the current year	46,229.05		5,403.76		5,002.91	
	Less: Dividend received during the year	(36,030.50)		(7,945.56)		(3,772.17)	
	Add: Other adjustments	(592.18)		(1,032.49)		-	
	Add: Exchange translation adjustments	(131.27)	74,742.84	121.92	60,791.34	670.29	59,805.74
(ii)	Lanka Hospitals Corporate PLC, Srilanka						
	64,120,915 (64,120,915 as at March 31, 2016 and 64,120,915 as at April 01, 2015) Equity Shares of Lankan Rupees (LKR) 62 each (including goodwill of ₹ 16,102.33 lacs)	19,762.82		19,762.82		19,762.82	
	Add: Share in pre acquisition profits upto the date of acquisition	568.70		568.70		568.70	
	Add: Share in post acquisition profits upto the beginning of the year	1,872.47		1,431.56		1,635.82	
	Add: Share in profits for the current year	1,370.94		915.13		698.46	
	Less: Dividend received during the year	(582.54)		(474.22)		(140.84)	
	Add: Other adjustments (including translation adjustments)	(1,702.83)	21,290.00	(453.39)	21,751.00	(339.33)	22,186.00
(iii)	Medical And Surgical Centre Limited, Mauritius						
	164,670,801 (164,670,801 as at March 31, 2016 and 164,670,801 as at April 01, 2015) Ordinary Shares of MUR 10 each (including capital reserve of ₹ 4,224.26 lacs)	1,312.69		1,312.69		1,312.69	

	As at March 31, 2017 (₹ in Lacs)		As at March 31, 2016 (₹ in Lacs)		As at April 1, 2015 (₹ in Lacs)	
Add: Share in post acquisition profits till the previous year	1,386.09		1,141.66		956.28	
Add: Share in profits for the current year	497.06		426.36		313.42	
Less: Dividend received during the year	(217.30)		(181.93)		(128.04)	
Add: Other adjustments	46.73		580.01		-	
Add: Exchange translation adjustments	226.09	3,251.00	260.74	3,540.00	159.68	2,614.00
TOTAL AGGREGATE QUOTED INVESTMENTS (A)		**99,283.84**		**86,082.34**		**84,605.74**

	Particulars	As at March 31, 2017 (₹ in Lacs)		As at March 31, 2016 (₹ in Lacs)		As at April 1, 2015 (₹ in Lacs)	
B.	**Unquoted Investments (all fully paid)**						
(a)	**Investments in equity instruments**						
	<u>Investment in Associate companies (accounted under equity method)</u>						
	(i) Sunrise Medicare Private Limited		0.31		0.31		0.31
	[3,126 (3,126 as at March 31, 2016 and 3,126 as at April 01, 2015) Equity Shares of ₹ 10 each, fully paid up)]						
	(ii) Fortis Medicare International Limited		-		-		-
	[98,000 (98,000 as at March 31, 2016 and 98,000 as at April 01, 2015) Ordinary Shares of US$ 1 each, fully paid up)][refer note 36]						
	(iii) Town Hall Clinic Pte. Limited, Singapore						
	[Nil (Nil as at March 31, 2016 and 100 as at April 01, 2015) Equity Shares of SGD 1 each, fully paid up]	-		-		112.50	
	Add: Share in post acquisition profits upto the beginning of the year	-		-		42.02	
	Add: Share in profits for the current year	-		-		24.89	
	Add: Exchange translation adjustments	-	-	-	-	(21.94)	157.46
	<u>Investment in Joint ventures</u>						
	(i) DDRC SRL Diagnostics Private Limited						
	240,000 (240,000 as at March 31, 2016 and 240,000 as at April 01, 2015) Equity Shares of Nepalese Rupees 100 each fully paid-up	950.88		950.88		950.88	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2017 (₹ in Lacs)		As at March 31, 2016 (₹ in Lacs)		As at April 1, 2015 (₹ in Lacs)	
Add: Share of Profit	568.75		580.86		433.34	
Add: Share of reserve movement in the year	858.12		412.99		-	
Less: Dividend received during the year	(150.00)	2,227.75	(100.00)	1,844.73	-	1,384.22
(ii) SRL Diagnostics (Nepal) Private Limited						
[250,000 (250,000 as at March 31, 2016 and 250,000 as at April 01, 2015) Equity Shares of ₹ 10 each, fully paid up)]	150.00		150.00		150.00	
Add: Share of Profit	27.28		8.65		(13.26)	
Add: Share of reserve movement in the year	(4.61)	172.67	(13.26)	145.39	-	136.74
(iii) Fortis C-Doc Healthcare Limited		-		-		-
[4,060,637 (4,060,637 as at March 31, 2016 and 4,060,637 as at April 01, 2015) Equity Shares of ₹ 10 each, fully paid up)]						
(b) Investments in Preference shares (deemed cost)						
Investment in Joint venture						
(i) SRL Diagnostics (Nepal) Private Limited		225.00		225.00		225.00
2,250,000 (2,250,000 as at 31 March 2016 and 2,250,000 as at 01 April 2015) zero coupon preference shares of ₹ 10 each, fully paid up						
(c) Investments in debentures						
Investment in Associate company - at amortised cost						
(i) International Hospitals Limited		46,717.04		-		-
4,671,704 (Nil as at March 31, 2016 and Nil as at April 01, 2015) 9.3 % Non Convertible Debentures of face value of ₹ 1,000 each.						
TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)		**49,342.77**		**2,215.43**		**1,903.73**
Investments in Associates/Joint venture - Total (A+B)		**148,626.61**		**88,297.77**		**86,509.47**

6(vi) Other Investments

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Current			
A. Unquoted Investments (all fully paid)			
(a) Investment in mutual funds - measured at FVTPL			
(i) Nil (Nil as at March 31, 2016 and 90,789,41 as at April 01, 2015) units of ₹ 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	-	-	102.81
(ii) Nil (72,599 as at March 31, 2016 and Nil as at April 01, 2015) units of ₹ 1,000 each in UTI Liquid Cash Plan Institutional- Growth Option	-	1,801.88	-
(iii) Nil (242,371 as at March 31, 2016 and nil as at April 01, 2015) units of ₹ 1,000 each in Religare Liquid Fund Super Institutional Growth	-	5,053.69	-
(iv) Nil (Nil as at March 31, 2016 and 90,789,41 as at April 01, 2015) units of ₹ 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	-	-	1,000.00
(v) Nil (2,253,537 as at March 31, 2016 and 821,247 as at April 01, 2015) units of ₹ 10 each in ICICI Prudential Flexible Income - Direct Plan - Growth	-	5,054.39	1,700.79
(vi) Nil (274,507 as at March 31, 2016 and 41,189 as at April 01, 2015) units of ₹ 10 each in IDFC Cash Fund Growth	-	5,055.92	700.46
(vii) Nil (Nil as at March 31, 2016 and as at 4,300,619 April 01, 2015) units of ₹ 10 each in IDFC Money Manager Fund - Treasury Plan - Growth - Direct Plan	-	-	954.22
(viii) Nil (Nil as at March 31, 2016 and 20,431 as at April 01, 2015) units of ₹ 10 each in Reliance Liquid Fund-Treasury plan Growth	-	-	700.37
(ix) Nil (Nil as at March 31, 2016 and 23,468 as at April 01, 2015) units of ₹ 10 each in L & T Liquid Fund-Growth Direct Plan	-	-	450.26
(x) Nil (Nil as at March 31, 2016 and 51,939 as at April 1, 2015) units of ₹ 10 each in Reliance Money Manager Fund	-	-	1,002.72

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Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(xi) Nil (Nil as at March 31, 2016 and 3,260,893 as at April 1, 2015) units of ₹ 10 each in HDFC Liquid Fund	-	-	900.42
(xii) Nil (169,029 as at March 31, 2016 and Nil as at April 01, 2015) units of ₹ 1,000 each in HDFC Liquid Fund	-	5,054.29	-
(xiii) Nil (Nil as at March 31, 2016 and 51,585 as at April 01, 2015) units of ₹ 10 each in Religare Invesco Ultra Short Term Fund	-	-	1,001.48
(xiv) Nil (Nil as at March 31, 2016 and 913,111 as at April 1, 2015) units of ₹ 100 each in Birla Sun Life Floating Rate Fund - Growth Direct Plan	-	-	1,701.34
(xv) 500,000 (As at March 31, 2016 500,000 and as at April 1, 2015 500,000) shares of USD 100 each in Global Dynamic Opportunity Fund	39,160.01	34,874.19	30,682.58
(b) Investment in government or trust securities - at amortised cost			
(i) National saving certificates	-	0.25	0.25
Other Investments - Total	**39,160.01**	**56,894.61**	**40,897.70**

NOTES:

A INVESTMENT IN ASSOCIATES

A.1 Break-up of investment in associates (carrying amount determined using the equity method of accounting)

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(i) Aggregate book value of quoted investments	99,283.84	86,082.34	84,605.74
(ii) Aggregate market value of quoted investments	126,634.87	132,619.76	123,899.49
(iii) Aggregate carrying value of unquoted investments	46,717.35	0.31	157.77
(iv) Aggregate amount of impairment in value of investments in associates	-	-	-

A.2 Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

(i) RHT Health Trust (previously known as Religare Health Trust)

		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a)	Non-current assets	357,539.33	259,362.45	247,002.76
(b)	Current assets	9,915.79	55,559.15	46,584.95
(c)	Non-current liabilities	91,880.05	89,708.92	33,552.54
(d)	Current liabilities	58,297.81	48,947.81	73,533.38
Equity		**217,277.27**	**176,264.87**	**186,501.79**

		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Revenue	55,080.49	63,552.14
(b)	Profit from continuing operations	159,377.79	19,489.14
(c)	Profit for the year	159,377.79	19,489.14
(e)	Other comprehensive loss for the year	(25.90)	(3.32)
(f)	Total comprehensive income for the year	159,351.90	19,485.82
(g)	Dividends received from the associate during the year	36,030.50	7,945.56

Reconciliation of the above summarised financial information to the carrying amount of the interest in Religare Health Trust recognised in the consolidated financial statements:

		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a)	Net assets of the associate	217,277.27	176,264.87	186,501.79
(b)	Proportion of the Group's ownership interest in RHT	29.86%	28.88%	28.00%
(c)	Goodwill	2,278.60	2,300.80	-
(d)	Other adjustments (See note 1 below)	7,585.24	7,585.24	7,585.24
Carrying amount of the Group's interest in RHT		74,742.84	60,791.34	59,805.74

Note:

1. FHL as sponsor of RHT has waived off its right to receive dividend from RHT from the date of listing till March 31, 2014. Accordingly, management had not accounted for profits of RHT till year ended March 31, 2014. The share of such profits waived as well as the reduction in net asset value of the Group's share consequent of dividend distributed to other unit holders is goodwill arising at the time of listing.
2. Share in profit of associate companies for the year ended 31 March, 2017 includes the Group's share of profit (in full) of around ₹ 42,117 lacs on gain recognized by its associate (RHT) arising from the disposal of FHTL business to FHL and consequent fair valuation of RHT's residual interest in FHTL under Ind AS 110. The same has been accounted for in full by the Group under Ind AS 28 considering it to be a disposal of a business by RHT, and a business acquisition for the Group accounted under Ind AS 103

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A.3 Financial information in respect of individually not material associates

		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	The Group's share of profit from continuing operations	1,780.83	1,341.49
(b)	The Group's share of other comprehensive income	-	-
(c)	The Group's share of total comprehensive income	1,780.83	1,341.49

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Aggregate carrying amount of the Group's interests in these associates	22,820.70	23,623.14	23,810.44

B INVESTMENT IN JOINT VENTURES

B.1 Break-up of investment in joint ventures (carrying amount determined using the equity method of accounting)

		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(i)	Aggregate book value of quoted investments	-	-	-
(ii)	Aggregate market value of quoted investments	-	-	-
(iii)	Aggregate carrying value of unquoted investments	2,625.42	2,215.12	1,745.96
(iv)	Aggregate amount of impairment in value of investments in Joint Ventures	-	-	-

B.2 Summarised financial information of material joint ventures

Summarised financial information in respect of each of the Group's material Joint Ventures is set out below. The summarised financial information below represents amounts shown in the Joint Venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

(i) DDRC SRL Diagnostics Private Limited

		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a)	Non-current assets	4,525.30	4,035.31	3,824.09
(b)	Current assets	1,589.83	1,180.64	1,308.19
(c)	Non-current liabilities	692.46	635.28	1,428.12
(d)	Current liabilities	967.18	891.21	935.71
Equity		**4,455.49**	**3,689.46**	**2,768.45**
The above amounts of assets and liabilities include the following:				
(a)	Cash and cash equivalents	525.50	202.86	239.59
(b)	Current financial liabilities (excluding trade payables and provisions)	71.07	44.13	68.06
(c)	Non-current financial liabilities (excluding trade payables and provisions)	450.00	450.00	1,277.39

Year ended		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Revenue	10,807.58	9,308.04
(b)	Profit from continuing operations	1,082.54	620.67
(c)	Profit for the year	1,082.54	620.67
(d)	Other comprehensive income for the year	(10.39)	1.16
(e)	Total comprehensive income for the year	1,072.15	621.83
(f)	Dividends received from the Joint Venture during the year	150.00	100.00
The above profit for the year include the following:			
(a)	Depreciation and amortisation	490.22	538.55
(b)	Interest income	13.71	0.68
(c)	Interest expense	15.80	40.97
(d)	Income tax expense (income)	602.68	398.80

Reconciliation of the above summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:

		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a)	Net assets of joint venture	4,455.49	3,689.46	2,768.45
(b)	Proportion of company's ownership interest in joint venture	50.00%	50.00%	50.00%
(c)	Carrying amount of company's interest in the joint venture	2,227.75	1,844.73	1,384.22

(ii) SRL Diagnostics (Nepal) Private Limited

		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a)	Non-current assets	71.79	85.24	117.46
(b)	Current assets	467.64	274.60	224.28
(c)	Non-current liabilities	1.84	4.60	9.41
(d)	Current liabilities	192.25	64.47	58.85
Equity		345.34	290.77	273.47
The above amounts of assets and liabilities include the following:				
(a)	Cash and cash equivalents	311.64	170.80	123.06
(b)	Current financial liabilities (excluding trade payables and provisions)	28.59	24.37	15.25
(c)	Non-current financial liabilities (excluding trade payables and provisions)	1.84	4.60	9.41

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		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Revenue	570.65	455.81
(b)	Profit from continuing operations	54.56	17.30
(c)	Profit for the year	54.56	17.30
(d)	Other comprehensive income for the year	-	-
(e)	Total comprehensive income for the year	54.56	17.30
(f)	Dividends received from the Joint Venture during the year	-	-
The above profit for the year include the following:			
(a)	Depreciation and amortisation	25.33	36.05
(b)	Interest income	5.72	6.28
(c)	Interest expense	0.27	0.26
(d)	Income tax expense (income)	11.44	(4.82)

Reconciliation of the above summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:

		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at As at April 1, 2015 (₹ in Lacs)
(a)	Net assets of joint venture	345.34	290.77	273.47
(b)	Proportion of company's ownership interest in joint venture	50.00%	50.00%	50.00%
(c)	Carrying amount of company's interest in the joint venture	**172.67**	**145.39**	**136.74**

B.3 Unrecognised share of loss of joint venture

	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
The unrecognised share of loss of Joint Venture (C-Doc Healthcare Private Limited) for the year	119.19	208.18

	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Cumulative share of unrecognised loss of Joint Venture	585.06	465.87	257.69

C INVESTMENT - OTHERS

C.1 Break-up of investment - others (valued at FVTPL)

		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(i)	Aggregate book value of quoted investments	-	-	-
(ii)	Aggregate market value of quoted investments	-	-	-
(iii)	Aggregate carrying value of unquoted investments	39,160.01	56,894.61	40,897.70
(iv)	Aggregate amount of impairment in value of investments in associates	-	-	-

6(vii) Trade receivables

Particulars		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-current - at amortised cost*				
(a)	Unsecured, considered good	1,092.59	1,961.98	1,869.96
(b)	Unsecured, Doubtful	86.25	104.67	81.56
(c)	Less: Allowance for doubtful debts (expected credit loss allowance)	(86.25)	(104.67)	(81.56)
		1,092.59	**1,961.98**	**1,869.96**
Current - at amortised cost				
(a)	Secured, considered good	504.76	278.58	263.18
(b)	Unsecured, considered good	46,789.48	44,127.01	40,245.05
(c)	Doubtful	17,467.11	13,083.77	14,323.14
(d)	Less: Allowance for doubtful debts (expected credit loss allowance)	(17,467.11)	(13,083.77)	(14,323.14)
		47,294.23	**44,405.59**	**40,508.23**

Notes:

*The management has reclassified the balance in relation to trade receivable from Operation and management, on basis of their expectation of the ability of these O&M to generate cash surplus for repayment to the Group.

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. There are customers who represents more than 5% of the total balance of trade receivable. The risk of non-payment from these customers is considered low as most of these balances relates to Government bodies / Government enterprises for which the default risk is considered low by the management.

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Ageing	Expected Credit Allowance %
0 - 1 year	0% - 50%
1 - 2 year	15% - 100%
2 - 3 year	40% - 100%
More than 3 years	70% - 100%

The Group has recorded an allowance of ₹ 17,553.35 lacs towards trade receivables. The Management believes that there is no further provision required in excess of the allowance for doubtful debts.

6(viii) Loans (unsecured)

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-current - at amortised cost			
Considered good			
(a) Loan to associates	1,707.00	958.66	529.47
(b) Loan to bodies corporate and others	8.74	4,750.00	-
(c) Loan to employees	33.23	460.34	13.96
	1,748.97	**6,169.00**	**543.43**
Unsecured, Doubtful			
(a) Loan to body corporate and others	303.41	70.00	70.00
	303.41	**70.00**	**70.00**
Less: Provision for doubtful loans	(303.41)	(70.00)	(70.00)
	1,748.97	**6,169.00**	**543.43**
Current - at amortised cost			
Considered good			
(a) Loan to employees	9.50	23.26	117.07
(b) Loans to body corporates and others (Refer note 1 below)	8,683.13	5,216.82	20,000.00
	8,692.63	**5,240.08**	**20,117.07**
Unsecured, Doubtful			
(a) Loan to body corporate and others	1,492.44	1,138.85	1,368.99
	1,492.44	**1,138.85**	**1,368.99**
Less: Provision for doubtful loans	(1,492.44)	(1,138.85)	(1,368.99)
	8,692.63	**5,240.08**	**20,117.07**

Note 1

Loans to body corporates and others include an unsecured advance of ₹ 7,125 lacs given to a body corporate in November, 2013 for acquisition of an immovable property as at 31 March, 2017. As per terms of initial Memorandum of Understanding (MOU) on non-conclusion of the transaction, the amount was to be repaid to the Company on expiry of 18 months from the date of the payment i.e. 17 May, 2015.

Subsequently, the repayment terms were rescheduled with the body corporate. As per terms of revised MOU dated 21 May, 2016, of the outstanding amount, an amount of ₹ 2,375 lacs was due on 31 March, 2017 and balance amounts of ₹ 4,750 lacs in equal half yearly rests due on 30 Sep, 2017 and 31 March, 2018. The later party has not paid the instalment of ₹ 2,375 lacs, due as per the term of the MOU.

The Board/Management is in discussion with the said party and expects to recover these in due course and has therefore considered the entire amount recoverable from party as good and fully recoverable.

6(ix) Other financial assets (unsecured)

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-Current - at amortised cost			
Considered good			
(a) Security deposits	2,327.11	3,679.89	3,349.18
(b) Deposit accounts with banks (refer note 1 below)	2,246.31	1,890.95	1,098.90
(c) Interest accrued on loans and bank deposits	1,499.43	172.46	423.95
(d) Technology Renewal fund advance to related party (refer note 2 below)	555.06	701.68	191.32
(e) Receivable from associate company pursuant to share purchase agreement [refer note 7(1)]	-	30,000.00	-
(f) Commitment deposit (refer note 3 below)	1,696.21	1,653.77	598.49
(g) Advances others - recoverable in cash	599.36	536.47	368.34
	8,923.49	**38,635.23**	**6,030.16**
Doubtful			
(a) Security deposits	50.00	50.00	50.00
	50.00	**50.00**	**50.00**
Less: Provision for doubtful assets	(50.00)	(50.00)	(50.00)
	8,923.49	**38,635.23**	**6,030.16**
Current - Fair value through FVTPL			
Considered good			
(a) Fair value of foreign currency forward contract	-	-	709.34
Current - at amortised cost			
Considered good			
(a) Security deposits	1,389.97	700.78	1,039.50
(b) Interest accrued on loans and bank deposits	341.54	443.36	1,562.83
(c) Technology renewal fund advance to related party (refer note 2 below)	242.36	222.10	157.70
(d) Insurance claim receivable	1.93	15.30	-
(e) Full and Final Settlement recoverable from employees	106.38	108.33	22.65
(f) Earnest money deposit	39.04	92.53	8.46
(g) Staff Advance recoverable in cash	154.46	392.22	302.25
(h) Advances others recoverable in cash	2,590.44	937.13	2,367.21
(i) Receivable from associate company pursuant to share purchase agreement [refer note 7(1)]	-	-	30,000.00
(j) Accrued operating income	6,239.68	4,879.20	4,941.49
	11,105.80	**7,790.94**	**41,111.44**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Doubtful			
(a) Advances others recoverable in cash	1,349.55	1,272.34	536.35
	1,349.55	**1,272.34**	**536.35**
Less: Provision for doubtful assets	(1,349.55)	(1,272.34)	(536.35)
	11,105.80	**7,790.94**	**41,111.44**

Notes:

1. Fixed deposits is under lien with bank and is restricted from being exchanged for more than 12 months from the Balance Sheet date.
2. Technology renewal fund / advance represents funds from the service fee payable to the Hospital Service Companies, for funding the replacement refurbishment and / or upgrade of radiology and other medical equipment owned / used by the Hospital Services Companies.
3. Commitment deposit represents funds paid to Hospital Service Companies as commitment for entering into Hospital and Medical Services Agreement (HMSA) upon development of the for a new clinical establishment.

6(x) Tax assets and liabilities

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-current tax assets			
(a) Advance income-tax (net of provision for taxation)	38,328.94	32,753.83	28,944.69
	38,328.94	**32,753.83**	**28,944.69**
Current tax liabilities			
(a) Provision for income-tax	1,581.47	1,200.60	1,648.68
(b) Provision for wealth tax	-	-	29.72
	1,581.47	1,200.60	1,678.40
	36,747.47	**31,553.23**	**27,266.29**

6(xi) Deferred tax

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a) Deferred tax assets (net) (A)	23,313.60	22,533.11	12,772.35
(b) Deferred tax liabilities (net) (B)	12,886.97	33.07	22.65
Deferred tax (A-B)	**10,426.63**	**22,500.04**	**12,749.70**

Deferred tax liabilities and assets of the legal entities consolidated within the group have not been set-off for the purpose of presentation in the financial statements.

The following is the analysis of deferred tax assets/(liabilities)

Recognised in profit and loss account and Other Comprehensive Income:

Deferred tax assets/ (liabilities) in relation to:		As at April 1, 2015	Credit / (Charge) to Profit or loss	Disposal/ Acquisition	Credit / (Charge) to Other Comprehensive Income	As at March 31, 2016
(a)	Property, plant and equipment	(2,890.76)	1,479.16	732.18	-	(679.42)
(b)	Intangible assets	(12,677.68)	(1,021.81)	118.19	-	(13,581.30)
(c)	Fair Value of Investment	(3,204.80)	-	-	-	(3,204.80)
(d)	Provision for Contingency	143.40	4.98	-	-	148.38
(e)	Provision for doubtful advances	1,349.77	455.02	-	-	1,804.79
(f)	Provision for expected credit loss on receivables	4,479.80	(240.58)	(10.15)	0.57	4,229.63
(g)	Employee benefits	2,198.32	297.09	-	10.09	2,505.51
(h)	Unabsorbed Losses	11,412.60	7,715.17	-	-	19,127.78
(i)	MAT Credit Entitlement	11,810.75	(7.04)	-	-	11,803.71
(j)	Other Provisions	137.53	46.02	-	-	183.55
(k)	ESOP Compensation Reserve	11.50	39.85	-	-	51.34
(l)	Others Adjustments	(20.73)	131.61	-	-	110.88
		12,749.70	**8,899.46**	**840.22**	**10.66**	**22,500.04**

Deferred tax assets/ (liabilities) in relation to:		As at March 31, 2016	Credit / (Charge) to Profit or loss	Disposal/ Acquisition	Credit / (Charge) to Other Comprehensive Income	As at March 31, 2017
(a)	Property, plant and equipment	(679.42)	1,966.19	(33,238.92)	-	(31,952.15)
(b)	Intangible assets	(13,581.30)	(703.36)	-	3.32	(14,281.35)
(c)	Fair Value of Investment	(3,204.80)	3,204.80	-	-	(0.00)
(d)	Provision for Contingency	148.38	81.36	-	-	229.74
(e)	Provision for doubtful advances	1,804.79	1,828.47	-	-	3,633.26
(f)	Provision for expected credit loss on receivables	4,229.63	1,744.09	15.59	-	5,989.31
(g)	Employee benefits	2,505.51	342.80	14.88	413.11	3,276.30

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Deferred tax assets/ (liabilities) in relation to:		As at March 31, 2016	Credit / (Charge) to Profit or loss	Disposal/ Acquisition	Credit / (Charge) to Other Comprehensive Income	As at March 31, 2017
(h)	Unabsorbed Losses	19,127.78	3,263.63	323.90	-	22,715.31
(i)	MAT Credit Entitlement	11,803.71	(10,400.74)	2,732.93	-	4,135.89
(j)	Other Provisions	183.55	118.52	-	-	302.07
(k)	ESOP Compensation Reserve	51.34	40.29	-	-	91.63
(l)	Others Adjustments	110.88	599.57	-	-	710.44
(m)	Debt Portion of CCD's	-	-	15,576.18	-	15,576.18
		22,500.04	**2,085.62**	**(14,575.45)**	**416.43**	**10,426.63**

6(xii) Other assets (unsecured)

Particulars			As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
<u>**Non-current**</u>					
Considered good					
(a)	Capital advances		1,306.96	2,004.03	2,966.30
(b)	Prepaid expenses		1,693.63	2,512.50	2,605.72
(c)	Balances with government authorities				
	-	Amount paid under protest to Income tax authorities	313.01	-	5,139.62
	-	Amount paid under protest to customs, excise and other authorities	150.00	150.00	516.95
			3,463.60	**4,666.53**	**11,228.59**
<u>**Current**</u>					
Considered good					
(a)	Balances with government authorities				
	-	CENVAT, VAT and Service Tax Credit receivable	653.95	501.93	353.91
	-	Amount paid under protest to Income tax authorities	-	-	349.57
(b)	Advance to Vendors		1,838.60	734.03	939.81
(c)	Prepaid Expenses		2,479.29	2,049.77	2,090.20
(d)	Advance to Gratuity Fund		-	6.34	-
(e)	Accrued Operating Income SFIS		772.41	1,062.15	1,299.54
			5,744.26	**4,354.23**	**5,033.02**

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Doubtful			
(a) Balances with customs excise and other authorities	33.38	74.22	78.65
(b) Deposits with income tax authorities	12.10	-	-
	45.48	**74.22**	**78.65**
Less: Provision for doubtful other assets	(45.48)	(74.22)	(78.65)
	5,744.26	**4,354.23**	**5,033.02**

6(xiii) Inventories

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(Valued at lower of cost and net realisable value)			
(a) Medical consumables and drugs (including reagents and chemicals)*	6,147.35	5,926.91	5,658.04
(b) Linen	-	-	100.53
(c) Stores and spares	9.32	76.63	381.31
	6,156.67	**6,003.54**	**6,139.88**

***Note:**

The group's business does not involve any conversion process for materials. Reagents and chemicals are used to conduct various pathology and radiology procedures and are consumed in the process. Other consumable stores represent various items of stores and spares used in normal course of business.

6(xiv) Cash and cash equivalents

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

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a) Balances with Banks			
- on current accounts	52,505.34	12,568.50	13,584.26
- on cash collection accounts	179.47	228.17	300.42
- deposits with original maturity of less than three months	1,079.82	728.30	2,885.33
(b) Cheques, drafts on hand	222.02	80.05	181.34
(c) Cash in hand	443.63	588.81	990.99
Cash and cash equivalents as per balance sheet	**54,430.26**	**14,193.83**	**17,942.34**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6(xv) Other bank balances

Particulars		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a)	Unpaid dividend account	15.73	9.51	6.48
(b)	Deposits with original maturity of more than 3 months but less than 12 months	27.00	1,970.02	156.77
(c)	Deposits with maturity of more than 12 months	176.60	274.94	262.14
(d)	Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	-	275.00	128.00
		219.34	**2,529.48**	**553.38**

6(xvi) Assets/Liabilities classified as held for sale

Particulars		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Assets held for sale				
(a)	Freehold land held for sale (refer note 1 below)	4,249.02	-	-
(b)	Assets related to Lalitha healthcare private limited (refer note 2 below)	430.44	-	-
(c)	Assets related to Fortis healthcare Singapore Pte Limited [refer note 33(ii)]	-	-	24,174.64
(d)	Other Assets	-	60.95	-
		4,679.46	**60.95**	**24,174.64**
Liabilities associated with assets held for sale				
(a)	Advance received for Freehold land held for sale (refer note 1 below)	4,251.00	-	-
(b)	Liabilities related to Lalitha Healthcare Private Limited (refer note 2 below)	324.52	-	-
(c)	Liabilities related to Radlink Asia Pte Limited and Fortis Healthcare Singapore Pte Limited [refer note 33(ii)]	-	-	843.21
		4,575.52	**-**	**843.21**

Notes:

1. During the current year, the Company has entered into an agreement to sell for a freehold land owned by the Company and has classified the same as assets held for sale. The Company has received an amount of ₹ 4,251.00 lacs from the buyer, as per terms of the agreement, which has been considered as liabilities held for sale. The transfer of title is yet to be executed in favour of the buyer.
2. The Group intends to dispose its stake held in one of the subsidiary company 'Lalitha Healthcare Private Limited' and is currently in negotiation with some potential buyers. The net assets and net liabilities of the subsidiary company (net of impairment) has been classified as held for sale.

6(xvii) Share capital

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Authorised Share Capital:			
600,000,000 (600,000,000 as at March 31, 2016 and 600,000,000 as at April 01, 2015) Equity shares of ₹ 10 each	60,000.00	60,000.00	60,000.00
200 Class 'A' (200 as at March 31, 2016 and 200 as at April 01, 2015) Non- Cumulative Redeemable Preference Shares of ₹ 100,000 each	200.00	200.00	200.00
11,498,846 Class 'B' (11,498,846 as at March 31, 2016 and 11,498,846 as at April 01, 2015) Non- Cumulative Redeemable Preference Shares of ₹ 10 each	1,149.88	1,149.88	1,149.88
64,501,154 Class 'C' (64,501,154 as at March 31, 2016 and 64,501,154 as at April 01, 2015) Cumulative Redeemable Preference Shares of ₹ 10 each	6,450.12	6,450.12	6,450.12
Total authorised share capital	**67,800.00**	**67,800.00**	**67,800.00**
Issued, subscribed and fully paid up shares			
517,727,631 (463,129,994 as at March 31, 2016 and 462,805,414 as at April 1, 2015) Equity shares of ₹ 10 each	51,772.76	46,312.99	46,280.54
Total issued, subscribed and fully paid up share capital	**51,772.76**	**46,312.99**	**46,280.54**

Notes :

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

<u>Equity Shares</u>

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Number	₹ in Lacs	Number	₹ in Lacs	Number	₹ in Lacs
At the beginning of the year	463,129,994	46,312.99	462,805,414	46,280.54	462,786,314	46,278.63
Issued during the year: Conversion of Foreign Currency Convertible Bonds (Refer note 23 and 24)	53,761,537	5,376.16	-	-	-	-
Issued during the year: Employee Stock Option Plan (ESOP) [refer note 17(i)]	836,100	83.61	324,580	32.45	19,100	1.91
Outstanding at the end of the year	**517,727,631**	**51,772.76**	**463,129,994**	**46,312.99**	**462,805,414**	**46,280.54**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Equity Shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	₹ in Lacs	Number	₹ in Lacs	Number	₹ in Lacs
Fortis Healthcare Holdings Private Limited, the Holding Company	270,241,529	27,024.15	329,591,529	32,959.15	329,591,529	32,959.15
RHC Holding Private Limited, the Ultimate Holding Company	218,250	21.83	218,250	21.83	218,250	21.83

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

Equity Shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Holdings Private Limited, the Holding Company	270,241,529	52.20%	329,591,529	71.17%	329,591,529	71.22%
International Finance Corporation	34,990,887	6.76%	19,345,462	4.18%	25,793,949	5.57%

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

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 17.

(f) Shares reserved for issue on conversion

For details of shares reserved for issue on conversion of bonds, please refer note 23 and 24 regarding terms of conversion/ redemption of bonds.

6(xviii) Other Equity (excluding non controlling interest)

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
(I) Reserve and Surplus		
(A) Securities premium account		
Opening balance	294,731.03	294,534.99
Add : Premium on shares issued during the year	48,582.60	287.90
Less: Amount utilized for accrual of premium payable on redemption of 5% foreign currency convertible bonds (refer note 22)	-	(91.86)
Transfer from Share Options Outstanding Account	24.84	-
Closing balance	**343,338.46**	**294,731.03**

Particulars		As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
(B)	**Amalgamation reserve (refer note below)**		
	Opening balance	156.00	156.00
	Closing balance	**156.00**	**156.00**
(C)	**Debenture redemption reserve (refer note 22)**		
	Opening balance	-	15,174.63
	Transferred to surplus balance in the statement of profit and loss	-	(15,174.63)
	Closing balance	-	-
(D)	**General reserves (refer note below)**		
	Opening balance	41,964.89	41,964.89
	Closing balance	**41,964.89**	**41,964.89**
(E)	**Share options outstanding Account (refer note 17)**		
	Opening balance	821.11	33.22
	Add: Charge for the year	942.84	787.89
	Less: Transfer from share options outstanding account due to exercise of vested options	24.84	-
	Closing balance	**1,739.11**	**821.11**
(F)	**Capital redemption reserve**		
	Opening balance	337.50	-
	Transfer to surplus in Statement of Profit and Loss	-	337.50
	Closing balance	**337.50**	**337.50**
(G)	**Equity component of compound financial instrument (refer note 22, 23 & 24)**		
	Opening balance	1,663.84	1,663.84
	Transfer to surplus in Statement of Profit and Loss	(1,663.84)	-
	Closing balance	-	**1,663.84**
(H)	**Other reserves**		
	Opening balance	(1,432.06)	(1,432.06)
	Deduction	-	-
	Closing balance	**(1,432.06)**	**(1,432.06)**
(I)	**Surplus in the statement of profit and loss**		
	Opening balance	36,630.81	29,450.49
	Profit for the year	42,166.47	1,842.39
	Transfer from Debenture redemption reserve	-	15,174.63
	Transfer to Capital redemption reserve	-	(337.50)
	Non controlling interest and goodwill adjustment	(1,099.56)	(715.51)
	Final equity dividend [amount per share ₹ Nil (Previous year ₹ 0.50 per share)]	-	(22.28)
	Dividend distribution tax on dividend	(49.50)	(39.62)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)
Transferred from equity component of compound financial instrument	1,663.84	-
Acquisition of further interest in subsidiary	-	(8,722.78)
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income-tax)	(759.48)	0.99
FCCB Reserve transferred on conversion	4,939.60	-
Net surplus in the statement of profit and loss	**83,492.18**	**36,630.81**
Total (A+B+C+D+E+F+G+H+I)	**469,596.08**	**374,873.12**
(II) Other comprehensive Income		
(A) Foreign currency translation reserve		
Opening balance	(5,070.19)	-
Effect of foreign exchange rates variation during the year	(1,950.19)	(5,070.19)
Closing balance	**(7,020.38)**	**(5,070.19)**
Total (A)	**(7,020.38)**	**(5,070.19)**
Other Equity (excluding non controlling interest) -Total (I+II)	**462,575.70**	**369,802.93**

Notes:

1. Amalgamation Reserve - Amalgamation reserve was created on amalgamation of Escorts Heart Institute Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society) and later on, registration of the amalgamated Society as Company
2. General Reserve - General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.]

6(xix) Non-Current Borrowings

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Secured - at amortised cost (refer note 11)			
(a) Term loan from banks	78,479.84	26,553.99	30,972.94
(b) Term loans from body corporates	923.98	-	14,108.12
(c) Hire purchase loans from banks	-	-	4.04
(d) Finance lease obligations	15.59	38.23	61.76
(e) Deferred payment liabilities	78.35	213.63	647.66
(f) Buyers credit	-	473.53	642.20
	79,497.77	**27,279.38**	**46,436.72**
Unsecured - at amortised cost (refer note 11)			
(a) Term loan from ultimate holding company	165.00	165.00	165.00
(b) Finance Lease Obligations	3,621.13	3,208.95	2,936.98
(c) Debt component of Compulsory convertible debentures	44,486.91	-	-

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(d) Foreign currency convertible bonds			
- 4.66% + LIBOR Foreign currency convertible bonds	-	19,632.97	18,398.69
- 4.86% + LIBOR Foreign currency convertible bonds	-	36,298.23	34,137.22
(e) Loan from an associate	99.31	101.42	93.57
	48,372.34	**59,406.57**	**55,731.46**
Non-current borrowings - Total	**127,870.11**	**86,685.95**	**102,168.18**

6(xx) Other financial liabilities

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-current (unsecured) - at amortised cost			
(a) Security Deposits	15.73	16.59	11.47
(b) Payables on purchase of fixed assets	1,401.86	1,579.00	1,885.72
(c) Other long term liabilities	29.18	20.52	14.40
	1,446.76	**1,616.11**	**1,911.59**
Current - at amortised cost			
Secured			
(a) Current maturities of long term debt (refer note 11)	25,829.61	13,500.98	12,680.73
Unsecured			
(a) Current maturities of long term debt (refer note 11)	-	-	62,335.53
(b) Book Overdrafts	227.61	12.68	1,729.85
(c) Security Deposits	174.60	156.92	160.45
(d) Deposit from customer	1,715.35	1,668.81	1,607.50
(e) Interest accrued but not due on borrowings	6,757.48	1,418.44	2,492.75
(f) Unpaid equity dividend	15.73	9.52	5.80
(g) Premium payable on redemption of foreign currency convertible bonds	-	-	1,922.85
(h) Payables on purchase of fixed assets	3,328.46	3,093.45	3,656.68
(i) Technology renewal fund payable to related party*	116.41	72.41	120.73
(j) Payable against losses of associates (refer note 36)	1,720.30	1,667.86	1,147.02
(k) Payable to joint venture	14.94	2.44	4.46
(l) Other liabilities	1,000.11	347.18	326.35
(m) Liability against indemnification	133.10	133.10	133.10
(n) Payable to gratuity fund	-	54.16	36.72
	15,204.08	**8,636.97**	**75,679.78**
	41,033.70	**22,137.95**	**88,360.50**

*Technology renewal fund represents fund maintained from the base service fee payable to the Hospital Service Companies, for funding the replacement, refurbishment and/or upgrade of radiology and other medical equipment owned/used by Hospital Service Companies.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6(xxi) Provisions

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Non-current			
Provision for employees' benefits			
(a) Provision for gratuity (refer note 18)	5,510.62	4,340.45	3,779.66
Others			
(a) Provision for restoration and maintenance [refer note (i) below]	-	-	817.77
	5,510.62	**4,340.45**	**4,597.43**
Current			
Provision for employees' benefits			
(a) Provision for gratuity (refer note 18)	1,178.16	414.56	807.95
(b) Provision for compensated absences (refer note 18)	3,465.88	3,118.60	2,596.80
Others			
(a) Provision for litigation [refer note (iii) below]	678.02	330.37	330.37
(b) Provision for restoration and maintenance [refer note (i) below]	-	-	256.89
(c) Provision for contingencies [refer note (ii) below]	669.24	437.87	463.75
(d) Provision for ESIC (refer note 16)	109.03	98.00	87.25
	6,100.34	**4,399.40**	**4,543.01**
Notes:			
(i) Provision for restoration and maintenance			
Opening balance	-	1,074.66	1,224.06
Add: provision made during the year	-	-	648.65
Add/(less): exchange translation adjustments	-	-	(52.74)
Less: Deletion due to disposal of subsidiaries	-	(1,074.66)	-
Less: utilised during the year	-	-	(745.31)
Closing balance	-	-	**1,074.66**

At the end of certain leases, costs are expected to be incurred in restoring the leased premises. The Group recognises the provision for the cost of restoration and maintenance on estimated basis, where such obligation exists as per lease arrangement. There is no such obligation which exist as at March 31, 2017.

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(ii) Provision for contingencies			
(a) Provision for Indemnification [refer note 30(a)]	205.03	205.03	205.03
(b) Others*			
Opening balance	232.84	258.72	58.45
Add: provision made during the year	238.58	81.09	230.95
Less: utilised during the year	(7.21)	(106.97)	(30.68)
Closing balance	**464.21**	**232.84**	**258.72**
Total - Provision for contingencies	669.24	437.87	463.75

*Provision for contingency - others is made against clinical research studies and amount of refund due to patients, which is expected to be settled in due course and therefore considered as current in nature.

(iii) During the financial year ended March 31, 2017, provision of ₹ 347.63 lacs is made on account of penalty levied by the department towards classification of imported surgical machine under custom regulations.

Further, provision of ₹ 330.39 lacs recorded in earlier years towards customs duty liability on import of medical equipments, spares and consumables levied on the Company considering it to be as a commercial establishment under Customs Duty Act, 1962

The Company has challenged the aforesaid matters and the provision will be settled in closure of the matter."

6(xxii) Other non-current liabilities

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a) Provision for lease equalisation	260.67	216.20	251.68
	260.67	**216.20**	**251.68**

6(xxiii) Current Borrowings

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Secured - at amortised cost (refer note 11)			
(a) Bank overdrafts	19,217.92	1,881.87	0.72
(b) Cash credit facility from banks	230.98	1,044.09	1,069.58
(c) Working capital demand loan	12,500.00	-	-
(d) Loan from body corporate	107.96	-	-
(e) Loans from banks	2,375.71	3,536.85	39.59
(f) Bill discounting	2,000.00	2,000.00	-
	36,432.57	**8,462.82**	**1,109.89**
Unsecured - at amortised cost (refer note 11)			
(a) Loan from body corporate	2,500.00	-	-
(b) Loan from ultimate Holding Company	794.50	794.50	794.50
(c) Loan from holding company	-	-	341.50
(d) Loans from an associate	102.76	112.79	106.25
(e) Commercial papers	28,204.51	41,785.87	-
	31,601.78	**42,693.16**	**1,242.25**
	68,034.35	**51,155.98**	**2,352.14**

6(xxiv) Trade Payable

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Unsecured - at amortised cost			
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	58,866.06	56,140.91	51,179.89
	58,866.06	**56,140.91**	**51,179.89**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6(xxv) Other current liabilities (Unsecured)

Particulars	As at March 31, 2017 (₹ in Lacs)	As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
(a) Advance from patients/ customers	6,959.22	5,057.96	4,864.82
(b) Deferred revenue	73.15	225.38	27.57
(c) Provision for lease equalisation	41.05	60.56	61.84
(d) Statutory payable	5,380.53	4,667.86	4,656.56
(e) Advance against sale of assets	-	-	120.00
	12,453.95	**10,011.76**	**9,730.79**

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
6(xxvi) Revenue from operations		
(a) Sale of services		
(i) Operating income - in patient department	312,176.74	290,417.76
(ii) Operating income - out patient department	55,361.81	50,718.06
(iii) Laboratory/ clinical services	76,180.19	70,416.97
(iv) Income from medical services	1,234.54	1,102.95
(v) Management fees from hospitals	2,293.24	2,159.69
(vi) Income from satellite centers	165.97	124.19
(vii) Income from clinical research	150.33	189.55
	447,562.83	**415,129.17**
Less: Trade discounts	8,338.20	10,306.95
	439,224.63	**404,822.22**
(b) Sale of products - Trading		
(i) Out patient pharmacy	2,560.49	3,194.19
	2,560.49	**3,194.19**
(c) Revenue from International operations		
(i) Laboratory/ clinical services	3,263.20	4,615.32
(ii) Management fees from hospitals	1,044.66	968.88
	4,307.86	**5,584.20**
(d) Other operating revenues		
(i) Income from academic services	210.14	154.15
(ii) Income from rent [Refer note 10(d)]	829.75	352.69
(iii) Equipment lease rental [Refer note 10(d)]	953.37	1,324.77
(iv) Export benefits	619.84	585.92
(v) Sponsorship income	257.54	317.17
(vi) Scrap sale	83.22	73.55
(vii) Sale of plasma	42.03	35.73

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(viii) Excess liabilities towards operating expenses no longer required written back	1,180.49	1,319.85
(ix) Trustee management fees	5,058.49	654.82
(x) Miscellaneous income	2,043.62	1,469.39
	11,278.49	**6,288.04**
Total Revenue from operations (a+b+c+d)	**457,371.47**	**419,888.65**

6(xxvii) Other Income

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a) Interest income		
i) on bank deposits	331.36	493.88
ii) on loan to body corporates and others	9,558.87	3,467.36
iii) on income tax refund	869.47	1,711.34
iv) on others	209.39	299.36
(b) Other non-operating Income		
i) Profit on redemption of mutual funds at FVTPL	70.59	2,793.29
ii) Net gain & losses arising on mutual funds designated at FVTPL	5,137.36	571.14
iii) Miscellaneous income	423.26	570.78
(c) Others Gains and losses		
i) Net gain on foreign currency transactions and translation	-	5,442.35
Total other income (a+b+c)	**16,600.31**	**15,349.51**

6(xxviii) Changes in inventories of medical consumable and drugs

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a) Inventory at the beginning of the year	5,926.37	5,977.52
(b) Inventory at the end of the year	2,159.09	2,857.80
Decrease/ (increase) in inventories [(a)-(b)]	**3,767.28**	**3,119.72**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6(xxix) Employee benefits expense

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Salaries, wages and bonus	81,234.22	73,695.33
(b)	Gratuity expense (Refer note 18)	1,371.61	726.04
(c)	Compensated absences	950.64	815.61
(d)	Contribution to provident and other funds	4,212.92	4,032.98
(e)	Staff welfare expenses	2,328.68	2,991.08
(f)	Share based payment to employees	942.85	779.72
		91,040.92	**83,040.76**
	Less: Expenses capitalized (Refer note 27)	500.10	1,202.84
		90,540.82	**81,837.92**

6(xxx) Finance costs

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Interest expense		
	- on term loans	10,472.38	11,173.82
	- on cash credit	607.29	51.53
	- on others	9,947.15	592.05
	- on defined benefit plan	463.49	431.03
(b)	Bank charges	1,453.33	1,056.60
		22,943.64	**13,305.03**

The weighted average capitalisation rate on funds borrowed (as determined by the management) is 11% per annum (2015-2016: 11% per annum).

6(xxxi) Depreciation and amortisation expense

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Depreciation of Property, Plant and Equipment	18,682.65	18,703.45
(b)	Amortisation of intangible assets	3,535.22	3,806.20
		22,217.86	**22,509.64**

6(xxxii) Other expenses

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(a)	Contractual manpower	7,605.40	6,989.55
(b)	Power, fuel and water	10,073.74	10,761.26
(c)	Housekeeping expenses including consumables	3,236.64	2,749.92
(d)	Patient food and beverages	4,963.12	4,673.83

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
(e)	Pathology laboratory expenses	2,048.48	932.99
(f)	Radiology expenses	1,007.35	798.77
(g)	Consultation fees to doctors	31,397.96	28,550.19
(h)	Professional charges to doctors	53,471.95	47,830.69
(i)	Hospital service fee expense	50,507.61	59,256.66
(j)	Cost of medical services	662.26	463.06
(k)	Repairs and maintenance -		
	- Building	488.90	751.71
	- Plant and machinery	8,059.44	6,360.92
	- Others	1,629.07	1,650.91
(l)	Rent [refer note 10(b)]		
	- Hospital buildings, offices and labs	6,261.22	8,449.68
	- Equipments	1,195.75	1,040.63
	- Others	1,581.13	1,338.64
(m)	Donations	180.65	344.45
(n)	Legal and professional fee	7,103.05	7,451.40
(o)	Travel and conveyance	4,962.38	5,766.68
(p)	Rates and taxes	827.01	727.57
(q)	Printing and stationary	2,481.22	2,631.86
(g)	Recruitment and trainings	350.37	596.79
(r)	Communication expenses	3,704.22	3,305.10
(s)	Directors' sitting fees	389.24	152.03
(t)	Insurance	1,713.47	1,386.49
(u)	Ground rent	5.71	1.37
(v)	Marketing and business promotion	17,759.88	16,145.00
(w)	Loss on sale of assets (net)	116.39	209.36
(x)	Auditors' remuneration (refer note 1 below)	257.57	241.76
(y)	Net loss on foreign currency transactions and translation	111.80	-
(z)	Bad debts and sundry balances written off	30.14	84.35
(aa)	Provision for doubtful receivables	5,244.17	2,077.52
(ab)	Provision for doubtful advances	830.98	282.04
(ac)	Provision for contingencies	238.58	81.09
(ad)	Provision for litigations	347.64	-
(ae)	Expenditure on Corporate Social Responsibility (refer note 37)	290.93	198.00
(af)	Miscellaneous expenses	968.26	1,416.16
		232,103.69	**225,698.43**
	Less: Expenses capitalized (refer note 27)	317.62	2,215.69
		231,786.07	**223,482.74**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Note 1 : Auditor's remuneration comprises (excluding service tax)			
(i)	For audit	126.25	126.25
(ii)	For limited reviews	69.00	69.00
(iii)	For audit of consolidated financial statements	11.00	11.00
(iv)	For tax audit	16.25	16.25
(v)	For certification and other services	16.57	7.22
(vi)	For reimbursement of expenses	18.50	12.04
		257.57	**241.76**

6(xxxiii) Exceptional items

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Income:			
(a)	Gain on sale of investment in Radlink Asia Pte Limited [refer note 33(i)]	-	7,695.00
(b)	Gain on sale of investment in Fortis healthcare Singapore Pte Limited [refer note 33(ii)]	-	881.00
		-	**8,576.00**
Expenses:			
(a)	Loss on sale of Kangra clinical establishment [refer note 32(a)]	-	1,545.98
(b)	Loss on closure of diagnostic labs, dialysis and healthcare centres [refer note 32(b)]	-	3,210.73
(c)	Loss on impairment of goodwill and assets held in Lalitha Healthcare Private Limited [refer note 32(c)]	-	919.00
(d)	Loss on impairment of goodwill and assets held in SRL Diagnostics FZ-LLC [refer note 32(d)]	(196.00)	5,332.00
(e)	Statutory bonus [refer note 32(e)]	(13.00)	1,581.80
(f)	Expenses on composite scheme of arrangement and amalgamation [refer note 32(f)]	373.28	-
		164.28	**12,589.51**
		(164.28)	**(4,013.51)**

6(xxxiv) Tax expense

Particulars		Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Current tax			
(a)	In respect of the current year	9,325.66	8,097.90
(b)	In respect of prior year	-	-
		9,325.66	**8,097.90**

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Deferred tax		
(a) In respect of the current year	(2,085.62)	(8,899.46)
	(2,085.62)	**(8,899.46)**
The income-tax expense for the year can be reconciled to the accounting profit as follows:		
(a) Profit before tax from continuing operations	**55,168.93**	**3,169.99**
(b) Enacted income-tax rate in India (%)	34.608	34.608
(c) Income tax rate calculated	**19,092.86**	**1,097.07**
(d) Effect of profit of associates not considered in determining taxable profit	(16,821.54)	(2,508.12)
(e) Effect of different tax rates in the foreign components	(11,098.28)	(2,438.39)
(f) MAT written off during the year	10,400.74	-
(f) Effect of income/expenses not considered for tax purpose	5,666.26	3,047.88
Income-tax expense reported in the Consolidated Statement of profit and loss	**7,240.04**	**(801.56)**

The tax rate used for the 2016-17 and 2015-16 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

6(xxxv) Other Comprehensive Income

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Items that will not be reclassified to profit or loss		
(a) Remeasurements of the defined benefit plans	(1,200.49)	(14.58)
(b) Deferred tax relating to items that will not be reclassified to profit or loss	416.43	10.67
	(784.06)	**(3.91)**
Items that may be reclassified to profit or loss		
(a) Exchange differences in translating the financial statements of foreign operations	(1,950.19)	(5,070.19)
	(1,950.19)	**(5,070.19)**
Other Comprehensive income - Total	**(2,734.25)**	**(5,074.11)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6(xxxvi) Earnings per share

Particulars	Year ended March 31, 2017 (₹ in Lacs)	Year ended March 31, 2016 (₹ in Lacs)
Continuing operations		
(a) Basic earnings per share in rupees (face value – ₹ 10 per share)	8.87	0.35
(b) Diluted earnings per share in rupees (face value – ₹ 10 per share)	8.87	0.08
(c) Profit after tax as per Statement of Profit and Loss (₹ in lacs)	42,166.47	1,636.57
(d) Weighted average number of equity shares outstanding	475,528,194	462,959,927
Discontinuing operations		
(a) Basic earnings per share in rupees (face value – ₹ 10 per share)	-	0.04
(b) Diluted earnings per share in rupees (face value – ₹ 10 per share)	-	0.04
(c) Profit after tax as per Statement of Profit and Loss (₹ in lacs)	-	205.82
(d) Weighted average number of equity shares outstanding	475,528,194	462,959,927
Continuing and discontinuing operations		
(a) Basic earnings per share in rupees (face value – ₹ 10 per share)	8.87	0.40
(b) Diluted earnings per share in rupees (face value – ₹ 10 per share)	8.87	0.13
(c) Profit after tax as per Statement of Profit and Loss (₹ in lacs)	42,166.47	1,842.39
(d) Weighted average number of equity shares outstanding	475,528,194	462,959,927

7. Composition of the Group

The list of Subsidiaries, Associates and Joint Ventures considered in the preparation of the consolidated financial statements are as follows:

			Proportion of ownership interest/ voting power held by Group		
Name of the Group Company	**Place of incorporation and principal place of business**	**Principal activity**	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
a) Subsidiaries					
Hiranandani Healthcare Private Limited (HHPL)	India	Operates a multi-specialty hospital	85.00%	85.00%	85.00%
Fortis Hospotel Limited (FHTL) (Refer note 1 below)	India	Operates Clinical establishment	51.00%	Refer note 1 below	Refer note 1 below
Fortis Lafemme Limited (FLFL) (formerly known as Fortis Health Management (West) Limited)	India	Investment Company	100.00%	100.00%	100.00%

			Proportion of ownership interest/ voting power held by Group		
Name of the Group Company	**Place of incorporation and principal place of business**	**Principal activity**	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Fortis Health Management (East) Limited (FHM(E)L) (Refer note 6 below)	India	Operates a hospital	100.00%	88.00%	88.00%
Fortis Cancer Care Limited (FCCL) (formerly known as Fortis Health Management (South) Limited)	India	Investment Company	100.00%	100.00%	100.00%
Fortis Healthcare International Limited (FHIL)	Mauritius	Investment Company	100.00%	100.00%	100.00%
Escorts Heart Institute and Research Centre Limited (EHIRCL)	India	Operates a multi-specialty hospital	100.00%	100.00%	100.00%
Lalitha Healthcare Private Limited (LHPL)	India	Operates a hospital	79.43%	79.43%	67.23%
Fortis Malar Hospitals Limited (FMHL)	India	Operates a multi-specialty hospital	63.17%	63.17%	63.20%
Fortis Hospitals Limited (FHsL)	India	Operates a network of multi-specialty hospitals	100.00%	100.00%	100.00%
Fortis Global Healthcare (Mauritius) Limited (FGHL)	Mauritius	Investment Company	100.00%	100.00%	100.00%
Malar Stars Medicare Limited (MSML)	India	Investment Company	63.17%	63.17%	63.20%
Fortis Asia Healthcare Pte. Limited (FAHPL)	Singapore	Investment Company	100.00%	100.00%	100.00%
Birdie & Birdie Realtors Private Limited	India	Hospital Management services	100.00%	100.00%	100.00%
Fortis Emergency Services Limited (FESL) (Refer note 4(c) above)	India	Operates ambulance services	49.00%	49.00%	49.00%
Stellant Capital Advisory Services Private Limited (Refer note 3 below)	India	Merchant banker	100.00%	100.00%	-
Religare Health Trust Trustee Manager Pte Limited (Refer note 4 below)	Singapore	Managing RHT Health Trust	100.00%	100.00%	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

			Proportion of ownership interest/ voting power held by Group		
Name of the Group Company	**Place of incorporation and principal place of business**	**Principal activity**	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Fortis Health Staff Limited (FHSL) (Refer note 4(e) above)	India	Operates a network of Heart Command centers	29.00%	29.00%	29.00%
SRL Limited	India	Operates a network of diagnostics centers	56.54%	57.80%	54.64%
SRL Diagnostics Private Limited	India	Operates a network of diagnostics centers	56.54%	57.80%	54.64%
SRL Reach Limited	India	Operates a network of diagnostics centers	56.54%	57.80%	-
SRL Diagnostics FZ-LLC (formerly known as Super Religare Laboratories International FZ LLC) (Refer note 7 below)	UAE	Operates a network of diagnostics centers	56.54%	100.00%	100.00%
Fortis Healthcare International Pte Limited (FHIPL)	Singapore	Investment Company	100.00%	100.00%	100.00%
Fortis Healthcare Singapore Pte Ltd (Refer note 7 below)	Singapore	Operates a hospital	-	-	100.00%
Radlink-Asia Pte Limited (Radlink)	Singapore	Operates a network of diagnostics centers	-	-	100.00%
Drs Thompson & Thompson (Radlink Medicare) Pte Limited	Singapore	Investment Company	-	-	85.00%
Radlink Medicare Pte Limited	Singapore	Investment Company	-	-	100.00%
Radlink Medicare (Bishan) Pte Limited	Singapore	Provides healthcare services	-	-	70.00%
Radlink Medicare (Woodlands) Pte Limited	Singapore	Non operational	-	-	70.00%
Radlink Medicare (Tampines) Pte Limited	Singapore	Provides healthcare services	-	-	100.00%
Radlink Medicare (Jurong East) Pte Limited	Singapore	Provides healthcare services	-	-	100.00%

			Proportion of ownership interest/ voting power held by Group		
Name of the Group Company	**Place of incorporation and principal place of business**	**Principal activity**	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Clinic 1866 Pte Limited	Singapore	Non operational	-	-	100.00%
Radlink Diagnostic Imaging (s) Pte Limited	Singapore	Operates a diagnostics center	-	-	100.00%
Drs Lim Hoe & Wong Radiology Pte limited	Singapore	Operates a diagnostics center	-	-	100.00%
Healthcare Diagnostic Services Pte Limited	Singapore	Non operational	-	-	100.00%
Radlink Women & Fetal Imaging Centre Pte Limited	Singapore	Operates a diagnostics center	-	-	100.00%
Radlink Pet & Cardiac Imaging Centre Pte Limited	Singapore	Operates a diagnostics center	-	-	100.00%
Singapore Radiopharmaceutic Als Pte Limited	Singapore	Provides healthcare services	-	-	100.00%
Singapore Molecular Therapy Centre Pte Limited	Singapore	Non operational	-	-	100.00%
Healthcare Clinic and Surgery Pte. Limited	Singapore	Non operational	-	-	100.00%
Mena Healthcare Investment Company Limited	British Virgin Islands	Investment Company	82.54%	82.54%	82.54%
Medical Management Company Limited	British Virgin Islands	Operates a clinic	82.54%	82.54%	82.54%
Fortis Healthcare Middle East LLC (Refer note 5 below)	United Arab Emirates	Investment Company	49.00%	49.00%	49.00%
b) Associates					
Sunrise Medicare Private Limited	India	Provides healthcare consultancy services	31.26%	31.26%	31.26%
Medical and Surgical Centre Limited	Mauritius	Operates a multi-specialty hospital	28.89%	28.89%	28.89%
Fortis Medicare International Limited	Mauritius	Investment company	49.00%	49.00%	49.00%
Lanka Hospitals Corporation Plc	Sri Lanka	Operates a multi-specialty hospital	28.60%	28.60%	28.60%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

			Proportion of ownership interest/ voting power held by Group		
Name of the Group Company	**Place of incorporation and principal place of business**	**Principal activity**	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Town Hall Clinic	Singapore	Operates a multi-specialty hospital	-	-	25.50%
International Hospital Limited (IHL)	India	Operates Clinical establishment	29.86%	28.88%	28.00%
Escorts Heart and Super Speciality Hospital Limited (EHSSHL)	India	Operates Clinical establishment	29.86%	28.88%	28.00%
Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL)	Singapore	Investment holding company	29.86%	28.88%	28.00%
Hospitalia Eastern Private Limited (HEPL)	India	Operates Clinical establishment	29.86%	28.88%	28.00%
Religare Health Trust (RHT)	Singapore	Investment holding company	29.86%	28.88%	28.00%
Fortis Health Management Limited (FHML)	India	Operates Clinical establishment	29.86%	28.88%	28.00%
c) Joint Ventures					
Fortis Cauvery (Partnership firm)	India	Operates a hospital	51.00%	51.00%	51.00%
Fortis C-Doc Healthcare Limited (C-Doc) (Refer 4(d) note above)	India	Operates a hospital	60.00%	60.00%	60.00%
DDRC SRL Diagnostics Services Private Limited (DDRC)	India	Operates a network of diagnostics centers	50.00%	50.00%	50.00%
Super Religare Reference Laboratories (Nepal) Private Limited (SRRLPL)	Nepal	Operates a network of diagnostics centers	50.00%	50.00%	50.00%

Notes:-

1. During the year ended 31 March, 2012, the Company entered into Share Purchase Agreement with Fortis Health Management Limited (FHML), subsidiary of RHT Health Trust on January, 9 2012, pursuant to which FHML acquired 49% interest held by the Company in Fortis Hospotel Limited (FHTL) at an aggregate consideration of ₹ 37,728.39 lacs. FHTL is the owner of Clinical Establishment at Shalimar Bagh and Gurugram.

Escorts Heart Institute and Research Centre Limited ('EHIRCL') also issued 401,769 Compulsorily Convertible Preference Shares ('CCPS') of face value of ₹ 10 each at a premium of ₹ 7,456.98 per CCPS to Kanishka Healthcare Limited ('KHL') with a maturity period of 15 years aggregating to ₹ 30,000 lacs (CCPS subscription amount) on September 16, 2027. The holder of the CCPS is entitled to receive, only out of legal funds available for the repayment of dividends, dividends in respect of the par value of the invested CCPS at a per annum rate of 0.01%. Subsequently, KHL merged with International Hospitals Limited ('IHL'), subsidiary of RHT Health Trust.

Further, FHML on September 17, 2012 entered into Shareholders' Agreement with the Company, pursuant to which FHML had a call option over the Company's 51% interest in FHTL ("FHTL Call Option") at a determined call option price of ₹ 30,000 lacs, subject to applicable laws including fulfilment of certain conditions and receipt of necessary approvals from all third parties. Per Shareholders' Agreement, FHML also had the right to appoint 50% of the directors of FHTL, including the Chairman of the Board of Directors who had the casting vote in case of deadlock on any matter, on all financial and operating policies of the FHTL, brought to the Board of Directors for its approval. Additionally, the Company had assigned its right to receive dividends from FHTL in favour of FHML. The Management thereafter concluded that it does not exercises any control to direct relevant activities of FHTL and does not have any economic interest therefore, deconsolidated FHTL from the Group.

FHML also had a put option on its 49% interest in FHTL ("FHTL Put Option"), exercisable if FHML was unable to acquire 100% of the issued and paid-up share capital of FHTL within 5 years from the date of transfer of the 49% shareholding of FHTL by the Company to FHML, for any reason outside the control of FHML. The put option could have been exercised at a price that is equal to the fair market value of Put Securities on the date of exercise of put option, determined on a discounted cash flow basis.

Key terms of CCPS agreement are:

a) CCPS Put Option – IHL is entitled to exercise an unconditional and irrevocable right to require the Company or its nominee to buy all of CCPS held by IHL in EHIRCL upon occurrence of IHL having exercised FHTL Put Option or FHTL Call Option under shareholders agreement entered between the Company, FHTL and FHML. The considerations payable by the Company to IHL is as follows :-

- In case of FHTL call option - the Company is required to pay call option price determined at ₹ 30,000 Lacs, subject to compliance with the applicable law.
- In case of FHTL put option - the Company is required to purchase, subject to due compliance with law, all CCPS at consideration equal to IHL's contribution along with coupon rate agreed.

b) CCPS Call Option - If IHL becomes entitled to exercise the CCPS Put Option, but does not exercise the CCPS Put Option within 90 business days thereof, then the Company shall at any time after the expiry of such 90 business days, be entitled to require IHL to sell all of the CCPS to the Company for a consideration equal to the CCPS Subscription amount along with the coupon of 0.01% accrued thereon as of such date.

In accordance with Ind AS 109, the Company's 51% interest in FHTL has been recognized at ₹ 30,000 lacs as receivable from associate company, in the opening Balance Sheet prepared under Ind AS, being the amount committed to be provided to the Company on transfer of legal right in FHTL on receipt of regulatory approval, which as per Management was more likely to receive being prefunctionary in nature. The amount was earlier recognised at ₹ 20,739.71 lacs (at derived cost) under the previous GAAP.

During the previous year ended 31 March, 2016, the Board of directors approved the acquisition of 51% economic interest in FHTL, basis which the Management classified the amounts recorded in the financial statement as non-current as at 31 March, 2016.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

During the current year ended 31 March, 2017, the Company completed the acquisition of 51% economic interest in FHTL by way of acquiring 51% of the compulsorily convertible debentures (CCDs) from Fortis Global Healthcare Infrastructure Pte Ltd (FGHIPL)-a subsidiary of RHT Health Trust (RHT) for an aggregate consideration of ₹ 110,093 lacs on 13 October, 2016. As per the Amended and Restated Shareholders Agreement ('SHA') signed between FHML, effective on completion of acquisition of CCDs, the Company has the right to appoint majority of the non-independent directors of FHTL, including the Chairman of the Board of Directors of FHTL who has casting vote in case of deadlock in relation to any matter at a meeting of the Board of Directors. The Management has concluded that it has obtained control over FHTL, as it now has control to direct relevant activities and therefore consolidated FHTL in the Group w.e.f. 13 October, 2016.

Fortis Hospitals Limited, subsidiary of FHL, acquired EHIRCL CCPS from IHL for an aggregate consideration of ₹ 35,669 lacs on October 13, 2016.

The carrying value of the receivable on transfer of legal right, along with the consideration paid for acquiring CCD's has been considered as cost of investment in the FHTL, now a subsidiary of the Group.

2. During the year ended March 31, 2015, the Company incorporated 'Fortis Charitable Trust', a non-profit Company under section 8 of the Companies Act, 2013 for carrying out Corporate Social Responsibilities ('CSR') of the Group. Since the objective of control over the entity by the Group is not to obtain economic benefits from its activities, it is not considered for preparation of consolidated financial statement of the Group.

3. During the previous year ended March 31, 2016, Fortis Hospitals Limited, a wholly owned subsidiary of the Company has acquired 100% stake in Stellant Capital Advisory Services Private Limited on November 3, 2015, thus effective November 3, 2015 it has become wholly owned subsidiary of the Company.

4. During the previous year ended March 31, 2016, Stellant Capital Advisory Services Private Limited, a wholly owned subsidiary of the Fortis Hospitals Limited has acquired 100% stake in Religare Health Trust Trustee Manager Pte Limited on February 3, 2016, thus effective February 3, 2016 it has become wholly owned subsidiary of the Company.

5. The Group owns 49% equity shares of Fortis Healthcare Middle East LLC. However, based on the contractual arrangement between the Group and other shareholder, the Group has the power to manage the firm technically, financially and administratively to any or all of its Board of Directors and the Management of Fortis Healthcare Middle East LLC is under the exclusive control of the Group. Therefore, the Directors of the Group concluded that the Group has control over Fortis Healthcare Middle East LLC and it is consolidated in these financial statements.

6. During the current year ended March 31, 2017, Fortis Hospitals Limited, a wholly owned subsidiary of the Company has acquired additional 12% stake in Fortis Health Management (East) Limited and it has become wholly owned subsidiary of the Company.

7. During the current year ended March 31, 2017, Fortis Healthcare International Pte Limited, a wholly owned step down subsidiary of the Company has sold its investment in SRL Diagnostics FZ-LLC to SRL Limited, a subsidiary of the Company. After this transaction SRL Diagnostics FZ-LLC becomes wholly owned subsidiary of SRL Limited.

8. Segment Reporting

Business Segments:

The Group is primarily engaged in the business of healthcare services, which in the opinion of management is considered to be the only reportable business segment as per Ind AS 108 on 'Operating Segments'.

Geographical segments:

The Group operates in the business segment explained above in two principal geographical areas, geographical segments being classified as secondary segment. In India, its home country, the group focuses largely on healthcare services. Additionally, the Group's operations 'Outside India' are now mostly focusing on South East Asia and Middle East. The Group primarily operates in Singapore and Mauritius

Sales by market- Revenue from external customers by location of customers

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

(₹ in lacs)

Region	Year Ended	
	March 31, 2017	March 31, 2016
India	447,788.02	414,706.72
Outside India	9,583.44	5,181.66
Total	**457,371.46**	**419,888.38**

Carrying value of Assets and additions to tangible and intangible fixed assets- by location of assets

The following table shows the carrying amount of segment assets and additions to tangible and intangible fixed assets by geographical area in which the assets are located:

(₹ in lacs)

Region	Carrying amount of Segment assets		Additions to Tangible & Intangible assets	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
India	818,875.37	585,673.76	27,534.10	185,758.46
Outside India	152,826.51	138,230.83	161.62	212.00
Total	**971,701.88**	**723,904.59**	**27,695.72**	**185,970.46**

9. Related party disclosures

Names of Related parties and names of related party relationship

Nature	Company
Ultimate Holding Company	RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited)
Holding Company	Fortis Healthcare Holdings Private Limited (FHHPL)
Fellow Subsidiaries (parties with whom transactions have taken place)	RHC Financial Services (Mauritius) Limited
	Fortis Healthcare Global Pte Limited
	Escorts Heart Centre Limited
	RWL Healthworld Limited (formerly known as Religare Wellness Limited)
	Fortis Hospital Management Limited
	Medsource Healthcare Private Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Nature	Company
Associates	Medical and Surgical Centre Limited
	Fortis Medicare International Limited
	Sunrise Medicare Private Limited
	Fortis Hospotel Limited [refer note 7(1) above] (upto October 12, 2016)
	International Hospital Limited* (IHL)
	Lanka Hospitals Corporation Plc
	Town Hall Clinic Pte Limited
	Escorts Heart and Super Speciality Hospital Limited (EHSSHL)
	Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL)
	Hospitalia Eastern Private Limited (HEPL)
	RHT Health Trust (Formerly known as Religare Health Trust) (RHT)
	Fortis Health Management Limited (FHML)
Joint Ventures	DDRC SRL Diagnostics Services Private Limited
	SRL Diagnostics (Nepal) Private Limited (formerly known as Super Religare Reference Laboratories (Nepal) Private Limited)
	Fortis C-Doc Healthcare Limited (C-Doc)
	Fortis Cauvery
Key Management Personnel ('KMP') and their Relatives	Mr. Malvinder Mohan Singh - Executive Chairman at FHL
	Mr. Shivinder Mohan Singh - Executive Vice Chairman at FHL
	Mr. Ashish Bhatia - Wholetime Director at FHsL
	Dr. Lakshminarayana Raju - Wholetime Director at LHPL
	Dr. Mohan Keshavamurthy - Wholetime Director at LHPL
	Mr. Karthik Rajagopal - Wholetime Director at LHPL
	Mr. Venkatramana Raju- relative of Dr. Lakshminarayana Raju
	Mr. Venkatakrishna Raju- relative of Dr. Lakshminarayana Raju
	Dr. Seetha Beladevi- relative of Dr. Mohan Keshavamurthy
	Dr. Sanjeev K. Chaudhry- Managing Director at SRL
	Mr. Sanjeev Vashishta- Chief Executive Officer of SRL
	Ms. Nagarathan- relative of KMP
	Mr. Raghunath P - Whole time Director at FMHL (upto September 30, 2016)
	Mr. Meghraj Gore - Whole time Director at FMHL (w.e.f. October 1, 2016)
	Dr. Chandrasekhar G .R.- Partner in Fortis Cauvery
	Dr. Sarla Chandrasekhar- Partner in Fortis Cauvery
	Additional related parties as per Companies Act, 2013
	Mr. Gagandeep Singh Bedi - Chief Financial Officer at FHL
	Mr. Bhavdeep Singh - Chief Executive Officer (w.e.f. July 24, 2015)
	Mr. Rahul Ranjan - Company Secretary at FHL

Nature	Company
	Mr. Akshaya Kumar Singh- Chief Financial Officer at FMHL (Upto February 27, 2017)
	Mr. Sumit Goel- Company Secretary at FMHL (Upto May 1, 2017)
	Mr. Rakesh Laddha- Chief Financial Officer at FHsL (w.e.f. August 14, 2014)
	Ms. Meetu Gulati- Company Secretary at FHsL (w.e.f. August 29, 2013)
	Mr. Saurabh Chadha - Chief Financial Officer at SRL
	Mr. Ravi Batra (KMP)- Company Secretary at SRL (w.e.f. November 1, 2015)
	Mr. Lalit Yadav (KMP)- Company Secretary at SRL Diagnostics Private Limited
	Dr. Brian William Tempest - Non-Executive Director
	Mr. Harpal Singh - Non-Executive Director
	Ms. Joji Sekhon Gill - Non-Executive Director
	Ms. Lynette Joy Hepburn Brown - Non-Executive Director
	Mr. Pradeep Ratilal Raniga - Non-Executive Director
	Dr. Preetinder Singh Joshi - Non-Executive Director
	Mr. Ravi Umesh Mehrotra - Non-Executive Director (w.e.f. March 26, 2015)
	Ms. Shradha Suri Marwah - Non-Executive Director (w.e.f. March 26, 2015)
	Mr. Sunil Godhwani - Non-Executive Director
	Mr. Udai Dhawan - Non-Executive Director
Enterprises owned or significantly influenced by KMP or their Relatives	Aarushi Lithotripsy Private Limited
	AEGON Religare Life Insurance Company Limited
	Balaji School of Nursing
	Bar Chem
	Cauvery Hospital
	Chethana Foundation
	Dion Global Solutions Limited
	Dr. Chandrashekar Foundation
	Fortis Clinical Research Limited
	Fortis Healthcare Global II Pte Limited
	Fortis Nursing and Education Society
	Fortis RM Pharma
	Hale & Tempest Company Limited
	Indira Priyadarshani School of Nursing
	Krishna Institute of Medical Sciences Limited
	Ligare Aviation Limited (formerly known as Religare Aviation Limited)
	Spectrum Voyages Private Limited (formerly known as Ligare Travels Limited)
	Quality Healthcare Medical Services Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Nature	Company
	R. M. Educational Trust
	Ranibennur College of Nursing
	Religare Capital Market Limited
	Religare Finvest Limited
	Religare Health Insurance Company Limited
	Religare Technova IT Services Limited
	Religare Wealth Management Limited
	RMCRS Health Management Limited
	Srinivasa Education Society

The schedule of Related Party Transactions and closing balances are as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals, Rental and Pharmacy income)		
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	171.81	118.35
Fortis Charitable Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	29.64	123.12
Fortis Health Management Limited (Associate)	147.12	130.61
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	24.00
International Hospital Limited (Associate)	118.52	129.71
Medical and Surgical Centre Limited (Associate)	1,045.33	968.88
Religare Health Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	138.04	95.98
Reliant Healthcare Consultancy Private Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	7.12
HealthFore Technologies Limited (formerly Religare Technologies Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	1.19	1.93
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	765.08	499.69
SRL Diagnostic (Nepal) Private limited (Joint Venture)	94.85	66.02
Sunrise Medicare Private Limited (Associate)	-	6.87
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.76	-
Fortis C-DOC Healthcare Limited (Joint Venture)	114.19	121.26
RHT Health Trust (Associate)	5,058.49	654.82

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest income		
Bhavdeep Singh (KMP)	8.46	25.43
International Hospital Limited (Associate)	1,540.52	-
Fortis C-Doc Healthcare Limited (Joint Venture)	134.84	82.92
Fortis Nursing and Education Society (Enterprise owned or significantly influenced by KMP or their relatives)	1.47	-
Dividend Income		
Medical and Surgical Centre Limited (Associate)	217.30	181.93
RHT Health Trust (RHT) (Associate)	36,030.50	7,945.56
Lanka Hospitals Corporate Plc (Associate)	582.54	474.22
Hospital Service Fees		
Fortis Hospotel Limited (Associate) (Up to 12 October, 2016)	12,914.77	23,043.29
International Hospital Limited (Associate)	25,825.38	24,540.67
Fortis Health Management Limited (Associate)	2,003.17	1,884.04
Escorts Heart and Super Speciality Hospital Limited (Associate)	9,764.21	9,726.38
Consultation fees to doctors		
Fortis C-Doc Healthcare Limited (Joint Venture)	104.92	94.68
Purchase of goods/ services		
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	10.43	3.01
Fortis Health Management Limited (Associate)	1.27	0.38
Medsource Healthcare Private Limited (Fellow Subsidiary)	2,395.55	1,518.10
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	132.60	431.77
Professional Charges Paid		
RHC Holding Private Limited (Ultimate holding company)	462.70	-
Dr. Mohan Keshavamurthy (KMP)	22.00	22.00
Fortis RM Pharma (Enterprise owned/ significantly influenced by KMP/ their relatives)	12.95	12.95
Loans/ advances received back		
Bhavdeep Singh(KMP)	430.18	-
License user agreement fees		
RHC Holding Private Limited (Ultimate holding company)	333.46	206.83
Communication Expense		
Healthfore Technologies Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	2.58	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rent Expenses		
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	407.90	391.82
Chethana Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	20.69	20.51
Escorts Heart Centre Limited (Enterprise owned or significantly influenced by KMP or their relatives)	76.72	-
Travel and conveyance		
Spectrum Voyages Private Limited (formerly known as Ligare Travels Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	93.84	325.68
Ligare Aviation Limited (formerly known as Religare Aviation Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	176.00	201.88
Managerial Remuneration		
Mr. Sanjeev Vashishta (KMP)	49.81	211.81
Dr. Anoop Misra (KMP)	-	132.00
Mr. Shivinder Mohan Singh (KMP)	-	351.33
Dr. Sanjeev K. Chaudhry (KMP)	12.40	148.95
Mr. Malvinder Mohan Singh (KMP)	600.20	157.57
Mr. Gagandeep Singh Bedi (KMP)	240.04	214.35
Mr. Rahul Ranjan (KMP)	49.87	48.68
Mr. Bhavdeep Singh (KMP)	1,680.77	1,115.40
Mr Raghunath P (KMP)	22.66	41.10
Mr. Akshaya Kumar Singh (KMP)	15.62	16.54
Mr. Saurabh Chadha (KMP)	265.29	71.20
Mr. Ravi Batra (KMP)	58.21	50.07
Mr. Lalit Yadav (KMP)	7.05	6.41
Mr. Meghraj Gore	42.24	-
Mr. Rajeev Kumar Dua (KMP)	75.20	-
Mr. Avinash Khaitan (KMP)	50.05	-
Mr. Brij Kishore Kiradoo (KMP)	3.11	-
Dr. Somesh Kumar Mittal (KMP)	81.07	-
As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above. The figures do not include accrual recorded for Employee Share Based Payments.		

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of fixed assets		
HealthFore Technologies Limited (formerly Religare Technologies Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	24.20	413.65
Interest expense		
Fortis Global Healthcare Infrastructure Pte. Ltd. (Associate)	2,955.69	-
RHC Holding Private Limited (Ultimate holding)	23.93	23.93
Sale of fixed assets		
International Hospital Limited (Associate)	-	26.43
Healthfore Technologies Limited (Enterprise owned or significantly influenced by KMP or their relatives)	-	53.54
Loans/advances given		
Hospitalia Eastern Private Limited (Associate)	-	789.66
International Hospital Limited (Associate)	858.98	-
Sunrise Medicare Private Limited (Enterprise owned or significantly influenced by KMP or their relatives)	3.92	-
Fortis C-Doc Healthcare Limited (Joint venture)	360.43	-
Expense incurred on behalf of		
SRL Diagnostics (Nepal) Private Limited (Joint Venture)	8.75	7.34
Escorts Heart Centre Limited (Fellow Subsidiary)	3.62	-
Fortis Emergency Services Limited (Associate)	-	0.34
Fortis Health Management Limited (Associate)	3.01	13.30
Fortis CSR Foundation (Subsidiary)	-	3.57
Fortis Hospotel Limited (Associate up to 12 October, 2016)	-	5.17
International Hospital Limited (Associate)	420.91	330.16
Medical and Surgical Centre Limited (Associate)	7.34	6.27
Hospitalia Eastern Private Limited (Associate)	-	34.89
Religare Capital Markets Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	1.58
DDRC SRL Diagnostics Private Limited (Joint Venture)	-	0.01
Medsource Healthcare Private Limited (Fellow Subsidiary)	2.97	-
Fortis Health Management Limited (Enterprise owned or significantly influenced by KMP or their relatives)	7.18	-
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	14.13	-
Fortis C-Doc Healthcare Limited (Joint Venture)	2.37	-
Fortis Charitable Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	35.90	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Expenses incurred on behalf of Group by		
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	54.64	40.23
Escorts Heart and Super Speciality Hospital Limited (Associate)	1,071.56	1,018.46
Fortis Health Management Limited (Associate)	266.01	307.58
Fortis Hospotel Limited (Associate up to 12 October, 2016)	-	1,234.04
Fortis Charitable Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	133.69	180.37
Hale & Tempest Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	18.44	14.10
International Hospital Limited (Associate)	1,749.63	1,405.71
SRL Diagnostic (Nepal) Private limited (Joint Venture)	5.34	5.69
RHC Holding Private Limited (Ultimate holding)	34.74	-
Fortis C-Doc Healthcare Limited(Joint Venture)	3.73	-
Collection on behalf of related party		
Fortis Health Management Limited (Associate)	3.06	9.01
International Hospital Limited (Associate)	0.23	3.65
Fortis Charitable Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	10.66	-
Fortis C-Doc Healthcare Limited(Joint Venture)	6.34	-
Collection on behalf of Group by related party		
Fortis Hospotel Limited (Associate up to 12 October, 2016)	-	1.86
Escorts Heart Centre Limited (Fellow Subsidiary)	-	0.58
International Hospital Limited (Associate)	328.34	537.68
Director Sitting Fees		
Brian William Tempest (KMP)	24.28	18.93
Harpal Singh (KMP)	20.68	11.86
Joji Sekhon Gill (KMP)	9.19	7.23
Pradeep Ratilal Raniga (KMP)	11.49	9.29
Preetinder Singh Joshi (KMP)	14.94	12.89
Sunil Godhwani (KMP)	2.29	4.13
Udai Dhawan (KMP)	-	5.15
Lynette Joy Hepburn Brown (KMP)	12.64	10.32
Ravi Umesh Mehrotra (KMP)	6.90	6.19
Shradha Suri Marwah (KMP)	10.34	7.22
Shivinder Mohan Singh (KMP)	8.05	2.07
Purchase of CCPS of EHIRCL		
International Hospital Limited (Associate)	35,669.00	-
Purchase of Compulsory Convertible Debentures of FHTL		
Fortis Global Healthcare Infrastructure Pte. Ltd. (associate)	109,998.41	-

Balance Outstanding at the year end

(₹ in lacs)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Loans/Advance Recoverable			
Balaji School of Nursing (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	0.44
Dion Global Solutions Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.93	0.93	0.93
Escorts Heart Centre Limited (Fellow Subsidiary)	-	6.52	-
Escorts Heart and Super Speciality Hospital Limited (Associate)	34.64	227.00	-
Fortis Nursing and Education Society (Enterprise owned or significantly influenced by KMP or their relatives)	6.76	235.07	-
Fortis Health Management Limited (Associate)	54.57	5.85	35.63
Fortis Hospital Management Limited (Fellow Subsidiary)	142.42	160.09	171.65
Hospitalia Eastern Private Limited (Associate)	1,696.21	1,522.71	773.00
Fortis Medicare International Limited (Associate)	99.89	104.85	101.26
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	1.80
International Hospital Limited (Associate)	471.67	489.38	662.86
R.M. Educational Trust (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	1.25
Ranibennur College of Nursing (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	1.05
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	301.43	98.34	0.85
RMCRS Health Management Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	24.41
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	70.14	70.14	70.14
Fortis C-Doc Healthcare Limited (Joint Venture)	1,283.03	851.15	-
Srinivasa Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	2.36
Sunrise Medicare Private Limited (Associate)	-	-	3.92
Fortis Hospotel Limited (Associate up to 12 October, 2016)	-	-	38.52
Bhavdeep Singh (KMP)	-	430.18	-
Unsecured Loans			
Fortis Healthcare Holdings Private Limited (Holding company)	-	-	341.50
Fortis Medicare International Limited (Associate)	144.33	214.21	199.82
RHC Holding Private Limited (Ultimate holding)	959.50	959.50	794.50

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Compulsory Convertible Debentures of FHTL			
Fortis Global Healthcare Infrastructure Pte. Ltd. (Associate)	44,486.91	-	
Receivable on transfer of legal right for FHTL			
RHT Health Trust (Associate)	-	30,000.00	30,000.00
Investments			
Sunrise Medicare Private Limited (Associate)	0.31	0.31	0.31
Lanka Hospitals Corporation Plc (Associate)	19,762.82	19,762.82	19,762.82
Medical and Surgical Centre Limited (Associate)	1,312.69	1,312.69	1,312.69
RHT Health Trust (Associate)	62,342.68	62,342.68	57,904.71
Fortis CSR Foundation (Subsidiary Company)	-	5.00	5.00
International Hospital Limited (Associate)	46,717.04	-	-
Town Hall Clinic(Associate)	-	-	112.50
Fortis Medicare International Limited (Associate)	4.75	-	-
Trade Receivables			
AEGON Religare Life Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	0.07
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	8.16	15.16	24.01
Fortis Clinical Research Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	0.06
Fortis Health Management Limited (Associate)	57.67	15.41	21.86
International Hospital Limited (Associate)	25.47	24.46	26.16
Medical and Surgical Centre Limited (Associate)	321.35	321.35	162.11
Religare Capital Market Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	1.86
Religare Health Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	51.13	54.75	23.40
Religare Wealth Management Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	0.03	0.03
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	204.12	92.64	189.08
SRL Diagnostic (Nepal) Private limited (Joint Venture)	58.48	7.81	14.59
Sunrise Medicare Private Limited (Associate)	-	12.89	11.23
Fortis Charitable Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	18.81	-	-
HealthFore Technologies Limited (formerly Religare Technologies Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.84	-	-
Fortis C-Doc Healthcare Limited (Joint Venture)	115.73	162.08	-
Mena Healthcare Investment Company Limited	226.27	-	-

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
RHT Health Trust (Associate)	505.54	1,246.07	-
Trade Payables and Other Liabilities			
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	21.58	28.19	2.54
Fortis Charitable Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.60	1.55	-
Escorts Heart and Super Speciality Hospital Limited (Associate)	1,348.02	610.75	1,916.58
HealthFore Technologies Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	62.77	0.10	-
Fortis Health Management Limited (Associate)	49.18	577.41	323.15
Fortis Hospotel Limited (Associate up to 12 October, 2016)	-	6,454.36	4,606.74
Fortis RM Pharma (Enterprise owned/ significantly influenced by KMP/ their relatives)	0.88	0.88	1.89
International Hospital Limited (Associate)	2,562.70	2,529.63	4,314.48
Hale & Tempest Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	-	1.30
Fortis Global Healthcare Infrastructure Pte. Ltd. (Associate)	24.61	-	-
Ligare Travels Limited (formerly known as Religare Travels (India) Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	9.73	6.54	18.61
SRL Diagnostic (Nepal) Private limited (Joint Venture)	-	1.22	2.23
Medsource Healthcare Private Limited (Fellow Subsidiary)	224.16	296.28	226.85
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	16.64	137.05	197.37
RHC Holding Private Limited (Ultimate holding)	43.12	21.59	-
Escorts Heart Centre Limited (Associate)	6.52	-	-
Corporate guarantee given for loans availed by			
Fortis C-Doc Healthcare Limited (Joint Venture)	1,031.00	-	-
Interest Accrued but not due on loan & advances			
International Hospital Limited (Associate)	1,352.39	-	-
Fortis C-Doc Healthcare Limited (Joint Venture)	132.15	80.43	-

10. Leases

(a) Assets taken on Finance Lease

The Group has finance leases and hire purchase contracts for various items of plant and machinery and medical equipments. These leases have terms of renewal as agreed between the parties at the option of the Group. There is no escalation clause in the agreement. The total finance charges paid in respect of such

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

leases recognised in the statement of profit and loss during the year is ₹ 382.46 lacs (Previous year ₹ 379.00 lacs). Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

(₹ in lacs)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Not later than one year	380.83	185.02	350.80	192.88	350.80	232.70
Later than one year but not later than five years	1761.12	1,187.30	1,745.81	1,093.48	1657.98	987.06
Later than five years	14,758.19	2,449.41	10,084.86	2,153.70	10,344.13	2,011.67
Total minimum lease payments	**16,900.08**	**3,821.73**	**12,181.47**	**3,440.06**	**12,352.92**	**3,231.44**
Less: amount representing finance charges	(13,078.34)	-	(8,741.42)	-	(9,121.48)	-
Present value of minimum lease payments	**3,821.74**	**3,821.73**	**3,440.05**	**3,440.06**	**3,231.44**	**3,231.44**
Current	-	**185.02**	-	**192.88**	-	**232.70**
Non-current	-	**3636.72**	-	**3,247.18**	-	**2,998.74**

(b) Assets taken on Operating Lease

In respect of the Group, hospital/ office premises and certain medical equipments are obtained on operating lease. The leases are both cancellable and non- cancellable in nature and the total lease payments in respect of such leases recognised in the statement of profit and loss for the year are ₹ 9,038.10 lacs (Previous year ₹ 10,828.95 lacs) and capitalised during the year ₹ 59.47 lacs (Previous year ₹ 1,284.78 lacs). The total future minimum lease payments under the non-cancellable operating leases are as under:

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Minimum lease payments :			
Not later than one year	3,914.44	4674.99	4868.78
Later than one year but not later than five years	12915.86	13691.39	11439.26
Later than five years	8317.74	10259.84	10374.10

(c) Hospital and Medical Service Agreeement

The Group has entered into individual Hospital and Medical Service Agreement (HMSA) with RHT Health Trust (formerly known as Religare Health Trust Group of companies (RHT)) wherein the RHT provides and maintains the clinical establishments along with other service like out-patient diagnostics and radio diagnostic to the company the term of individual HMSA is 15 year and the Group is required to pay a composite service fee i.e. base and variable fee. The base fee is fixed at the beginning of each year and increase 3% year on year. The variable fee is based on a percentage of company's net operating revenue in accordance with the HMSA. The agreements have a lock-in period of 15 years from the start date.

The total of future minimum Hospital and Medical Service fees payable in form of the base fees is as under:

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Minimum lease payments :			
Not later than one year	22,873.62	22,207.40	21,560.58
Later than one year but not later than five years	98,565.54	95,694.70	92,907.48
Later than five years	140,781.44	166,525.74	191,520.36

(d) Assets given on Operating Lease

i) The Group has sub-leased some portion of hospital premises and certain medical equipments. In all the cases, the agreements are renewable at the option of the respective group company. The total lease income received / receivable in respect of the above leases recognised in the consolidated statement of profit and loss for the year are ₹ 829.75 lacs (Previous year ₹ 352.69 lacs).

ii) The Company and one of its subsidiary has leased out certain capital assets on operating lease to Trusts managing hospital operations. The lease terms are for 3 years and thereafter renewable at the option of the Company and its subsidiary. The lease arrangement is non-cancellable in nature. Details of such capital assets given on non-cancellable operating lease are disclosed as under:

(₹ in lacs)

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Buildings	323.73	45.76	277.98	184.99	26.15	158.84	-	-	-
Plant & Machinery	96.66	96.66	-	96.66	96.66	-	96.66	96.66	-
Medical Equipments	5,154.46	2,461.36	2,693.10	5,298.55	2,386.20	2,912.35	4,887.89	2,042.60	2,845.29
Furniture & Fittings	161.21	147.04	14.17	161.21	133.85	27.36	177.73	134.91	42.82
Computers	99.28	99.28	-	99.28	99.28	-	120.69	120.62	0.07
Office Equipments	26.58	25.25	1.33	27.19	24.70	2.49	33.16	29.52	3.64
Vehicles	36.69	30.74	5.95	36.69	28.69	8.00	48.70	26.99	21.71
Total	5,898.62	2,906.09	2,992.53	5,904.58	2,795.53	3,109.04	5,364.83	2,451.30	2,913.53

The total lease payments received in respect of such leases recognised in the consolidated statement of profit and loss for the year are ₹ 953.37 lacs (Previous year ₹ 1,324.77 lacs). The total of future minimum lease income receivable under the non-cancellable operating leases is as under:

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Minimum lease payments:			
Not later than one year	791.35	1,303.50	498.22
Later than one year but not later than five years	293.64	1,606.30	425.23
Later than five years	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

11. Borrowings

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
A. Term loan from banks - Secured								
The loan is secured against immovable properties, stocks and book debts of LHPL. The loan is further guaranteed by FHsL.	The loan was repayable over twenty quarterly installments, commencing from November 20, 2011.	Base Rate + 200 bps	-	-	-	170.94	172.92	228.01
The loan is secured by first charge on assets (moveable and immoveable) of the company. It is further secured by Corporate Guarantee issued by the Parent.	Loan amount is repayable in 60 equated monthly equal installments of principal amount.	BR + 175 BPS (floating)	733.33	800.00	1,533.33	800.00	2,333.33	800.00
The loan is secured by first charge on assets (moveable and immoveable) of the company. It is further secured by Corporate Guarantee issued by the Parent.	Loan amount is repayable in 60 equated monthly equal installments of principal amount. Interest to be served monthly with monthly rests.	BR + 75 BPS (floating)	1,666.67	500.00	-	-	-	-
The loan is secured by first charge: i. Cash Collateral Account ii. Shares of FAHPL in FHIPLRHT iii. Units held by FHIL iv. Shares Lanka Hospital Corporation Limited held by FHIPL v. Mortgage of the Tong Building Singapore	Repayable by 11 October 2019.	6.50% p.a.	27,428.41	-	-	-	-	-
The loan is secured by first charge: i. Cash Collateral Account ii. Shares of FAHPL in FHIPL iii. RHT Units held by FHIL iv. Shares Lanka Hospital Corporation Limited held by FHIPL v. Mortgage of the Tong Building Singapore	Repayable by 11 October 2017.	6.50% p.a.	-	13,159.73	-	-	-	-

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
The loan is secured by way of first pari passu charge on the moveable fixed assets and current assets of the subsidiary and equitable mortgage of the property of certain hospital those owned by one of subsidiaries of the Company. These loans are further secured by Corporate Guarantee issued by Fortis Healthcare Limited.	Term Loan is repayable in 18 structured quarterly installments within a period of 60 months with repayment being start after 6 months from the date of disbursement (i.e. moratorium period of 6 months).	Base Rate (BR)+1.25%	7,500.50	3,549.69	8,743.94	2,992.36	10,422.57	2,077.43
The loan is secured by way of a first charge on the laboratories equipments, which have been purchased against these loans.	Loan amount was repayable in 57 monthly equal installments with moratorium period of three months commencing from March 1, 2012.	12.25% p.a.	-	-	-	92.75	93.32	130.10
The loan is secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of english morgage over the property.	Loan amount was repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., December 27, 2013. 80% of total loan of Rs 500,000,000 taken from GE Capital Services India had transferred to Abu Dhabi Commercial Bank Ltd. by way of assignment agreement dated December 10, 2013.	11.25% (State Bank of India BR + 1.25%)	-	-	-	2,285.71	2,285.72	761.90
The loan is secured by way of a first charge on the movable and immovable assets which have been purchased against these loans.	Loan amount was repayable in 8 quarterly equal installments commencing from October 01, 2013.	12.25% (BR + 2.25%)	-	-	-	-	-	500.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
The loan is secured by first pari passu charge over movable assets and the second pari passu charge over the current assets of the EHIRCL. Same is further secured by irrevocable and unconditional corporate guarantee from the company.	The above term loan is to mature on March 27, 2019. The loan is repayable in 18 quarterly installments beginning at the end of seven quarters (December 31, 2014) from first draw down date i.e. March 28, 2013.	11.5% p.a.	1,576.84	1,200.00	2,739.01	1,200.00	3,931.66	600.00
The Loan has first and exclusive charge on the fixed assets purchased.	The Loan is repayable in 13 structured quarterly installments beginning from first draw down date.	HDFC MCLR+ 0.65% per annum	1,667.07	526.18	-	-	-	-
The loan is secured by a first pari passu charge by way of hypothecation of the Company's movable fixed assets.	The rate of interest is Base Rate plus 0.85% per annum, payable monthly. Loan amount is repayable in 52 monthly installments commencing from October 1, 2015.	Base Rate + 0.85 BPS	3,487.76	1,835.66	5,323.43	1,547.20	-	-
Term loan from Yes Bank has been taken in financial year 2016-17 for purchase of various medical equipments and is secured by hypothecation on invoices & insurance copies of that medical equipments.	The loan is repayable in 26 structured quarterly instalments, after a moratorium period of 180 days from the date of disbursement to the Company.	MCLR + 0.50%	1,496.45	124.70	-	-	-	-

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
The loan is secured by first pari-passu charge by way of hypothecation on moveable fixed assets (present & future). Also secured by first charge over interest/dividend/cash flows arising from CCD (Compulsorily Convertible Debentures).	The loan is repayable in 16 equal quarterly instalments, after a moratorium period of 12 months from the date of disbursement to the Company. As at March 31, 2017	The rate of interest is 10% per annum (Floating) linked to RBL Bank's 1 year MCLR.	9,835.82	-	-	-	-	-
Term loan of ₹ 15,000 lacs have been taken in two Tranches from ICICI Bank, ₹ 10,300 were received during the year ended March 31, 2013 and rest ₹ 4,700 were received during the year ended on March 31, 2014. The loan is secured by first pari-passu charge over moveable assets upto 1x cover and second pari-passu charge over current assets, exclusive charge over DSRA/Fixed Deposit.	The above term loan is to mature on March 27, 2019. The Loan is repayable in 18 quarterly installments beginning at the end of seven quarters from first draw down date (March 29, 2013) 8% in the 1st year,12% in the 2nd year, 24% in 3rd year, 24% in 4th year and balance 32% in the 5th year.	Base Rate + 1.75%	4,700.43	3,600.00	8,214.28	3,600.00	11,733.41	1,800.00
The loan is secured by: a) Exclusively charge over Ludhiana Hospital (Land and building) spread over 3.5 acres b) Exclusively charge over Vasant Vihar land and building spread over 1,960 sq. yd. c) Corporate guarantee by FHL	The loan is repayable in 20 equal quarterly instalments, after a moratorium period of 24 months from the date of disbursement to the subsidiary.	MCLR + 0.50%	18,386.56	-	-	-	-	-
		Total (A)	**78,479.84**	**25,295.96**	**26,553.99**	**12,688.96**	**30,972.94**	**6,897.44**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
B. Term loan from body corporate - Secured:								
Term loan from L&T Infrastructure Finance Company Limited ("Lender") was taken in financial year 2011-2012 and is secured by a first pari passu charge by way of mortgage of the Company's immovable properties, present and future. Further secured by a first pari passu charge by way of hypothecation of the Company's movable assets, including movable machinery, machinery spares, tools and accessories, present and future. Also, secured by a second pari passu charge by way of hypothecation on the Company's book debts, operating cash flows and the receivables and revenues, current assets commissions and revenues of whatsoever nature and wherever arising, both present and future. Further, there is an exclusive pledge of shareholding of the Company in SRL Limited in favour of the lender, to the extent of at least 2 times of the facility amount, to be maintained at all times during the subsistence of the facility. The rate of interest for each tranche of facility shall be Prime Lending rate less 3.75% per annum, payable monthly.	The loan was repayable in 84 structured monthly instalments, after a moratorium of 12 months from the date of first disbursement to the Company. On July 31, 2013, L&T Infrastructure Finance Company Limited (Lender) assigned ₹ 10,000 lacs to L&T Fincorp Limited out of outstanding amount of ₹ 16,683.33 lacs as on that date. The remaining loan from the lender has been fully repaid during the year 2015-16.	12.25% p.a.	-	-	-	-	6,748.25	1,328.67

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
The loan is secured by exclusive charge by way of hypothecation of the medical equipments, along with all standard accessories.	The loan is repayable in 84 structured monthly installments, after a moratorium period of 30 days from the date of invoice of medical equipments.	7.78% p.a.	923.98	122.70	-	-	-	-
The loan is secured by way of a first charge on the fixed assets, which have been purchased against these loans.	Loan amount was repayable in 60 monthly equal installments along with interest from the date of loan viz., October 5, 2010.	8% p.a.	-	-	-	-	-	173.44
The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan was repayable in 60 monthly installments of ₹ 9.08 lacs each along with interest from the date of loan viz., December 6, 2010.	9.75% p.a.	-	-	-	-	-	35.85
The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan was repayable in 60 monthly installments of ₹ 10.95 lacs each along with interest from the date of loan viz., June 21, 2011.	9.75% p.a.	-	-	-	15.33	15.33	123.38
The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan was repayable in 48 monthly installments of ₹ 7.36 lacs each along with interest from the date of loan viz., September 28, 2011.	10.25% p.a.	-	-	-	-	-	70.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
The loan is secured by hypothecation of fixed assets of SRDPL.	Loan was taken on January 25, 2012 with moratorium period of 12 months towards repayment of principal and carried interest. The loan was repayable in 17 quarterly installments of ₹ 264.7 lacs each after the moratorium period along with interest.	11.92% p.a.	-	-	-	-	1,058.83	1,058.82
The loan is secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of English mortgage over the property.	The loan was repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., March 26, 2013.	11.50% p.a.	-	-	-	-	5,714.29	1,904.76
The loan is secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of English mortgage over the property.	The loan was repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., March 26, 2013. 80% of total loan of ₹ 5,000.00 lacs taken from GE Capital Services India had been transferred to Abu Dhabi Commercial Bank Limited by way of assignment agreement dated December 10, 2013.	11.50% p.a.	-	-	-	-	571.42	190.48
		Total (B)	**923.98**	**122.70**	**-**	**15.33**	**14,108.12**	**4,885.57**

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
C. Hire purchase loan from bank - Secured:								
The loan is secured against hypothecation of the specific vehicles purchased.	The loan was repayable in monthly equal installments along with interest commencing from date of loan.	8% to 12% p.a.	-	-	-	4.04	4.04	4.38
		Total (C)	**-**	**-**	**-**	**4.04**	**4.04**	**4.38**
D. Finance lease obligation - Secured:								
Loan is secured by Medical Equipment taken on lease.	The loan is repayable over seven years in equated monthly installments.	10.52% p.a.	15.59	22.43	38.23	24.59	61.76	27.29
		Total (D)	**15.59**	**22.43**	**38.23**	**24.59**	**61.76**	**27.29**
E. Deferred payment liabilities - Secured:								
Deferred payment facility was taken in the financial year 2011-2012 and carries interest @ 9% per annum for the first year and SBI base rate + 0.50% for subsequent years. Deferred credit payment facility is secured by first charge by way of hypothecation of specific equipment of the Company.	The loan is repayable in two parts, one is in 20 structured quarterly installments commencing from April 2012 and other one is in 20 structured quarterly installments commencing from May 2013.	9% p.a. for 1st year and SBI base rate + 50 BP for subsequent years	4.91	80.42	81.45	375.90	457.35	419.31
Deferred payment facility has been taken in the current year and is secured by first charge by way of hypothecation of specific equipment of the Company.	The loan is repayable in 60 structured monthly installments commencing from June 2014.	Not Applicable	73.44	58.75	132.18	58.12	190.31	51.91
		Total (E)	**78.35**	**139.17**	**213.63**	**434.02**	**647.66**	**471.22**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
F. Buyers credit facility - Secured:								
Buyer's credit facility from HDFC Bank was taken in the year 2012-13 for finance of various medical equipments to be imported.	It is repayable within 3 years from the date of import of medical equipment.	(3%-3.5%) + 6 months LIBOR	-	86.77	473.53	165.73	642.20	160.73
		Total (F)	**-**	**86.77**	**473.53**	**165.73**	**642.20**	**160.73**
G. 5% Foreign currency convertible bonds - Unsecured:								
The Company had issued 1,000 5% Foreign currency convertible bonds aggregating to US $ 1,000 lacs which were convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) upto May 11, 2015 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (refer note 22).		5% p.a.	-	-	-	-	-	62,335.53
		Total (G)	**-**	**-**	**-**	**-**	**-**	**62,335.53**
H. (4.66% + LIBOR) Foreign currency convertible bonds - Unsecured:								
The Company had issued 150 Foreign currency convertible bonds aggregating to US $ 300 lacs which are convertible at the option of the holder upto US $ 240 lacs of principal amount at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) upto August 1, 2018 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (refer note 23)		4.66% + LIBOR p.a.	-	-	19,632.97	-	18398.69	-
		Total (H)	**-**	**-**	**19,632.97**	**-**	**18398.69**	**-**

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
I. (4.86% + LIBOR) Foreign currency convertible bonds - Unsecured:								
The Company had issued 550 Foreign currency convertible bonds aggregating to US $ 550 lacs which are convertible at the option of International Finance Corporation (the holder) giving 7 days notice to the Company at any time on or after June 07, 2013 up to June 08, 2018 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (refer note 24)		4.86% + LIBOR p.a.	-	-	36,298.23	-	34137.22	-
		Total (I)	**-**	**-**	**36,298.23**	**-**	**34137.22**	**-**
J. Finance lease obligations - Unsecured:								
The lease obligation along with interest was payable in monthly installments of ₹ 2,50,000 each over the period of 12 years		12.50% p.a.	-	-	85.62	18.56	104.16	21.00
Finance lease of land of Shalimar Bagh			425.17	-	-	-	-	-
Loan is secured by exclusive charge on assets (medical equipment) purchased from this loan. Loans are further secured by corporate guarantee issued by Fortis Healthcare Limited.	Loan is repayable in 18 structured quarterly installments within a period of 60 months with repayment being start after 6 months from the date of disbursement (i.e. moratorium period of 3 months).	MCLR + 0.85%	628.55	30.77	624.91	17.20	410.81	36.53
The Company has taken building on financial lease			2,567.41	131.82	2,498.42	132.55	2,422.01	147.89
		Total (J)	**3,621.13**	**162.59**	**3,208.95**	**168.31**	**2936.98**	**205.42**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(I) Long term borrowings including current maturities			March 31, 2017		March 31, 2016		April 1, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non-current	Current	Non-current	Current	Non-current	Current
K. Loan from an associate - Unsecured:								
The loan is repayable to Fortis Medicare International Ltd (Associate) by March 2016.			99.31	-	101.42	-	93.57	-
The loan was repayable to Fortis Global Healthcare Infrastructure Pte. Ltd (Associate) by March 2016.			-	-	-	-	-	24.07
		Total (K)	**99.31**	**-**	**101.42**	**-**	**93.57**	**24.07**
L. Compulsory convertible debentures - Unsecured:								
These Compulsory Convertible Debentures (CCD's) are convertible into 131,026,000 equity shares of the subsidiary at a price of ₹ 32.55 per share. The investor of CCD has a right to convert each CCD into the conversion share at any time on or prior to the maturity date which is 18 (eighteen) years from the date of issuance of the CCDs.		17.50%	44,486.91	-	-	-	-	-
		Total (L)	**44,486.91**	**-**	**-**	**-**	**-**	**-**
M. Deferred payment liabilities - Unsecured:								
Deferred payment facility taken on March 02, 2012 with moratorium period of 9 months towards repayment of loan. The loan was repayable in 27 monthly installments of 4.64 lacs each after the moratorium period along with interest.			-	-	-	-	-	4.60
		Total (M)	**-**	**-**	**-**	**-**	**-**	**4.60**
N. Term loan from ultimate holding company - Unsecured:								
The loan is repayable to RHC Holding Private Limited (Ultimate Holding Company).			165.00	-	165.00	-	165.00	-
		Total (N)	**165.00**	**-**	**165.00**	**-**	**165.00**	**-**
TOTAL (I=A+B+C+D+E+F+G+H+I+J+K+L+M+N)			**127,870.11**	**25,829.61**	**86,685.96**	**13,500.98**	**102,168.17**	**75,016.26**

II. Short term borrowings

(₹ in lacs)

	Security and guarantee details	Repayment terms	Interest rate	March 31, 2017	March 31, 2016	April 1, 2015
O.	**Bank overdrafts - Secured:**					
	Secured against the first charge on current assets of EHIRCL and the second charge on the Corporate Guarantee given by the parent.	Not Applicable	10.25%	1,858.39	1,500.00	-
	The bank overdraft facility limit of ₹ 4,000.00 lacs has been taken from Standard Chartered Bank Limited, secured against the first charges on fixed assets of Mohali & current assets of the Company. The same is repayable on demand.	Not Applicable	Base rate + margin as agreed time to time	570.69	381.87	-
	The bank overdraft is secured by first charge on assets (moveable and immoveable) of the FHTL.	Not Applicable	10.75%	951.59	-	-
	The loan is secured by first charge on assets (moveable and immoveable) of the company. It is further secured by Corporate Guarantee issued by HHPL.	Not Applicable	MCLR + 0.85%	173.05	-	-
	Loan is secured against the first charges on stock, book debts and other current assets of FHsL.	Not Applicable	10.50%	9,957.81	-	-
	Loan is secured against the first charges on moveable fixed assets and current assets of the Company. The facility was further secured by corporate guarantee issued by the parent Company.	Not Applicable	Base Rate+1.90%	4,000.00	-	-
	The bank overdraft facility limit of ₹ 720.00 lacs has been taken from Axis Bank Limited chargeable to interest at base rate + 1.50%, secured against the first charges on current assets of FHsL. The same is repayable on demand	Not Applicable	Rate of interest of 1.50% over base rate	1,706.38	-	0.72
		Total (O)		**19,217.92**	**1,881.87**	**0.72**
P.	**Cash credit from bank - Secured:**					
	The facility is secured by way of first charge on SRL entire current assets. They are further secured by way of a second charge on the SRL's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future.	Not Applicable	12.25%	230.98	1,002.44	770.50

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

	Security and guarantee details	Repayment terms	Interest rate	March 31, 2017	March 31, 2016	April 1, 2015
	The facility was secured by way of first charge on SRL entire current assets. They are further secured by way of a second charge on the SRL's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future.	Not Applicable	12.25%	-	41.65	299.08
		Total (P)		**230.98**	**1,044.09**	**1,069.58**
Q.	**Bill discounting - Secured:**					
	Buyer's credit facility for finance of various medical equipments to be imported.	It is repayable within one year from the date of import of medical equipment.	(3% - 3.5%) + 6 months LIBOR	2,000.00	2,000.00	-
		Total (Q)		**2,000.00**	**2,000.00**	**-**
R.	**Working capital demand loan - secured:**					
	The loan is secured by share pledge of the FHL 51% shareholding in Fortis Hospitals Limited & personal guarantee of Mr. Malvinder Mohan Singh.	Theloanwasrepayable in maximum nine months from the date of disbursement to the company.	Variable	10,000.00	-	-
	The loan is secured by pari passu charge over moveable fixed assets at Mohali hospital and current assets of the company & personal guarantee of Mr. Malvinder Mohan Singh.	The loan is repayable in maximum four months from the date of disbursement.	MCLR plus agreed margin	2,500.00	-	-
		Total (R)		**12,500.00**	**-**	**-**
S.	**Loans from body corporate - secured:**					
	Radiology equipment taken on lease against the assets of the FMHL.	The loan is repayable in 20equal quarterly installments	SBI Base Rate + 0.5%	107.96	-	-
		Total (S)		**107.96**	**-**	**-**

(₹ in lacs)

	Security and guarantee details	Repayment terms	Interest rate	March 31, 2017	March 31, 2016	April 1, 2015
T.	**Loans from banks - Secured:**					
	Repayable with in one year from the date of loan taken.		3.86% to 4.20%	2,375.71	3,307.80	-
	Secured against immoveable property, stocks and book debts of LHPL. The facility was further guaranteed by FHsL.	Not Applicable	Rate of interest of 2.80% over base rate	-	229.05	39.59
		Total (T)		**2,375.71**	**3,536.85**	**39.59**
U.	**Commercial Paper from Bank - Unsecured:**					
	Facility was taken during the current year for 90 days	May 23, 2016	9.30%	-	9,867.99	-
	Facility was taken during the current year for 90 days	May 19, 2016	9.00%	-	9,881.74	-
	Facility was taken during the current year for 90 days	June 12, 2016	10.00%	-	4,902.41	-
	Facility was taken during the current year for 90 days	June 19, 2016	9.75%	-	17,133.73	-
	Facility was taken during the current year for 90 days	April 9, 2017	8.00%	9,980.66	-	-
	Facility was taken during the current year for 90 days	May 17, 2017	9.50%	2,470.12	-	-
	Facility was taken during the current year for 90 days	May 18, 2017	9.50%	2,469.47	-	-
	Facility was taken during the current year for 90 days	May 18, 2017	8.00%	3,463.87	-	-
	Facility was taken during the current year for 90 days	May 25, 2017	9.50%	4,930.03	-	-
	Facility was taken during the current year for 90 days	June 21, 2017	10.00%	4,890.36	-	-
		Total (U)		**28,204.51**	**41,785.87**	-
V.	**Loan from ultimate holding company - Unsecured:**					
	Interest free loan of ₹ 794.50 lacs has been taken from RHC Holding Private Limited during the year ending March 31, 2007. Further loan of ₹ 341.50 lacs was taken during the current year	The loan is repayable on demand.	Nil	794.50	794.50	794.50
		Total (V)		**794.50**	**794.50**	**794.50**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

	Security and guarantee details	Repayment terms	Interest rate	March 31, 2017	March 31, 2016	April 1, 2015
W.	**Loans from body corporate - Unsecured:**					
	Inter Corporate Deposit	Repayable in maximum 181 days from the date of disbursement to the company i.e. 29-Nov-2016	10.25%	2,500.00	-	-
		Total (W)		**2,500.00**	-	-
X.	**Loan from an associate - Unsecured:**					
	Interest free loan has been taken from Fortis Medicare International Limited.	The loan is repayable on demand.	Nil	102.76	112.79	106.25
		Total (X)		**102.76**	**112.79**	**106.25**
Y.	**Loan from holding company - Unsecured:**					
	Loan of ₹ 341.50 lacs has been taken from Fortis Healthcare Holdings Private Limited during the year		14% P.a.	-	-	341.50
		Total (Y)		-	-	**341.50**
	TOTAL (II= O+P+Q+R+S+T+U+V+W+X+Y)			**68,034.35**	**51,155.98**	**2,352.14**

12. Commitments

(₹ in lacs)

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 1,306.96 lacs (as at March 31, 2016 ₹ 2,004.03 lacs and as at April 1, 2015 ₹ 2,966.30 lacs)]	8,511.92	7,420.49	6,676.99

b) For commitments relating to lease and Hospital and Medical Services arrangements, refer note 10(c).

c) For commitment under Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively referred as 'Indemnified parties') with the Company, refer note 30(a).

d) For commitments under Shareholders agreement entered between the Company, FHTL and FHML, refer note 7(1).

e) The Group is obligated to provide exit to investors in SRL Limited, subsidiary company through swap of its shares at fair market value under terms of share purchase agreement for Compulsory Convertible Preference Shares issued by the subsidiary company.

f) Commitments relating to provision for free / subsidised treatment/beds to poor.

g) The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Group 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.

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

13. Contingent Liabilities (not provided for) in respect of :

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01 , 2015
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.	20,278.88	12,476.60	14,490.00
Matters relating to provision of free treatment/beds to poor pending with Directorate of Health Services (Refer Note 14(E) below)	50,336.53	50,336.53	73,266.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01 , 2015
The Company is under litigation with the Income Tax Department against certain income tax demands on account of deduction of tax under section 194J of Income Tax Act, 1961 instead of section 192 on payments made to retainer doctors, u/s 201(1)/201(1A) for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14, thereby raising demands of ₹ Nil (As at March 31, 2016 ₹ Nil and as at March 31, 2015 ₹ 239.92 lacs) , ₹ Nil (As at March 31,2016 ₹ Nil and as at March 31, 2015 ₹ 261.49 lacs), Nil (As at March 31, 2016 Nil and as at March 31, 2015 ₹ 20.87 lacs) and ₹ Nil (As at March 31, 2016 ₹ Nil and as at March 31, 2015 ₹ 23.86 lacs) respectively. Company had filed appeals with the Commissioner of Income Tax (Appeals), Chandigarh which passed order in favour of the Company for all assessment years. Department has filed further appeal to the Income Tax Appellate Tribunal (ITAT) for assessment years 2010-11 and 2011-12, which was decided in favour of the Company.	-	-	501.41
The Commissioner of Service-tax, Chandigarh has passed an Order dated March 14, 2014 under Service-tax Act alleging that assessee is liable to pay service-tax on support services of business or commerce provided to doctors, thereby raising demand of ₹ 215.34 lacs (As at March 31, 2016 ₹ 215.34 lacs and as at March 31, 2015 ₹ 215.34 lacs) and ₹ 50.14 lacs (As at March 31, 2016 ₹ 50.14 lacs and as at March 31, 2015 ₹ 50.14 lacs) for financial years 2007-08 to 2011-12 and 2012-13 respectively. The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Company believes that it has good chance of success in these cases.	265.47	265.47	265.47
In respect of a subsidiary (EHIRCL), Income tax litigations for various years are pending, as further explained in detail in note 15A below. The amount is after adjusting ₹ 12,755.60 lacs (Previous year ₹ 10,973.08 lacs) for which the company has a legal right to claim from erstwhile promoters.	10,213.46	10,973.18	10,059.90
In respect of a subsidiary (EHIRCL), Customs duty/ Penalty for mis declaration of imported goods, case for which was pending with Central Excise and Service Tax Appellate Tribunal [refer note 14(F) below] decided in the favour of the EHIRCL.	-	-	770.27

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01 , 2015
A subsidiary company of the Company (SRL) has received a show cause cum demand notice dated April 20, 2007 for ₹ 81.44 lacs (Previous year March 31, 2016 ₹ 81.44 lacs and ₹ 81.44 lacs) in respect of service tax relating to 'Clinical Trial Studies' rendered during the period from July 2003 to April 2006. The Company has responded to the Directorate General of Central Excise Intelligence, Mumbai on May 8, 2007. In the opinion of the management, the said demand is non-tenable and not likely to devolve on the subsidiary. Accordingly, no provision in respect of the said demand is considered in the books.	81.44	81.44	81.44
A subsidiary of the Company (SRL) is currently under litigation with the Income tax department against certain income tax demands totaling to ₹ 5,105.62 lacs (net of advances) (As at March 31, 2016 ₹ 5,107.36 lacs and as at April 1, 2015 ₹ 5,081.27 lacs (net)) in relation to Assessment years (AY) 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2012-13, 2013-14 and 2014-15. These demands are for non-deduction of withholding taxes on the payments made by the SRL of discounts to its collection centers and certain other miscellaneous matters, raised by the Income Tax department. SRL has deposited ₹ 350.00 lacs against the said demands out of which ₹ 168.14 lacs were refunded during the year ended March 31, 2015. For the AY 2006-07, the Income Tax Appellate Tribunal (ITAT) vide order dated December 16, 2011 had passed an order in favour of SRL against the disallowances of ₹ 158.20 lacs made by CIT (A) (As at March 31, 2016 ₹ 158.20 lacs and as at April 1, 2015 ₹ 158.20 lacs), The department has filed an appeal with Delhi High Court against the order passed by ITAT. For the AY 2007-08, 2008-09, 2009-10 and 2010-11, the management based on its internal evaluation and advice obtained from its tax advisors is of the opinion that the demand is not tenable and does not expect any economic outflow. Accordingly, it has filed an appeal against these orders and has not considered need for any provision for the purpose of preparation of its accounts.	5,105.62	5,107.36	5,081.27

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(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01 , 2015
A subsidiary of the Company (SRL) has received order under section 201(1) and 201(1A) of the Income Tax Act, 1961 from Deputy Commissioner Income Tax (TDS), Mumbai in relation to Assessment Year 2008-09 and 2009-10 aggregating to ₹ 291.19 lacs and ₹ 134.56 lacs respectively primarily on account of mismatch in the online database of tax department with returns/challans filed by the Company. The Company has filed an appeal before Commissioner (Appeals) XIV, Mumbai against the said orders. The CIT(A) has already allowed the appeal in favor of Company. Further the Direction has been issued to the Company to revise the return in co-ordination with assesse officer. The Company is in process of rectifying those demand by revising its return for said period. Based on data available on TRACES as on March 31, 2017 demand of ₹ 109.55 lacs and ₹ 6.89 lacs respectively is outstanding. The Company is of the view that the demand is not tenable as the case has already been allowed in the favour of the Company by CIT (A) and no economic outflow is expected against the same.	116.44	116.44	115.79
The Group has received order under section 201(1) and 201(1A) of the Income Tax Act, 1961 from Income Tax officer (TDS), Mumbai in relation to Assessment Year 2008-09 , 2009-10 aggregating to ₹ 457.04 and ₹ 531.80 for non-deduction of taxes under the provisions of section 194H and section 195. CIT(A) has passed favourable order dated April 11, 2014. The Revenue has filed an appeal against the CIT(A) order vide its acknowledgement dated July 3, 2014. The ITAT has passed the order in favour of Group vide its order dated September 30, 2016. The Group is of the view that the demand is not tenable and no economic outflow is expected against the same.	988.84	988.84	988.84
The Group is under litigation with the Income Tax Department against income tax demand on account of disallowance u/s 14A, disallowance of credit card expenditure, disallowance of foreign travelling expenses and interest income not offered to tax for assessment year 2012-13. Based on management assessment, Group believes that it has good chance of success in this case.	332.08	332.08	332.08

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01 , 2015
Service Tax Department issued notice alleging therein that one of the hospitals of the Group is providing services of infrastructure and administrative support to Vendors and thus, is liable to pay service-tax on amounts retained from doctors' fees for the financial years 2008-09 to 2012-13 The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Group believes that it has good chance of success in these cases.	294.35	294.35	294.35
Bank guarantee given bank guarantee of ₹ 304.80 lacs (pervious year 334.43 lacs)	304.80	334.43	-
Bank guarantee issued by joint venture (DDRC SRL Diagnostics Private Limited) as a security deposit to customer as on March 31, 2017 ₹ 1.33 lacs (Previous year ₹ 1.33 lacs).	1.33	1.33	1.33
A subsidiary (FHsL) has received a demand on account of disallowance of expenditure under Section 14A of the Income Tax Act, 1961 pertaining to assessment year 2012-13. Based on management assessment, the Company believes that it has good chances of success in this case. During the year CIT (A) has decided the case in favour of the FHsL.	-	257.58	257.58
A subsidiary of the Company (FHsL) has received a demand pertaining to financial year 2011-12 raised by Joint Commissioner, Commercial Tax, West Bengal for Value Added Tax (VAT) payable on medicines and foods that are being served to patients. In response to the Assessment Order, FHsL has filed a petition to VAT Tribunal in the month of October 2014. The Tribunal has granted a stay and has ordered to pay ₹ 10 lacs on Ad Hoc basis which will be refunded in case the judgement is in the favour of FHsL. The affidavit in opposition has already been submitted by the West Bengal Sales tax department but the Company is yet to submit its affidavit in reply to the Tribunal. Based on management assessment, FHsL believes that it has good chances of success in these cases.	157.08	157.08	157.08

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(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01 , 2015
A subsidiary of the Company (FHsL) has received a demand from Jaipur Value Added Tax (VAT) department has raised a demand on account of VAT payable on sale of implants to patients used in procedures performed on them and demand on sale of food and beverages sold to admitted patient. The order pertains to financial year 2011-12 and 2012-13. FHsL has filed a Writ petition before Jaipur High Court where Hon'ble court has granted stay on the matter. Based on management assessment, FHsL believes that it has good chances of success in these cases	502.18	502.18	502.18
A subsidiary of the Company (FHsL) was issued a Show cause notice dated 16 December, 2015 raising demand of 582 lacs for the period 2010-11 and 2011-12 alleging that FHsL was engaged in rendition of taxable (healthcare services to employee of any business entity or to a person covered by health insurance scheme) as well as exempted services (other healthcare services) and was liable to reverse CENVAT credit availed as per provisions of Rule 6(3) of the CENVAT Credit Rules, 2004. Further, extended period of limitation was also invoked. FHsL had filed a reply to show cause notice which was adjudicated by Commissioner, Service Tax vide order dated 17 January, 2017 and the demand was made against the Company for ₹ 582.65 lacs Plus penalty of ₹ 582.65 lacs and further penalty of ₹ 0.10 lakhs under provision to Section 77(2) of the Finance Act,1994. The Company has filed an appeal under CESTAT. Based on Management assessment, the Company believes that there are good chances of success in these cases.	1,165.39	-	-
Regular assessment u/s 143(3) of Income Tax Act, 1961 has been completed in respect of the Hiranandani Healthcare Private Limited, a subsidiary of the Group, for the assessment year 2012-13 by the Dy. Commissioner of Income-tax, Circle 15(2)(1), Mumbai vide order dated 26.03.2015 assessing the total income at ₹ 1,946.33 lacs as against loss of ₹ 753.67 lacs declared by the assessee in the return of income. The Assessing Office has made disallowance amounting to ₹ 2,700 lacs and raised a demand of ₹ 831.00 Lacs. The Company has filed an appeal before the Commissioner of Income-tax (Appeals), Mumbai. Based on the Management assessment, the Group believes that is has good chances of success in these cases.	831.00	831.00	-

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01 , 2015
The Excise & Taxation Officer, Mohali passed an order dated October 08, 2013 u/s 29(2) of PVAT there raising a demand of ₹ 141,235,456 (₹ 37,069,675, interest thereon amounting to ₹ 30,024,435 and Penalty amounting to ₹ 74,139,346). A writ filed before the Punjab and Haryana High Court on January 09, 2014. Stay granted and writ was decided in favour of the Company. Department has filed Special Leave Petition before Supreme Court. Based on management assessment, the Company believes that it has good chance of success in this case.	1,412.00	1,412.00	1,412.00
The Excise & Taxation Officer, Mohali passed an order dated August 08, 2013 u/s 29(2) of PVAT there raising a demand of ₹ 220,881,550 (being demand at ₹ 59,617,192, interest thereon amounting to ₹ 42,030,092 & Penalty amounting to ₹ 119,234,304). A writ filed before the Punjab and Haryana High Court on January 09, 2014. Stay granted and writ was decided in favour. Department has filed Special Leave Petition before Supreme Court. Based on management assessment, the Company believes that it has good chance of success in this case. Based on management assessment, the Company believes that it has good chance of success in this case.	2,208.00	2,208.00	2,208.00
The adjudication authority passed order dated January 21, 2014 for payment of RF amounting to ₹ 10.00 lacs and Penalty of ₹ 2.00 lacs. Appeal filed by the assesse before Commissioner of Custom decided in favour on August 01, 2014. Department in appeal before Appellate Tribunal, which is pending disposal. Based on management assessment, the Company believes that it has good chance of success in this case.	12.00	12.00	12.00

14. Critical litigations

In respect of Escorts Heart Institute and Research Centre Limited

A. The Income Tax Authorities carried out a survey on August 21, 2003 (certain statutory records of a subsidiary of the Company (EHIRCL) were impounded, which are still in possession of the Authorities), regarding amalgamation of Escorts Heart Institute and Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society), and later on, registration of the amalgamated Society as a company.

Pursuant to the survey, the Income Tax Authorities have re-opened the assessments of Delhi and Chandigarh Societies. The Assessing Officer, Delhi completed the reopened assessments of the Delhi Society for four assessment years i.e. assessment years 1997-98, 1998-99, 1999-00 and 2000-01 wherein, the exemption availed by the erstwhile Delhi Society by virtue of being an approved scientific research organization had been withdrawn in respect of these years. The past accumulated income up to March 31, 1996 had been brought to tax and the income of the respective years thereafter had been subjected to tax as normal business

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income, hence raising a cumulative demand of ₹ 10,102.04 lacs (as at March 31, 2016 ₹ 10,102.04 lacs and as at April 01, 2015 ₹ 10,102.04 lacs) [including interest of ₹ 6,012.57 lacs (as at March 31, 2016 ₹ 6,012.57 lacs and as at April 01, 2015 ₹ 6,012.57 lacs)].

EHIRCL challenged the reopening of assessment for those assessment years before the Hon'ble High Court of Delhi in a Writ Petition. The Writ Petition for assessment year 1997-98 was decided in favour of EHIRCL vide order dated January 25, 2012. Further, Hon'ble Delhi High Court in its order dated December 10, 2012 directed that all proceedings for the assessment years 1998-99 to 2000-01 are liable to be quashed. The appeals filed by the assesse before the CIT (A)-IV, New Delhi against the aforesaid orders for assessment years 1997-98 to 2000-01 were also allowed in light of the orders passed by Delhi High Court. Department further, filed SLP before the Supreme Court, which was dismissed.

The Assessing Officer had also assessed the income for assessment year 2001-02, whereby the entire accumulations and allowances made in earlier years were brought to tax, thereby raising a demand of ₹ 12,436.90 lacs (Previous year ₹ 12,436.90 lacs) [including interest of ₹ 6,945.99 lacs (Previous year ₹ 6,945.99 lacs)]. EHIRCL filed an appeal before the Commissioner of Income Tax (Appeals) Delhi against this order, which was decided in favour of EHIRCL. Income Tax Department has filed an appeal before ITAT, and the matter is currently pending at ITAT.

B. The Additional Commissioner of Income Tax, Chandigarh, had also raised a demand of tax in respect of EHIRCL for the assessment year 2001-02 amounting to ₹ 5,233.05 lacs (Previous year ₹ 5,233.05 lacs) and interest thereon amounting to ₹ 2,915.79 lacs (Previous year ₹ 2,915.79 lacs) by treating the excess of assets over liabilities as short term capital gains on registration of Amalgamated Society as a company. EHIRCL feels that the above registration does not give rise to transfer of assets and consequent capital gains and, therefore, preferred an appeal before the Income Tax Appellate Tribunal (ITAT), Chandigarh. The Tribunal, vide its Order dated March 18, 2008, had remanded the matter back to the Assessing Officer for fresh adjudication. The Assessing Officer, Delhi completed the assessment vide order dated March 31, 2010 and raised a fresh demand of ₹ 10,532.16 lacs (Previous year ₹ 10,532.16 lacs) [including interest of ₹ 5,465.27 lacs (Previous year ₹ 5,465.27 lacs)]. EHIRCL filed an appeal before the Commissioner of Income Tax (Appeals), Delhi against the said assessment order of the Assessing Officer, which has been decided in favour of EHIRCL during the previous year ended March 31, 2015. The Income Tax Department further filed appeal to ITAT, New Delhi, which is pending disposal.

Pursuant to the share purchase agreement dated September 25, 2005, wherein the Company is a party, the above mentioned income-tax demands, in respect of (a) and (b) above, are the responsibility of one of the erstwhile promoters to the extent of ₹ 10,213.46 lacs (Previous year ₹ 10,973.18 lacs) after adjusting necessary funds deposited in an escrow account. Further, as per the share purchase agreement, one third of any excess of these demands after adjusting the recovery from escrow account would be borne by the said erstwhile promoters and the rest by the Company, if any. During the year 2012-13, Income tax department has recovered the said amount deposited in the escrow account and has adjusted the amount against the aforesaid tax liability relating to Delhi Society. However, Delhi High Court vide order dated July 24, 2013 has held the adjustment to be erroneous and asked the revenue authorities to restore the amount so adjusted back to the escrow account and revenue authorities restored the same along with interest to the escrow account for relevant assessment year.

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

D. The Estate Officer of the DDA issued a show cause notice dated November 9, 2005 and initiated eviction proceedings against a subsidiary of the Company (EHIRCL). EHIRCL filed a Civil Writ Petition in the Hon'ble High Court of Delhi challenging the show cause notice issued by the Estate Officer, which was dismissed by the Hon'ble Single Judge. EHIRCL thereafter had filed Letters Patent Appeal ('LPA') against the above order before the Hon'ble High Court of Delhi. The Division bench of the Hon'ble High Court of Delhi vide its order dated September 3, 2007 had dismissed the LPA. The Estate Officer thereafter had issued a notice under section 4(1) of Public Premises Act dated October 8, 2007 to EHIRCL for resuming the proceedings under the said Act. EHIRCL had filed an appeal by way of SLP in the Hon'ble Supreme Court against the judgement in the LPA matter. The Hon'ble Supreme Court vide its order dated November 16, 2007 had ordered that proceedings before the Estate Officer may continue but no final order to be passed. The proceedings are pending with the court of law.

E. In relation to the order of Hon'ble High Court of Delhi relating to provision of free treatment/beds to poor, Directorate of Health Services, Government of NCT of Delhi ('DHS') appointed a firm to calculate "unwarranted profits" arising to it due to non-compliance. The special committee of DHS stated that before giving a formal hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed firm, which as per their method of calculations amounts to ₹ 73,266.15 lacs, seeking hospital's comments and inputs if any. EHIRCL responded to such intimation explaining errors and objections to the calculations and is awaiting a formal hearing in the matter with the DHS. During the previous year, EHIRCL received notice from DHS to appear for a formal and final hearing raising demand of recoverable amount to ₹ 50,336.53 lacs for the period till FY 2006-2007 in terms of above referred judgement. On receipt of hearing notice, EHIRCL has responded to such notice explaining errors and objections to the calculations. During the current year, DHS issued a demand notice dated June 9, 2016 directing EHIRCL to deposit ₹ 50,336.53 lacs within one month. EHIRCL challenged the demand notice by way of a writ petition in Hon'ble High Court of Delhi which vide order dated August 1, 2016 has set aside the demand of ₹ 50,336.53 lacs. DHS agreed to grant hearing to EHIRCL on the reply submitted to it. Hearing has been held before DHS and no order has been passed till date. Based on its internal assessment and advice from its counsels on the basis of the documents available, management believes that it is in compliance of conditions of free treatment and free beds to the poor and does not anticipate liability after proper hearing with DHS.

F. The Commissioner of Customs (Import and General), Delhi had raised a demand on EHIRCL of ₹ 770.27 lacs (Previous year ₹ 770.27 lacs) [including ₹ 347.64 lacs (Previous year ₹ 347.64 lacs) as penalty for mis-declaration of the imported surgical machine with a redemption fine of ₹ 75 lacs (Previous year ₹ 75 lacs) for release of the said machine] on June 8, 2007. The mis-declaration refers to the classification of the underlying machine for customs duty purposes. EHIRCL had filed a stay application with the Central Excise and Service Tax Appellate Tribunal against the above order and deposited ₹ 347.64 lacs (Previous year ₹ 347.64 lacs) under protest. During the previous year, final order was received in which the demand amount was restricted to ₹ 347.64 lacs and the department thereafter filed an appeal with the High Court for penalty of ₹ 347.64 lacs which was considered as contingent liability. During the current year, the High Court has confirmed the penalty amount, which the Company has contested and also provided in the books of accounts by EHIRCL.

The Assistant Collector of Customs had issued an assessment order in earlier year raising a demand of ₹ 330.38 lacs (Previous year ₹ 330.38 lacs) holding EHIRCL to be a commercial establishment in relation to the import of medical equipment's, spares and consumables. EHIRCL filed an appeal with the Collector of Customs (Appeals), against the order of the Assistant Collector of Customs, which has been rejected.

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EHIRCL filed a further appeal and an application for stay before the Central Excise and Service Tax Appellate Tribunal. The Tribunal had ordered for the stay and to deposit a sum of ₹ 150 lacs (Previous year ₹ 150 lacs) with the customs authority. EHIRCL had deposited the amount with the customs authority and has made a provision of ₹ 330.38 lacs (Previous year ₹ 330.38 lacs) in the books of accounts in the earlier years.

In respect of the subsidiary Hiranandani Healthcare Private Limited (HHPL)

G. Navi Mumbai Municipal Corporation ('NMMC') has terminated the Hospital lease agreement with HHPL vide order dated 18 January, 2017 (`Termination Order') for certain alleged contravention of the Hospital Lease agreement. NMMC has granted a period of one month to HHPL to hand over the possession of the hospital to NMMC and also directed HHPL not to admit any new patients. HHPL has filed Writ Petition before the Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition also filed by HHPL inter alia challenging the actions of State Government, City Industrial Development Corporation and NMMC which led to the passing of the said Termination Order. The Supreme Court of India in hearing held on 30 January, 2017 has ordered "Status Quo' which is continuing. Based on the external legal counsel opinion, management is confident that HHPL is in compliance of conditions of Hospital Lease Agreement and accordingly considers that no adjustment is required to the financial results.

In respect of Fortis Malar Hospitals Limited (FMHL)

H. FMHL had earlier applied to the Chennai Metropolitan Development Authority (CMDA) for regularization of certain deviations in the construction of the Hospital. During the current year, CMDA has issued an Order dated March 18, 2016 stating that the regularization application made by the Company has not been allowed. The Company has preferred an appeal before the Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority against the said Order, which is pending disposal.

On May 3, 2016 CMDA has also served a Locking & Sealing and De-occupation Notice to FMHL stating that in view of CMDA's Order dated March 18, 2016 referred above, the construction at the site of the Hospital premises is unauthorized and has called upon the Company to restore the land to its original position within 30 days from the date of the Notice. The Company has initiated legal action by filing a writ petition before the High Court of Madras to impugn the said notice.

The Company, based on legal advice, believes that the above Order/ Notices issued by CMDA are contestable and the same prima facie would not result in adverse impact on its operations as FMHL has fair chance of success in the aforesaid Appeal / writ petition.

15. Income tax matters

In case of EHIRCL, one of the subsidiaries of the Company:

i. Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2003-04 whereby the Assessing Officer had raised demands of ₹ 424.17 lacs (Previous year ₹ 424.17 lacs) [including interest of ₹ 35.10 lacs (Previous year ₹ 35.10 lacs)] by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Further, the Assistant Commissioner of Income Tax, Delhi has passed an order dated March 31, 2010 under sections 154/ 250/ 143(3) of Income Tax Act, 1961 for the assessment year 2003-04 whereby a demand of ₹ 22.77 lacs (Previous year ₹ 22.77 lacs) [including interest of ₹ 3.95 lacs (Previous year ₹ 3.95 lacs)] has been raised on to EHIRCL by disallowing partial depreciation on electrical installation and transformers, UPS etc. Appeal filed with the Commissioner of Income Tax (Appeals), Delhi, against the disallowances made in the assessment order has been dismissed and the subsidiary has filed appeal before the ITAT, New Delhi, which is pending disposal.

ii. Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2004-05 whereby the Assessing Officer had raised demands of ₹ 404.22 lacs (Previous year ₹ 404.22 lacs) [including interest of ₹ 97.55 lacs (Previous year ₹ 97.55 lacs) by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2004-05 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 214.67 lacs (Previous year ₹ 214.67 lacs) was raised by disallowing depreciation amounting to ₹ 349.30 lacs (Previous year ₹ 349.30 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 13.85 lacs (Previous year ₹ 13.85 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

iii. Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2005-06 whereby the Assessing Officer had raised a demand of ₹ 282.03 lacs (Previous year ₹ 282.03 lacs) [including interest of ₹ 56.79 lacs (Previous year ₹ 56.79 lacs)] on EHIRCL by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. EHIRCL had filed an appeal with the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated October 31, 2008 had allowed partial relief to EHIRCL and had confirmed the balance amount of demand raised by Assessing Officer. EHIRCL filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of EHIRCL and both the disallowances were deleted. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department has filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of EHIRCL. The department has filed further appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Assessment for the A.Y. 2005-06 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 83.16 lacs (Previous year ₹ 83.16 lacs) was raised by disallowing depreciation amounting to ₹ 270.40 lacs (Previous year ₹ 270.40 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 6.40 lacs (Previous year ₹ 6.40 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

iv. Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2006-07 whereby the Assessing Officer had raised a demand of ₹ 305.16 lacs

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(Previous year ₹ 305.16 lacs) [including interest of ₹ 44.23 lacs (Previous year ₹ 44.23 lacs)] on EHIRCL by disallowing the claim of keyman insurance premium. EHIRCL had filed an appeal with the Commissioner of Income Tax (Appeals), Delhi against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated July 23, 2009 had allowed partial relief to EHIRCL and had confirmed the balance amount of demand raised by Assessing Officer. EHIRCL filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of EHIRCL. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department had filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of EHIRCL. Department has further filed appeal before the Supreme Court against the said orders of Delhi High Court which is yet to be fixed.

Assessment for the A.Y. 2006-07 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 99.33 lacs (Previous year ₹ 99.33 lacs) was raised by disallowing depreciation amounting to ₹ 136.43 lacs (Previous year ₹ 136.43 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 18.79 lacs (Previous year ₹ 18.79 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

v. Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2007-08 vide order dated December 24, 2009, whereby the Assessing Officer had raised a demand of ₹ 96.90 lacs (Previous year ₹ 96.90 lacs) [including interest of ₹ 0.76 lacs (Previous year ₹ 0.76 lacs) on EHIRCL by disallowing the claim of key man insurance premium and software development charges. The Commissioner of Income Tax (Appeals) Delhi, ITAT and Delhi High Court has allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2007-08 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 56.48 lacs (Previous year ₹ 56.48 lacs) was raised by disallowing depreciation amounting to ₹ 115.96 lacs (Previous year ₹ 115.96 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 10.31 lacs (Previous year ₹ 10.31 lacs) and including the same in income. An appeal has been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication, which has been decided in favour of EHIRCL during the year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

vi. Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2008-09 vide order dated December 31, 2010, whereby the Assessing Officer had made additions of ₹ 407.94 lacs (Previous year ₹ 407.94 lacs) including a sum of ₹ 307.63 lacs (Previous year ₹ 307.63 lacs) out of interest expenses holding that outstanding against group companies/subsidiaries were not for business purposes and a sum of ₹ 100.30 lacs (Previous year ₹ 100.30 lacs) out of the depreciation claimed by EHIRCL on its assets. Thus, reducing the loss from ₹ 2,955.28 lacs (Previous year ₹ 2,955.28 lacs) to ₹ 2,547.34 lacs (Previous year ₹ 2,547.34 lacs). During previous year, an appeal was been filed with the

Commissioner of Income Tax (Appeals), Delhi which has been decided in favour of EHIRCL. Income Tax Department has further filed an appeal before ITAT which is pending for disposal.

vii. The Assessing Officer (TDS) - Jaipur had passed an order dated February 10, 2010, in respect of the Company for the assessment years 2008-09 and 2009-10, thereby raising the following demands:

a) A.Y. 2008-09 – ₹ 16.74 lacs (Previous year ₹ 16.74 lacs) on account of non- deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), payments to retainer doctors (alleging that TDS was deductible u/s 192 instead of 194J) and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) – Jaipur and was decided vide order dated January 4, 2011 thereby giving partial relief to EHIRCL and the demand raised has been brought down from ₹ 16.74 lacs (Previous year ₹ 16.74 lacs) to ₹ 5.61 lacs (Previous year ₹ 5.61 lacs) as per order dated December 7, 2011. EHIRCL under protest had paid a sum of ₹ 8.37 lacs (Previous year ₹ 8.37 lacs) and subsequent to appeal effect order dated December 7, 2011, a refund has been received amounting to ₹ 3.36 lacs (Previous year ₹ 3.36 lacs).

b) A.Y. 2009-10 – ₹ 0.37 lacs (Previous year ₹ 0.37 lacs) on account of non -deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) – Jaipur which was allowed vide order dated August 30, 2011. EHIRCL under protest had paid a sum of ₹ 0.19 lacs (Previous year ₹ 0.19 lacs) and subsequent to appeal effect order dated December 7, 2011, a refund of ₹ 0.42 lacs (Previous year ₹ 0.42 lacs) is receivable.

The company filed an appeal before the Income-tax Appellate Tribunal, Jaipur against balance issues confirmed vide said orders of CIT (A). Department also filed appeal before ITAT against said orders of CIT (A). As per order dated December 16, 2013, appeal has been decided partially in favour of the Company through Third member reference, EHIRCL has filed appeal before the Hon'ble High Court - Jaipur on the issue of tax deducted u/s 194J by EHIRCL on payments made to retainer doctors as against u/s 192 held to be deductible by the department which is pending disposal.

viii. Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2009-10, whereby the Assessing Officer had raised a demand of ₹ 109.03 lacs (Previous year ₹ 109.03 lacs) [including interest of ₹ 23.24 lacs (Previous year ₹ 23.24 lacs)] by making (i) disallowance u/s 36(1)(iii) ₹ 307.89 lacs (Previous year ₹ 307.89 lacs), (ii) disallowance of depreciation - ₹ 69.70 lacs (Previous year ₹ 69.70 lacs), (iii) adding profit on sale of assets – ₹ 20.78 lacs (Previous year ₹ 20.78 lacs), (iv) disallowance u/s 14A - ₹ 54.69 lacs (Previous year ₹ 54.69 lacs), (v) disallowance of short term capital loss – ₹ 592.80 lacs (Previous year ₹ 592.80 lacs) and (vi) addition of exempt income ₹ 640.10 lacs (Previous year ₹ 640.10 lacs). An appeal was filed with the Commissioner of Income Tax (Appeals), Chandigarh, against the disallowances made in the assessment order, which was dismissed. EHIRCL filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which is pending disposal.

ix. Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of EHIRCL for assessment year 2010-11, whereby the Assessing Officer has raised a demand of ₹ 83.25 lacs (Previous year ₹ 83.25 lacs) by making i) disallowance u/s 36(1)(iii) ₹ 33.67 lacs (Previous year ₹ 33.67 lacs), ii) disallowance of depreciation – ₹ 59.14 lacs (Previous year ₹ 59.14 lacs) and iii) adding profit on sale of assets ₹ 6.31 lacs (Previous year ₹ 6.31 lacs). An appeal against the above order is filed to Commissioner of Income Tax (Appeals) – New Delhi, which is in the favour of EHIRCL. Income Tax Department further filed appeal before ITAT, New Delhi, which is pending disposal.

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x. Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of EHIRCL for assessment year 2011-12, whereby the Assessing Officer has raised a demand of ₹ 8.00 lacs (Previous year ₹ 8 lacs) by making i) disallowance u/s 36(1)(iii) ₹ 105.00 lacs (Previous year ₹ 105 lacs), ii) disallowance of interest on Capital work in progress for ₹ 26.86 lacs (Previous year ₹ 26.86 lacs), iii) disallowance of depreciation of ₹ 50.68 lacs (Previous year ₹ 50.68 lacs), iv) adding profit on sale of assets ₹ 4.20 lacs (Previous year ₹ 4.20 lacs). An appeal against the above order is filed to Commissioner of Income Tax (Appeals) – New Delhi, which is decided in the favour of EHIRCL. Income Tax Department further filed appeal before ITAT, New Delhi, which is pending disposal.

xi. The Commissioner of Customs (Import and General), Delhi had raised a demand on a subsidiary of the Company (EHIRCL) of ₹ 770.27 lacs [Previous year ₹ 770.27 lacs (including ₹ 347.64 lacs (Previous year ₹ 347.64 lacs as penalty] for mis-declaration of the imported surgical machine with a redemption fine of ₹ 75.00 lacs (Previous year ₹ 75.00 lacs) for release of the said machine) on June 8, 2007. The mis-declaration refers to the classification of the underlying machine for customs duty purposes. EHIRCL had filed a stay application with the Central Excise and Service Tax Appellate Tribunal against the above order and deposited ₹ 347.64 lacs (Previous year ₹ 347.64 lacs) under protest. The Central Excise and Service Tax Appellate Tribunal has passed order dated February 17, 2016 waiving penalty & interest and restricted demand to ₹ 347.64 lacs.

xii. The Assistant Collector of Customs had issued an assessment order in earlier year raising a demand of ₹ 330.39 lacs (Previous year ₹ 330.39 lacs) holding EHIRCL, a subsidiary of the company to be a commercial establishment in relation to the import of medical equipments, spares and consumables. EHIRCL had filed an appeal with the Collector of Customs (Appeals), against the order of the Assistant Collector of Customs, which has been rejected. EHIRCL filed a further appeal and an application for stay before the Central Excise and Service Tax Appellate Tribunal. The Tribunal had ordered for the stay and had asked EHIRCL to deposit a sum of ₹ 150.00 lacs (Previous year ₹ 150.00 lacs) with the customs authority. EHIRCL had deposited the amount with the customs authority and has also made a provision of ₹ 330.39 lacs (Previous year ₹ 330.39 lacs) in the books of accounts.

16. A subsidiary of the Company ('SRLD') has disputed the coverage of Employees State Insurance Corporation (ESIC) for its Kolkata unit from inception till November 2002 as "Pathlabs" were not covered for Employee State Insurance Corporation (ESIC). Pending outcome of the hearing, an amount of ₹ 109.03 lacs (₹ 98.00 lacs as at March 31, 2016 and ₹ 87.25 lacs as at April 1, 2015) has been provided in the books from the period commencing December 1, 2000 being the date from which the ESIC sent a notice claiming liability of ESIC on subsidiary company Kolkata unit.

17. Employee Stock Option Plan

i. The Parent has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiaries and holding company. During the year ended March 31, 2008, 458,500 options (Grant I) were granted to the employees under Plan 'A'. Under the same plan, 33,500 options (Grant II) were granted to the employees during the year ended March 31, 2009, 763,700 options (Grant III) were granted during the year ended March 31, 2010, 1,302,250 options (Grant IV) were granted during the year ended March 31, 2011 and 200,000 options (Grant V) were granted during the year ended March 31, 2012. Under plan 'B', 4,050,000 options (Grant VI) were granted during the year ended March 31, 2013, 3,715,000 options (Grant VII) were granted during the year ended March 31, 2014, 240,000 option (Grant VIII) were granted during the year March 31, 2015, 100,000 option (Grant IX) during the current year and 2,500,000 options (Grant X) were granted during the previous year. The Parent has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Parent.

As at March 31, 2017, the following schemes were in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Vesting Period	Exercise Period up to
Grant I *	13-Feb-08	30-Jul-07	27-Sep-07	458,500	February 13, 2009 to February 12, 2013	12-Feb-18
Grant II	13-Oct-08	30-Jul-07	27-Sep-07	33,500	October 13, 2009 to October 12, 2013	12-Oct-18
Grant III	14-Jul-09	30-Jul-07	27-Sep-07	763,700	July 14, 2010 to July 13, 2014	13-Jul-19
Grant IV	1-Oct-10	30-Jul-07	27-Sep-07	1,302,250	October 1, 2011 to Sep 30, 2015	30-Sep-20
Grant V	12-Sep-11	30-Jul-07	27-Sep-07	200,000	September 12, 2012 to Sep 11, 2016	11-Sep-21
Grant VI	23-Feb-12	12-Aug-11	19-Sep-11	4,050,000	September 23, 2012 to September 23, 2015	22-Feb-19
Grant VII	10-Jun-13	12-Aug-11	19-Sep-11	3,715,000	June 20, 2013 to June 9, 2016	9-Jun-20
Grant VIII	12-Nov-14	12-Aug-11	19-Sep-11	240,000	November 12, 2014 to November 11, 2017	10-Nov-21
Grant IX	1-Jun-15	12-Aug-11	19-Sep-11	100,000	June 1, 2015 to May 31, 2015	31-May-22
Grant X	5-Aug-15	12-Aug-11	19-Sep-11	2,500,000	August 5, 2015 to August 4, 2018	4-Aug-22

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The details of activity under the Plan have been summarised below:

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	6,472,950	142.94	4,704,130	108.82	5,808,230	106.24
Granted during the year	-	-	2,600,000	192.31	240,000	121.00
Forfeited during the year	394,900	158.25	509,000	107.65	1,322,600	100.26
Exercised during the year	836,100	95.07	322,180	98.90	21,500	73.96
Outstanding at the end of the year	5,241,950	149.43	6,472,950	142.94	4,704,130	108.82
Exercisable at the end of the year	1,670,000	91.00	-	-	1,353,490	115.57

* Under Grant I, 2,400 options were exercised on March 31, 2015 and allotment was made on April 10, 2015.

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Range of exercise prices	₹ 50.00 to ₹ 193.00	₹ 50.00 to ₹ 193.00	₹ 50.00 to ₹ 158.00
Number of options outstanding	5,241,950	6,472,950	4,704,130
Weighted average remaining contractual life of options (in years)	4.05	4.86	4.91
Weighted average fair value of options granted (in ₹)	63.48	59.71	39.03
Weighted average exercise price (in ₹)	149.43	142.94	108.82

Stock Options granted

There have been no grants made in the current year by the Parent. The weighted average fair value of stock options granted during the year ended March 31, 2016, ₹ 98.90 and as at April 1, 2015, ₹ 73.96. The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Exercise Price	₹ 50.00 to ₹ 193.00	₹ 50.00 to ₹ 193.00	₹ 50.00 to ₹ 158.00
Expected Volatility	6.42% to 34%	6.42% to 34%	6.42% to 34%
Life of the options granted (Vesting and exercise period) in years	2 years to 7 years	2 years to 7 years	3 years to 7 years
Expected dividends	-	-	-
Average risk-free interest rate	7.31% to 8.70%	7.31% to 8.70%	7.31% to 8.70%
Expected dividend rate	-	-	-

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

ii. A subsidiary of the Company (FMHL) provides share-based payment schemes to its employees. During the year ended March 31, 2017, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of the Company on 31st July 2008/28th May 2009 and by shareholders in the annual general meeting held on 29th September, 2008 /21st August 2009. The following are some of the important conditions to the scheme: The details of activity under the Plan have been summarized below:

Vesting Plan

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

Exercise Plan

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

Effective Date

The plan shall be deemed to have come to in force on the 21 August 2009 or on such other date as may be prescribed by the board of directors of FMHL subject to the approval of shareholders of the FMHL in general meeting.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	218,750	26.2	230,000	26.2	230,000	26.2
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	(58,750)	26.2	(11,250)	26.2	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	160,000	26.2	218,750	26.2	230,000	26.2
Exercisable at the end of the year	160,000	26.2	218,750	26.2	230,000	26.2

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The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Grant Date share price	26.2	26.2	26.2
Exercise Price (in ₹)	26.2	26.2	-
Expected Volatility*	67.42%	67.42%	67.42%
Life of the options granted (Vesting and exercise period) in years	5	5	5
Expected dividends (in ₹)	0.00	0. 50	0.50
Average risk-free interest rate	7.50%	7.50%	7.50%
Expected dividend rate	0%	5%	5%

* Expected volatility has been determined considering the daily volatility of the stock prices on Bombay Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

As at April 1, 2015, being the transition date, all outstanding stock options were vested. Accordingly, the subsidiary Company elected to use the intrinsic value method to account such options and there is no stock compensation expense for the year ended March 31, 2017 and March 31, 2016.

iii. A subsidiary of the Company (SRL Limited) has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiary. The shareholders of the subsidiary Company vide their resolution dated August 17, 2009 granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' (the 'Scheme'). The grant date for the options is August 22, 2009. Under the said Scheme 1,517,470 options of the equity shares of the Company have been granted to the employees of the subsidiary Company at an exercise price of ₹ 40 per share. Also the shareholders of the subsidiary Company vide their resolution dated September 20, 2013 granted approval to 'SRL Limited Employee Stock Option Scheme 2013' (the 'Scheme'). The grant date for the options is September 30, 2013 and November 02, 2015. Under the said Scheme total 1,195,937 options of the equity shares of the subsidiary Company have been granted to an employees of the subsidiary Company at an exercise price of ₹ 201 to ₹ 674 per share. The subsidiary Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the subsidiary Company.

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V
Scheme	ESOP 2009	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013
Date of grant	22 August 2009	30 September 2013	2 November 2015	8 November 2016	22 March 2017
Date of Board Approval	22 August 2009	23 August 2013	23 August 2013	23 August 2013	23 August 2013
Date of Shareholder's approval	17 August 2009	30 September 2013	30 September 2013	30 September 2013	30 September 2013
Number of options granted	1,517,470	200,000	995,937	75,000	125,000

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V
Number of options cancelled	776,703	134,000	202,500	-	-
Number of options exercised	82,722	66,000	-	-	-
Number of options issued	82,722	66,000	-	-	-
Number of options not yet vested	-	-	793,437	75,000	125,000
Number of options not yet exercised	658,045	-	-	-	-
Method of Settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity
Vesting Period	Over three years - 22 August 2009 to 21 August 2012	Over three years - 30 September 2016 to 30 September 2018	Over three years - 2 November 2018 to 1 November 2020	Over three years - 7 November 2019 to 7 November 2021	Over three years - 22 March 2020 to 22 March 2022
Exercise Period	Up to 21 August 2019	Up to 29 September 2022	Up to 1 November 2022	Up to 1 November 2022	Up to 1 November 2022
Exercise Period	21 August 2019	29 September 2022	1 November 2022	1 November 2022	1 November 2022
Grant value	40	201	428	674	674

The details of activity under the Plan have been summarized below:

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of Options	Weighted Average exercise price (₹)	Number of Options	Weighted Average exercise price (₹)	Number of Options	Weighted Average exercise price (₹)
Outstanding at the beginning of the year	2,040,843	245	1,111,650	68	1,164,968	40
Granted during the year	200,000	674	995,937	428	-	-
Vested during the year	66,000	201	-	-	-	-
Exercised during the year	88,600	160	29,808	40	30,314	40
Forfeited/ Cancelled during the year	500,761	240	36,936	40	23,004	40
Outstanding at the end of the year	1,651,482	303	2,040,843	245	1,111,650	68
Exercisable option at the end of the year	658,045	40	844,906	40	911,650	40
Remaining life	5.0		6.5		7.5	
Range of exercise price	40-674		40 - 428		40 - 201	

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The weighted average fair value of stock options granted during the year is ₹ 674. The discounted cash flow valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at 31 March 2017	As at 31 March 2016
Exercise Price	674	428
Life of the options granted (Vesting and exercise period) in years	5.5	6.5
Average risk-free interest rate	6.74%	7.86%
Expected dividend rate	1%	0%

Under previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method. This did not result in recognising any expenses in profit or loss in respect of these share-based payments because the fair value of the shares on the grant date equaled to exercise price. Under Ind -AS 102 - Share Based Payments, the cost of equity-settled employee share-based payments (i.e. ESOPs granted but not vested till reporting date) is recognised based on the fair value of the options as on the grant date.

As per the guidance note on Accounting for employee share-based payments issued by ICAI, the fair value of option should be calculated using an option pricing model for valuing employee stock options.

The subsidiary company has undertaken the fair valuation of option unvested as on the Ind AS transition date (i.e. 01st April 2015) from external valuer. Black-Scholes Model has been widely used globally for valuing employee stock options which is considered in the option valuation.

Following assumptions are considered by Valuer for the above option valuation purpose.

Particulars	Grant II	Grant III	Grant III
Vesting Schedule	100%	100%	100%
Date of Grant	30 September, 2013	2 November, 2015	8 November 2016 and
22 March 2017			
Stock Price (S)	201	428	674
Exercise Price (X)	201	428	674
Volatility (s)	17.41%	15.54%	15.54%
Risk-free Rate	8.70%	7.63%	7.63%
Expected Option Life (T)	5yrs	5yrs	5yrs
Dividend Yield	1.00%	0.47%	0.47%
Factor D1	1.2	1.2	1.2
Factor D2	0.8	0.9	0.9
Normdist of D1	0.9	0.9	0.9
Normdist of D2	0.8	0.8	0.8
Option Value	66.3	135.3	213
Exit/Attrition Rate	16.50%	16.50%	16.50%
Modified Option Value	55.4	112.98	177.86

Note:- The change does not affect total equity, but there is a decrease in profit for the year ended March 31, 2017 of ₹ 141.25 lacs for March 31, 2016 ₹ 115.14 lacs respectively.

18. Employee Benefits Plan:

Defined Benefit Plan

The Group companies have a defined benefit gratuity plan, whereby the employees are entitled to gratuity benefits on the basis of last salary drawn and completed number of year of services. The gratuity plan for two subsidiaries of the Company is 100% funded with an insurance policy with Life Insurance Corporation of India.

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

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
i. Movement in Net Liability		
Present value of obligation at the beginning of the year	5,359.00	4,778.84
Current service cost	1,367.40	791.83
Past Service Cost	4.22	(65.79)
Interest cost	391.34	363.33
Amount recognised to OCI	957.79	95.81
Obligation acquired on slump sale	306.80	(12.33)
Obligation transferred from subsidiary	(283.65)	-
Benefits paid	(697.78)	(592.69)
Present value of obligations at the end of the year	7,405.11	5,359.00
Present value of unfunded obligation		
Amounts in the Balance Sheet		
(a) Liabilities	7,405.11	5,359.00
(b) Assets	(716.33)	(603.99)
(c) Net liability/(asset) recognised in the balance sheet	6,688.79	4,755.01
Current Liability	1,178.16	414.56
Non-Current Liability	5,510.62	4,340.45

Change in fair value of Plan Assets	As at March 31, 2017	As at March 31, 2016
Fair value of plan assets at the beginning of the year	585.40	558.54
Expenses Recognised in Statement of Profit and Loss:		
-Expected return on plan assets	29.35	29.90
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)	-	-
-Actuarial gains and loss arising form changes in financial assumptions	-	(1.18)
-Return on plan assets (excluding amount included in net interest expense)	42.64	29.02
Contributions by employer	74.07	2.20
Benefit payments	(14.34)	(33.08)
Closing value of plan assets	717.11	585.40

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		Year ended March 31, 2017	Year ended March 31, 2016
ii.	**Expense recognised in Statement of Profit and Loss is as follows :**		
	Amount recognised in employee benefit expense		
	Service cost	1,367.40	791.83
	Past Service Cost	4.22	(65.79)
	Total	1,371.62	726.04
	Amount recognised in finance cost		
	Interest cost	391.34	363.33
	Total	391.34	363.33
	Total Amount charged to Statement to Profit and Loss	1,762.95	1,089.37

		Year ended March 31, 2017	Year ended March 31, 2016
iii.	**Expense recognised in Statement of Other comprehensive income is as follows :**		
	Net actuarial loss / (gain) due to experience adjustment recognised during the year	(180.13)	(45.11)
	Net actuarial loss / (gain) due to assumptions changes recognised during the year	(777.74)	(48.59)
	Net return on plan assets (excluding interest income)	0.08	(2.12)

The Principal assumptions used in determining gratuity obligation for the Group's plan are shown below:

Principal Actuarial assumptions for Gratuity and compensated absences	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
In case of FHL			
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected salary increase rate	7.50%	7.50%	7.50%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	18%	18%
Age from 31 to 44 years	6%	6%	6%
Age above 44 years	2%	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of FHsL			
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected Return on planed Assets	8.25%	9.25%	9.25%
Expected salary increase rate	7.50%	3.75% to 8.00%	3.75% to 8.00%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	6.00%- 30.00%	6.00%-30.00%
Age from 31 to 44 years	6%	2.00%-25.00%	2.00%-25.00%

Principal Actuarial assumptions for Gratuity and compensated absences	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Age above 44 years	2%	1.00%-20.00%	1.00%-20.00%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal / Employee Turnover Rate for Bangalore Corporate Office , Anandpur, FHKI, Mulund, Bennarghatta Road, Cunningham Road, Kalyan & Lafemme, Bangalore			
Upto 30 years	10.00%-30.00%	6.00%- 30.00%	6.00%-30.00%
Upto 40 years	5.00%-25.00%	2.00%-25.00%	2.00%-25.00%
Upto 50 years	3.00%-20.00%	1.00%-20.00%	1.00%-20.00%
Above 50 years	2.00%-10.00%	2.00%	2.00%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of EHIRCL			
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected salary increase rate	7.50%	3.75%	3.75%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	6%	6%
Age from 31 to 44 years	6%	2%	2%
Age above 44 years	2%	1%	1%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of HHPL			
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected salary increase rate	7.50%	7.50%	7.50%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	18%	18%
Age from 31 to 44 years	6%	6%	6%
Age above 44 years	2%	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of FHM(E)L			
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected salary increase rate	7.50%	3.75%	3.75%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	6%	6%
Age from 31 to 44 years	6%	2%	2%

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Principal Actuarial assumptions for Gratuity and compensated absences	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Age above 44 years	2%	1%	1%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of FHTL			
Rate for discounting liabilities	7.10%	7.80%	7.75%
Expected salary increase rate	7.50%	7.50%	7.50%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	18%	18%
Age from 31 to 44 years	6%	6%	6%
Age above 44 years	2%	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of FESL			
Rate for discounting liabilities	7.75%	7.75%	7.75%
Expected salary increase rate	5.00%	5.00%	7.50%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	13%	13%	18%
Age from 31 to 44 years	15%	15%	6%
Age above 44 years	15%	15%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of Stellent			
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected salary increase rate	7.50%	7.50%	7.50%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	18%	18%
Age from 31 to 44 years	6%	6%	6%
Age above 44 years	2%	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of FMHL			
Rate for discounting liabilities	7.25%	7.75%	7.75%
Expected salary increase rate	7.50%	7.50%	7.50%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	18%	18%	18%
Age from 31 to 44 years	6%	6%	6%
Age above 44 years	2%	2%	2%

Principal Actuarial assumptions for Gratuity and compensated absences	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
In case of SRL			
Rate for discounting liabilities	6.66% - 7.40%	7.40% - 7.66%	7.81% - 7.92%
Expected salary increase rate	Uniform 6.5%	Uniform 6.5%	Uniform 6.5%
Withdrawal / Employee Turnover Rate			
Age up to 30 years	15% - 33% p.a.	15% - 33% p.a.	2% p.a.
Age from 31 to 44 years	15% - 18% p.a.	15% - 18% p.a.	2% p.a.
Age above 44 years	0% - 9% p.a.	0% - 9% p.a.	1% - 2% p.a.
Mortality table used	Indian Assured Lives 2006-08 Ultimate	Indian Assured Lives 2006-08 Ultimate	Indian Assured Lives 2006-08 Ultimate

Notes:

1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. Significant actuarial assumption for the determination of the defined obligation are discounted rate, expected salary escalation rate and withdrawal rate.
3. The Group has invested in the schemes with Life Insurance Corporation of India for the plan assets.

19. Financial Instruments

a. Capital Management

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

The capital structure of the Group consists of net debt (borrowings as detailed in notes 6(xix), 6(xx) and 6(xxiii) offset by cash and bank balances) and total equity of the company.

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

The Company's Board reviews the capital structure of the Group on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2017 of 26.48% (see below).

Gearing ratio

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

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt	221,734.08	151,342.91	179,536.58
Cash and bank balances	(54.649.61)	(16,723.31)	(18,495.72)
Net debt	167,084.47	134,619.60	161,040.85
Total equity	631,076.47	485,281.04	495,889.02
Net debt to equity ratio	26.48%	27.74%	32.48%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b. Categories of financial instruments

(₹ in lacs)

Financial assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at fair value through profit or loss (FVTPL)			
Mutual Funds	39,160.01	56,894.61	40,897.70
Foreign currency forward contract	-	-	709.34
Equity instruments	-	-	-
Measured at amortised cost			
Investment in non-convertible debenture in associate	46,717.04	-	-
cash and bank balances	54,649.60	16,723.31	18,495.72
Loans	10,441.60	11,409.08	20,660.50
Trade Receivables	48,386.82	46,367.57	42,378.19
Other Financial assets	20,029.29	46,426.17	47,141.60
Total	**219,389.36**	**177,825.74**	**170,288.05**

At the end of the reporting period, there are no significant concentrations of for financial assets designated at FVTPL. The carrying amount reflected above represents the company's maximum exposure to credit risk for such financial assets.

Financial liabilities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at amortised cost			
Borrowings	221,734.08	151,342.91	179,536.58
Trade payables	58,866.06	56,140.91	51,179.89
Other financial liabilities	16,650.84	10,253.08	15,255.84
Total	**297,250.98**	**217,736.90**	**245,972.31**

20. Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets 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 Group through internal risk reports which analyse exposure by magnitude of risk. The Group has limited exposure from the international market as the Group's operations are in India. However, the Group has limited exposure towards foreign currency risk it earns approx. 10% of its revenue from in foreign currency from international patients. Also capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Group has not taken any derivative contracts to hedge the exposure. However the exposure towards foreign currency foreign currency fluctuation is party hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

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

a) **Foreign currency risk management**

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Amount in lacs)

Particulars	Foreign Currency	March 31, 2017		March 31, 2016		April 1, 2015	
		Foreign Currency Amount	₹	Foreign Currency Amount	₹	Foreign Currency Amount	₹
Trade payables	USD	3.97	258.14	13.86	917.11	12.24	775.73
	Euro	0.46	32.51	-	-	0.01	0.36
	AED	0.18	11.72	-	-	-	-
	GBP	0.01	0.78	-	-	0.01	1.30
Bank balances	HKD	-	-	-	0.04	-	0.03
	AUD	-	-	-	-	0.02	0.77
	SGD	1.51	69.97	6.06	297.67	55.58	2,525.06
	VND	-	-	0.06	-	0.06	-
	USD	-	-	3.42	226.29	4.23	263.85
	MUR	89.36	165.36	207.91	390.63	452.84	774.22
Trade receivables	USD	7.45	482.60	22.11	1,462.75	4.99	310.92
	AED	1.73	30.60	1.67	30.09	1.01	17.10
	MUR	93.30	172.64	171.03	321.35	130.26	222.70
Advances to Vendors	USD	-	-	-	-	0.02	1.35
	Euro	-	-	-	-	0.10	6.57
Advance from Customers	Euro	-	-	0.04	3.35	0.04	3.00
	USD	-	-	1.12	74.05	0.81	50.60
EEFC Accounts	USD	-	-	-	-	0.05	3.25
Cash balances	AED	3.84	67.75	0.01	0.18	0.02	0.31
	Euro	0.01	0.71	0.01	0.77	0.01	0.79
	USD	12.95	840.02	0.05	3.12	0.04	2.71
	GBP	-	0.10	-	0.11	-	0.25

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in lacs)

Particulars	Foreign Currency	March 31, 2017		March 31, 2016		April 1, 2015	
		Foreign Currency Amount	₹	Foreign Currency Amount	₹	Foreign Currency Amount	₹
	SGD	-	-	-	0.10	-	0.09
	BHD	-	-	-	0.07	-	0.07
	LKR	0.25	0.10	0.25	0.11	0.25	0.12
Buyers Credit	USD	1.22	79.19	7.91	523.16	10.69	666.63
	Euro	0.11	7.59	1.54	116.14	2.05	137.02
- Loans taken	USD	-	-	866.49	57,340.18	1,883.91	117,434.77
	SGD	874.14	40,588.15	-	-	-	-
	AED	2.14	37.80	-	-	-	-
- Loans given	SGD	-	-	-	-	-	
	AED	-	-	-	-	-	-
	USD	128.16	8,312.20	-	-	-	

Foreign currency sensitivity analysis

The group is mainly exposed to the USD & SGD currency.

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

(Amount in lacs)

If increase by 5%	Currency Impact USD	
Particulars	As at March 31, 2017	As at March 31, 2016
Impact on profit or loss for the year	464.87	(2,858.12)
Impact on total equity as at the end of the reporting period	464.87	(2,858.12)
If decrease by 5%	**Currency Impact USD**	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	(464.87)	2,858.12
Impact on total equity as at the end of the reporting period	(464.87)	2,858.12

If increase by 5%	Currency Impact EURO	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	(1.97)	(5.94)
Impact on total equity as at the end of the reporting period	(1.97)	(5.94)

If decrease by 5%	Currency Impact EURO	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	1.97	5.94
Impact on total equity as at the end of the reporting period	1.97	5.94

If increase by 5%	Currency Impact SGD	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	(2,025.91)	14.89
Impact on total equity as at the end of the reporting period	(2,025.91)	14.89

If decrease by 5%	Currency Impact SGD	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	2,025.91	(14.89)
Impact on total equity as at the end of the reporting period	2,025.91	(14.89)

If increase by 5%	Currency Impact AED	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	2.44	1.51
Impact on total equity as at the end of the reporting period	2.44	1.51

If decrease by 5%	Currency Impact AED	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	(2.44)	(1.51)
Impact on total equity as at the end of the reporting period	(2.44)	(1.51)

If increase by 5%	Currency Impact MUR	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	16.90	35.60
Impact on total equity as at the end of the reporting period	16.90	35.60

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If decrease by 5%	Currency Impact MUR	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	(16.90)	(35.60)
Impact on total equity as at the end of the reporting period	(16.90)	(35.60)

If increase by 5%	Currency Impact LKR	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	0.01	0.01
Impact on total equity as at the end of the reporting period	0.01	0.01
If decrease by 5%	**Currency Impact LKR**	
Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Impact on profit or loss for the year	(0.01)	(0.01)
Impact on total equity as at the end of the reporting period	(0.01)	(0.01)

b) **Interest rate risk management**

The Group is exposed to interest rate risk because Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

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

(₹ in lacs)

If increase by 50 basis point	Interest Impact	
Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Increase / (decrease) in profit or loss for the year	1478.58	701.29
Increase / (decrease) in total equity as at the end of the reporting period	1478.58	701.29
If decrease by 50 basis point	**Interest Impact**	
Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Increase / (decrease) in profit or loss for the year	(1478.58)	(701.29)
Increase / (decrease) in total equity as at the end of the reporting period	(1478.58)	(701.29)

c) **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.

d) **Liquidity risk management**

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

Liquidity and interest risk tables

The following tables detail the Group'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 Group can be required to pay.

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

The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in lacs)

Particulars	Within 1 year	1-2 year	Total	Carrying amount
As at March 31, 2017				
Borrowings	93,863.96	141,935.82	235,799.99	221,734.07
Trade payables	58,866.06	-	58,866.06	58,866.06
Other financial liabilities	15,204.29	1,605.90	16,809.99	16,650.85
Total	**167,934.31**	**143,541.72**	**311,476.04**	**297,250.98**

(₹ in lacs)

Particulars	Within 1 year	1-2 year	Total	Carrying amount
As at March 31, 2016				
Borrowings	64,656.96	96,221.40	160,878.37	151,342.91
Trade payables	56,140.91	-	56,140.91	56,140.91
Other financial liabilities	8,636.97	1,793.88	10,430.85	10,253.08
Total	**129,434.84**	**98,015.28**	**227,450.13**	**217,736.90**

(₹ in lacs)

Particulars	Within 1 year	1-2 year	Total	Carrying amount
As at April 1, 2015				
Borrowings	77,368.40	113,406.68	190,775.08	179,536.58
Trade payables	51,179.89	-	51,179.89	51,179.89
Other financial liabilities	13,344.24	2,121.86	15,466.11	15,255.83
Total	**141,892.53**	**115,528.54**	**257,421.08**	**245,972.30**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

21. Fair value measurement

Fair value of the company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

(₹ in lacs)

Particulars	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015		
Financial assets					
Investment in Mutual Funds	39,160.01	56,894.61	40,897.70	Level 1	Quoted prices in active market
Foreign currency forward contract	-	-	709.34	Level 2	Discounted cash flow estimate based on forward exchange rate at the end of reporting period

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There was no transfer between Level 1, Level 2 and Level 3 in the year.

Fair value of the company's financial assets and financial liabilities that are measured at fair value on a non-recurring basis

Financial Assets measured at Amortised Cost

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

22. During the year ended March 31, 2011, the Group had issued 1,000 5% Foreign Currency Convertible Bonds of US Dollar 1 lac each aggregating to US Dollar 1,000 lacs due 2015 (the "Bonds"). These Bonds were listed on the Euro MTF market of the Luxembourg Stock Exchange. The Bonds were convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Group) up to May 11, 2015 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Group ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 167 with 26,922.1557 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 44.96 = US Dollar 1.00. The Conversion Price was subject to adjustment in certain circumstances.

The Bonds were redeemable, in whole or in part, at the option of the Group and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds were redeemable, in whole but not in part, at the option of the Group at any time on or after 18 May 2013 (subject to the Group having given at least 30 days' notice) at 100 percent of their aggregate principal amount plus accrued but unpaid interest if the closing price of the Shares on each trading day with respect to the shares for a period of at least 30 consecutive such trading days is equal to or greater than 130 per cent of the Accreted Conversion Price (as defined in the terms and conditions of the Bonds).

The Bonds were redeemable in whole, but not in part, at the option of the Group subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at certain early redemption amount, as specified, on the date fixed for redemption in the event of certain changes relating to taxation in India.

The Bonds were redeemed by the Group in US Dollars on May 18, 2015 at 103.1681 per cent of its principal amount at exchange rate of ₹ 63.59357 = US Dollar 1. The Group has utilized Securities premium account and provided for the proportionate premium on redemption for the period up to the date of redemption amount to ₹ 2,014.71 lacs (as at March 31, 2016 ₹ 2,014.71 lacs and as at March 31, 2015 ₹ 1,922.85 lacs).

The fair value of the liability portion of such optional convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds received on issuance of FCCB is considered to be attributable to the equity portion of the compound instruments. This is recognised and included in the shareholders' equity, and not subsequently premeasured.

The effective interest rate on the liability element on initial recognition, pursuant to such segregation is 6.19 % per annum.

23. During the year ended March 31, 2014, the Group issued 150 Foreign Currency Convertible Bonds aggregating to US Dollar 300 lacs due 2018 (the "Bonds") at the rate of (4.66%+LIBOR). These Bonds were listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Bonds were convertible upto US Dollar 240 lacs of principal amount at the option of the holder at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Group) up to August 01, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Group ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 with 120,471 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 59.6875 = US Dollar 1.00. The Conversion Price was subject to adjustment in certain circumstances.

Subject to certain conditions, the Bonds could be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond outstanding (but in no event exceeding US Dollar 60 lacs in aggregate principal amount of Bonds), at the option of the Group at any time on or after September 17, 2013 up to August 01, 2018 at the Partial Reset Conversion Price (as defined in the "Terms & Conditions of the Bonds").

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Group and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Unless previously redeemed, converted or purchased and cancelled, the Bonds would be redeemed by the Group in US Dollars on August 08, 2018 at 100 per cent of its principal amount. These Bonds were considered a monetary liability and are redeemable only if there is no conversion before maturity date.

The proceeds of the issue amounting to ₹ 18,390.74 lacs were used for repayment of debts.

During the current year, the Group allotted 18,070,650 equity shares to Standard Chartered (Mauritius) III Limited against USD 30 Million FCCB, on exercise of conversion option as per Offering Circular.

The fair value of the liability portion of such optional convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds received on issuance of FCCB is considered to be attributable to the equity portion of the compound instruments. This is recognised and included in the shareholders' equity, and not subsequently premeasured and on conversion of FCCB into equity shares the amount is transferred to retained earnings in the year of conversion.

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The effective interest rate on the liability element on initial recognition, pursuant to such segregation is 6.03 % per annum.

24. During the year ended March 31, 2014, the Group issued 550 Foreign Currency Convertible Bonds of US Dollar 1 lac each aggregating to US Dollar 550 lacs due 2018 (the "Bonds") at the rate of LIBOR+4.86%. The Bonds were convertible at the option of International Finance Corporation ("IFC"), an international organization established by Articles of Agreement among its member countries including the Republic of India (the holder) giving 7 day notice to the Group at any time on or after June 07, 2013 up to June 08, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Group ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 and number of shares to be issued would be calculated on conversion on the basis of applicable rate of exchange of US Dollar and ₹ on conversion date. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds could be converted on the request of the holder but not less than value of US Dollar 5,000,000 or in multiple of US Dollar 1,000,000 thereafter. Except in certain condition mentioned in the "Terms & Conditions of the Bonds" the holder could not exercise the Conversion Option in part or in full in respect of twenty per cent (20%) of the original bond value for a period of three (3) years after the Subscription Date.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Group and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond at the option of the Group at any time on or after June 07, 2013 at Modified Conversion Price (as defined in the "Terms & Conditions of the Bonds").

Unless previously redeemed, converted or purchased and cancelled, the Bonds would be redeemed by the Group in US Dollars on June 08, 2018 at 100 per cent of its principal amount. These Bonds were considered a monetary liability and redeemable only if there is no conversion before maturity date.

During the current year, the Group allotted 35,690,887 equity shares to International Finance Corporation against USD 55 Million FCCB, on exercise of conversion option as per FCCB Subscription Agreement.

The fair value of the liability portion of such optional convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds received on issuance of FCCB is considered to be attributable to the equity portion of the compound instruments. This is recognised and included in the shareholders' equity, and not subsequently premeasured and on conversion of FCCB into equity shares the amount is transferred to retained earnings in the year of conversion.

The effective interest rate on the liability element on initial recognition, pursuant to such segregation is 5.28 % per annum.

25. Goodwill arising on consolidation appearing in consolidated financial statements is after netting off Capital Reserve aggregating to ₹ 1,288.53 lacs (Previous year ₹ 1,288.53 lacs) arising on acquisition of FMHL, a subsidiary of the Company. Refer note 6(ii).

26. During the year ended March 31, 2013, certain shareholders of the SRL had agreed to gift 1,500,000 shares of the SRL to some employees/ directors and consultants of SRL in lieu of motivating them and retaining them over the balance period of engagement agreement with them or for 3 years from the date of execution of gift deed signed with them dated July 7, 2011, whichever is higher. The shares are transferred by the shareholders of SRL in an escrow account which is managed, controlled and operated solely by the escrow agent, in accordance with the provisions of the escrow agreement. At the expiry of the term as mentioned above and on satisfaction of conditions mentioned in the respective gift deeds, the shareholders shall direct the escrow agent to release the subjected shares in favor of such employees/ directors and consultants of SRL. The SRL or its subsidiary does not have any settlement/ other obligation under the arrangements either towards employees/ directors and consultants or shareholders. The Guidance Note on Accounting for Employee Share-based Payments does not provide any specific guidance on accounting of grant of shares by the shareholders. Hence, in the absence of any specific guidance, SRL has not accounted/ disclosed for the grant.

27. During the year, the Group has capitalized the following expenses to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are gross of amount capitalized by the Group as per details below:

Particulars	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
Opening Balance (A)	**8,145.40**	**8,815.21**
Purchase of medical consumables and pharmacy (B)	-	-
Employee Benefits Expense		
Salaries, wages and bonus	500.10	1,202.84
Total (B)	**500.10**	**1,202.84**
Other Expenses		
Contractual manpower	50.79	139.26
Power, fuel and water	8.20	188.00
Housekeeping expenses including consumables	-	41.79
Repairs & maintenance	9.49	-
Consultation fees to doctors		-
Rent	59.47	1,284.78
Legal & professional fee	85.07	70.44
Travel & conveyance	98.98	403.59
Rates & taxes	-	50.20
Printing & stationary	-	9.55
Communication expenses	5.62	0.52
Miscellaneous expenses	-	27.56
Total (C)	**317.62**	**2,215.69**
Total (D=A+B+C)	**8,963.12**	**12,233.74**
Amount Capitalized to Fixed Assets (E)	-	**(4,088.34)**
Carried forward to Capital Work in Progress (F=D-E)	**8,963.12**	**8,145.40**

28. **Restructuring:**

a. The Group's primary business consists of provision of Hospital Services through various entities. The group initiated internal restructuring within the group with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light models. Subsequent to the internal restructuring the business of certain identified hospitals of the Group have been divided into the following two verticals, such that they are managed under different verticals whilst continuing to have mutual interdependencies:

(i) One vertical (the "Clinical Establishments Division") will own, maintain and operate clinical establishments (being fully air conditioned institutions established, and specifically customized and duly fitted with all

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fixtures, fittings, certain medical equipment and infrastructure required for running and operating the hospitals), along with providing services under outpatient division and radio-diagnostic services (hereinafter referred to as the "Clinical Establishment Services").

(ii) The other vertical (the "Medical Services Division") will undertake the business of running the hospital operations, being hereinafter referred to as provision of medical services, including in-patient services and emergency services ("Medical Services").

During the year ended March 31, 2012, the Company initiated internal restructuring within the Group with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light model. Subsequent to it RHT, a business trust established in Singapore, was listed on the Singapore Exchange Securities Trading Limited ('SGX-ST') on October 19, 2012.

RHT made an offering of 567,455,000 common units at $ 0.90 per common unit. Post listing of RHT on SGX-ST on October 19, 2012, Group's shareholding in RHT has been diluted from 100% to 28%. Accordingly, assets and liabilities of Clinical Establishment Division held by RHT Group do not form part of the consolidated assets and liabilities of the Group w.e.f. October 19, 2012. Company recognized gain of ₹ 99,588.79 lacs on dilution of stake in RHT Group during the year. Revaluation reserve pertaining to fixed asset of RHT group was transferred to general reserve.

FHL as sponsor of RHT has waived off its right to receive dividend from RHT from the date of listing till March 31, 2014, accordingly, management has not accounted for profits of RHT till year ended March 31, 2014.

The share of such profits waived as well as the reduction in net asset value of the Group's share consequent of dividend distributed to other unit holders is goodwill arising at the time of listing, which has been tested for impairment. Considering the traded price of units being higher than the carrying value of investment in RHT, there is no impairment on the investment in RHT.

29. On completion of the Trial Phase Services Agreement, erstwhile Fortis Health Management (North) Limited ('FHM(N)L') entered into Hospital and Medical Services Agreement ('HSMA') with erstwhile EHSSIL for hospital at Amritsar, erstwhile Escorts Hospital and Research Centre Limited ('EHRCL') for hospital at Faridabad, IHL for hospital at Noida and Fortis Hospotel Limited ('FHTL') for hospital at Shalimar Bagh, which are effective from April 1, 2012.

In addition, FHM(N)L also entered into HSMA with FHTL for hospital at Gurgaon from August 1, 2012. FHsL has entered into HSMA with IHL for hospitals at Anandpur and Kalyan; and with erstwhile KHL for hospitals at Mulund and Bannerghatta Road with effect from October 19, 2012; Fortis Malar Hospitals Limited has entered into HSMA with FHML for hospital at Chennai with effect from October 19, 2012.

IHL, EHSSIL, EHSSHL, KHL, FHML and EHRCL are collectively referred to as Hospital Service Companies. FHM(N)L, FHsL and FMHL are collectively referred as Fortis Operating Companies.

30. As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively referred as 'Indemnified parties') with the Group, the Group has provided following indemnities:-

a. To RHT and its directors, officers, employees and agents under the relevant transaction agreements against any losses or liabilities finally determined as payable for any breach of the Consolidated Foreign Direct Investment (FDI) Policy or Foreign Exchange Management Act ('FEMA'), to the extent that such breach has resulted from the acquisition by RHT of the Hospital Services Companies.

Further, the Group has undertaken to transfer or procure additional medical and healthcare services to Hospital Services Companies in the event that any regulatory authority raises concerns over compliance with any applicable law.

However, the Group will not be liable to indemnify the Indemnified Parties for any losses resulting from delay or failure of the Indemnified Parties in completing any statutory filings or similar formalities under the Consolidated FDI Policy, FEMA and other laws in force in India as of the Listing Date i.e. October 19, 2012, required to be undertaken by the Indemnified Parties in relation to the acquisition by RHT or FGHIPL of the equity shares of the Hospital Services Companies.

The Group's obligations under this indemnity shall continue so long as the Company or the Group holds 15.0% or more of the total units from time to time issued in RHT or three years from the Listing Date, whichever is later.

However, the Group will be liable in respect of the indemnity for a maximum period of five years from the Listing Date.

b. The Group has also undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, the Group has till date accrued ₹ 205.03 lacs (as at March 31, 2016 ₹ 205.03 lacs; and as at April 01, 2015 ₹ 205.03 lacs) as provision for contingency.

c. Further, as per terms of the various Agreements entered into between Hospital Services Companies and Fortis Operating companies, the Hospital Services Companies have right to recover certain statutory dues levied on them from Fortis Operating Companies. There is a possible present obligation on Hospital Services Companies to collect certain statutory dues from the Fortis Operating Companies and pay it to the relevant authorities. In view of uncertainty arising from interpretation of the regulations, management believes that value of such statutory dues cannot be measured reliably and therefore has not been considered in these consolidated financial statements.

31. The Group has entered into 'Operation and Management' agreement with entities which are into hospital operations, in terms of which, the Group is responsible for developing and providing maintenance support and related services necessary to support, manage and maintain the hospital as may be required. The management fee in this case is generally based on gross billing of the hospital subject to certain conditions as per the underlying agreement. The gross billing of the hospital is considered based on the unaudited financial statements of the respective entity. The management does not anticipate any material changes in the amounts considered in consolidated financial statements.

32. Other Exceptional Items

a. During the previous year, the Group entered into a Business transfer agreement to sell the business of its hospital at Kangra, Himachal Pradesh as a going concern on a slump sale basis with effect from September 1, 2015. Such transaction has resulted in net loss of ₹ 1,545.98 lacs and has been disclosed as an exceptional item.

b. During the previous year ended 31 March, 2016, the Group had closed certain diagnostic labs, dialysis and healthcare centers at resulting in net loss of ₹ 3,210.73 lacs and has been disclosed as an exceptional item.

c. During the previous year, the Group has impaired the assets held in one of its subsidiary Lalitha Healthcare Private Limited (LHPL), aggregating to ₹ 919 lac (including goodwill of ₹ 317 lacs), on account of partial closure of operations by LHPL. The same is disclosed as an exceptional item for the year ended March 31, 2016. The Management has estimated that it will be able to recover the amount considered good in the consolidated financial statements.

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d. In relation to one of the overseas subsidiary, SRL Diagnostic FZ LLC, Dubai, the Group has reassessed the recoverable value and recorded an impairment of the carrying value of the goodwill and some of the assets of the subsidiary aggregating to ₹ 5,332.00 lacs. The same is disclosed as an exceptional item for the year ended March 31, 2016.

e. Statutory bonus amounting to ₹ 1,581.80 lacs has been recorded as an exceptional item in the year ended March 31, 2016 which represents the amount accrued towards incremental bonus payable to existing and deemed employees by the Group for the period from April 1, 2014 to December 31, 2015 due to amendment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014 for which notification was issued in January, 2016.

f. Exceptional item amounting to ₹ 373.28 lacs represents expenses on composite scheme of arrangement and amalgamation. The Board of Directors of the Company at its meeting held on August 19, 2016 approved the proposal to demerge its diagnostic business, including that housed in its majority owned subsidiary SRL Limited ("SRL") into another majority owned subsidiary, Fortis Malar Hospitals Limited ("Fortis Malar") pursuant to a composite scheme of arrangement and amalgamation ('the Scheme'). The Scheme also provides for the sale of its hospital business by Fortis Malar to the Company by way of a slump sale. The demerger shall be followed by SRL being merged with Fortis Malar as an integral part of the same Scheme. On transfer of the diagnostic business to Fortis Malar and Fortis Malar issuing its equity shares to the shareholders of the Company, the diagnostic business (including SRL) will be demerged from the Company. The appointed date for the slump sale, demerger and merger under the composite scheme is January 1, 2017. The composite scheme of arrangement and amalgamation is subject to various judicial/ regulatory and other required approvals and is therefore not considered as highly probable transaction. Pending such approvals, no effect of the proposed Scheme has been given in the consolidated Financial Statements

33. Discontinuing of operations

i. Radlink-Asia Pte Ltd., Singapore (Radlink)

During the previous year, Fortis Healthcare International Pte Ltd. (FHIPL), a wholly owned subsidiary of the Company announced its decision to divest 100% shareholding in Radlink and its subsidiaries to Fullerton Healthcare Group Pte. Limited for SGD 111 million. The transaction was concluded on May 12 2015. Such transaction resulted into net gain of ₹ 7,695.00 lacs and is included as an exceptional item in year ended March 31, 2016.

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial statements are as follows:

(₹ in lacs)

Particulars	**Year ended**	
	March 31, 2017	**March 31, 2016**
Total Income	-	1,061.76
Total expenditure	-	934.03
Profit before tax	-	**127.73**
Tax expenses	-	26.68
Profit after tax	-	**101.05**

The carrying amounts relating to Radlink are as follows:

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Assets	-	-	14,419.10
Total Liabilities	-	-	3,750.65
Net Assets	**-**	**-**	**10,668.45**

Further, net cash flows attributable to above discontinuing operations included in the consolidated cash flow statement are as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-

ii. **Fortis Surgical Hospital, Singapore**

During the previous year ended March 31, 2015, Fortis Healthcare International Pte Ltd. (FHIPL), a wholly owned subsidiary of the Company announced its decision to divest 100% shareholding in Fortis Healthcare Singapore Pte Ltd. which holds and operates Fortis Surgical Hospital to Concord Medical Services (International) Pte Ltd. for SGD 55 million. The transaction was concluded on April 7, 2015. Such transaction resulted into net gain of ₹ 881.00 lacs and is included as an exceptional item in year ended 31 March, 2016.

The carrying amounts relating to Fortis Surgical Hospital, Singapore are as follows:

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Assets		-	24,174.64
Total Liabilities		-	843.21
Net Assets		**-**	**23,331.43**

34. Particulars of Unhedged Foreign Currency Exposure:

(Amount in lacs)

Particulars	Foreign Currency	As at March 31, 2017		As at March 31, 2016		April 1, 2015	
		Foreign Currency	₹	Foreign Currency	₹	Foreign Currency	₹
Trade payables	**USD**	3.97	258.14	13.86	917.11	12.24	775.73
	Euro	0.46	32.51	-	-	0.01	0.36
	AED	0.18	11.72	-	-	-	-
	GBP	0.01	0.78	-	-	0.01	1.30
Bank balances	**HKD**	-	-	-	0.04	-	0.03
	AUD	-	-	-	-	0.02	0.77

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Particulars	Foreign Currency	As at March 31, 2017		As at March 31, 2016		April 1, 2015	
		Foreign Currency	₹	Foreign Currency	₹	Foreign Currency	₹
	SGD	1.51	69.97	6.06	297.67	55.58	2,525.06
	VND	-	-	0.06	-	0.06	-
	USD	-	-	3.42	226.29	4.23	263.85
	MUR	89.36	165.36	207.91	390.63	452.84	774.22
Trade receivables	USD	7.45	482.60	22.11	1,462.75	4.99	310.92
	AED	1.73	30.60	1.67	30.09	1.01	17.10
	MUR	93.30	172.64	171.03	321.35	130.26	222.70
Advances to Vendors	USD	-	-	-	-	0.02	1.35
	Euro	-	-	-	-	0.10	6.57
Advance from Customers	Euro	-	-	0.04	3.35	0.04	3.00
	USD	-	-	1.12	74.05	0.81	50.60
EEFC Accounts	USD	-	-	-	-	0.05	3.25
Cash balances	AED	3.84	67.75	0.01	0.18	0.02	0.31
	Euro	0.01	0.71	0.01	0.77	0.01	0.79
	USD	12.95	840.02	0.05	3.12	0.04	2.71
	GBP	0.00	0.10	-	0.11	-	0.25
	SGD	-	-	-	0.10	-	0.09
	BHD	-	-	-	0.07	-	0.07
	LKR	0.25	0.10	0.25	0.11	0.25	0.12
Buyers Credit	USD	1.22	79.19	7.91	523.16	10.69	666.63
	Euro	0.11	7.59	1.54	116.14	2.05	137.02
- Loans taken	USD	-	-	866.49	57,340.18	1,883.91	117,434.77
	SGD	874.14	40,588.15	-	-	-	-
	AED	2.14	37.80	-	-	-	-
- Loans given	USD	128.16	8,312.20	-	-	-	-

35. Forward Contract

Subsidiaries of the Company has taken foreign currency derivative instrument to hedge its foreign currency risk. The outstanding position of derivative instruments as on March 31, 2017 is as under:

Particulars	Purpose
Forward Contracts to sell USD : Nil (As at March 31, 2016 Nil and as at April 1, 2015 USD 301 lacs) Nil (As at March 31, 2016 Nil and as at April 1, 2015 ₹ 18,762.99 lacs)	Foreign currency loans given

36. The Group has subscribed to 98,000 Ordinary Shares of Fortis Medicare International Limited ('FMIL') of USD 1 each during the year ended March 31, 2011, the details of which are given below:

(₹ in lacs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Cost of Investment	47.68	47.68	47.68
Share in losses for the current year	87.14	87.53	81.32
Share in post-acquisition losses upto the beginning of the year	1,294.83	1,207.30	1,125.98
Exchange translation adjustments	(386.00)	(420.70)	12.60
Payable against losses of associate	**1,720.30**	**1,667.86**	**1,147.02**

The Group has entered into an agreement with the shareholders of FMIL, as per which Group has committed to make payments on behalf of associate to satisfy obligations of it.

37. Corporate Social Responsibility

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

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance to be spent as per previous year (A)	**35.90**	**53.79**
Amount required to be spent for current year (B)	338.63	286.74
Gross amount required to be spent (A+B)	374.53	340.53
Spent during the year	348.55	304.63
Balance unspent at end of the year	25.98	35.90

38. Business combinations

a) Subsidiaries acquired

(₹ in Lacs)

Particulars	Principal activity	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred
During 2016-2017				
Fortis Hospotel Limited (FHTL)	Operating Clinical establishment	October 13, 2016	51%	98,490.19
During 2015-2016				
Religare Health Trust Trustee Manager Pte. Limited (RHTTM)	Trustee Manager	February 02, 2016	100%	10,162.42
Stellant Capital Advisory Services Private Limited ('Stellant')	Merchant Banker	November 03, 2015	100%	1,156.00

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b) Consideration transferred for FHTL

Particulars	₹ in Lacs
Fortis Hospotel Limited(FHTL)	
Payment made towards equity component of CCD issued by FHTL	62,821.19
Receivable from associate company pursuant to	
share purchase agreement, previous recognised	30,000.00
Payment made for CCPS issued by EHIRCL	56,690.00
Total consideration	**98,490.19**

c) Consideration transferred for RHTTM

Particulars	₹ in Lacs
Religare Health Trust Trustee Manager Pte. Limited (RHTTM)	
Cash	10,141.18
Payment of registration charges	21.23
Total consideration	**10,162.42**

d) Consideration transferred for Stellant

Particulars	₹ in Lacs
Stellant Capital Advisory Services Private Limited (‘Stellant’)	
Cash	1,156.00
Total consideration	**1,156.00**

e) Assets acquired and liabilities recognised at the date of acquisition of FHTL

Particular	₹ in Lacs
Current assets	
Cash and cash equivalents	23.07
Trade and other receivables	11,052.69
Other financial assets	96,148.25
Other assets	170.25
Non-current assets	
Plant and equipment	159,155.37
Non-Current advance tax	1,803.40
Current liabilities	
Trade payables	(914.56)
Provisions for employee benefits	(7.93)
Other liabilities	(1,993.41)
Borrowings	(105,595.39
Non-current liabilities	
Deferred tax liabilities, recognised on business combination	(12,448.50)

f) **Assets acquired and liabilities recognised at the date of acquisition of RHTTM**

Particular	(₹ in Lacs)
Current assets	
Cash and cash equivalents	306.97
Current Investment	5,179.01
Non-current assets	
Other Non-current assets	176.97
Tangible assets	29.02
Current liabilities	
Short-term borrowings	(3,283.04)
Other current liabilities	(888.85)
	1,520.08

g) **Assets acquired and liabilities recognised at the date of acquisition of Stellant**

Particular	(₹ in Lacs)
Current assets	
Cash and cash equivalents	786.32
Other current assets	3.27
Current liabilities	
Other current liabilities	(127.97)
	494.38

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39. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

S. No.	Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Fortis Healthcare Limited (Parent)	24.31%	125,049.40	-33.01%	(13,919.62)	29.06%	(787.32)	-37.27%	(14,706.94)
	Subsidiaries								
1	Escorts Heart Institute And Research Centre Limited	1.20%	6,166.10	6.98%	2,942.96	20.25%	(548.78)	6.07%	2,394.18
2	Fortis Hospitals Limited	29.24%	150,409.80	33.70%	14,209.72	9.74%	(263.87)	35.34%	13,945.85
3	Fortis Asia Healthcare Pte Limited	5.49%	28,220.73	5.52%	2,327.52	-64.25%	1,741.02	10.31%	4,068.54
4	Fortis Healthcare International Limited	-7.74%	(39,794.30)	-2.84%	(1,196.38)	45.91%	(1,244.05)	-6.19%	(2,440.43)
5	Lalitha Healthcare Private Limited	0.02%	105.92	-0.28%	(117.59)	-0.36%	9.70	-0.27%	(107.89)
6	Fortis Global Healthcare (Mauritius) Limited	3.77%	9,388.37	7.93%	3,342.50	-9.56%	258.95	9.13%	3,601.45
7	Fortis Malar Hospitals Limited	0.48%	2,452.47	0.64%	268.18	0.89%	(24.04)	0.62%	244.14
8	Malar Stars Medicare Limited	0.00%	(5.85)	-0.08%	(32.88)	0.01%	(0.36)	-0.08%	(33.24)
9	Fortis HealthStaff Limited	-0.13%	(691.56)	0.24%	99.90	0.00%	-	0.25%	99.90
10	Fortis La Femme Limited	0.00%	0.98	-0.01%	(2.70)	0.00%	-	-0.01%	(2.70)
11	Fortis Cancer Care Limited	0.01%	39.59	-0.01%	(5.29)	0.00%	-	-0.01%	(5.29)
12	Fortis Health Management (East) Limited	0.05%	279.34	0.22%	93.88	-0.08%	2.06	0.24%	95.94
13	Hiranandani Healthcare Private Limited	0.79%	4,045.59	4.09%	1,723.28	0.42%	(11.50)	4.34%	1,711.78
14	SRL Limited	16.35%	84,075.35	-9.79%	(4,127.70)	1.70%	(46.09)	-10.58%	(4,173.78)
15	Fortis Healthcare International Pte Limited	-0.25%	(1,285.70)	-4.06%	(1,711.91)	67.01%	(1,815.68)	-8.94%	(3,527.59)
16	Birdie and Birdie Realtors Private Limited	1.83%	9,429.35	-0.18%	(75.11)	0.00%	-	-0.19%	(75.11)
17	Stellant Capital Advisory Services Private Limited	-0.02%	(120.43)	-0.90%	(378.44)	0.40%	(10.74)	-0.99%	(389.18)
18	Fortis Hospotel Limited	28.45%	46,332.43	-14.25%	(6,008.43)	0.00%	-	-15.23%	(6,008.43)
19	Fortis Emergency Services Limited	-0.08%	(406.02)	-0.81%	(341.55)	-0.11%	2.88	-0.86%	(338.67)
20	Religare Health Trust Trustee Manager	-0.51%	(2,609.66)	5.29%	2,228.89	-0.13%	3.56	5.66%	2,232.45
21	Fortis Cauvery	0.01%	30.30	0.01%	3.39	0.00%	-	0.01%	3.39
22	Fortis CSR Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-

S. No.	Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Minority Interests in all Subsidiaries									
1	Fortis Malar Hospitals Limited	-0.70%	(3,619.62)	-0.23%	(95.01)	-0.33%	8.86	-0.22%	(86.16)
2	Malar Star Medicare Limited	-0.01%	(48.49)	-0.03%	(10.83)	0.00%	0.13	-0.03%	(10.70)
3	Lalitha Healthcare Private Limited	0.05%	244.84	0.15%	64.76	0.07%	(2.00)	0.16%	62.76
4	Fortis Healthstaff Limited	0.12%	620.56	-0.15%	(63.77)	0.00%	-	-0.16%	(63.77)
5	Hiranandani Healthcare Private Limited	-0.09%	(479.26)	-0.25%	(103.39)	-0.06%	1.72	-0.26%	(101.67)
6	SRL Limited	-7.75%	(39,876.49)	-9.91%	(4,178.38)	-0.83%	22.53	-10.53%	(4,155.85)
7	Fortis Health Management (East) Limited	0.00%	-	0.03%	11.15	0.00%	-	0.03%	11.15
8	Fortis Hospotel Limited	-14.41%	(74,132.30)	-3.90%	(1,644.15)	0.00%	-	-4.17%	(1,644.15)
9	Fortis Healthcare International Pte Limited	0.00%	23.15	0.00%	1.34	0.00%	-	0.00%	1.34
10	Fortis Emergency Services Limited	0.10%	539.60	0.61%	255.86	0.05%	(1.47)	0.64%	254.39
Associates (Investment as per the equity method)									
1	Religare Health Trust	14.53%	74,742.84	109.63%	46,229.05	0.00%	-	117.16%	46,229.05
2	Medical And Surgical Centre Limited	0.63%	3,251.00	1.18%	497.40	0.00%	-	1.26%	497.40
3	Lanka Hospitals Corporate Plc	4.14%	21,290.00	3.25%	1,370.94	0.00%	-	3.47%	1,370.94
4	Sunrise Medicare Private Limited	0.00%	0.31	0.00%	-	0.00%	-	0.00%	-
5	Fortis Medicare International Limited	-0.33%	(1,720.30)	-0.21%	(87.17)	0.00%	-	-0.22%	(87.17)
Joint ventures(Investment as per the equity method)									
1	DDRC SRL Diagnostics Private Limited	0.43%	2,227.75	1.35%	568.75	0.19%	(5.19)	1.43%	563.55
2	Super Religare Reference Laboratories (Nepal) Private Limited	0.03%	172.67	0.06%	27.28	0.00%	-	0.07%	27.28
3	Fortis C-Doc Healthcare Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Total	**100.00%**	**514,348.46**	**100.00%**	**42,166.47**	**100.00%**	**(2,709.67)**	**100.00%**	**39,456.80**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

40. Specified Bank Notes

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Lacs)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	622.74	33.97	656.17
(+) Permitted receipts	323.77	6,611.55	6,935.32
(+) Cash Withdrawal	-	28.63	28.63
(+) Non-Permitted receipts	129.92	-	129.92
(-) Permitted payments	4.64	548.66	553.30
(-) Amount deposited in Banks	1,071.64	5,931.63	7,003.27
Closing cash in hand as on 30.12.2016	0.15	193.86	194.01

Explanation : for the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated 8 November, 2016.

41. First Time Ind AS Adoption Reconciliations

For all periods up to and including the year ended 31st March, 2016, the Group had prepared its consolidated financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Group in restating its financial statements prepared under Previous GAAP for the following

a) Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2016 and April 01, 2015.

b) Reconciliation of total equity as at March 31, 2016 and April 01, 2015.

c) Effect of Ind AS adoption on the consolidated profit and loss for the year ended March 31, 2016.

d) Effect of Ind AS adoption on the consolidated statement of cash flow for the year ended March 31, 2016.

42. The comparative financial information of the Group for the transition date opening balance sheet as at 1 April 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended 31 March 2015 have been restated to comply with Ind AS and in accordance with the format prescribed in MCA Circular Notification No. GSR 404(E) [F.NO.17/62/2015CLV], dated 6 April 2016.

43. Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

Effect of Ind as Adoption on the Consolidated Balance sheet as at March 31, 2017

Note 41 (a)

(₹ in lacs)

Particulars	Note No	IGAAP As at April 01, 2015	Opening Ind AS Adjustment	Ind AS As at April 01, 2015	IGAAP As at March 31, 2016	Opening Ind AS Adjustment	Ind AS As at March 31, 2016
ASSETS							
Non-current assets							
(a) Property, plant and equipment	(m), (p)	174,305.08	(25,219.49)	149,085.59	146,440.86	(3,887.79)	142,553.07
(b) Capital work-in-progress	(h)	20,429.04	584.03	21,013.07	17,786.30	2,477.12	20,263.42
(c) Goodwill	(m), (q)	238,025.10	(766.67)	237,258.43	218,663.43	(9,452.20)	209,211.23
(d) Other intangible assets	(m)	9,439.05	(32.24)	9,406.81	12,451.58	(64.34)	12,387.24
(e) Intangible assets under development		2,388.24	-	2,388.24	2,313.76	-	2,313.76
(f) Financial assets							
(i) Investments							
a) Investments in associates/Joint venture	(m)	84,763.18	1,746.29	86,509.47	87,098.42	1,199.35	88,297.77
b) Other investments	(m)	5.00	(5.00)	-	20,744.71	(20,744.71)	-
(ii) Trade receivables	(g)	1,951.52	(81.56)	1,869.96	2,066.65	(104.67)	1,961.98
(iii) Loans	(n)	3,290.76	(2,747.33)	543.43	8,694.00	(2,525.00)	6,169.00
(iv) Other financial assets	(b), (d), (m), (i)	9,162.57	(3,132.41)	6,030.16	11,332.07	27,303.16	38,635.23
(g) Non Current tax assets	(m)	29,003.87	(59.18)	28,944.69	32,809.60	(55.77)	32,753.83
(h) Deferred tax assets	(f)	3,099.38	9,672.97	12,772.35	5,094.93	17,438.18	22,533.11
(i) Other non-current assets	(b), (d), (m)	9,008.93	2,219.66	11,228.59	2,404.92	2,261.61	4,666.53
Total non-current assets		**584,871.72**	**(17,820.93)**	**567,050.79**	**567,901.23**	**13,844.94**	**581,746.17**
Current assets							
(a) Inventories	(m)	6,396.88	(257.00)	6,139.88	6,190.48	(186.94)	6,003.54
(b) Financial assets							
(i) Other investments		61,581.75	(20,684.05)	40,897.70	56,590.51	304.10	56,894.61
(ii) Trade receivables	(m)	40,937.53	(429.30)	40,508.23	44,377.81	27.78	44,405.59
(iii) Cash and cash equivalents	(m)	18,280.17	(337.83)	17,942.34	14,109.03	84.80	14,193.83
(iv) Bank balances other than (iii) above	(m)	685.11	(131.73)	553.38	2,858.53	(329.05)	2,529.48
(v) Loans		20,117.07	-	20,117.07	5,604.83	(364.75)	5,240.08
(vi) Other financial assets	(b), (d), (m), (k), (i)	12,219.26	28,892.18	41,111.44	8,466.55	(675.61)	7,790.94
(c) Other current assets	(b), (d), (m)	4,188.90	844.12	5,033.02	4,202.63	151.60	4,354.23
		164,406.67	**7,896.39**	**172,303.06**	**142,400.37**	**(988.07)**	**141,412.30**
Assets classified as held for sale	(p)	0.53	24,174.11	24,174.64	60.95	-	60.95
Total current assets		**164,407.20**	**32,070.50**	**196,477.70**	**142,461.32**	**(988.07)**	**141,473.25**
Total assets		**749,278.92**	**14,249.57**	**763,528.49**	**710,362.55**	**12,856.87**	**723,219.42**

Effect of Ind as Adoption on the Consolidated Balance sheet as at March 31, 2017 (Continued)

(₹ in lacs)

Particulars	Note No	IGAAP As at April 01, 2015	Opening Ind AS Adjustment	Ind AS As at April 01, 2015	IGAAP As at March 31, 2016	Opening Ind AS Adjustment	Ind AS As at March 31, 2016
EQUITY AND LIABILITIES							
(a) Equity share capital		46,280.54	-	46,280.54	46,312.99	-	46,312.99
(b) Convertible non-participating preference share capital		67,000.00	(37,000.00)	30,000.00	67,000.00	(37,000.00)	30,000.00
(c) Other equity		358,482.40	23,063.60	381,546.00	353,415.43	16,387.50	369,802.93
Equity attributable to owners of the Company		**471,762.94**	**(13,936.40)**	**457,826.54**	**466,728.42**	**(20,612.50)**	**446,115.92**
Non-controlling interests	(m), (o)	15,294.24	22,768.24	38,062.48	14,309.56	24,855.56	39,165.12
Total equity		**487,057.18**	**8,831.84**	**495,889.02**	**481,037.98**	**4,243.06**	**485,281.04**
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	(a), (c), (m), (b)	100,439.57	1,728.61	102,168.18	84,114.85	2,571.10	86,685.95
(ii) Other financial liabilities	(j), (m)	2,951.08	(1,039.49)	1,911.59	2,355.74	(739.63)	1,616.11
(b) Provisions	(l), (m)	4,686.16	(88.73)	4,597.43	4,449.15	(108.70)	4,340.45
(c) Deferred tax liabilities (Net)	(f)	(9,555.04)	9,577.69	22.65	(12,062.03)	12,095.10	33.07
(d) Other non-current liabilities	(j), (m)	3,809.35	(3,557.67)	251.68	3,565.76	(3,349.56)	216.20
Total non-current liabilities		**102,331.12**	**6,620.41**	**108,951.53**	**82,423.47**	**10,468.31**	**92,891.78**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	(a), (c), (m)	2,699.19	(347.05)	2,352.14	51,866.82	(710.84)	51,155.98
(ii) Trade payables	(m)	52,540.30	(1,360.41)	51,179.89	56,754.62	(613.71)	56,140.91
(iii) Other financial liabilities	(j), (m)	88,574.99	(214.49)	88,360.50	22,345.13	(207.18)	22,137.95
(b) Provisions	(l), (m)	4,668.41	(125.40)	4,543.01	4,459.24	(59.84)	4,399.40
(c) Current tax liabilities		1,678.40	-	1,678.40	1,226.02	(25.42)	1,200.60
(d) Other current liabilities	(j), (m)	9,729.33	1.46	9,730.79	10,249.27	(237.51)	10,011.76
Liabilities directly associated with assets classified as held for sale	(p)	-	843.21	843.21	-	-	-
Total current liabilities		**159,890.62**	**(1,202.68)**	**158,687.94**	**146,901.10**	**(1,854.50)**	**145,046.60**
Total liabilities		**262,221.74**	**5,417.73**	**267,639.47**	**229,324.57**	**8,613.81**	**237,938.38**
Total equity and liabilities		**749,278.92**	**14,249.57**	**763,528.49**	**710,362.55**	**12,856.87**	**723,219.42**

Previous GAAP figures have been reclassified to conform to Ind AS presentation for the purpose of this note.

Note 41 (b)

Reconciliation of total equity

		As at March 31, 2016 (₹ in Lacs)	As at April 1, 2015 (₹ in Lacs)
Total equity (shareholder's funds) under previous GAAP		481,037.98	487,057.18
Adjustment made :			
(a)	Foreign Currency Convertible bonds (FCCB's)	317.78	449.29
(b)	Security Deposit	(45.62)	(56.60)
(c)	Loan at EIR	115.11	145.84
(d)	Technology renewal fund advance	26.46	4.21
(e)	Fair Valuation of Mutual Fund	304.10	55.67
(f)	Deferred tax adjustment / recognition	5,325.00	93.15
(g)	Expected credit loss on receivables	(104.67)	(81.56)
(h)	Lease Reversal	958.04	863.75
(i)	Recognition of receivable of financial asset	9,260.29	9,260.29
(j)	Long term Liabilities at amortised cost	1.29	0.05
(k)	Forward cover	-	(157.05)
(l)	Proposed dividend	41.24	111.58
(m)	Recognition / remeasurement on change in classification and other consolidation adjustment	(3,651.93)	(2,792.70)
(n)	Amortisation of loans and advances	132.38	27.04
(o)	Minority adjustments	861.65	908.88
(p)	Reversal of depreciation of Radlink	(575.28)	-
(q)	Reversal of goodwill	(8,722.78)	-
Total adjustment		**4,243.06**	**8,831.84**
Total equity (shareholder's funds) under per IND AS		**485,281.04**	**495,889.02**

(a) Under previous GAAP foreign currency convertible Bonds (FCCB's) are carried the cost. Under IND AS, the fair value of the liability portion of such optional convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds received on issuance of FCCB is considered to be attributable to the equity portion of the compound instruments. This is recognised and included in the shareholders' equity, and not subsequently remeasured. When the (FCCB's) are converted of redeemed the equity portion of the same is transferred to general reserve.

(b) Under Ind AS, security deposit have been measured at amortised cost. Accordingly, where security deposits of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the deposit were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the Company.

(c) Under Ind AS, interest cost on loans is measured at amortised cost which have been determined using effective interest rate method.

(d) Under Ind AS, Technology renewal fund advance have been measured at amortised cost. Accordingly, where technology renewal fund advance of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the Technology renewal fund advance were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(e) Under Previous GAAP, Investments made in mutual fund by the Company were measured at lower of cost or fair value. Under Ind AS, the Company has recognised such investments at fair value through profit and loss thus leading to increase in the value of investment in mutual fund.

(f) Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through profit and loss account or other comprehensive income.

(g) Under Ind AS, Long Term trade receivable have been measured at amortised cost. Accordingly, where receivable of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the receivable were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the company.

(h) Under previous GAAP, lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Under Ind AS, such expense is not recognised on a straight line basis for leases where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The Management has analysed the increase in certain lease arrangements and has determined that such increase is to compensate the cost inflation, being in line with general cost inflation and therefore reversed the lease equalisation reserve.

(i) Under previous GAAP, investment in Fortis Hospotel limited (FHTL). On transition to Ind AS, the amount was considered to be recoverable in cash from the subsidiary company. The Company measured its investment in Fortis hospotel Limited at fair value in the opening balance sheet for Rupees 30,000 lacs against the carrying value of Rupees 20,739.71 lacs.

(j) Under Ind AS, long term liabilities have been measured at amortised cost. Accordingly, where long term liabilities of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the deposit were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the Company.

(k) Under Ind AS, the foreign currency forward contracts are measured at Fair Value through Profit and Loss at each period end and changes have been recognised in the Statement of Profit and Loss. Deferred tax is recognised on the balance of forward contract.

(l) Under previous GAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of Consolidated Financial Statements were considered to be adjusting event and accordingly recognised (along with related dividend distribution tax) as liability at the reporting date. Under Ind AS, dividends so proposed by the Board of Directors are considered to be non-adjusting event. Accordingly, provision for so proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed.

(m) Under Ind AS 110, Control assessment of each component have been made and necessary reclassification and adjustment have been made in the financial statements for the comparative information.

(n) Under Ind AS, Interest free long term loan and advances have been measured at amortised cost. Accordingly, where loan and advances of non-current nature didn't carry any contractual interest or the interest was below market interest rate, the deposit were discounted based on the interest rate determined by the management equal to its interest cost of borrowing of the Company.

(o) Under Ind AS, profit and loss and other comprehensive income for each component have been allocated to the owners and to the non-controlling interest to the extent of their share in the profit/loss of the component.

(p) Under Ind AS 105, the assets and liabilities of the group held for sale have been presented separately from other assets and other liabilities respectively in the balance sheet and related depreciation ceases on the date of when assets have been classified as held for sale.

(q) Under Ind AS, goodwill is not remeasured if the acquirer increases its equity interest in a subsidiary company.

(r) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. Also, Interest cost on defined benefit obligation have been classified under finance cost.

(s) In case of lease which includes both land and buildings, the Company has separately assessed the classification of these elements as a finance or an operating lease as per requirement of Ind AS 17. Lease payments towards building, as determined by the Management, has been considered as finance lease and balance lease payments towards land is under operating lease. Under Indian GAAP, separate assessment was not made and such composite lease were considered as operating lease. Necessary adjustment to the carrying value of PPE, capital work in progress has been made in the financial statements under Ind AS.

(t) The cash flows of the Group have been impacted due to change in composition of the Group under Ind As and accounting of Joint venture from proportionate consolidation into equity method.

Note 41 (c)

Effect of Ind as Adoption on the Consolidated Profit And Loss

		For the year ended March 31, 2016			
		Notes	IGAAP (Rupees in lacs)	Ind AS Adjustment (Rupees in lacs)	Ind AS (Rupees in lacs)
I	Revenue from operations	(m)	426,513.83	(6,625.18)	419,888.65
II	Other income	(b), (d) , (e) , (g) ,(k) ,(m) , (n)	14,701.97	647.54	15,349.51
III	**Total Income (I+II)**		**441,215.80**	**(5,977.64)**	**435,238.16**
IV	**Expenses**				
	Purchases of stock-in-trade	(m)	92,471.87	(1,425.03)	91,046.84
	Changes in inventories of finished goods, stock-in- trade and work-in-progress	(m)	3,252.59	(132.87)	3,119.72
	Employee benefits expense	(m), (r)	82,599.28	(761.36)	81,837.92
	Finance costs	(a), (c), (j), (r)	12,487.05	817.98	13,305.03
	Depreciation and amortisation expetise	(p), (m)	22,947.52	(437.88)	22,509.64
	Other expenses	(b), (d), (g), (h), (m), (n)	226,496.15	(3,013.41)	223,482.74
	Total Expenses (IV)		**440,254.46**	**(4,952.57)**	**435,301.89**
V	Share of profit of associates	(m), (o), (q)	6,555.81	691.42	7,247.23
VI	**Profit before exceptional item/ tax (IV-V)**		**7,517.15**	**(333.65)**	**7,183.50**
VII	Exceptional item	(h)	(3,318.94)	(694.57)	(4,013.51)
VIII	**Profit before tax (VI + VII)**		**4,198.21**	**(1,028.22)**	**3,169.99**
IX	**Tax expense**				
	(1)Current tax	(m)	8,319.09	(221.19)	8,097.90
	(2)Deferred tax	(f), (m)	(3,662.32)	(5,237.14)	(8,899.46)
	Total Tax expense		**4,656.77**	**(5,458.33)**	**(801.56)**
X	**Profit for the period from continuing operations (VIII-IX)**		**(458.56)**	**4,430.11**	**3,971.55**
XI	Profit from discontinued operations before tax	(p)	127.73	104.77	232.50
XII	Tax expense of discontinued operations	(p)	26.68	-	26.68
XIII	**Profit from discontinued operations (after tax) (XI+XII)**		**101.05**	**104.77**	**205.82**
XIV	**Profit for the period (X+XII)**		**(357.51)**	**4,534.88**	**4,177.37**
	Other comprehensive income				
	(i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of the defined benefit plan	(r)	-	(14.58)	(14.58)
	(b) Deferred tax relating to items that will not be reclassified to profit or loss	(r)	-	10.67	10.67
	(ii) Items that may be reclassified to profit or loss				
	(a) Exchange differences in translating the financial statements of foreign operations		-	(5,070.19)	(5,070.19)
XV	**Total other comprehensive income**		-	**(5,074.11)**	**(5,074.11)**
XVI	**Total comprehensive income for the period (XIV+XV)**		**(357.51)**	**(539.23)**	**(896.74)**

Previous GAAP figures have been reclassified to conform to Ind AS presentation for the purpose of this note.

Note 41 (d)

Effect of Ind as Adoption on the Consolidated Statement of Cash Flow for the year ended March 31, 2016

	For the year ended March 31, 2016			
	Notes	IGAAP (Rupees in lacs)	Ind AS Adjustment (Rupees in lacs)	Ind AS (Rupees in lacs)
Net cash flows from operating activities	(t)	16,741.67	2,725.63	19,467.30
Net cash flows from investing activities	(t)	22,100.90	(10,824.11)	11,276.79
Net cash flows from financing activities	(t)	(44,378.03)	8,949.41	(35,428.62)
Net increase in cash and cash equivalents		**(5,535.46)**	**850.93**	**(4,684.53)**
Cash and cash equivalents at the beginning of the year	(t)	19,216.19	(337.83)	18,878.36
Cash and cash equivalents at the end of the year	(t)	**13,680.73**	**513.10**	**14,193.83**

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