

**Fortis Healthcare Limited**

Tower-A, Unitech Business Park, Block-F,  
South City 1, Sector – 41, Gurgaon,  
Haryana – 122 001 (India)

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**Emergency : 105010**

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FHL/SEC/2019-20

May 24, 2019

**The National Stock Exchange of India Ltd.  
Corporate Communications Department  
“Exchange Plaza”, 5<sup>th</sup> Floor, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400051**

**BSE Limited  
Corporate Services Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001**

**Scrip Symbol: FORTIS**

**Scrip Code:532843**

**Sub: Outcome of the Board Meeting**

Dear Sir(s),

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015, this is to inform you that the Board of Directors of the Company at its meeting held today i.e. on May 24, 2019, *inter-alia*, considered and approved:

1. Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended on March 31, 2019. M/s. B S R & Co. LLP, the Statutory Auditors of the Company have issued Audit Report with modified opinion along with Statement on Impact of Modified Opinion thereon;
2. Appointment of M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditor of the Company to hold such office until the conclusion of twenty eighth (28<sup>th</sup>) Annual General Meeting to be held in year 2024, subject to the approval of shareholders of the Company in the ensuing Annual General Meeting;

B S R & Co. ('the firm') was constituted on March 27, 1990 having firm registration no. 101248W. It was converted into Limited Liability partnership i.e. B S R & Co. LLP on October 14, 2013 thereby having a new registration no. 101248W/ W-100022. The registered office of the firm is at 5<sup>th</sup> Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra - 400 011. B S R & Co. LLP has several experienced professionals managing offices across India viz. Mumbai, Gurugram, Bengaluru, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi.

B S R & Co. LLP is a member entity of B S R & Associates, a network registered with the Institute of Chartered Accountants of India. The other entities which are part of the B S R & Associates include B S R & Associates LLP, B S R & Company, B S R and Co, B S R and Associates, B S R and Company, B S S R & Co and B B S R & Co.

3. Regularization of appointment of Dr. Tan See Leng (holder of DIN: 03321168), subject to approval of shareholders;

Dr Tan See Leng was appointed the Managing Director and Chief Executive Officer of IHH Healthcare Berhad ("IHH") in January 2014 after serving as an Executive Director on the IHH Board for two years. Dr Tan is also the Group CEO and Managing Director of Parkway Pantai Limited, a position he assumed in 2011. He also serves on the Boards of IHH subsidiaries, namely Parkway Pantai Limited, IMU Health Sdn Bhd and Acibadem Saglik Yatirimlari Holding A.S. ("ASYH") Group and a Board Committee of ASYH.

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**FORTIS HEALTHCARE LIMITED**

Regd. Office : Fortis Hospital, Sector 62, Phase – VIII, Mohali – 160062  
Tel : 0172-5096001, Fax : 0172-5096221, CIN : L85110PB1996PLC045933

Prior to this, Dr Tan was the CEO of Parkway Holdings Limited from April 2010, a position he rose to fairly quickly after he joined Parkway in 2004 as Chief Operating Officer of Mount Elizabeth Hospital. As a young entrepreneur, Dr Tan founded a private primary healthcare group at the age of 27 and subsequently developed it into the second largest primary healthcare group in Singapore before successfully selling the company to one of the leading global health-plan providers.

With over 27 years of healthcare experience, Dr Tan has served as an active member of various medical committees such as Singapore Ministry of Health's MediShield Life Review Committee. He has been reappointed Adjunct Assistant Professor of Duke-NUS Graduate Medical School Singapore, Office of Education, for the period until 2019. He also serves on the Advisory Board of Lee Kong Chian School of Business at Singapore Management University and on the Board of Parkway Trust Management Limited ("PTM"), an indirect wholly-owned subsidiary of IHH. PTM manages Parkway Life Real Estate Investment Trust which is listed on the Singapore Exchange Securities Trading Limited.

Dr. Tan See Leng is not related to any of other Directors / Key Managerial Personnel of the Company.

Further, Dr. Tan See Leng declared that, he is not debarred from accessing the capital markets and / or restrained from holding any position / office of director in a company pursuant to order of SEBI or any other such authority.

4. Regularization of appointment of Mr. Low Soon Teck (holder of DIN: 01880497), subject to approval of shareholders.

Mr Low Soon Teck assumed the position of Group Chief Financial Officer of IHH Healthcare Berhad ("IHH") on 10 January 2016. He brings with him over 20 years of experience in finance, legal and general management in leadership roles.

Prior to joining IHH, Mr Low served with the RCMA Group, a commodity supply chain management company, as its Chief Financial Officer between 2013 and 2015. From 1994 to 2013, he was employed in the Kuok/Kerry Group, holding various senior positions in diverse businesses within the group in Hong Kong and Singapore. His last position in the group was as Chief Financial Officer of PACC Offshore Services Holdings Group, the offshore marine arm of the Kuok/Kerry Group. Prior to this, Mr Low served as Group Treasurer at Wilmar International Limited, after its merger in 2006 with Kuok Oils and Grains where he had served as Group Financial Controller following his relocation from Hong Kong to Singapore in 2005.

Whilst Mr Low was based in Hong Kong from 1994 to 2005, he held various positions within the Kerry Group including that of Director of China Operations at SCMP Group, publisher of the South China Morning Post. In this role, he was responsible for business development, newspaper publishing and circulation operations as well as managing a chain of retail convenience stores.

Mr Low began his career as a solicitor in Singapore at a boutique law firm from 1991 to 1993, focusing on corporate and banking laws.

Mr. Low Soon Teck is not related to any of other Directors / Key Managerial Personnel of the Company.

Further, Mr. Low Soon Teck declared that, he is not debarred from accessing the capital markets and / or restrained from holding any position / office of director in a company pursuant to order of SEBI or any other such authority.

5. Regularization of appointment of Dr. Chan Boon Kheng (holder of DIN:08268826), subject to approval of shareholders.

Dr Chan Boon Kheng has more than 20 years of experience as a healthcare executive working in several geographies including South East Asian countries and the Middle East. He has held senior executive positions in the healthcare service industry covering a span of roles which includes operation, corporate and investment portfolios. He has a track record in growing new businesses, developing strong teams and delivering results.

He has a long association with IHH and its predecessor entity Parkway Healthcare from 2000-2010. Among the various positions he held, he was the Group Chief Executive Officer of Pantai Holdings Berhad ("Pantai"). Pantai is one of the largest hospital group in Malaysia with a chain of 12 hospitals from 2007-2010. He returned to IHH in 2018 to lead the IHH Strategic Planning and Business Development (Merger & Acquisition) and is CEO for its South East Asia Operations.

Prior to joining IHH in 2018, he was a senior advisor to TPG, a global private equity fund. From 2010-2016, he was the Group President of Sasteria Pte Ltd, a privately held healthcare entity, which owns Thomson Medical Group based in Singapore and TMC Life Sciences based in Kuala Lumpur Malaysia. He concurrently served as the Group CEO of Thomson as well as the Executive Director of TMC Life Sciences Limited. TMC Life Sciences owns and operates a tertiary hospital in Kuala Lumpur and the largest network of fertility centres in Malaysia.

Dr Chan also served as an Advisor to a sovereign wealth fund based in Abu Dhabi. He was also involved in Medtech related startups.

Dr. Chan Boon Kheng is not related to any of other Directors / Key Managerial Personnel of the Company.

Further, Dr. Chan Boon Kheng declared that, he is not debarred from accessing the capital markets and / or restrained from holding any position / office of director in a company pursuant to order of SEBI or any other such authority.

6. Regularization of appointment of Mr. Bhagat Chintamani Aniruddha (holder of DIN: 07282200), subject to approval of shareholders

Appointed to the Board of IHH Healthcare Berhad ("IHH") in 2016, Mr Chintamani Aniruddha Bhagat is currently the overseeing Executive Director for the Healthcare sector of the Investments Division of Khazanah Nasional Berhad ("Khazanah") and concurrently leads Khazanah's India operations. He also serves on certain Boards and Board Committees of IHH subsidiaries under Acibadem Saglik Yatirimlari Holding A.S. Group.

Prior to joining Khazanah, Mr Bhagat spent 14 years at McKinsey & Company in Singapore, including six years as Managing Partner for the Singapore office. He was a leader in the healthcare practice, serving hospital systems across Asia; as well as a leader in the Principal Investor practice, serving several sovereign wealth funds, private equity firms, and family owned businesses. He also founded and led McKinsey's corporate governance service line. Preceding his time in McKinsey, Mr Bhagat held various positions at an engineering and construction firm in India, which culminated in his role as the Chief Executive Officer for the firm. He is also a qualified architect.

Mr. Bhagat Chintamani Aniruddha is not related to any of other Directors / Key Managerial Personnel of the Company.

Further, Mr. Bhagat Chintamani Aniruddha declared that, he is not debarred from accessing the capital markets and / or restrained from holding any position / office of director in a company pursuant to order of SEBI or any other such authority.

**7. Regularization of appointment of Mr. Shirish Moreshwar Apte (holder of DIN: 06556481), subject to approval of shareholders;**

Mr. Shirish Moreshwar Apte was appointed to the board of IHH Healthcare Berhad in September 2014. He is currently also the Independent Non-Executive Chairman of Pierfront Mezzanine Fund Pte Ltd. He concurrently serves on several boards of directors including Commonwealth Bank of Australia, the Supervisory Board of Bank Handlowy, Poland and Fullerton India Credit Company Limited. Prior to his retirement from Citigroup in 2014 as Chairman of Asia Pacific Banking, Shirish had built up an impressively extensive 32-year career with Citibank/Citigroup. He held numerous positions with Citibank/ Citigroup serving in Singapore (2011-2013), Hong Kong (2009-2011), London (2003-2009), Poland (1997-2003) and London (1993-1997). He also supervised operations in the emerging markets covering Central and Eastern Europe, Middle East, Africa ("CEEMEA") and Asia Pacific. He was appointed head of Citi's Corporate and Investment bank in India, Chief Executive Officer ("CEO") for Citibank Poland, and regional CEO first for CEEMEA and then Asia Pacific. Mr. Shirish was also a member of Citigroup's Executive and Operating committees from 2008-2012 and the Group's Business Practices committee. He began his career in the banking division of Citibank India in 1981.

Mr. Shirish Moreshwar Apte holds a Bachelor of Commerce from Calcutta University and Master of Business Administration from London Business School majoring in finance. He is a Chartered Accountant from the Institute of Chartered Accountants of England & Wales.

Mr. Shirish Moreshwar Apte is not related to any of other Directors / Key Managerial Personnel of the Company.

Further, Mr. Shirish Moreshwar Apte declared that, he is not debarred from accessing the capital markets and / or restrained from holding any position / office of director in a company pursuant to order of SEBI or any other such authority.

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8. Regularization of appointment of Dr Ashutosh Raghuvanshi (holder of DIN: 02775637), subject to approval of shareholders

Dr Ashutosh Raghuvanshi, is a cardiac surgeon turned management leader. After completing his MS in general surgery from MGIMS, Dr Ashutosh went on to do MCH in Cardiac surgery from the University of Bombay. Over the last 26 years, he has been associated with the Bombay Hospital, Apollo Hospitals, Vijaya Heart foundation and Manipal Heart Foundation. He is credited with the establishment of Rabindranath Tagore International Institute of Cardiac Sciences, Kolkata, where he joined as Director in 2000 and is today one of the largest Multispecialty Hospitals in Eastern India.

Before joining Fortis, he was last working with Narayana Health as Vice Chairman, Managing Director & Group CEO and was responsible for the operations of all the group hospitals across India and internationally.

Dr. Raghuvanshi is not related to any of other Directors / Key Managerial Personnel of the Company.

Further, Dr. Raghuvanshi declared that, he is not debarred from accessing the capital markets and / or restrained from holding any position / office of director in a company pursuant to order of SEBI or any other such authority.

9. In continuation of our letter ref. FHL/SEC/STEX/RR/2018-19 dated October 1, 2018, wherein the Company informed Mr. Sumit Goel was appointed as Company Secretary (Interim), the Board has re-designated him as Company Secretary with immediate effect.

Please find enclosed 'Audited Financial Results, Audit Report, 'Statement of Assets & Liabilities' and Statement on Impact of Modified Opinion thereon for the year ended on March 31, 2019 along with a copy of Investor Presentation being issued in this regard.

The Board Meeting commenced at 1330 Hours and concluded at 2320 Hours.

This is for your information and records please.

Thanking you,

Yours faithfully,

For **Fortis Healthcare Limited**

**Sumit Goel**

**Company Secretary**

**Membership No.: F6661**

**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

(Rupees in lacs)

Particulars	Standalone				
	Quarter ended			Year ended	
	31 March 2019 Audited	31 December 2018 Unaudited	31 March 2018 Audited (refer note 2)	31 March 2019 Audited	31 March 2018 Audited (refer note 2)
1. Income from operations	16,790	16,971	15,458	65,649	65,948
2. Other income	35,201	7,088	3,278	52,449	13,789
<b>3. Total income (1+2)</b>	<b>51,991</b>	<b>24,059</b>	<b>18,736</b>	<b>118,098</b>	<b>79,737</b>
4. Expenses					
(a) Cost of material consumed	3,287	3,399	3,040	13,169	13,556
(b) Employee benefits expenses	3,360	3,756	3,163	14,953	16,134
(c) Finance costs	4,917	7,012	1,699	19,227	6,374
(d) Hospital service fee expense	3,566	3,565	3,405	14,154	13,927
(e) Professional charges to doctors	2,701	2,879	2,034	11,137	10,665
(f) Depreciation and amortisation expenses	646	666	769	2,714	2,888
(g) Other expenses	8,612	6,791	4,402	24,780	15,428
<b>Total expenses</b>	<b>27,088</b>	<b>28,068</b>	<b>18,512</b>	<b>100,133</b>	<b>78,972</b>
<b>5. Net profit/ (loss) from continuing operation before exceptional items and tax (3-4)</b>	<b>24,903</b>	<b>(4,009)</b>	<b>224</b>	<b>17,965</b>	<b>765</b>
6. Exceptional items (refer note 4)	-	-	(6,631)	-	(6,795)
<b>7. Net Profit/ (loss) before tax from continuing operations (5-6)</b>	<b>24,903</b>	<b>(4,009)</b>	<b>(6,407)</b>	<b>17,965</b>	<b>(6,030)</b>
8. Tax expense/ (credit)	5,653	902	(50)	5,656	343
<b>9. Net profit / (loss) for the period from continuing operations (7-8)</b>	<b>19,250</b>	<b>(4,911)</b>	<b>(6,357)</b>	<b>12,309</b>	<b>(6,373)</b>
10. Profit/ (loss) from discontinued operations before tax	-	-	-	-	-
11. Tax expense of discontinued operations	-	-	-	-	-
<b>12. Net profit / (loss) for the period from discontinuing operations (After Tax) (10-11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13. Net profit / (loss) for the period (9+12)</b>	<b>19,250</b>	<b>(4,911)</b>	<b>(6,357)</b>	<b>12,309</b>	<b>(6,373)</b>
14 Other Comprehensive Income/(loss) (including OCI relating to associates and joint venture (after tax)) ('OCI')	4	(46)	7	22	32
<b>15. Total comprehensive Income/(Loss) (13+14)</b>	<b>19,254</b>	<b>(4,957)</b>	<b>(6,350)</b>	<b>12,331</b>	<b>(6,341)</b>



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**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

(Rupees in lacs)

Particulars	Standalone				
	Quarter ended			Year ended	
	31 March 2019 Audited	31 December 2018 Unaudited	31 March 2018 Audited (refer note 2)	31 March 2019 Audited	31 March 2018 Audited (refer note 2)
16. Paid-up equity share capital (Face Value Rupees 10 per Share)	75,495	75,495	51,866	75,495	51,866
<b>17. Earnings per equity share for continuing operations</b>					
Basic earnings per share - In Rupees	2.52	(0.76)	(1.23)	2.02	(1.23)
Diluted earnings per share - In Rupees	2.52	(0.76)	(1.23)	2.02	(1.23)
<b>18. Earnings per equity share for discontinued operations</b>					
Basic earnings per share - In Rupees	-	-	-	-	-
Diluted earnings per share - In Rupees	-	-	-	-	-
<b>19. Earnings per equity share from continuing and discontinued operations</b>					
Basic earnings per share - In Rupees	2.52	(0.76)	(1.23)	2.02	(1.23)
Diluted earnings per share - In Rupees	2.52	(0.76)	(1.23)	2.02	(1.23)
20. Earnings before depreciation, impairment and amortization expense, finance costs, exceptional items, tax expenses and share in profit/(loss) of associate companies and joint ventures (EBITDA) (Refer note 3)	30,466	3,869	2,692	39,906	10,027

**Notes to the results**

- The above standalone audited financial results for the quarter and year ended March 31, 2019 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on May 24, 2019. The audit report of the Statutory Auditors is being filed with BSE and National Stock Exchange. For more details on standalone results, visit investors section of our website at [www.fortishealthcare.com](http://www.fortishealthcare.com) and Financial Results at Corporate Section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).
- The predecessor auditor had issued a qualified opinion on the standalone audited financial results for the quarter and year ended March 31, 2018. Figures for the quarter ended March 31, 2019, included in the standalone statement, is the balancing figure between audited figure in respect of the full financial year and the unaudited published year to date figures up to December 31, 2018 being the end of the third quarter of the financial year. The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the published year to date figures up to December 31, 2017 being the end of the third quarter of the respective financial year and it contained a disclaimer of opinion.
- The Company has presented Earnings before finance cost, tax, depreciation, impairment and amortization (EBITDA) additionally in the standalone audited financial results. In its measurement, the Company includes other income, but does not include depreciation and amortization expense, finance costs, exceptional items and tax expenses.



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**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

4. Exceptional items included in the above standalone financial results include:

(Rupees in lacs)

Particulars	Quarter ended			Year ended	
	31 March 19	31 December 18	31 March 18	31 March 19	31 March 18
	Audited	Unaudited	Audited (refer note 2)	Audited	Audited refer note 2)
a) Expenses on Composite Scheme of Arrangement and Amalgamation (Refer Note 8)	-	-	5	-	(159)
b) Allowance for doubtful advance and security deposit given to body corporate along with impairment of Capital work-in-progress (Refer Note 6)	-	-	(4,743)	-	(4,743)
c) Impairment in investment and allowance for doubtful loan given to Subsidiary Company	-	-	(55)	-	(55)
d) Impairment of goodwill of Shalimar Bagh	-	-	(571)	-	(571)
e) Exceptional gain on recovery of salary & other reimbursements paid in previous year (Refer Note 14)	-	-	735	-	735
f) Allowance for doubtful amount recoverable for salary & other reimbursement of expenses (Refer Note 14)	-	-	(2,002)	-	(2,002)
<b>Net exceptional item</b>	-	-	<b>(6,631)</b>	-	<b>(6,795)</b>



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**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

5. Balance Sheet:

Particulars	(Rupees in lacs)	
	Standalone	
	As at 31 March 2019 Audited	As at 31 March 2018 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	14,796	16,822
(b) Capital work-in-progress	15,778	15,934
(c) Goodwill	2,722	2,722
(d) Other intangible assets	483	751
(e) Intangible assets under development	708	707
(f) Financial assets		
(i) Investments		
a) Other investments	830,988	365,770
(ii) Loans	98,347	46,096
(iii) Other financial assets	513	950
(g) Deferred tax assets (Net)	5,463	6,341
(h) Non-current tax assets (Net)	5,510	5,144
(i) Other non-current assets	367	400
<b>Total non-current assets</b>	<b>975,675</b>	<b>461,637</b>
<b>Current assets</b>		
(a) Inventories	598	695
(b) Financial assets		
(i) Trade receivables	8,366	7,096
(ii) Cash and cash equivalents	1,214	1,656
(iii) Bank balances other than (ii) above	2,059	7,235
(iv) Loans	3,016	12,354
(v) Other financial assets	20,191	7,951
(c) Other current assets	910	2,943
	<b>36,354</b>	<b>39,930</b>
<b>Total current assets</b>	<b>36,354</b>	<b>39,930</b>
<b>Total assets</b>	<b>1,012,029</b>	<b>501,567</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	75,495	51,866
(b) Other equity	760,828	370,816
<b>Total equity</b>	<b>836,323</b>	<b>422,682</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	34,660	23,162
(b) Provisions	1,150	1,127
<b>Total non-current liabilities</b>	<b>35,810</b>	<b>24,289</b>



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**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED  
MARCH 31, 2019**

Particulars	(Rupees in lacs)	
	Standalone	
	As at 31 March 2019 Audited	As at 31 March 2018 Audited
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	110,098	19,448
(ii) Trade payables	19,551	14,577
(iii) Other financial liabilities	7,155	16,586
(b) Provisions	1,313	1,336
(d) Other current liabilities	1,779	2,649
<b>Total current liabilities</b>	<b>139,896</b>	<b>54,596</b>
<b>Total liabilities</b>	<b>175,706</b>	<b>78,885</b>
<b>Total equity and liabilities</b>	<b>1,012,029</b>	<b>501,567</b>

6. The Company had paid security deposits and advances aggregating to Rupees 2,173 lacs in the financial year 2013-14 to a private company ("Lessor") towards lease of office space. Due to delays in obtaining occupancy certificate (OC), the lease agreement was terminated by the Company. The amounts outstanding from the Lessor as on March 31, 2018 aggregated to Rupees 2,173 lacs. Additionally, expenditure aggregating to Rupees 2,570 lacs as at March 31, 2018 was incurred towards capital work-in-progress on the premises proposed to be take on lease from the Lessor, which is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has issued legal notice demanding the outstanding. Lessor responded to the notice of the Company for amicable resolution, which have not yet yielded any results.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company had recorded provisions aggregating to Rupees 4,743 lacs in the Standalone Financial Results for the year ended March 31, 2018 (also refer to note 12(d)(vi)).

7. A third party (to whom the ICDs were assigned by a Subsidiary, Fortis Hospitals Limited ('FHsL')) ("Assignee" or "Claimant") has filed a Civil Suit before the District Court, Delhi in February 2018 against various entities including the Company (together "the defendants") and have, *inter alia*, claimed implied ownership of brands "Fortis", "SRL" and "La Femme" in addition to certain financial claims and for passing a decree that consequent to a Term Sheet dated December 6, 2017 ('Term Sheet') with a certain party ("Party"), the Company is liable for claims owed by the Claimant to the Party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit (also refer note 12).

The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Party.

In addition to the above, the Company has also received four notices from the Claimant claiming (i) Rupees 1,800 lacs as per notices dated May 30, 2018 and June 1, 2018 (ii) Rupees 21,582 lacs as per notice dated June 4, 2018; and (iii) Rupees 1,962 lacs as per notice dated June 4, 2018. All these notices have been responded to by the Company denying any liability whatsoever.

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



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**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

the brands as well. Subsequently, an application has been filed in the civil suit, by a different entity claiming itself to be representative of the Party and is seeking substitution of its name in place of Assignee as plaintiff.

Allegations made by the Party has been duly responded to by the Company denying (i) execution of any binding agreement with the Party and (ii) liability of any kind whatsoever. Company has also filed caveats before Hon'ble High Court of Delhi in this regard.

During the quarter ended June 20, 2018, the Party also filed an application for being impleaded as party to the Civil Suit by the Claimant. The matter is pending adjudication before District Court, Delhi.

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

8. The Board of Directors of the Company at their meeting held on August 19, 2016 had earlier approved a proposal to demerge its diagnostic business including that is housed in its majority owned subsidiary SRL Limited ("SRL") into another majority owned subsidiary, Fortis Malar Hospitals Limited ("FMHL") pursuant to a composite scheme of arrangement and amalgamation ("the Composite Scheme").

During the current year on June 13, 2018, the Board of the Company, SRL and FMHL decided to withdraw from the scheme, subject to the approval of National Company Law Tribunal ("NCLT"). The approval of the NCLT for withdrawal of the Composite Scheme was received on June 15, 2018.

9. Effective from January 15, 2019, the Company completed the acquisition of 100% stake in International Hospital Limited, Fortis Health Management Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited and 49% stake in Fortis Hospital Limited (in which the Company had already held 51% stake) for a consideration of Rupees 466,630 lacs.

10. As on December 31, 2017, the erstwhile Promoters and erstwhile Promoter Group entities together held 34.33% of the paid-up capital of the Company of which approximately 98% was pledged to various bank as a security towards the loans raised by the erstwhile Promoters / erstwhile Promoter Group entities. In a matter relating to the erstwhile Promoters and the erstwhile Promoter Group entities, the Hon'ble Supreme Court of India vide their interim orders dated August 11, 2017 and August 31, 2017 had directed that status quo be maintained over the shares pledged by the erstwhile Promoter and erstwhile Promoter Group entities. Subsequently, the Hon'ble Supreme Court of India in its Order on February 15, 2018, has clarified that the earlier direction to maintain status quo of the erstwhile promoter holding in the Company shall not apply to shares of the Company as may have been encumbered on or before the date of the interim orders. Consequent to the Banks invoking their rights on the shares of the Company that were pledged by the erstwhile Promoters / erstwhile Promoter Group entities, the holding of the erstwhile Promoters and erstwhile Promoter Group entities in the Company have reduced to 0.16% of the paid-up capital of the Company as at March 31, 2019 (0.77% of the paid-up capital of the Company as at March 31, 2018). Further the Board of Directors at its meeting held on July 13, 2018, approved re-classification of the then promoter holding under the category of 'Public Shareholding'. This has been approved by the shareholders at their Extra Ordinary General Meeting dated August 13, 2018. Application for re classification of erstwhile promoter as "public shareholder" is pending regulatory approvals from the stock exchanges.

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



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**

**Fortis Hospital, Sector 62 Phase - VIII, Mohali - 160062**

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED  
MARCH 31, 2019**

the right to appoint 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Ltd. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained, as a result of which the Mandatory Open offer was kept in abeyance. The Company has accordingly filed application for modification of the said order.

Out of the proceeds the Company has used a sum of Rupees 356,630 lacs for substantially funding the acquisition as described in note 9 and balance towards repayment of debt and general corporate purposes.

**12. Investigation initiated by the erstwhile Audit and Risk Management Committee**

- (a) During the previous year there were reports in the media and enquiries from, inter alia, the stock exchanges received by the Company about certain inter-corporate loans ("ICDs") given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company in its meeting on February 13, 2018 decided to carry out an independent investigation through an external legal firm on this matter.
- (b) The terms of reference of the investigation, *inter alia*, comprised: (i) ICDs amounting to a total of Rupees 49,414 lacs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017 (refer Note 7 above); (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party (refer 7 above); (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017 (refer Note 7 above); (iv) investments made in certain overseas funds by the overseas subsidiaries of the Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited) (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from an erstwhile promoter group company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company.
- (c) The investigation report ("Investigation Report") was submitted to the re-constituted Board on June 8, 2018.
- (d) The re-constituted Board discussed and considered the Investigation Report and noted certain significant findings of the external legal firm, which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report.
  - i. While the Investigation Report did not conclude on utilization of funds by the borrower companies, there are findings in the report to suggest that the ICDs were utilized by the borrower companies for granting/ repayment of loans to certain additional entities including those whose current and/ or past promoters/ directors are known to/ connected with the erstwhile promoters of the Company.
  - ii. In terms of the relationship with the borrower companies, there was no direct relationship between the borrower companies and the Company and / or its subsidiaries during the period December 2011 till December 14, 2017 (these borrower companies became related parties from December 15, 2017). The Investigation Report has made observations where erstwhile promoters were evaluating certain transactions concerning certain assets owned by them for the settlement of ICDs thereby indirectly implying some sort of affiliation with the



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

borrower companies. The Investigation Report has observed that the borrower companies could possibly qualify as related parties of the Company and/ or FHSL, given the substance of the relationship. In this regard, reference was made to Indian accounting Standards dealing with related party disclosures, which states that for considering each possible related party relationship, attention is to be directed to the substance of the relationship and not merely the legal form.

- iii. Objections on record indicate that management personnel and other persons involved were forced into undertaking the ICD transactions under the repeated assurance of due repayment and it could not be said that the management was in collusion with the erstwhile promoters to give ICDs to the borrower companies. Relevant documents/information and interviews also indicate that the management's objections were overruled. However, the former Executive Chairman of the Company, in his written responses, has denied any wrongdoing, including override of controls in connection with grant of the ICDs.
  - iv. Separately, it was also noted in the Investigation Report that the aforesaid third party to whom the ICDs were assigned has also initiated legal action against the Company (Refer Note 7). Whilst the matter was included as part of the terms of reference of the investigation, the merits of the case cannot be reported since the matter was *sub-judice*.
  - v. During the previous year ended 31 March 2018, the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited ("EHIRCL")), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of Rupees 3.46 lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of Rupees 794.50 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited and some other payments to the erstwhile promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs / vendor advance to FHSL / Company. Further, the said loan advanced by EHIRCL to Fortis Healthstaff Limited was impaired in the books of account of EHIRCL due to anticipated chances of non-recovery during the quarter and year ended 31 March 2019.
  - vi. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the erstwhile promoter group, if any. In this regard, it was observed in internal correspondence within the Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions have been made in this regard.
  - vii. Additionally, it was observed in the Investigation Report that there were significant fluctuations in the NAV of the investments in overseas funds by the overseas subsidiaries during a short span of time. Further, similar to the paragraph above, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During quarter ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10% with no loss in the principal value of investment.
- (e) **Other Matters:**
- i) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 12 (d) (i), (ii) (vi) and (vii) above) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up till March 31, 2019. Therefore, the



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

possibility cannot be ruled out that there may be additional related parties whose relationship may not have been disclosed to the Company and, hence, not known to the Management.

- ii) With respect to the other matters identified in the Investigation Report, the Board initiated specific improvement projects to strengthen the process and control environment. The projects include revision of authority levels, both operational and financial and oversight of the Board, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance to regulatory requirements and systems design & control enhancement. The assessment work is being done and corrective action plans are being implemented. Board continues to evaluate other areas to strengthen processes and build a robust governance framework. Towards this end, it is also evaluating internal organizational structure and reporting lines, the roles of authorized representatives and terms of reference of executive committees and their functional role. The Company's Board of Director have also initiated an enquiry of the management of the certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm.
- iii) It is in the above backdrop, that it is pertinent to mention that during the previous year the Company received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Company. In the aforesaid letter, SEBI required the Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of Rupees 473 Crores reported in the media. SEBI had also appointed forensic auditors to conduct a forensic audit, of collating information from the Company and certain of its subsidiaries. The Company / its subsidiaries have furnished all requisite information and documents requested by SEBI.

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

The Company and its wholly owned subsidiary i.e. Fortis Hospitals Limited (FHsL) had then filed applications for modification of the order, for deletion of name of FHsL from the list of entities against whom the directions were issued. Pursuant to this SEBI, vide order dated December 21, 2018, modified its previous order dated October 17, 2018 deleting FHsL from the list of entities against whom the Order was directed. Pursuant to this, the suspension order by National Securities Depository Limited for debits in beneficial owner account of FHsL was accordingly removed. Vide Order dated March 19, 2019 SEBI has confirmed the directions issued vide ad interim *ex-parte* order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the Company and FHsL to take all necessary steps to recover Rupees 40,300 lacs along with due interest from erstwhile-promoters and various other entities, as mentioned in the Order.



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

The Company and its wholly owned subsidiary (FHsL) have filed all necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and various other entities of erstwhile promoters to the Company and FHsL.

The matter before SEBI is *sub-judice* and the investigation is ongoing, in as much as it has observed that a detailed investigation would be undertaken to ascertain the role of each entity in the alleged diversion and routing of funds. The Board of Directors is committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid context, proper and sufficient care has been taken for the 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 fraud and other irregularities.

- iv) As per the assessment of the Board, based on the investigation carried out through the external legal firm, SEBI order and the information available at this stage, all identified/required adjustments/disclosures arising from the findings in the Investigation Report, were made in the Standalone Financial Results for the year ended March 31, 2018.

**13. Investigation by Various Other Regulatory Authorities**

- a) During the previous year ended March 31, 2018, the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, *inter alia*, had also sought information in relation to the Company. All requisite information in this regard has been duly shared by the Company with the ROC.
- b) The Serious Fraud Investigation Office (SFIO), of the Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, *inter alia*, initiated an investigation and sought information in relation to the Company, its material subsidiaries, joint ventures and associates. The Company has submitted all requisite information in this regard with SFIO, as requested from time to time.
- c) The Investigation Report of the external legal firm has been submitted by the Company to the Securities and Exchange Board of India, the Serious Frauds Investigation Office ("SFIO") on June 12, 2018.

The Company is fully co-operating with the regulators in relation to the ongoing investigations to enable them to make their determination on these matters. Any further adjustments/disclosures, if required, would be made in the books of account as and when the outcome of the above investigations is known.

**14. Letter of Appointment of erstwhile Executive Chairman**

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as *non-est* the Letter of Appointment dated September 27, 2016, as amended, ("LoA") issued to the erstwhile Executive Chairman of the Company in relation to his role as 'Lead: Strategic Initiatives' in the Strategy Function. Basis legal advice taken by the Company, the payments made to him under this LOA would be considered to be covered under the limits of section 197 of the Companies Act, 2013. The Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him., The erstwhile Executive Chairman sent a notice to the Company claiming Rupees 4,610 lacs as allegedly due to him under the employment agreement. The Company has replied to the same through its legal counsel denying any liability and stated that the demand is not payable being illegal and accordingly no adjustment has been made in these Standalone Financial Results with respect to these claims. Subsequently, Company has filed a complaint against the erstwhile Executive Chairman before Economic Offence Wing, New Delhi which is being investigated. The Company has received vehicles which were being used by him except for IT assets and excess amounts paid to him. (Also refer Note 12(h) on recent SEBI Order)

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to Rupees 2,002 lacs (comprising reversal of FY 2016-17 expenditure of Rupees 735 lacs, which has been disclosed as an exceptional income in the Standalone Financial Results for the year ended March 31 2018, and expenditure of Rupees 1,267 lacs relating to FY 2017-18) was shown as recoverable in the Standalone Financial Results of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts a provision of Rupees 2,002 lacs was made which has been shown as an exceptional item in the Statement of Standalone Financial Results for the year ended March 31, 2018.

15. During the quarter ended March 31, 2018, the Company has received dividend of Rupees 24,270 lacs from its wholly owned subsidiary, Fortis Healthcare International Limited.
16. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method which is applied to contract that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the standalone audited results.
17. Subsequent to the quarter and year ended March 31, 2019, a wholly owned subsidiary of the Company in Mauritius entered into a share purchase agreement with various parties for sale of its entire shareholding in Medical and Surgical Centre Limited (MSCL)- Mauritius. The proposed transaction is subject to the approval of the Company's shareholders as well as regulatory approval, if required.
18. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period classification.
19. 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'.
20. **Management's response to comments of the statutory auditors in the Audit Report**
  - (a) With regard to the comments of the statutory auditors in paragraph-i of the Basis for Qualified Opinion of Audit Report, pertaining to the Investigation Report, it is submitted that, based on the investigation carried out by the external legal firm, SEBI Interim order dated October 17, 2018 and December 21, 2018 and confirmed vide order dated March 19, 2019 and the information available at this stage, all identified / required adjustments/ disclosures arising from the findings in the Investigation Report, were made in the previous year. Further, the Board initiated specific improvement projects during the current year to strengthen the process and control environment. The Board continues to evaluate areas to strengthen processes. Further, investigation by various regulatory authorities are yet to completed. With regard to other comments all identified adjustments/disclosures have been made. For more details please refer to note 6,7,12 and 13.



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**FORTIS HEALTHCARE LIMITED**

**CIN: L85110PB1996PL045933**

Fortis Hospital, Sector 62 Phase - VIII, Mohali - 160062

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED  
MARCH 31, 2019**

(b) With regard to the comments of the statutory auditors in paragraph-ii of the Basis for Qualified opinion of Audit Report there was no impact on the net income for the previous year.

Date: May 24, 2019

Place: Gurugram

For and on behalf of the Board of Directors



*Ashutosh*  
**Dr. Ashutosh Raghuvanshi**  
Managing Director  
DIN: 02775637

*Ch* *10* *or*

*Ch* (Dr. Chan Boon Kheng)  
Director

**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

(Rupees in lacs)

Particulars	Consolidated				
	Quarter ended			Year ended	
	31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
	Audited	Unaudited	Audited (Refer note 2)	Audited	Audited (Refer note 2)
1. Income from operations	118,415	110,327	108,638	446,936	456,081
2. Other income	1,000	4,324	1,871	9,240	13,973
<b>3. Total income (1+2)</b>	<b>119,415</b>	<b>114,651</b>	<b>110,509</b>	<b>456,176</b>	<b>470,054</b>
4. Expenses					
(a) Cost of material consumed	23,829	23,665	22,993	92,824	99,902
(b) Employee benefits expenses	23,957	22,278	20,612	91,359	89,911
(c) Finance costs	6,483	11,098	6,415	33,683	25,779
(d) Hospital service fee	1,636	9,571	9,210	30,126	37,862
(e) Professional charges to doctors	22,778	22,154	21,020	88,679	89,214
(f) Net depreciation/ impairment & amortization	5,998	6,014	6,028	23,292	23,896
(g) Other expenses	34,715	28,858	33,536	121,426	111,880
<b>Total expenses</b>	<b>119,396</b>	<b>123,638</b>	<b>119,814</b>	<b>481,389</b>	<b>478,444</b>
<b>5. Net profit/(loss) from continuing operations before share in profit/ (loss) of associates and joint ventures, exceptional items and tax (3-4)</b>	<b>19</b>	<b>(8,987)</b>	<b>(9,305)</b>	<b>(25,213)</b>	<b>(8,390)</b>
6. Add: Share in profit of associate companies and joint ventures	33,333	1,700	306	36,441	5,316
<b>7. Net profit/(loss) before exceptional items and tax (5+6)</b>	<b>33,352</b>	<b>(7,287)</b>	<b>(8,999)</b>	<b>11,228</b>	<b>(3,074)</b>
8. Exceptional items (refer note 5)	25	(12,767)	(83,350)	(22,238)	(88,103)
<b>9. Profit/(loss) before tax from continuing operations (7+8)</b>	<b>33,377</b>	<b>(20,054)</b>	<b>(92,349)</b>	<b>(11,010)</b>	<b>(91,177)</b>
10. Tax expense/ (credit)	18,258	(2,043)	(917)	11,361	2,265
<b>11. Net Profit/(Loss) for the period from continuing operations (9-10)</b>	<b>15,119</b>	<b>(18,011)</b>	<b>(91,432)</b>	<b>(22,371)</b>	<b>(93,442)</b>
12. Profit from discontinued operations before tax	-	-	-	-	-
13. Tax expense of discontinued operations	-	-	-	-	-
<b>14. Net Profit / (Loss) for the period from discontinuing operations (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15. Net Profit/(Loss) for the period (11+14)</b>	<b>15,119</b>	<b>(18,011)</b>	<b>(91,432)</b>	<b>(22,371)</b>	<b>(93,442)</b>



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**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

(Rupees in lacs)

Particulars	Consolidated				
	Quarter ended			Year ended	
	31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
	Audited	Unaudited	Audited (Refer note 2)	Audited	Audited (Refer note 2)
<b>16. Profit/ (Loss) from continuing operations attributable to:</b>					
Owners of the Company	13,560	(19,707)	(93,202)	(29,893)	(100,921)
Non Controlling Interest	1,559	1,696	1,770	7,522	7,479
<b>17. Profit/ (loss) from discontinuing operations attributable to:</b>					
Owners of the Company	-	-	-	-	-
Non Controlling Interest	-	-	-	-	-
<b>18. Other Comprehensive Income/(loss) (including OCI relating to associates and joint venture (after tax)) ('OCI')</b>	(20)	(4,902)	1,360	(4,517)	367
<b>19. Total comprehensive Income/( Loss) (15+18)</b>	<b>15,099</b>	<b>(22,913)</b>	<b>(90,072)</b>	<b>(26,888)</b>	<b>(93,075)</b>
<b>20. Total comprehensive Income/(Loss) attributable to:</b>					
Owners of the Company	13,527	(24,597)	(91,889)	(34,449)	(100,541)
Non Controlling interest	1,572	1,684	1,817	7,561	7,466
<b>21. Paid-up equity share capital (Face Value Rupees 10 per Share)</b>	<b>75,495</b>	<b>75,495</b>	<b>51,866</b>	<b>75,495</b>	<b>51,866</b>
<b>22. Earnings per equity share for continuing operations (not annualised)</b>					
Basic earnings per share - In Rupees	1.78	(3.06)	(17.97)	(3.70)	(19.46)
Diluted earnings per share - In Rupees	1.78	(3.06)	(17.97)	(3.70)	(19.46)
<b>23. Earnings per equity share for discontinued operations (not annualised)</b>					
Basic earnings per share - In Rupees	-	-	-	-	-
Diluted earnings per share - In Rupees	-	-	-	-	-
<b>24. Earnings per equity share from continuing and discontinued operations</b>					
Basic earnings per share - In Rupees	1.78	(3.06)	(17.97)	(3.70)	(19.46)



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

(Rupees in lacs)

Particulars	Consolidated				
	Quarter ended			Year ended	
	31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
	Audited	Unaudited	Audited (Refer note 2)	Audited	Audited (Refer note 2)
Diluted earnings per share - In Rupees	1.78	(3.06)	(17.97)	(3.70)	(19.46)
25 Earnings before depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit/(loss) of associate companies and joint ventures (EBITDA) (Refer note 4)	12,500	8,125	3,138	31,762	41,285

**Notes to the results**

- The above consolidated audited financial results for the quarter and year ended ended March 31, 2019 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meetings held on May 24, 2019. The audit report of the Statutory Auditors is being filed with BSE and National Stock Exchange. For more details on consolidated results, visit investors section of our website at [www.fortishealthcare.com](http://www.fortishealthcare.com) and Financial Results at Corporate Section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).
- The predecessor auditor had issued a qualified opinion on the audited consolidated financial results for the quarter and year ended ended 31 March 2018. Figures for the quarter ended March 31, 2019, included in the Consolidated Statement, is the balancing figure between audited figure in respect of the full financial year and the unaudited published year to date figures up to December 31 2018 being the end of the third quarter of the financial year. The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the published year to date figures up to December 31, 2017 being the end of the third quarter of the respective financial year and it contained a disclaimer of opinion.
- Segment Reporting**

During the current year, the Group has presented healthcare and diagnostic as two separate reportable segments in accordance with "Ind As 108 Operating segments". Consequently numbers for all periods presented in the unaudited consolidated results conform to current period presentation.

(Rupees in lacs)

S.No	Particulars	Quarter Ended			Year Ended	
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Segment Value of Sales and Services (Revenue)</b>					
	- Healthcare	96,739	89,390	87,440	359,204	370,630
	-Diagnostics	25,108	24,257	24,468	101,016	98,948
	<b>Gross Value of Sales and Services</b>	121,847	113,647	111,908	460,220	469,578



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

		(Rupees in lacs)				
S.No	Particulars	Quarter Ended			Year Ended	
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
		Audited	Unaudited	Audited	Audited	Audited
	Less : Inter Segment Sales	(3,432)	(3,320)	(3,270)	(13,284)	(13,497)
	<b>Value of Sales &amp; Services</b>	118,415	110,327	108,638	446,936	456,081
	Less : GST Recovered	-	-	-	-	-
	<b>Revenue from Operations</b>	118,415	110,327	108,638	446,936	456,081
2	<b>Segment Results</b>					
	- Healthcare	1,519	(4,940)	(7,105)	(14,872)	(8,337)
	-Diagnostics	3,983	2,727	2,344	14,102	11,753
	<b>Total Segment Profit/(Loss) Before Interest and Tax</b>	5,502	(2,213)	(4,761)	(770)	3,416
	(i) Finance Cost	(6,483)	(11,098)	(6,415)	(33,683)	(25,779)
	(ii) Exceptional Items and Unallocable expenditure (Net of Unallocable Income)	1025	(8,443)	(81,479)	(12,998)	(74,130)
	(iii) Share of profit of associates and joint ventures	33,333	1,700	306	36,441	5,316
	<b>Profit/(Loss) before Tax</b>	33,377	(20,054)	(92,349)	(11,010)	(91,177)
3	<b>Segment Assets</b>					
	- Healthcare	883,036	483,247	500,897	883,036	500,897
	-Diagnostics	112,956	110,534	111,897	112,956	111,897
	-Unallocable Assets	221,744	608,651	264,008	221,744	264,008
	<b>Total Assets</b>	1,217,736	1,202,432	776,802	1,217,736	776,802
	Less : Inter Segment Assets	(22,609)	(20,663)	(14,633)	(22,609)	(14,633)
	<b>Total Segment Assets</b>	1,195,127	1,181,769	862,169	1,195,127	862,169
4	<b>Segment Liabilities</b>					
	- Healthcare	238,675	118,336	115,401	238,675	115,401
	-Diagnostics	17,111	17,483	11,947	17,111	11,947
	-Unallocable Liabilities	250,702	173,442	217,758	250,702	217,758
	<b>Total Liabilities</b>	506,488	309,261	345,106	506,488	345,106
	Less : Inter Segment Liabilities	(22,610)	(20,663)	(14,633)	(22,610)	(14,633)
	<b>Total Segment Liabilities</b>	483,878	288,598	330,473	483,878	330,473



**FORTIS HEALTHCARE LIMITED**

CIN: L85110PB1996PL045933

Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED  
MARCH 31, 2019**

4. The Group has presented Earnings before Finance costs, Tax, Depreciation, impairment and Amortization (EBITDA) additionally in the financial results. In its measurement, the Group includes other income, but does not include depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit/(loss) of associates and joint ventures.

5. Exceptional items included in the above consolidated financial results include:

(Rupees in lacs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2019 Audited	31 December 2018 Unaudited	31 March 2018 Audited	31 March 2019 Audited	31-March 2018 Audited
(a)	Impairment of goodwill on consolidation in books pertaining to certain cash generating units (CGU's) and impairment on closure of one hospital facility (including loss on assets of Rupees 57 lacs) [refer note 14]	-	(12,767)	(23,175)	(16,798)	(27,764)
(b)	Impairment of investment in a associate	-	-	(4,905)	(5,586)	(4,905)
(c)	Reversal of impairment of goodwill and assets of a CGU	-	-	-	307	-
	<b>Impairment of investment &amp; Goodwill (A)</b>	-	<b>(12,767)</b>	<b>(28,080)</b>	<b>(22,077)</b>	<b>(32,669)</b>
(a)	Allowance for Inter-corporate deposits and interest thereon (Refer note 7)	-	-	(44,503)	-	(44,503)
(b)	Allowance for advance and security deposit given to body corporate along with impairment of Capital work-in-progress [refer note 8]	-	-	(5,333)	(186)	(5,333)
(c)	Allowance for loan given to body corporate and interest thereon [refer note 9]	-	-	(2,549)	-	(2,549)
(d)	Allowance for loan given to C-Doc Healthcare Limited and interest thereon	25	-	(1,623)	25	(1,623)
(e)	Expenses on composite scheme of arrangement and amalgamation (Refer note 13)	-	-	5	-	(159)
(f)	Exceptional gain on recovery of salary and other reimbursement of expense (Refer note 20)	-	-	735	-	735
(g)	Allowance for amount recoverable for salary and other reimbursement of expenses (Refer note 20)	-	-	(2,002)	-	(2,002)
(g)	Statutory Bonus	-	-	-	-	-
	<b>Other provisions &amp; exceptional item (B)</b>	<b>25</b>	<b>-</b>	<b>(55,270)</b>	<b>(161)</b>	<b>(55,434)</b>
	<b>Net exceptional Items [Total (A)+(B)]</b>	<b>25</b>	<b>(12,767)</b>	<b>(83,350)</b>	<b>(22,238)</b>	<b>(88,103)</b>



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

**6. Balance Sheet**

(Rupees in lacs)

Particulars	Consolidated	
	As at 31 March 2019	As at 31 March 2018
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	469,416	284,898
(b) Capital work-in-progress	42,085	19,329
(c) Goodwill	372,076	204,880
(d) Other intangible assets	6,180	9,426
(e) Intangible assets under development	2,893	3,278
(f) Financial assets		
(i) Investments		
a) Investments in associates/Joint venture	19,031	139,686
(ii) Loans	2,947	1,945
(iii) Other financial assets	5,694	4,296
(g) Non current tax assets (Net)	56,171	33,149
(h) Deferred tax assets (Net)	46,533	29,512
(i) Other non-current assets	5,442	3,618
<b>Total non-current assets</b>	<b>1,028,468</b>	<b>734,017</b>
<b>Current assets</b>		
(a) Inventories	5,653	6,663
(b) Financial assets		
(i) Other investments	7,929	33,506
(ii) Trade receivables	54,242	47,019
(iii) Cash and cash equivalents	79,405	12,962
(iv) Bank balances other than (iii) above	6,180	9,006
(v) Loans	2,110	3,196
(vi) Other financial assets	5,834	10,719
(c) Other current assets	5,240	4,732
	<b>166,593</b>	<b>127,803</b>
Assets classified as held for sale	66	349
<b>Total current assets</b>	<b>166,659</b>	<b>128,152</b>
<b>Total assets</b>	<b>1,195,127</b>	<b>862,169</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	75,495	51,866
(b) Other equity	584,585	354,307
<b>Equity attributable to owners of the Company</b>	<b>666,267</b>	<b>406,173</b>
Non-controlling interests	51,169	125,523
<b>Total equity</b>	<b>711,249</b>	<b>531,696</b>



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

Particulars	(Rupees in lacs)	
	Consolidated	
	As at 31 March 2019	As at 31 March 2018
	Audited	Audited
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	67,463	94,813
(ii) Other financial liabilities	1,313	1,244
(b) Provisions	6,586	6,447
(c) Deferred tax liabilities (Net)	48,081	14,311
(d) Other non-current liabilities	1,337	255
<b>Total non-current liabilities</b>	<b>124,780</b>	<b>117,070</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	123,074	45,229
(ii) Trade payables	75,353	76,276
(iii) Other financial liabilities	136,998	72,837
(b) Provisions	7,867	6,582
(c) Current tax liabilities (Net)	611	276
(d) Other current liabilities	15,196	12,079
Liabilities directly associated with assets classified as held for sale	-	124
<b>Total current liabilities</b>	<b>359,098</b>	<b>213,403</b>
<b>Total liabilities</b>	<b>483,878</b>	<b>330,473</b>
<b>Total equity and liabilities</b>	<b>1,195,127</b>	<b>862,169</b>

7. Fortis Hospitals Limited (FHsL), a wholly owned subsidiary of the Company, had placed secured Short-Term Investments in the nature of Inter Corporate Deposits (ICDs) with three companies ('borrowers') aggregating to Rupees 49,414 lacs on July 1, 2017 for a term of 90 days (of which Rupees 40,243 lacs remained outstanding as of March 31, 2018). Further, FHsL received intimation that the borrowers became a part of the erstwhile Promoter Group with effect from December 15, 2017. These borrowers continued to be related parties until February 16, 2018 subsequent to which the shareholding of the erstwhile Promoter Group in the Company reduced to 0.77% till March 31, 2018.

In terms of agreements dated September 30, 2017, FHsL assigned the outstanding ICDs to a third party ('Assignee company'). Such assignments were subsequently terminated on January 5, 2018. On February 28, 2018, these ICDs were secured by way of a charge on the present and future assets of the Borrowers.

As on March 31, 2018 ICDs aggregating to Rupees 44,503 lacs including interest accrued thereon of Rupees 4,260 lacs calculated up to March 31, 2018 remained outstanding. In view of the uncertainty in realisability of the security and/or collection of the amounts, the amounts due, including interest thereon accrued and recognised in the books of account until March 31, 2018, aggregating to Rupees 44,503 lacs was fully provided during the quarter ended and year ended March 31, 2018.





FORTIS HEALTHCARE LIMITED  
CIN: L85110PB1996PL045933

Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED  
MARCH 31, 2019

On failure to meet repayment obligations by the Borrowers, FHsL initiated legal action to recover the outstanding ICDs, including interest thereon. FHsL has accrued for the interest on the ICDs till March 2018 for the purpose of including the same in the legal claim on the borrowers. However, in line with applicable accounting norms, interest thereon for the quarter and year ended March 31, 2019 amounting to Rupees 1,389 lacs and Rupees 5,634 lacs respectively has not been accrued considering the uncertainties around ultimate realisation of the amounts. FHsL is asserting its rights for receiving entire outstanding from the three parties and is taking recourse to available legal remedies for recovery of not only the Principal but also accrued interest thereon till the time of recovery.

Reference is invited to Note 18 regarding the findings in the Investigation Report which indicate that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done during the previous year without following the normal treasury operations and treasury mandate; and without specific authorization by the Board of FHsL. (Also refer Note 18 (g) on recent SEBI Order)

8. The Company and its subsidiary SRL Limited had paid security deposits and advances aggregating to Rupees 2,676 lacs in the financial year 2013-14 and 2017-18 respectively, to a private company ("Lessor") towards lease of office space. Due to delays in obtaining occupancy certificate (OC), the lease agreement/MOUs were either terminated by the Company or expired during the previous year. SRL Limited attempted to encash the cheques issued by the Lessor for refund of the advance paid but the same were returned unpaid. The amounts outstanding from the Lessor as on March 31, 2018 aggregated to Rupees 2,676 lacs. Additionally, expenditure aggregating to Rupees 2,843 lacs (as at March 31, 2018 Rupees 2,657 lacs) was incurred towards capital work-in-progress on the premises proposed to be take on lease from the Lessor, which amount is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has issued legal notice demanding the outstanding. Lessor responded to the notice of the Company for amicable resolution, which have not yet yielded any results. The subsidiary, SRL Limited, has filed criminal complaint in Mumbai against the body corporate under Section 138 of the Negotiable Instruments Act wherein its Directors and authorized representatives have been directed to appear before court. SRL has also initiated arbitration proceeding against the Lessor for recovery of Rupees 460 lacs paid towards Security Deposit and for Rupees 304 lacs incurred pertaining to the office space. Vide order dated 20th February, 2019 Hon'ble Delhi High court has appointed an arbitrator before whom SRL has filed its claim. Further, SRL has filed its claim before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Group had recorded provisions aggregating to Rupees 5,333 lacs in the Consolidated Financial Results for the year ended March 31, 2018 (also refer to note 18(d)(vi)) and a further provision of Rupees 186 lacs has been made in respect of expenditure accrued during the quarter ended 30 June 2018. There has been no further movement during the current quarter and year ended March 31, 2019.

9. FHsL, a wholly owned subsidiary of the Company, had advanced moneys to an entity towards acquisition of property in Mumbai in financial year 2013-14 which did not materialize. Of the total advance of Rupees 10,000 lacs, a balance of Rupees 2,375 lacs was outstanding to be received back as of March 31, 2018. Post-dated cheques received from the entity were dishonoured, and FHsL initiated legal proceedings in this regard. FHsL had accrued for the interest amounting to Rupees 174 lacs up to March 31, 2018 on the advance for the purpose of including the same in the legal claim on the entity. There has been no movement during the current quarter and year ended 31st March 2019. However, in line with applicable accounting norms, interest thereon for the year ended March 31, 2019 amounting to Rupees 285 lacs has not been accrued considering the uncertainties around ultimate realisation of the amounts. FHsL is asserting its rights for receiving



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**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

entire outstanding from the entity and is taking recourse to available legal remedies for recovery of not only the Principal but also accrued interest thereon till the time of recovery

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Group had recorded provisions aggregating to Rupees 2,549 lacs towards the amounts due, including interest, in the consolidated financial results for the year ended March 31, 2018. (also refer to note 18(d)(vi)).

During the current year on August 9, 2018, the matter was heard in the District Court at Gurugram and the Ld. Judge issued notice to the defaulting entity and its Directors for appearance in Court. Subsequent mediation attempts as directed by Court has failed. Next hearing is scheduled on 10<sup>th</sup> June 2019.

10. In case 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:
- a) Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. These matters are currently pending before the Hon'ble High Court of Delhi, Hon'ble Supreme Court and Estate Officer. Based on the external legal counsel opinions, the Company is of the understanding that EHIRCL will be able to suitably defend the termination order and eviction proceedings and accordingly considers that no adjustments are required to the Consolidated Financial Results.
  - b) Further, EHIRCL also has open tax demands of Rupees 8,724 lacs (after adjusting Rupees 14,245 lacs (As at March 31, 2018 Rupees 9,627 lacs (after adjustment Rupees 13,342 lacs) of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters of EHIRCL) for various assessment years. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to Rupees 2,908 lacs after adjusting the recovery from escrow account, would be borne by the said erstwhile promoters of EHIRCL and the rest by the Company. During the year ended March 31, 2015, the Commissioner of Income Tax (Appeals) decided the case in favour of EHIRCL. Income Tax Department has filed an appeal before Income Tax Appellate Tribunal (ITAT), and the matter is currently pending at ITAT. Based on management assessment, Group believes that it has good chance of ultimate success in these cases.
  - c) In relation to the judgement of the Hon'ble High Court of Delhi relating to provision of free treatment/ beds to poor, Directorate of Health Services ('DoHS'), Government of NCT of Delhi, appointed a Firm to calculate "unwarranted profits" arising to it due to alleged non-compliance. During the year ended March 31, 2014, the Special Committee of DoHS stated that before giving a 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 Rupees 73,266 lacs for the period 1984-85 to 2011-12, seeking hospital's comments and inputs, if any. The company responded to the said intimation explaining errors and objections to the calculations. During the year ended March 31, 2016, EHIRCL received notice from DoHS to appear for a formal and final hearing which raised a demand of Rupees 50,336 lacs for the period till FY 2006 -2007, against which the Company again responded explaining errors and objections to the calculations. During the quarter ended June 30, 2016, DoHS issued a demand notice dated June 9, 2016 directing EHIRCL to deposit Rupees 50,336 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 set aside the demand and disposed of the petition of



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**FORTIS HEALTHCARE LIMITED**

**CIN: L85110PB1996PL045933**

**Fortis Hospital, Sector 62 Phase - VIII, Mohali - 160062**

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED  
MARCH 31, 2019**

EHIRCL. DoHS agreed to grant hearing to EHIRCL on the reply submitted to it. Hearings were held before DoHS and order dated May 28, 2018 was passed imposing the penalty of Rupees 50,337 lacs. This order was challenged before the Delhi High Court and the Court vide order dated June 1, 2018 has issued notice and directed that no coercive steps may be taken subject to EHIRCL depositing a sum of Rupees 500 lacs before the concerned authority. EHIRCL has deposited Rupees 500 lacs on June 20, 2018. Next hearing in this matter is scheduled in July 2019. Based on its internal assessment and advice from its counsels on the basis of the documents available, the Company believes that EHIRCL is in compliance of conditions of free treatment and free beds to the poor and expects the demand to be set aside.

**11. In case of one of the subsidiaries ("Hiranandani Healthcare Private Limited") ('HHPL'):**

Navi Mumbai Municipal Corporation ('NMMC') terminated the Hospital lease agreement with HHPL vide order dated January 18, 2017 ('Termination Order') for certain alleged contravention of the Hospital Lease agreement. HHPL has filed Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition which has also been filed by HHPL for *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 Hon'ble Supreme Court of India in the hearing held on January 30, 2017 ordered "Status Quo". SLP has been admitted on January 22, 2018 and "Status Quo" has been continuing. Based on 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 Consolidated Financial Results.

**12. A third party (to whom the ICDs were assigned – refer note 7 above) ("Assignee" or "Claimant") has filed a Civil Suit before the District Court, Delhi in February 2018 against various entities including the Company (together "the defendants") and have, *inter alia*, claimed implied ownership of brands "Fortis", "SRL" and "La Femme" in addition to certain financial claims and for passing a decree that consequent to a Term Sheet dated December 6, 2017 ('Term Sheet') with a certain party ("Party"), the Company is liable for claims owed by the Claimant to the Party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit (also refer note 18).**

The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Party.

In addition to the above, the Company has also received four notices from the Claimant claiming (i) Rupees 1,800 lacs as per notices dated May 30, 2018 and June 1, 2018 (ii) Rupees 21,582 lacs as per notice dated 4 June 2018; and (iii) Rupees 1,962 lacs as per notice dated June 4, 2018. All these notices have been responded to by the Company denying any liability whatsoever.

Separately, the Party has also alleged rights to invest in the Company. It has also alleged failure on part of the Company to abide by the aforementioned Term Sheet and has claimed ownership over the brands as well. Subsequently, an application has been filed in the civil suit, by a different entity claiming itself to be representative of the Party and is seeking substitution of its name in place of Assignee as plaintiff.

Allegations made by the Party has been duly responded to by the Company denying (i) execution of any binding agreement with the Party and (ii) liability of any kind whatsoever. Company has also filed caveats before Hon'ble High Court of Delhi in this regard.



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**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

During the quarter ended June 20, 2018, the Party also filed an application for being impleaded as party to the Civil Suit by the Claimant. The matter is pending adjudication before District Court, Delhi

Based on advice of external legal counsel, the Management believes that the claims are without legal basis and are not tenable and accordingly no adjustment is required in these Consolidated Financial Results with respect to these claims.

13. The Board of Directors of the Company at their meeting held on August 19, 2016 had earlier approved a proposal to demerge its diagnostic business including that is housed in its majority owned subsidiary SRL Limited ("SRL") into another majority owned subsidiary, Fortis Malar Hospitals Limited ("FMHL") pursuant to a composite scheme of arrangement and amalgamation ("the Composite Scheme").

During the current year on June 13, 2018, the Board of the Company, SRL and FMHL decided to withdraw from the scheme, subject to the approval of National Company Law Tribunal ("NCLT"). The approval of the NCLT for withdrawal of the Composite Scheme was received on June 15, 2018.

14. Effective from January 15, 2019, the Company completed the acquisition of 100% stake in International Hospital Limited, Fortis Health Management Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited and 49% stake in Fortis Hospotel Limited (in which the Company had already held 51% stake) for a consideration of Rupees 466,630 lacs. The transaction is accounted as business combination and consequent to a preliminary purchase price allocation, a goodwill of Rupees 180,070 lakhs has been recorded.

15. During the quarter ended June 30, 2018, Fortis Cancer Care Limited (FCCL), a step-down subsidiary of the Company entered into definitive agreements in relation to sale of its entire shareholding in Lalitha Healthcare Private Limited (LHPL) another step down subsidiary of the Company, representing 79.43% of the total issued and paid up equity share capital of LHPL, to the remaining promoters of LHPL. With the consummation of the transaction, LHPL ceased to be a step-down subsidiary of the Company and therefore LHPL has not been consolidated w.e.f. June 30, 2018. The gain on sale/deconsolidation aggregating to Rupees 307 lacs has been shown as an exceptional item for the year ended March 31, 2019

16. As on December 31, 2017, the erstwhile Promoters and erstwhile Promoter Group entities together held 34.33% of the paid-up capital of the Company of which approximately 98% was pledged to various bank as a security towards the loans raised by the erstwhile Promoters / erstwhile Promoter Group entities. In a matter relating to the erstwhile Promoters and the erstwhile Promoter Group entities, the Hon'ble Supreme Court of India vide their interim orders dated August 11, 2017 and August 31, 2017 had directed that status quo be maintained over the shares pledged by the erstwhile Promoter and erstwhile Promoter Group entities. Subsequently, the Hon'ble Supreme Court of India in its Order on February 15, 2018, has clarified that the earlier direction to maintain status quo of the erstwhile promoter holding in the Company shall not apply to shares of the Company as may have been encumbered on or before the date of the interim orders. Consequent to the Banks invoking their rights on the shares of the Company that were pledged by the erstwhile Promoters / erstwhile Promoter Group entities, the holding of the erstwhile Promoters and erstwhile Promoter Group entities in the Company have reduced to 0.16% of the paid-up capital of the Company as at March 31, 2019 (0.77% of the paid-up capital of the Company as at March 31, 2018). Further the Board of Directors at its meeting held on July 13, 2018, approved re-classification of the then promoter holding under the category of 'Public Shareholding'. This has been approved by the shareholders at their Extra Ordinary General Meeting dated August 13, 2018. Application for re classification of erstwhile promoter as "public shareholder" is pending regulatory approvals from the stock exchanges.



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

17. The Board of Directors had approved an equity infusion of Rupees 400,000 lacs at a price of Rupees 170 per equity share into the Company by Northern TK Venture Pte Ltd, Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals. The shareholders of the Company have approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The acquirer had received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Ltd, have the right to appoint 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Ltd. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained, as a result of which the Mandatory Open offer was kept in abeyance. The Company has accordingly filed application for modification of the said order.

Out of the proceeds the Company has used a sum of Rupees 356,630 lacs for substantially funding the acquisition as described in note 14 and balance towards repayment of debt and general corporate purposes.

**18. Investigation initiated by the erstwhile Audit and Risk Management Committee:**

- (a) During the previous year there were reports in the media and enquiries from, *inter alia*, the stock exchanges received by the Company about certain inter-corporate loans ("ICDs") given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company in its meeting on February 13, 2018 decided to carry out an independent investigation through an external legal firm on this matter.
- (b) The terms of reference of the investigation, *inter alia*, comprised: (i) ICDs amounting to a total of Rupees 49,414 lacs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017 (refer Note 7 above); (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party (refer Notes 12 and 7 above); (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017; (iv) investments made in certain overseas funds by the overseas subsidiaries of the Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited) (refer Note 22 below); (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from an erstwhile promoter group company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company.
- (c) The investigation report ("Investigation Report") was submitted to the re-constituted Board on June 8, 2018.
- (d) The re-constituted Board discussed and considered the Investigation Report and noted certain significant findings of the external legal firm, which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report.
- i. While the Investigation Report did not conclude on utilization of funds by the borrower companies, there are findings in the report to suggest that the ICDs were utilized by the



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**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

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borrower companies for granting/ repayment of loans to certain additional entities including those whose current and/ or past promoters/ directors are known to/ connected with the erstwhile promoters of the Company.

- ii. In terms of the relationship with the borrower companies, there was no direct relationship between the borrower companies and the Company and / or its subsidiaries during the period December 2011 till December 14, 2017 (these borrower companies became related parties from December 15, 2017). The Investigation Report has made observations where erstwhile promoters were evaluating certain transactions concerning certain assets owned by them for the settlement of ICDs thereby indirectly implying some sort of affiliation with the borrower companies. The Investigation Report has observed that the borrower companies could possibly qualify as related parties of the Company and/ or FHsL, given the substance of the relationship. In this regard, reference was made to Indian accounting Standards dealing with related party disclosures, which states that for considering each possible related party relationship, attention is to be directed to the substance of the relationship and not merely the legal form.

Objections on record indicate that management personnel and other persons involved were forced into undertaking the ICD transactions under the repeated assurance of due repayment and it could not be said that the management was in collusion with the erstwhile promoters to give ICDs to the borrower companies. Relevant documents/information and interviews also indicate that the management's objections were overruled. However, the former Executive Chairman of the Company, in his written responses, has denied any wrongdoing, including override of controls in connection with grant of the ICDs.

- iii. Separately, it was also noted in the Investigation Report that the aforesaid third party to whom the ICDs were assigned has also initiated legal action against the Company. (Refer note 7). Whilst the matter was included as part of the terms of reference of the investigation, the merits of the case cannot be reported since the matter was *sub-judice*.
- iv. During the previous year ended March 31, 2018, the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited ("EHIRCL")), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of Rupees 3.46 lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of Rupees 794.50 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited and some other payments to the erstwhile promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs / vendor advance to FHsL / Company. Further, the said loan advanced by EHIRCL to Fortis Healthstaff Limited was impaired in the books of account of EHIRCL due to anticipated chances of non-recovery during the quarter and year ended 31 March 2019.
- v. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the erstwhile promoter group, if any. In this regard, it was observed in internal correspondence within the Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions have been made in this regard.
- vi. Additionally, it was observed in the Investigation Report that there were significant fluctuations in the NAV of the investments in overseas funds by the overseas subsidiaries during a short span of time. Further, similar to the paragraph above, in the internal



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During quarter ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10% with no loss in the principal value of investments.

**Other Matters:**

- (e) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 18 (d) (i), (ii), and (vi) above) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up to March 31, 2018. Therefore, the possibility cannot be ruled out that there may have been additional related parties whose relationship may not have been disclosed to the Group and, hence, not known to the Management.
- (f) With respect to the other matters identified in the Investigation Report, the Board initiated specific improvement projects to strengthen the process and control environment. The projects included revision of authority levels, both operational and financial and oversight of the Board, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance with regulatory requirements and systems design & control enhancement. The assessment work has been done and corrective action plans have been implemented. The Board, however, continues to evaluate other areas to strengthen processes and build a robust governance framework. Towards this end, it is also evaluating internal organizational structure and reporting lines, the roles of authorized representatives and terms of reference of executive committees and their functional role. The Company's Board of Director have also initiated an enquiry of the management of the certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm.
- (g) It is in the above backdrop, that it is pertinent to mention that during the previous year the Company received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Company. In the aforesaid letter, SEBI required the Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of Rupees 473 Crores reported in the media. SEBI had appointed forensic auditors to conduct a forensic audit, of collating information from the Company and certain of its subsidiaries. The Company / its subsidiaries furnished all requisite information and documents requested by SEBI.

In furtherance of the above, on October 17, 2018 SEBI passed an *ex-parte* Interim Order ("Order") whereby it observed that certain transactions were structured by some identified entities over a certain duration, and undertaken through the Company, which were *prima facie* fictitious and fraudulent in nature and which resulted in *inter alia* diversion of funds from the Company for the ultimate benefit of erstwhile promoters (and certain entities controlled by them) and misrepresentation in financial statements of the Company. Further, it issued certain interim directions that *inter alia* directed the Company to take all necessary steps to recover Rupees 40,300 lacs along with due interest from erstwhile -promoters and various other entities, as mentioned in the Order. More importantly, the said entities had also been directed to jointly and severally repay Rupees 40,300 lacs (approx.) along with due interest to Company within three months of the order. Incidentally, the order also included FHsL as one of the entities directed to



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**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

repay the due sums. Pursuant to this, FHsL's beneficial owner account had been suspended for debits by the National Securities Depository Limited and Central Depository Services (India) Limited. Further, SEBI had also directed the said entities that pending completion of investigation and till further order, they shall not dispose of or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day-to-day business operations, without the prior permission of SEBI. Erstwhile-promoters have also been directed not to associate themselves with the affairs of the Company in any manner whatsoever, till further directions. Parties named in the Order had been granted opportunity for filing their respective replies/objections within 21 days.

The Company and its wholly owned subsidiary i.e. Fortis Hospitals Limited (FHSL) had then filed applications for modification of the order, for deletion of name of FHSL from the list of entities against whom the directions were issued. Pursuant to this SEBI, vide order dated December 21, 2018, modified its previous order dated October 17, 2018 deleting FHSL from the list of entities against whom the Order was directed. Pursuant to this, the suspension order by National Securities Depository Limited for debits in beneficial owner account of FHsL was accordingly removed. Vide Order dated 19th March 2019 SEBI has confirmed the directions issued vide ad interim ex-parte order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the Company and FHSL to take all necessary steps to recover Rupees 40,300 lacs along with due interest from erstwhile-promoters and various other entities, as mentioned in the Order.

Company and FHsL have filed all necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and various other entities to the Company and FHsL.

The matter before SEBI is *sub-judice* and the investigation is on going, in as much as it has observed that a detailed investigation would be undertaken to ascertain the role of each entity in the alleged diversion and routing of funds. The Board of Directors is committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid context, proper and sufficient care has been taken for the 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 fraud and other irregularities.

- (h) As per the assessment of the Board, based on the investigation carried out through the external legal firm, SEBI order and the information available at this stage, all identified/required adjustments/disclosures arising from the findings in the Investigation Report, were made in the Consolidated Financial Results for the year ended March 31, 2018.

No further adjustments have been required to be made in Consolidated Financial Results for the quarter and year ended March 31, 2019. Any further adjustments/disclosures, if required, would be made in the books of account as and when the outcome of the above is known.

**19. Investigation by Various Other Regulatory Authorities:**

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





**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

- b) The Serious Fraud Investigation Office (SFIO) of the Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, inter alia, initiated an investigation and sought information in relation to the Company, its material subsidiaries, joint ventures and associates. The Company has submitted all requisite information in this regard with SFIO, as requested from time to time.
- c) The Investigation Report of the external legal firm has been submitted by the Company to the Securities and Exchange Board of India, the Serious Frauds Investigation Office ("SFIO") on June 12, 2018.

The Company is fully co-operating with the regulators in relation to the ongoing investigations to enable them to make their determination on these matters. Any further adjustments/disclosures, if required, would be made in the books of account as and when the outcome of the above investigations is known.

**20. Letter of Appointment of erstwhile Executive Chairman**

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as *non-est* the Letter of Appointment dated September 27, 2016, as amended, ("LoA") issued to the erstwhile Executive Chairman of the Company in relation to his role as 'Lead: Strategic Initiatives' in the Strategy Function. Basis legal advice taken by the Company, the payments made to him under this LOA would be considered to be covered under the limits of section 197 of the Companies Act, 2013. The Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him.. The erstwhile Executive Chairman sent a notice to the Company claiming Rupees 4,610 lacs as allegedly due to him under the employment agreement. The Company has replied to the same through its legal counsel denying any liability and stated that the demand is not payable being illegal and accordingly no adjustment has been made in these Consolidated Financial Results with respect to these claims. Subsequently, Company has filed a complaint against the erstwhile Executive Chairman before Economic Offence Wing, New Delhi which is being investigated. The Company has received vehicles which were being used by him except for IT assets and excess amounts paid to him. (Also refer Note 18(g) on recent SEBI Order)

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to Rupees 2,002 lacs (comprising reversal of FY 2016-17 expenditure of Rupees 735 lacs, which has been disclosed as an exceptional income in the Consolidated Financial Results for the year ended March 31 2018, and expenditure of Rupees 1,267 lacs relating to FY 2017-18) was shown as recoverable in the Consolidated Financial Results of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts a provision of Rupees 2,002 lacs was made which has been shown as an exceptional item in the Consolidated Financial Results for the year ended March 31, 2018.

21. SRL, a subsidiary of the Company, had paid Rupees 603 lacs managerial remuneration to its Executive Chairman, Malvinder Mohan Singh, which was in excess of the limits set out under Section 197 of the Companies Act 2013. The amount paid in excess of the limits aggregating to Rupees 48 lacs was shown as advances recoverable as part of other financial assets in the Consolidated Financial Results for the year ended March 31, 2018. As the Executive Chairman was associated with the subsidiary Company in his capacity of a Whole Time Director till May 27, 2018, during the previous quarter the subsidiary Company has adjusted the excess amounts paid to him for the year ended March 31, 2018 from the amounts payable to him for the period April 1, 2018 to May 27, 2018.
22. The Company through its overseas subsidiaries [i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited] made investments in Global Dynamic Opportunity Fund,



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**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

an overseas fund. During quarter 4 of F.Y. 2017-18, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10%. As at March 31, 2018, the carrying value of the investment in the overseas fund were recorded at the net recoverable values based on subsequent realisation. The consequential foreseeable loss of Rupees 5,510 lacs (between the previously recorded carrying value of the investment and the amount subsequently realised) was considered in the Consolidated Financial Results for the year ended March 31, 2018 (Also refer to note 18).

23. During quarter ended September 30, 2018, the Group had sold 18.2 million units of RHT Health Trust, an associate of the Company for a consideration of 13.65 million Singapore Dollars
24. As per an Exit Agreement dated 12 June 2012, certain non-controlling shareholders of SRL Limited have the right to exercise a Put Option on the Company on the occurrence of certain events as described in the Exit Agreement. During the current quarter and year ended March 31 2019, the Company has recorded a liability in its consolidated financial results in accordance with the requirements of Ind AS 32 - "Financial Instruments: Presentation" with a corresponding debit to "other Equity" for an amount of Rupees 118,000 lacs.
25. Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method which is applied to contract that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the consolidated audited results.
26. Subsequent to the quarter and year ended March 31 2019, a wholly owned subsidiary of the Company in Mauritius entered into a share purchase agreement with various parties for sale of its entire shareholding in Medical and Surgical Centre Limited (MSCL)- Mauritius. The proposed transaction is subject to the approval of the Company's shareholders as well as regulatory approval, if required.
27. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period classification.
28. **Management's response to comments of the statutory auditors in the Audit Report**
  - (a) With regard to the comments of the statutory auditors in paragraph- 4(a)(i) of the Basis for Qualified Opinion of Audit Report, pertaining to the Investigation Report, it is submitted that, based on the investigation carried out by the external legal firm, SEBI Interim orders dated October 17, 2018 , December 21 2018 and confirmed vide order dated March 19 2019 and the information available at this stage, all identified / required adjustments/ disclosures arising from the findings in the Investigation Report, were made in the previous year. Further, the Board initiated specific improvement projects during the current year to strengthen the process and control environment.. The Board continues to evaluate areas to strengthen processes. Further, investigation by various regulatory authorities are yet to be completed. With regard to other comments all identified adjustments/disclosures have been made. For more details please refer to Notes 7,8,9, 12,18,19,22.
  - (b) With regard to the comments of the statutory auditors in paragraph-(a)(ii)2 of the Basis for Qualified Opinion of Audit Report, there was no impact on the net income for the previous year.
  - (c) With regard to the comments of the statutory auditors in paragraph-a (iii) of the Basis for Qualified Opinion of Audit Report, pertaining to the LoA issued to the erstwhile Executive Chairman, the Company, having considered all necessary facts, has decided to treat as *non est* the LoA issued to the erstwhile Executive Chairman and is taking suitable legal measures to recover the payments made to him under the LoA as well as all the Company's assets in this possession. For more details, please refer to Note 20.



**FORTIS HEALTHCARE LIMITED**  
**CIN: L85110PB1996PL045933**  
**Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062**  
**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED**  
**MARCH 31, 2019**

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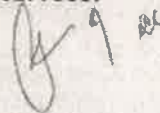
- d) With regard to the comments of the statutory auditors in paragraph -b of the Basis for Qualified Opinion of Audit Report in relation to put options granted to certain non-controlling shareholders of subsidiary, due to contractual agreement, facts and circumstances of the case at that time, Group considered not to recognize this liability in the previous year.

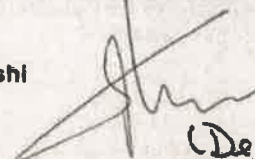
Date: May 24, 2019

Place: Gurugram

For and on behalf of the Board of Directors

  
Dr. Ashutosh Raghuvanshi  
Managing Director  
DIN: 02775637

CS 



(De. Chan Boon Kheng)  
Director



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## **Independent Auditor's Report on the Statement of Standalone Audited Results of Fortis Healthcare Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of **Fortis Healthcare Limited**

1. We have audited the accompanying standalone annual financial results of **Fortis Healthcare Limited** (the "Company") for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these standalone annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These standalone annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly standalone financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone annual financial results based on our audit of the standalone annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone annual financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as standalone annual financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.
4. (a) The matters stated below were subject matter of qualification in predecessor auditor's audit opinion on standalone annual financial results as at 31 March 2018:
  - (i) As explained in Note 12 of the standalone annual financial results, pursuant to certain events/transactions, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Company had initiated an independent investigation by an external legal firm and special audits by professional firms on matters relating to systematic lapses/override of internal controls as described in Note 12 of the standalone annual financial results. The report has since been submitted and is subject

to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation report.

Additionally, different regulatory authorities are currently undertaking their own investigations, details of which are described in Note 12 and 13 of the standalone annual financial results and stated below:

- SEBI has initiated an investigation in respect of the various issues. On 17 October 2018, 21 December 2018 and 19 March 2019, SEBI passed Orders (“**Orders**”) and further investigations by regulatory authorities is continuing. In its Orders, SEBI observed that certain inter-corporate deposits (“ICDs”) made by Fortis Hospitals Limited (“FHsL”), a wholly owned subsidiary of the Company, with certain identified entities were so structured that they seem to be prima facie fictitious and fraudulent in nature resulting in inter alia diversion of funds from the Fortis Group for the ultimate benefit of erstwhile promoters (and certain entities controlled by them) resulting in a misrepresentation in the financial statements of the Company in an earlier period. Further, SEBI issued certain directions inter alia directing the Company and FHsL to take all necessary steps to recover Rs. 40,300 lacs along with the due interest from erstwhile promoters and various other entities, as mentioned in the Orders. It has also directed erstwhile promoter and the said entities to repay the sums due. The aforesaid ICDs were fully provided for in the books as at 31 March 2018. SEBI, in its Orders also directed erstwhile promoters and the said entities that pending completion of investigation and till further order, they shall not dispose of or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day to day business operations, without the prior permission of SEBI. Erstwhile promoters have also been directed not to associate themselves with the affairs of the Company in any manner whatsoever, till further directions. The initial directions issued by SEBI have been confirmed by SEBI in their order dated 19 March 2019.
- Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, inter alia, has initiated an investigation and has been seeking information in relation to the Company, its material subsidiaries, joint ventures and associates to which as informed to us the Company has responded.

Since, the investigation and enquiries carried out by regulators as aforesaid are currently ongoing, need for additional procedures/ enquiries, if any, and an overall assessment of the impact of the investigations on the financial results is yet to be concluded.

Based on investigations carried out by an external legal firm, Orders by SEBI and other information available currently, as per the management, all identified/required adjustments/ disclosures arising from the findings in the Investigation Report and the Orders by SEBI, were made in the standalone annual financial results for the year ended 31 March 2018.

Following matter was included in the investigation report and highlighted by predecessor auditor in their audit report for the year ended on 31 March 2018:

- Provisions of Rs. 4,743 lacs towards amounts paid as security deposit, advances towards lease of office space and expenditure incurred towards capital work-in-progress due to uncertainty of recovery of these balances. (refer to Note 6 of the standalone annual financial results).

No additional adjustments/ disclosures were required to be made in the standalone annual financial results for the year ended 31 March 2019 in respect of the above.

As explained in Note 12(e) of the standalone annual financial results, related party relationships prior to loss of control of erstwhile promoters/directors in the year ended 31 March 2018 were identified by the management taking into account the information available with the management and including the findings and limitations in the Investigation Reports. In this regard, specific declarations from the erstwhile directors/promoters, especially considering the substance of the relationship rather than the legal form, were not available. Therefore, the possibility cannot be ruled out that there may be additional

related parties of erstwhile promoters/directors whose relationships may not have been disclosed to the Company and, hence, not known to the Management.

Further, as explained in Note 7 of the standalone annual financial results, a Civil Suit was filed by a third party against various entities including the Company relating to "Fortis, SRL and La-Femme" brands. The Company has received four demand notices aggregating to Rs. 25,344 lacs in respect to this Civil Suit. Allegations made by third party has been duly responded to by the Company denying i) execution of any binding agreement with the third party; and ii) liability of any kind whatsoever. Based on legal advice of external legal counsel, the management believes that the claims are without legal basis and not tenable. The matter is currently sub-judice.

Due to the ongoing nature of the various regulatory inquiries/investigations, we are unable to comment on the adjustments/ disclosures which may become necessary as a result of further findings of the ongoing regulatory investigations on the standalone annual financial results including completeness/accuracy of the related party transactions which relate to or which originated before 31 March 2018, the regulatory non-compliances, if any, and the consequential impact, if any, on the standalone annual financial results.

- (ii) As explained in Note 14 of the standalone annual financial results, during the year ended 31 March 2018, the Company having considered all necessary facts and taking into account external legal advice, concluded that it had paid aggregating to Rs. 2,002 lacs to the erstwhile Executive Chairman during his tenure (ended during the year ended 31 March 2018) in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for his remuneration and other reimbursements. This is accordingly a non-compliance with the provisions of section 197 of the Companies Act 2013. In the current year, the Company has taken requisite actions to recover this amount. Due to the uncertainty involved on recoverability of the said amounts a provision for this amount has also been recorded.
5. The standalone financial results for the quarter and year ended 31 March 2018 are based on the previously issued standalone annual financial statements that were audited by the predecessor auditor (vide their modified audit report dated 7 July 2018).

Our conclusion is not modified in respect of the above matter.

6. In our opinion and to the best of our information and according to the explanations given to us, except for the adjustments and/or possible non-quantifiable adjustments, if any, of the matters described in paragraph 4 above, these standalone annual financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

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

  
Pravin Tulsyan  
Partner

Membership No. 108044

Place: Gurugram  
Date: 24 May 2019

# B S R & Co. LLP

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## **Independent Auditor's Report on the Statement of Consolidated Audited Results of Fortis Healthcare Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of **Fortis Healthcare Limited**

1. We have audited the accompanying consolidated annual financial results of **Fortis Healthcare Limited** (the "Company" or "Holding Company") and its subsidiaries, its associates and its joint ventures (together referred to as "the Group") for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these consolidated annual financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These consolidated annual financial results have been prepared from consolidated annual financial statements and reviewed quarterly consolidated financial results which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our qualified opinion.
4. (a) The matters stated below were subject matter of qualification in predecessor auditor's audit opinion consolidated annual financial results as at 31 March 2018:
  - (i) As explained in Note 18 of the consolidated annual financial results, pursuant to certain events/transactions, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Company had initiated an independent investigation by an external legal firm and special audits by professional firms on matters relating to systematic lapses/override of internal controls as described in



Note 18 of the consolidated annual financial results. The report has since been submitted and is subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation report.

Additionally, different regulatory authorities are currently undertaking their own investigations, details of which are described in Note 18 and 19 of the consolidated annual financial results and are stated below:

- SEBI has initiated an investigation in respect of the various issues. On 17 October 2018, 21 December 2018 and 19 March 2019, SEBI passed Orders (“**Orders**”) and further investigations by regulatory authorities is continuing. In its Orders, SEBI observed that certain inter-corporate deposits (“ICDs”) made by Fortis Hospitals Limited (“FHsL”), a wholly owned subsidiary of the Company, with certain identified entities were so structured that they seem to be prima facie fictitious and fraudulent in nature resulting in inter alia diversion of funds from the Group for the ultimate benefit of erstwhile promoters (and certain entities controlled by them) resulting in a misrepresentation in the financial statements of the Group in earlier period. Further, SEBI issued certain directions inter alia directing the Company and FHsL to take all necessary steps to recover Rs. 40,300 lacs along with the due interest from erstwhile promoters and various other entities, as mentioned in the Orders. It has also directed erstwhile promoter and the said entities to repay the sums due. The aforesaid ICDs were fully provided for in the books as at 31 March 2018. SEBI, in its Orders also directed erstwhile promoters and the said entities that pending completion of investigation and till further order, they shall not dispose of or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day to day business operations, without the prior permission of SEBI. Erstwhile promoters have also been directed not to associate themselves with the affairs of the Company in any manner whatsoever, till further directions. The initial directions issued by SEBI have been confirmed by SEBI in their order dated 19 March 2019.
- Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, under Section 217(1)(a) of the Companies Act, 2013, inter alia, has initiated an investigation and has been seeking information in relation to the Company, its material subsidiaries, joint ventures and associates to which as informed to us the Company has responded.

Since, the investigation and enquiries carried out by regulators as aforesaid are currently ongoing, need for additional procedures/enquiries, if any, and an overall assessment of the impact of the investigations on the financial results is yet to be concluded.

Based on investigations carried out by an external legal firm, Orders by SEBI and other information available currently, as per the Management all identified/required adjustments/ disclosures arising from the findings in the Investigation Report and the Orders by SEBI, were made in the consolidated annual financial statements for the year ended 31 March 2018.

Matters included in the investigation report (but not limited to) and highlighted by predecessor auditor in their audit report for the year ended on 31 March 2018, are as below:

- Provisions against the outstanding ICDs amounting to Rs. 44,503 lacs (including interest accrued thereon of Rs. 4,260 lacs), provision of Rs. 5,519 lacs towards amounts paid as security deposit, advances towards lease of office space and expenditure incurred towards capital work in progress and Rs. 2,549 lacs towards property advance (including interest accrued thereon of Rs. 174 lacs) due to uncertainty of recovery of these balances. (refer to Note 7 and 8 of the consolidated annual financial results)
- The Company through its overseas subsidiaries sold its investment held in a fund at a discount (money was received on 23 April 2018) which was recorded as a loss in the financial statements for the year ended 31 March 2018. In absence of sufficient information available, rationale to





demonstrate the reasonability of the discount was not established. (refer to Note 22 of the consolidated annual financial results).


- Certain past transactions as mentioned in the Note 18 of the consolidated annual financial results which may have been prejudicial to the Group.

No additional adjustments/ disclosures were required to be made in the consolidated annual financial results for the year ended 31 March 2019 in respect of the above.

As explained in Note 18(e) of the consolidated annual financial results, related party relationships prior to loss of control of erstwhile promoters/directors in the year ended 31 March 2018 were identified by the Management taking into account the information available with the Management and including the findings and limitations in the Investigation Reports. In this regard, specific declarations from the erstwhile directors/promoters, especially considering the substance of the relationship rather than the legal form, were not available. Therefore, the possibility cannot be ruled out that there may be additional related parties of erstwhile promoters/directors whose relationships may not have been disclosed to the Group and, hence, not known to the Management.

Further, as explained in Note 12 of the consolidated annual financial results, a Civil Suit was filed by a third party against various entities including the Company relating to "Fortis, SRL and La-Femme" brands. The Company has received four demand notices aggregating to Rs. 25,344 lacs in respect to this Civil Suit. Allegations made by third party has been duly responded to by the Company denying (i) execution of any binding agreement with the third party; and (ii) liability of any kind whatsoever. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. The matter is currently sub-judice.

Due to the ongoing nature of the various regulatory inquiries/investigations, we are unable to comment on the adjustments/ disclosures which may become necessary as a result of further findings of the ongoing regulatory investigations on the consolidated annual financial results including completeness/accuracy of the related party transactions which relate to or which originated before 31 March 2018, the regulatory non-compliances, if any, and the consequential impact, if any, on the consolidated annual financial results.

- (ii) As explained in Note 7 and 9 of the consolidated annual financial results, during the year ended 31 March 2018, interest income of Rs. 4,434 lacs comprising Rs. 4,260 lacs (on the outstanding ICDs given) and Rs. 174 lacs (relating to property advance) had been recognized. A provision was however created against the entire amount in the year ended 31 March 2018 and the provision was disclosed as an exceptional item. The recognition of aforesaid interest income as at 31 March 2018 on doubtful ICDs and property advance is not in compliance with Ind AS 18 'Revenue' (as it does not meet the recognition criteria) and consequently interest income and the provision for doubtful interest disclosed as exceptional items (net) are overstated to that extent. It had no impact on loss for the year ended 31 March 2018.
  - (iii) As explained in Note 20 of the consolidated annual financial results, during the year ended 31 March 2018, the Company having considered all necessary facts and taking into account external legal advice, concluded that it had paid amount aggregating to Rs. 2,002 lacs to the erstwhile Executive Chairman during his tenure (ended during the year ended 31 March 2018) in excess of the amounts approved by the Central Government under Section 197 of the Companies Act, 2013 for his remuneration and other reimbursements. This is accordingly a non-compliance with the provisions of Section 197 of the Companies Act, 2013. In the current year, the Company has taken requisite actions to recover this amount. Due to the uncertainty involved on recoverability of the said amounts a provision for this amount has also been recorded.
- 

- (b) The Group has recorded a cumulative financial liability as at 31 March 2019 of Rs. 118,000 lacs (included under "Other current financial liabilities") by debiting "Other Equity" in respect of put option available with certain non-controlling shareholders of SRL Limited (refer to Note 24 of the consolidated annual financial results). The Group has not quantified the liability relating to previous periods and therefore, we are unable to comment on the impact of such liability for previous periods.

5. We draw attention to the following Notes in the consolidated annual financial results:

- a) Note 10(b) relating to outcome of income tax assessments in respect of Escorts Heart Institute and Research Centre Limited (EHIRCL), one of the subsidiaries in the Group, regarding amalgamation of two Societies and its subsequent conversion to EHIRCL.
- b) Note 10(a) and 10(c) relating to the outcome of the civil suit/arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and the matter related to non-compliance with the order of the Honorable High Court of Delhi in relation to provision of free treatment/beds to poor by EHIRCL.
- c) Note 11 regarding matter relating to termination of Hospital lease agreement of Hiranandani Healthcare Private Limited, one of the subsidiaries in the Group, by Navi Mumbai Municipal Corporation (NMMC) vide order dated 18 January 2018.

Based on the advice given by external legal counsel, the likelihood of outflow in the above litigations is remote and accordingly no provision/adjustment has been considered necessary by the Management with respect to the above matters in the consolidated annual financial results.

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

6. (a) We did not audit the financial statements of 7 subsidiaries included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 583,850 lacs (26% of total assets of the Group before intercompany eliminations) as at 31 March 2019 as well as the total income of Rs. 48,889 lacs (7% of total income of the Group before intercompany eliminations) for the year ended 31 March 2019. The consolidated annual financial results also include the Group's share of net profit (and other comprehensive income) of Rs. 574 lacs for the year ended 31 March 2019 in respect of 2 joint ventures. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's Management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.



- (b) The financial information of 11 subsidiaries, whose financial information reflect total assets of Rs. 98,598 lacs (4% of total assets of the Group before intercompany eliminations) as at 31 March 2019, total income of Rs. 20,653 lacs (3% of total income of the Group before intercompany eliminations) for the year ended on 31 March 2019, as considered in the consolidated annual financial results, have not been audited either by us or by other auditors. The consolidated annual financial results also include the Group's share of net profit (and other comprehensive income) of Rs. 35,950 lacs for the year ended 31 March 2019, as considered in the consolidated annual financial results, in respect of 3 associates and 1 joint venture, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.
- (c) The consolidated annual financial results for the quarter and year ended 31 March 2018 are based on the previously issued consolidated annual financial statements that were audited by the predecessor auditor (vide their modified audit report dated 7 July 2018).

Our opinion on the consolidated annual financial results 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 information certified by the Management.

7. In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements of the subsidiaries, associates and joint ventures as aforesaid, except for the effects and/or possible non-quantifiable effects, if any, of the matters described in paragraph 4 above, these consolidated annual financial results:

- (i) include the annual financial results of the following entities;

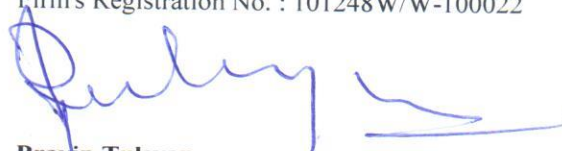
- 1) Fortis Healthcare Limited
- 2) Fortis Hospitals Limited
- 3) Escorts Heart Institute And Research Centre Limited
- 4) Fortis Malar Hospitals Limited
- 5) Malar Stars Medicare Limited
- 6) Fortis Health Management (East) Limited
- 7) Hiranandani Healthcare Private Limited
- 8) Fortis Cancer Care Limited
- 9) Fortis La Femme Limited
- 10) Fortis C-Doc Healthcare Limited
- 11) SRL Limited
- 12) SRL Diagnostics Private Limited
- 13) SRF Reach Limited
- 14) SRL Diagnostics FZ-LLC
- 15) Fortis Hospotel Limited
- 16) Escort Heart and Super Speciality Hospital Limited (w.e.f 15 January 2019)
- 17) International Hospital Limited (w.e.f 15 January 2019)
- 18) Hospitalia Eastern Private Limited (w.e.f 15 January 2019)
- 19) Fortis Health Management Limited (w.e.f 15 January 2019)



- 20) Stellant Capital Advisory Services Private Limited
- 21) Fortis Asia Healthcare Pte. Ltd
- 22) Fortis Healthcare International Limited
- 23) Fortis Global Healthcare (Mauritius) Limited
- 24) Fortis HealthStaff Limited
- 25) Fortis Healthcare International Pte Limited
- 26) Religare Health Trust Trustee Manager Pte Limited
- 27) Fortis Emergency Services Limited
- 28) Mena Healthcare Investment Company Limited
- 29) Medical Management Company Limited
- 30) Birdie and Birdie Realtors Private Limited
- 31) Lalitha Healthcare Private Limited (divested on 29 June 2018)
- 32) Fortis Cauvery
- 33) DDRC SRL Diagnostics Services Private Limited
- 34) SRL Diagnostics (NEPAL) Private Limited
- 35) The Medical and Surgical Centre Limited
- 36) Lanka Hospitals Corporation Plc
- 37) RHT Health Trust

- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the net consolidated profit and other comprehensive income and other financial information for the year ended 31 March 2019.

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



**Pravin Tulsyan**  
*Partner*  
Membership No. 108044

Place: Gurugram  
Date: 24 May 2019

**FORTIS HEALTHCARE LIMITED**

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019  
ON ANNUAL AUDITED STANDALONE FINANCIAL RESULTS**

**Qualifications in the Auditor's Report**

The Board of Fortis Healthcare Limited, have dealt with the matters stated in the qualifications in statutory auditor's report on the Standalone Financial Results of Fortis Healthcare for the year ended March 31, 2019 ("the Standalone Annual Results") included in the Statement of Standalone Financial Results ("the Standalone Statement") to the extent information was available with them.

Sl. No.	Particulars	(Rupees in lacs)	
		Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)\$
1	Turnover / Total income	118,098	Not Determinable
2	Total Expenditure	105,789	---Do---
3	Net Profit/(Loss)	12,309	---Do---
4	Earnings Per Share	2.02	---Do---
5	Total Assets	1,012,029	---Do---
6	Total Liabilities	175,706	---Do---
7	Net Worth	836,323	---Do---
8	Any other financial item(s) (as felt appropriate by the management)	-	-

"\$" for Qualifications 1 to 4 of the Auditor's Report.

**Qualification 1 of the Auditor's Report**

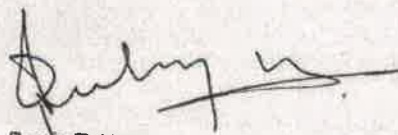
1. **Details of Audit Qualification:**  
As per audit report para 4 (i) reference to the Basis for Qualified Opinion
2. **Type of Audit Qualification:**  
Qualified Opinion
3. **Frequency of qualification:**  
Second time
4. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
Not Applicable
5. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
  - (i) **Management's estimation on the impact of audit qualification:**  
Not quantifiable.
  - (ii) **If management is unable to estimate the impact, reasons for the same:**  
Please refer point no 20 (a) in the statement of standalone audited financial results for quarter and year ended March 31, 2019.
  - (iii) **Auditors' Comments on (i) or (ii) above:**  
Due to the nature of various regulatory inquiries/ investigations, the consequential impact, if any, cannot be ascertained.



**Qualification 2 of the Auditor's Report**

1. **Details of Audit Qualification:**  
As per audit report para 4 (ii) reference to the Basis for Qualified Opinion.
2. **Type of Audit Qualification:**  
Qualified Opinion
3. **Frequency of qualification:**  
Second time
4. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
Not Applicable
5. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
  - (i) **Management's estimation on the impact of audit qualification:**  
Not Quantifiable
  - (ii) **If management is unable to estimate the impact, reasons for the same:**  
No impact on current year. Please refer point no 20 (b) in the statement of standalone audited financial results for quarter and year ended March 31, 2019.
  - (iii) **Auditors' Comments on (i) or (ii) above:**  
A continuing qualification from previous year as non-compliance with section 197 of the Companies Act, 2013 is pending to be regularized.

For BSR & Co. LLP  
Chartered Accountants  
Registration number: 101248WW-100022



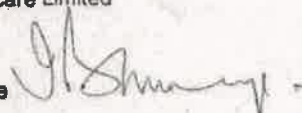
Pravin Tulsyan  
Partner

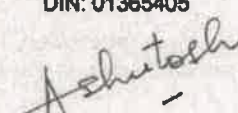
Membership No. - 108044

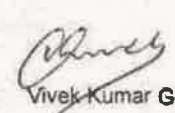
Date: 24<sup>th</sup> May 2019

Place: Gurugram

For and on behalf of the Board of Directors  
of Fortis Healthcare Limited

Indrajit Banerjee   
Chairman-Audit and Risk Management Committee  
DIN: 01365405

  
Ashutosh Raghuvanshi  
Managing Director & CEO  
DIN: 02775637

  
Vivek Kumar Goyal  
CFO



**FORTIS HEALTHCARE LIMITED**

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019  
ON CONSOLIDATED FINANCIAL RESULTS**

**Qualifications in the Auditor's Report**

The Board of Fortis Healthcare Limited, has dealt with the matters stated in the qualifications in statutory auditor's report on the Consolidated Financial Results of Fortis Healthcare Limited ("the Parent" or "the Company") and its subsidiaries (the Parent/Company and its subsidiaries together referred to as "the Group") and its share of profit/(Loss) of its joint ventures and associates for the year ended March 31, 2019 ("the Consolidated Annual Results") included in the Statement of Consolidated Financial Results ("the Consolidated Statement") to the extent information was available with them.

(Rupees in lacs)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)\$
1	Turnover / Total income	456,176	Not Determinable
2	Total Expenditure	478,547	---Do---
3	Net Profit/(Loss)	(22,371)	---Do---
4	Earnings Per Share	(3.70)	---Do---
5	Total Assets	1,195,127	---Do---
6	Total Liabilities	483,878	---Do---
7	Net Worth	711,249	---Do---
8	Any other financial item(s) (as felt appropriate by the management)	-	-

"\$" for Qualifications 1 to 4 of the Auditor's Report.

**Qualification 1 of the Auditor's Report**

**1. Details of Audit Qualification:**

As per audit report para 4 (a)(i)

**2. Type of Audit Qualification :**

Qualified Opinion

**3. Frequency of qualification:**

Second time

**4. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Not Applicable

**5. For Audit Qualification(s) where the impact is not quantified by the auditor:**

**(i) Management's estimation on the impact of audit qualification:**

Not quantifiable.

**(ii) If management is unable to estimate the impact, reasons for the same:**

Please refer point no 28 (a) in the statement of consolidated audited financial results for quarter and year ended 31<sup>st</sup> March '19.

**(iii) Auditors' Comments on (i) or (ii) above:**



Due to the nature of various regulatory inquiries/ investigations, the consequential impact, if any, cannot be ascertained.

Qualification 2 of the Auditor's Report

1. **Details of Audit Qualification:**  
As per audit report para 4 (a)(ii)
2. **Type of Audit Qualification :**  
Qualified Opinion
3. **Frequency of qualification:**  
Second time
4. **For Audit Qualification(s) where the Impact is quantified by the auditor, Management's Views:**  
Please refer point no 28 (b) in the statement of consolidated audited financial results for quarter and year ended 31<sup>st</sup> March'19.
5. **For Audit Qualification(s) where the Impact is not quantified by the auditor:**
  - (i) **Management's estimation on the Impact of audit qualification:**  
No Impact in the current year 2018-19
  - (ii) **If management is unable to estimate the impact, reasons for the same:**  
Not Applicable
  - (iii) **Auditors' Comments on (i) or (ii) above:**  
Not Applicable

Qualification 3 of the Auditor's Report

1. **Details of Audit Qualification:**  
As per audit report para 4 (a)(iii)
2. **Type of Audit Qualification :**  
Qualified Opinion
3. **Frequency of qualification:**  
Second time
4. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
Not Applicable
5. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
  - (i) **Management's estimation on the impact of audit qualification:**  
Not quantifiable.
  - (ii) **If management is unable to estimate the impact, reasons for the same:**  
Please refer point no 28 (c) in the statement of consolidated audited financial results for quarter and year ended 31<sup>st</sup> March'19.
  - (iii) **Auditors' Comments on (i) or (ii) above:**  
A continuing qualification from previous year as non-compliance with section 197 of the Companies Act, 2013 is pending to be regularized.

Qualification 4 of the Auditor's Report

1. **Details of Audit Qualification:**



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As per audit report para 4 (b)

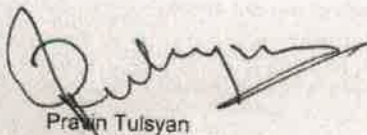
2. **Type of Audit Qualification :**  
Qualified Opinion
3. **Frequency of qualification:**  
First time
4. **For Audit Qualification(s) where the Impact is quantified by the auditor, Management's Views:**  
Not Applicable
5. **For Audit Qualification(s) where the Impact is not quantified by the auditor:**
  - (i) **Management's estimation on the impact of audit qualification:**  
Not quantifiable
  - (ii) **If management is unable to estimate the Impact, reasons for the same:**

Please refer point no 28 (d) in the statement of consolidated audited financial results for quarter and year ended 31<sup>st</sup> March'19.

- (iii) **Auditors' Comments on (i) or (ii) above:**

In our view based on contractual agreement and facts available, the Group is required to recognize liability of this put option in earlier years.

For BSR & Co. LLP  
Chartered Accountants  
Registration number: 101248WWW-100022



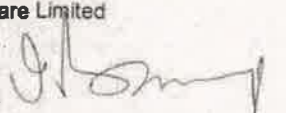
Pravin Tulsyan  
Partner

Membership No. - 108044

Date: 24<sup>th</sup> May 2019

Place: Gurugram

For and on behalf of the Board of Directors  
of Fortis Healthcare Limited



Indrajit Banerjee  
Chairman-Audit and Risk Management Committee  
DIN: 01365405



Ashutosh Raghuvanshi  
Managing Director & CEO  
DIN: 02775637



Vivek Kumar Goyal  
CFO



# Fortis Healthcare Limited

Earnings Presentation – Q4 & FY2019



*“Saving and Enriching Lives”*



May 24, 2019

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This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this presentation are cautioned not to place undue reliance on these forward-looking statements.

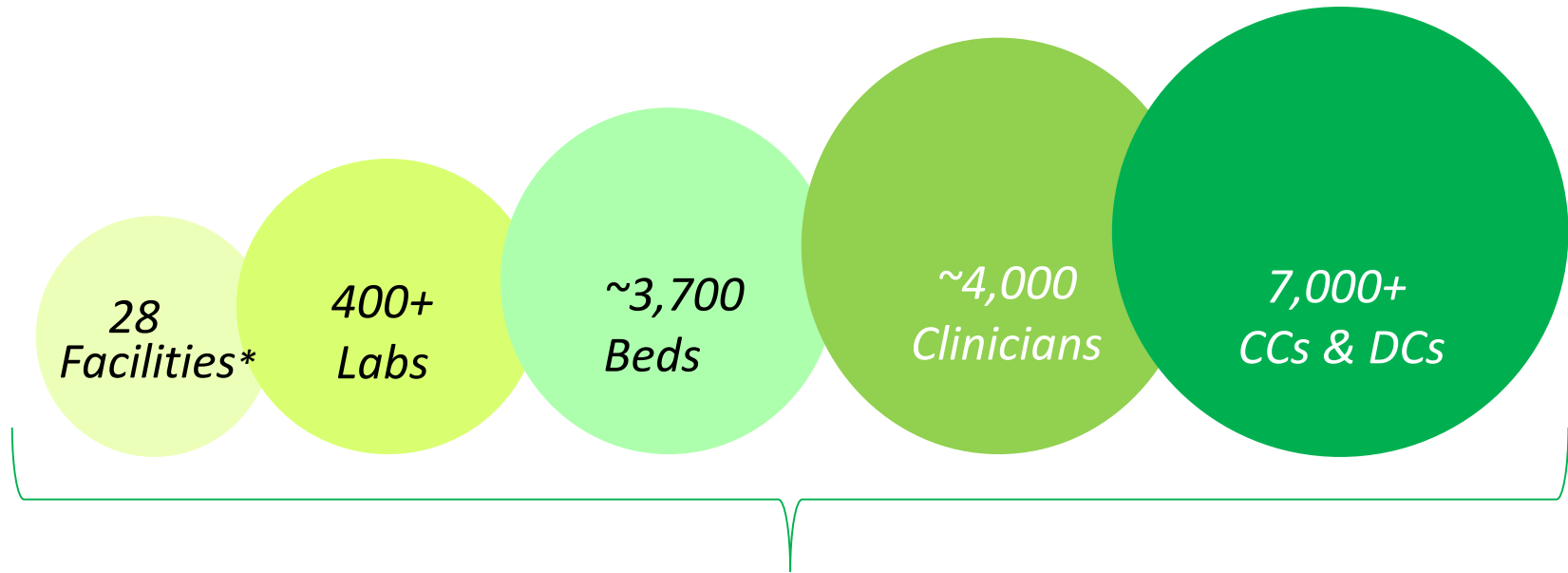
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Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since that date.

# Agenda

1. Key Highlights and Immediate Priorities
2. Key Financial Summary – Q4FY19 and FY2019
3. Executive Results Summary
4. Performance Review – Hospitals Business
5. Performance Review – Diagnostics Business
6. Appendix



*Well Positioned to become a premier tertiary care  
healthcare delivery organization*

**BUSINESS RECOVERY ON TRACK**

**RENEWED FOCUS ON WORLD-  
CLASS HEALTHCARE DELIVERY  
& EXCEPTIONAL PATIENT CARE**

**RHT PORTFOLIO OF ASSETS  
ACQUISITION COMPLETE**

# 1. Key Highlights and Immediate Priorities

# Key Highlights and Immediate Priorities

## Completed

- IHH's infusion of INR 4,000 Cr
- RHT portfolio acquisition primarily through equity
- Savings of Clinical Establishment (CE) Fees by approx. INR 270 Crs leading to improved profitability

- Strengthened credit rating to BBB- (Investment Grade) by ICRA and CARE
- Lowered borrowing cost at 10-11% currently vs 15%+ for previous borrowings

- Reconstituted Board with 5 IHH nominees, 3 IDs and MD & CEO
- Strengthening and Institutionalizing processes and systems
- New MD & CEO and CFO appointed

**Strengthen  
Balance Sheet**

**Improve  
Liquidity**

**Streamline  
Org Structure  
& Improve  
Efficiency**

## WIP

- Proposed divestment of non-core assets :
  - 28.89% Stake in MSCL (SPA signed on May 17, 2019)
  - RHT\* / Stellant Capital\*\*
  - Select other non-core assets

- Better working capital management
- Ongoing dialogue with Banks for refinancing existing debt to further reduce costs
- Non- core asset divestment as above

- Simplified organisation structure
- Manpower productivity and cost optimisation
- Synergies via procurement, Supply Chain, IT infrastructure and Services

\*Fortis owns 25.14% stake in RHT Health Trust (RHT) which is primarily a shell trust with residual cash post the asset divestment to Fortis;

\*\*Stellant Capital Advisory Services Pvt Ltd is 100% indirectly owned by Fortis which further owns 100% of RHT Health Trust Managers Pte Ltd (RHTTM), Trustee Manager to RHT Health Trust. Post the RHT transaction, both the assets have no strategic relevance to the company.

## 2. Key Financial Summary – Q4FY19 and FY2019



# Q4 FY2019 – Financial Highlights

## Operations report positive Profit before Tax\*

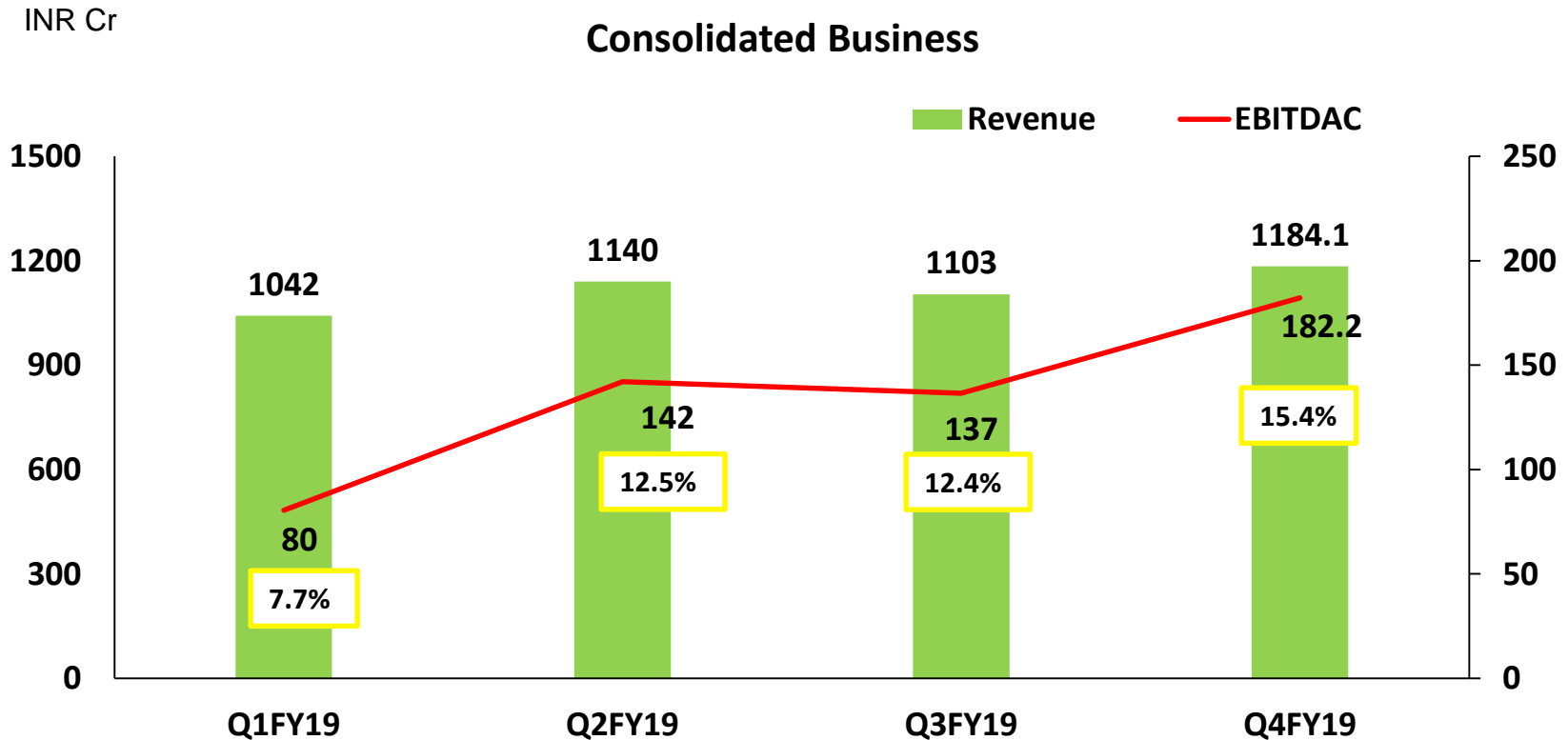
- Consolidated Revenues at INR 1,184 Cr, up 9.0%
  - Hospital Business Revenues at INR 919 Cr, up 5.8%
  - Diagnostics Business Net Revenues at INR 217 Cr, up 2.3%
- Operating margins (EBITDAC) at 15.4% versus 12.7% in Q4 FY 18
  - Hospital Business EBITDAC margins at 11.7% versus 12.1% in Q4 FY 18
  - Diagnostics Business EBITDA margins at 22.6% versus 15.6% margin in Q4 FY 18
- Operating EBITDA margins improved to 14.1% from 6.9% in Q4FY18. Adjusted for one off EBITDA from RHTTM, margins for the quarter were at 12.4%.
- Interest cost reduction by 42% from Q3FY19 to INR 64.8 Cr in Q4 FY19. Excluding one-off costs of Q3FY19, interest cost reduced by approx. INR 13 Cr in Q4FY19

*\*PBT is prior to other income, any exceptional items and the one-off EBITDA of RHTTM as a result of the completion of the RHT transaction*

# Q4 FY2019 – Financial Highlights (Cont..)

- Clinical establishment fees reduced from INR 63 Cr in corr. previous quarter to INR 15 Cr in Q4 FY 19 (CE fees only from 1st Jan – 14th Jan). No CE fees from Q1FY 20.
- PATMI at INR 135.6 Cr versus loss of INR 932 Cr in Q4 FY18
- Exceptional expenses in Q4FY19 are primarily due to costs associated with extension of RHT transaction; for Q4FY18 one offs include impairment of investments / assets and certain provisions taken.
- Q4FY19 also witnessed significant share in associate of approx. INR 333 Cr mainly due to RHT's profit related to divestment of assets to Fortis in January 2019.

# FY 2019 – Quarterly Revenues and Margins



- Consistent improvement in Operating Performance
- Excluding the financials of RHTTM, consolidated margins on a like to like basis have expanded from 7.7% in Q1 to 13.7% in Q4.

# FY2019 – Financial Highlights

Business performance witnessed traction beginning Q2FY 19 and continued to show an encouraging uptrend in Q3 and Q4FY19

- Consolidated Revenues at INR 4,469 Cr, a decline of 2% versus FY18. Largely due to the challenging environment witnessed in H1FY19.
  - Hospital Business Revenues at INR 3,527 Cr, lower by 4.2%
  - Diagnostic Business Net Revenues at INR 877 Cr, up by 2.7% .
- Consolidated Operating margins (EBITDAC) at 12.1% versus 14.4 % in FY 18
  - Hospital EBITDAC margins at 9.5% versus 13.6% in FY 18.
  - Diagnostics EBITDA margin at 20.6% versus a margin 18.9% in previous year.
- Consolidated Operating EBITDA stood at INR 326 Cr; margin of 7.3% versus 8.5% in previous year
- PATMI\* at loss of INR 299 Cr versus loss of INR 1,009 Cr in FY 18

\* FY 19 and FY18 had exceptional losses due to impairment of investments / goodwill/ assets and one off expenses; for FY 18 exceptional losses also includes one offs for certain provisions taken – total of INR 907 Cr

\*FY19 includes significant share in associate mainly due to RHT's profit related to divestment of assets to Fortis in January 2019.

## 3. Executive Results Summary

# Executive Summary – Q4FY19

## Consolidated Financials

Particulars (INR Cr)	Q4FY18	Q3FY19	Q4FY19	QoQ % Change	QotQ % Change
<b>Revenue</b>	1,086.4	1,103.3	1,184.1	9.0%	7.3%
<b>Operating EBITDAC*</b>	<b>138.3</b>	<b>136.6</b>	<b>182.2</b>	31.7%	33.3%
<b>Operating EBITDAC margin</b>	<b>12.7%</b>	<b>12.5%</b>	<b>15.4%</b>		
Operating EBITDA	75.1	68.3	167.1	122.5%	144.7%
Operating EBITDA margin	6.9%	6.2%	14.1%		
PBT pre-exceptional / FX	(72.2)	(57.5)	52.7		
<b>PATMI ^</b>	<b>(932.0)</b>	<b>(197.0)</b>	<b>135.6</b>		

- Operating EBITDA increased significantly due to acquisition of RHT India assets , one off income at RHTTM level and the operational margin expansion witnessed in the diagnostics business
- PATMI for Q3FY19 primarily impacted by exceptional losses/one off expenses pertaining to impairments related to the goodwill and of certain assets, one off financial and legal expenses and higher finance cost.
- PATMI for Q4 FY 18 impacted by impairment of Investments / goodwill and one off expenses related to certain provisions.
- PATMI for Q4FY19 includes one time significant share in associate of approx. INR 333 Cr mainly due to RHT's profit as a result of the divestment of assets to Fortis in January 2019.

# Executive Summary – FY19

## Consolidated Financials

Particulars (INR Cr)	FY18	FY19	% Change
<b>Revenue</b>	4,560.8	4,469.4	-2.0%
<b>Operating EBITDAC*</b>	<b>654.7</b>	<b>541.3</b>	<b>-17.3%</b>
<b>Operating EBITDAC margin</b>	<b>14.4%</b>	<b>12.1%</b>	
Operating EBITDA	389.1	325.6	-16.3%
Operating EBITDA margin	8.5%	7.3%	
PBT pre-exceptional / FX	(23.0)	(163.8)	
<b>PATMI ^</b>	<b>(1,009.2)</b>	<b>(298.9)</b>	

- ^PATMI for FY19 primarily impacted in H2FY 19 as a result of exceptional losses/one off expenses pertaining to impairments related to the goodwill and of certain assets, one off financial and legal expenses and higher finance cost due to one off costs related to pre closure/other charges for high cost debts. During Q4FY19, the company witnessed one time significant share in associate of approx. INR 333 Cr mainly due to RHT's profit related to divestment of assets to Fortis in January 2019.
- PATMI for FY 18 impacted by impairment of Investments / goodwill and one off expenses related to provisions made largely in Q4 FY 18

\*EBITDAC refers to EBITDA before net business trust costs

## Balance Sheet – March 31, 2019

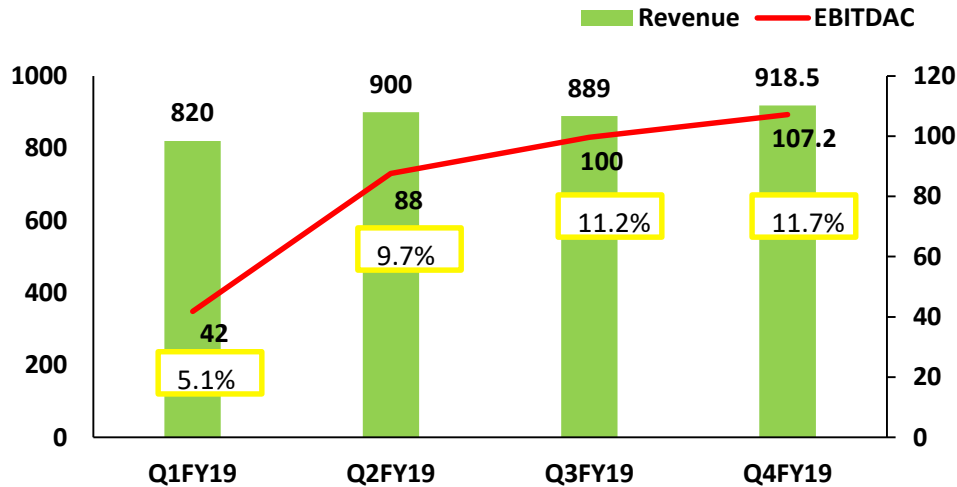
Balance Sheet (INR Cr)	March 31, 2018	Dec 31, 2018	March 31, 2019
Shareholder's Equity	5,317	8,932	7,175
Debt	1,959	1,567	2,009
<b>Total Capital Employed</b>	<b>7,276</b>	<b>10,498</b>	<b>9,184</b>
Net Fixed Assets (includes CWIP)	3,169	3,010	5,206
Goodwill	2,049	1,920	3,716
Investments	1,397	1,225	190
Cash and Cash Equivalents	555	3,926	986
Net Current Assets	106	418	(918)
<b>Total Assets</b>	<b>7,276</b>	<b>10,498</b>	<b>9,184</b>
Net Debt / (cash)	1,404	(2,359)	1,023
Net Debt to Equity	0.26x	-	0.14x



# Business Summary Highlights

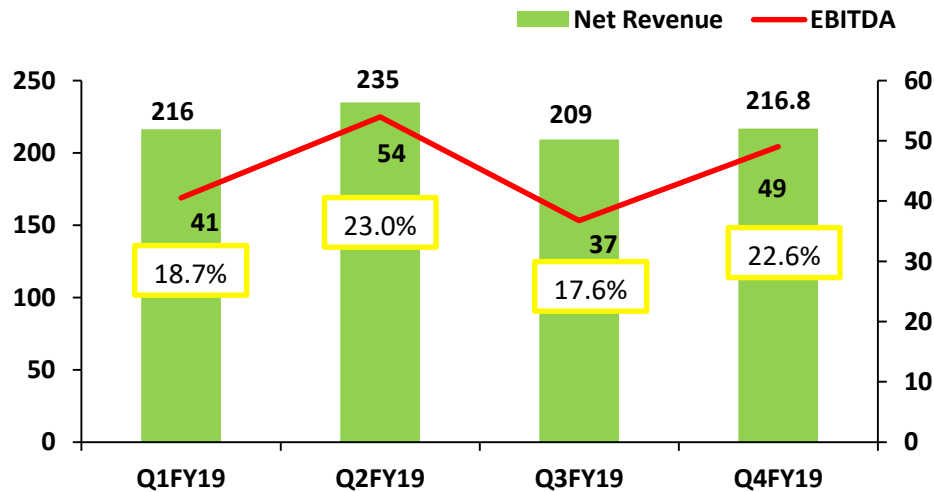
INR Crore

## Hospital Business



INR Crore

## Diagnostic Business



- Overall Business continuing to witness traction in operations on YoY basis
- Hospital business performance witnessed steady improvement despite challenging conditions
  - EBITDAC margin improved from 5.1% in Q1 to 11.7% in Q4 FY 19
  - Witnessed uptick in revenue growth in Q4 FY 19 versus trailing and corr. quarter
    - Occupancy at 62% in Q1 to vs 67.8% in Q4 FY 19
- Diagnostic business margins significantly improved from 18.7% in Q1 to 22.6% in Q4 FY 19.

## 4. Performance Review – Hospital Business

# India Hospital Business – Q4 FY2019

Particulars	Q4FY18	Q3FY19	Q4FY19	QoQ % Change
	(INR Cr.)	(INR Cr.)	(INR Cr.)	
Operating Revenue	868.5	889.0	918.5	5.8%
<b>Operating EBITDAC*</b>	<b>105.2</b>	<b>99.6</b>	<b>107.2</b>	<b>1.9%</b>
<b>Operating EBITDAC margin</b>	<b>12.1%</b>	<b>11.2%</b>	<b>11.7%</b>	
Net BT Costs	63.3	68.3	15.1	-76.1%
<b>Operating EBITDA</b>	<b>41.9</b>	<b>31.3</b>	<b>92.1</b>	<b>119.7%</b>
Other Income	1.3	40.7	11.6	
<b>EBITDA</b>	<b>43.3</b>	<b>72.0</b>	<b>103.7</b>	<b>139.7%</b>

- International patient revenue at INR 100 Cr, + 2% growth over corr. quarter
- Key Hospitals revenue growth (over Q4 FY18)
  - Jaipur +13%
  - Mulund + 13%
  - Anandapur +26%
  - Vashi +9%
  - Ludhiana +18%
- Key hospitals that witnessed operating profitability growth over Q4FY18 are Noida, Anandpur, Mohali, Ludhiana and CH Road

\*EBITDAC refers to EBITDA before net business trust (BT) costs

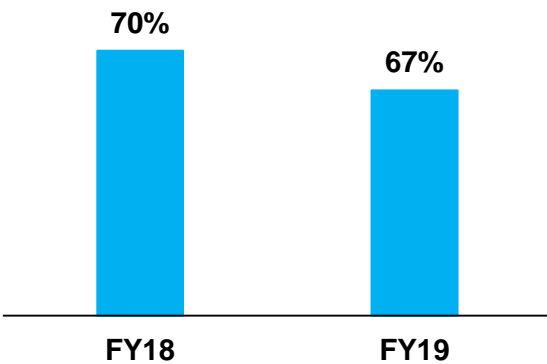
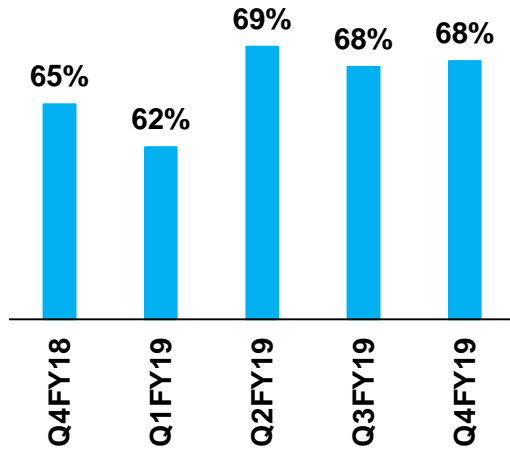
# India Hospital Business – FY2019

Particulars	FY18	FY19	% Change
	(INR Cr)	(INR Cr)	
Operating Revenue	3,683.0	3,526.9	-4.2%
<b>Operating EBITDAC*</b>	<b>500.5</b>	<b>336.3</b>	<b>-32.8%</b>
<b>Operating EBITDAC margin</b>	<b>13.6%</b>	<b>9.5%</b>	
Net BT Costs	265.6	215.8	-18.8%
<b>Operating EBITDA</b>	<b>234.9</b>	<b>120.5</b>	<b>-48.7%</b>
Other Income	101.9	74.9	
<b>EBITDA</b>	<b>336.8</b>	<b>195.4</b>	<b>-42.0%</b>

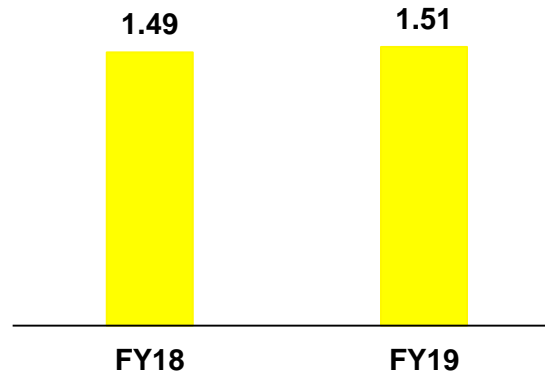
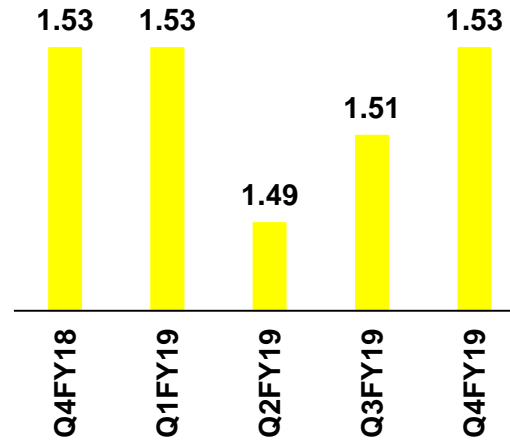
\*EBITDAC refers to EBITDA before net business trust (BT) costs

# Key Performance Metrics – Hospital Business

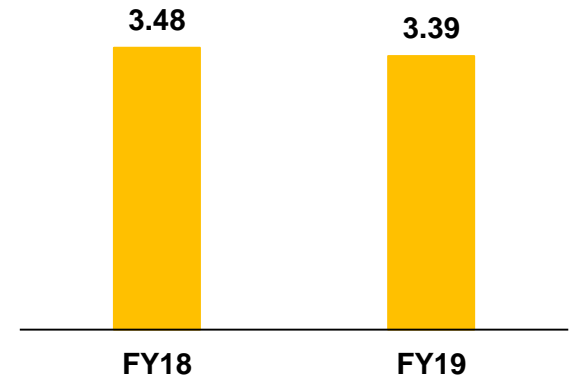
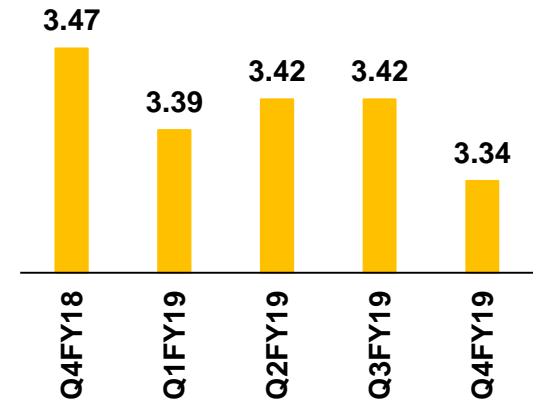
Occupancy (%)



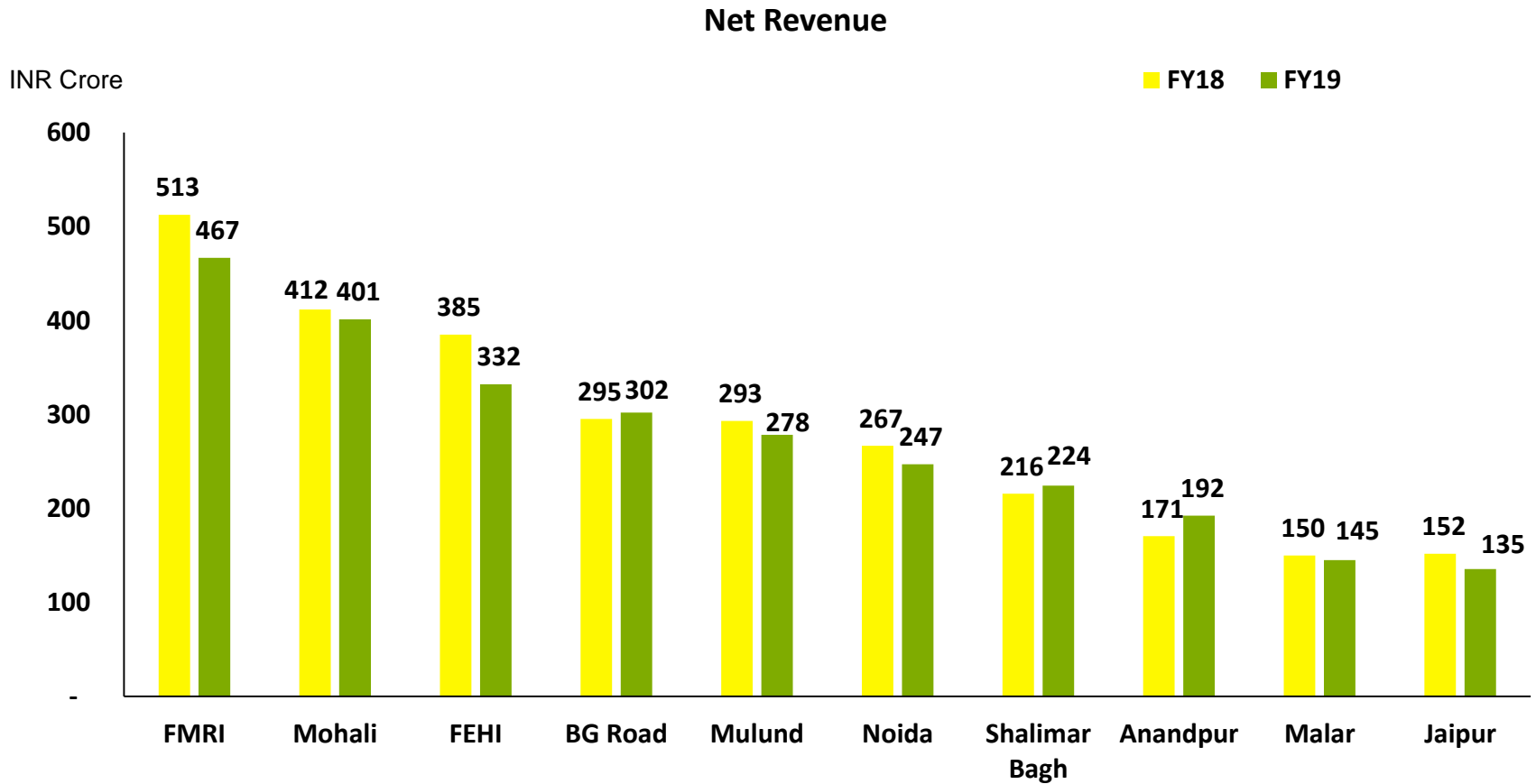
ARPOB (INR Cr)



ALOS (Days)

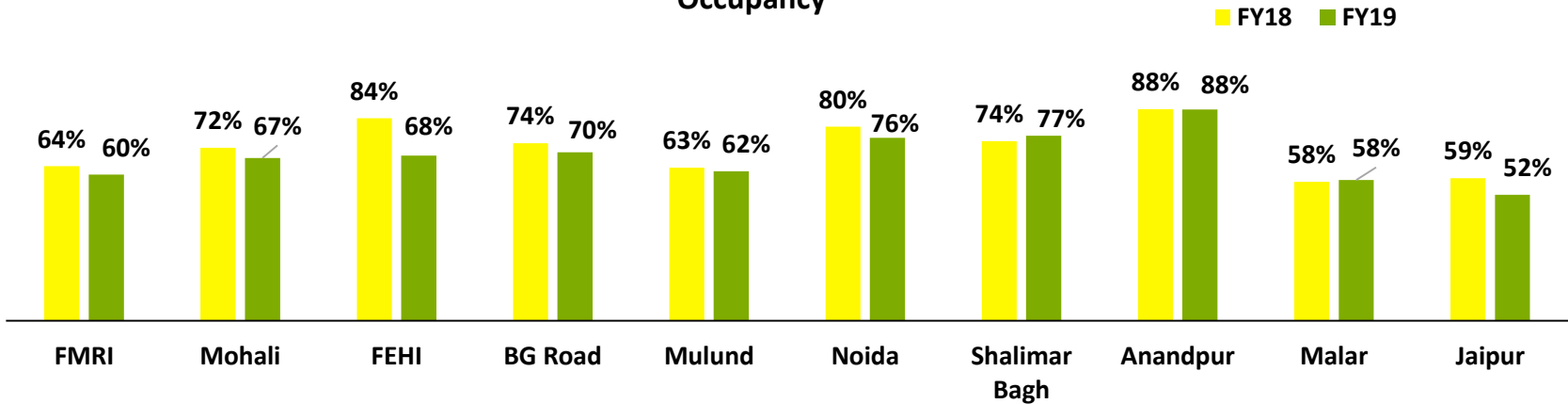


# Key Hospitals Performance

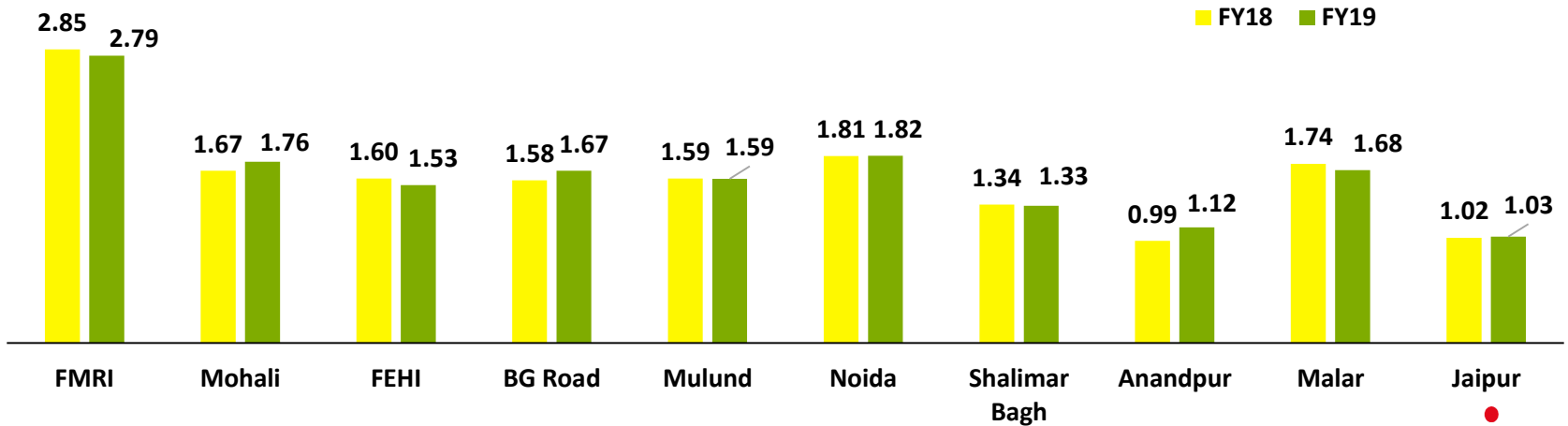


# Key Hospitals - KPIs

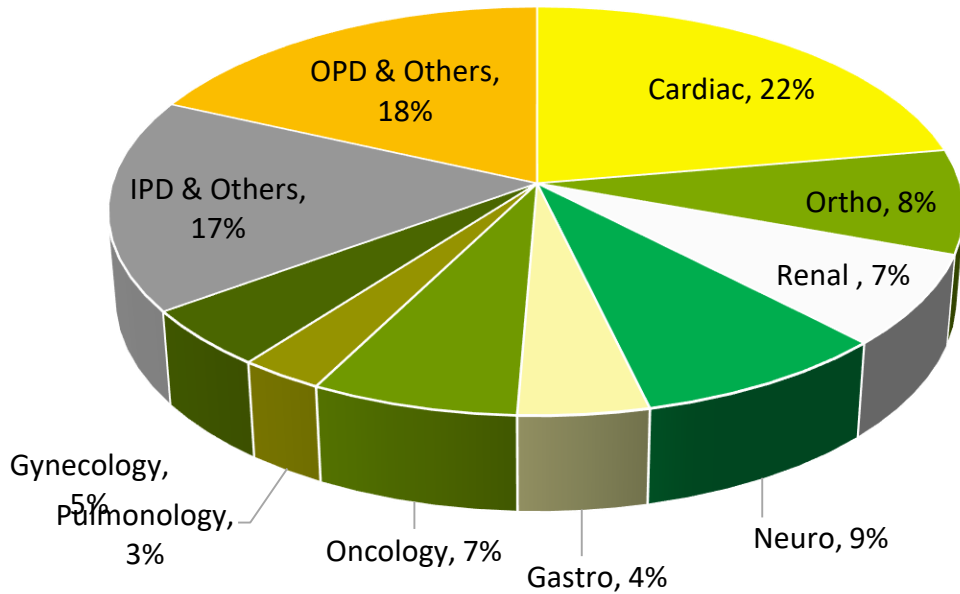
## Occupancy



## ARPOB (INR Cr)



# Specialty Mix – FY2019



86 Heart Transplants

Over 7,200 Knee Implants

Over 580 Hip Implants

412 Renal Transplants

210 Liver Transplants

114 Bone Marrow Transplants



# Select Hospital Business Highlights – FY2019

## CLINICAL EXCELLENCE

- Strengthened clinical teams in the NCR region in the number of specialties including amongst others Oncology, Neurology and Orthopaedics
- East India's first heart transplant undertaken at Fortis Anandpur, Kolkata
- Heart Transplant commenced at BG Road Bengaluru. Heart Transplant procedure across 5 Fortis facilities including Malar, FEHI, Anandpur, BG Road and Mulund

## BUSINESS INITIATIVES & COST EFFICIENCIES

- Robust growth being witnessed from digital and marketing business channels across many facilities
- International Sales stood at INR 397 Cr (~11.3% to revenues vs 11% in FY18); New international sales structure rolled out for focused business development and revenue generation
- Focus on strengthening working capital management .i.e. receivables and inventories
- Project underway to enhance manpower productivity
- Fortis and IHH working to bring in synergistic benefits and best practices across the network to drive revenues and optimize costs .i.e. procurement / supply chain / IT

## Key Initiatives – FY2019

- Fortis Hospital, Shalimar Bagh, launched the Cancer Care Institute. Equipped with the latest technology in cancer care along with experienced specialists, the facility offers a trans- disciplinary and multi – modality approach in oncology. The facility also offers bone marrow transplant treatment, nuclear medicine and Interventional Radiology services.
- Fortis Hospital, Bannerghatta Road, Bengaluru, acquired the Da Vinci Xi system, the most advanced Robotic Surgery technology in the world.
- Fortis Memorial Research Institute launched a specialised Anemia Clinic at its facility in Gurugram. aimed at creating awareness and combating blood disorders at an early stage
- To mark World Arthritis Day and World Osteoporosis Day, Hiranandani Hospital, Vashi- A Fortis Network Hospital, launched an exclusive healthcare programme for the elderly - 'Seniors First'.
- Fortis Escorts Heart Institute (FEHI) launched a Chronic Total Occlusion Percutaneous Coronary Intervention (CTO PCI) programme. The Institute is the only facility in the Fortis network to offer the specialized programme.
- A specialised shoulder clinic was launched at Fortis Hospital, CG Road, Bengaluru positioning it well to become an advanced treatment centre for sports injuries.

# Successes in Clinical Excellence – FY2019

First in India: Doctors at Fortis Escorts, Okhla Road, use artificial lung support (ECMO) to treat pregnant Swine Flu patient; saved both mother and unborn child

A team of doctors at Fortis Noida successfully saved a 36 years road accident victim who was badly injured that his lungs had protruded out of his chest. The Doctors reconstructed his chest wall and repaired lungs thus giving him new lease of life

Fortis Escorts Heart Institute achieved yet another milestone by performing the India's first "Protected Angioplasty and Stenting Procedure" with the support of an Impella Heart Pump on an 86-year-old patient suffering from life threatening heavily calcified triple vessel and left main artery blockages.

An 8-year old boy from Iraq suffering from a rare bone cancer, Ewing's Sarcoma, was successfully treated at Fortis Hospital, Mulund. The doctors treated adopted Radical Resection, Extracorporeal Radiation Therapy and re-implantation to treat thus saving the child from undergoing an amputation

A team of doctors at Fortis Hospital, Bannerghatta Road, Bengaluru conducted its maiden complex paediatric heart transplant to save a 13-year-old boy from Karnataka who was suffering from dilated cardiomyopathy.

In a rare and unique feat, a patient suffering from hemophilia, a genetic disorder impairing the body's ability to clot blood, a process needed to stop bleeding, successfully underwent knee replacement surgery at Fortis hospital, BG Road, Bengaluru.

# Key Awards and Recognitions - FY2019

Fortis Healthcare has won the prestigious FICCI Healthcare Excellence Awards 2018 in the Social Initiative category for the 'Umeed-Dhadkan' programme.

Four Fortis hospitals won laurels at the Advantage Healthcare India - Medical Value Travel Awards 2018. (1) Fortis Escorts Heart Institute won the award in the Interventional Cardiology category. (2) Fortis Malar Hospital won the award in Heart Transplant category. (3) Fortis Vasant Kunj was recognized in the Kidney Transplants category. (4) FMRI won the award in the Cosmetic Surgery category.

Fortis BG Road, becomes first hospital in Bengaluru to win the coveted 'Pharmacie de Qualite' Certification. Considered the highest standard in pharmacy certification, the coveted Pharmacy De Qualite' certification programme has been brought to India by Abbott in association with Bureau Veritas S.A – a global testing, inspection and certification services provider in order to create 'Pharmacies as centre of excellence'.

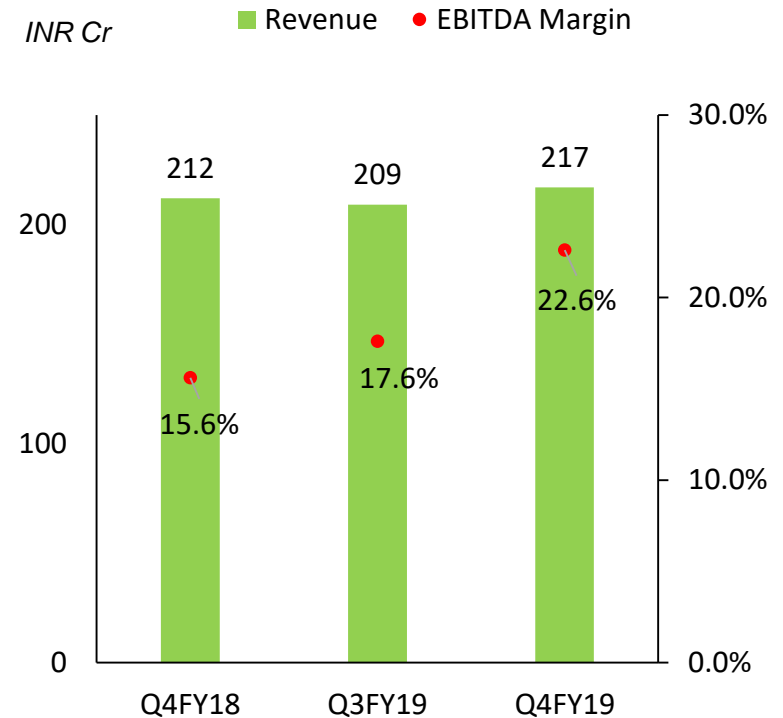
Fortis Hospital, Mohali, has been honoured with the 'Green Hospital' award at the AHPI Healthcare Excellence Awards 2019, instituted by the Association of Healthcare Providers (India).

SL Raheja Hospital, Mahim - A Fortis Associate, won the 'Green Hospital' award for its environment conservation initiatives. The award was presented in recognition of the various environment friendly initiatives at the hospital for energy efficiency and water conservation.

## 5. Performance Review – Diagnostics Business

# Diagnostic Business – Q4FY19

- Net Operating revenue at INR 217 Cr, +2.3% (*like for like growth ~6%*)
- Operating EBITDA margin stood at 22.6% compared to 15.6% in Q4FY18 & 17.6% in Q3FY19
- SRL conducted over 7.40 million tests during Q4FY19 compared to 7.37 mn tests conducted in Q4FY18 (excluding joint ventures)
- Business has achieved significant improvement in margins both on a quarter and YoY basis.
  - Savings in direct cost as a result of improved lab efficiency and vendor costs negotiations
  - Savings in manpower costs as a result of staffing optimization and cost control in operating expenses

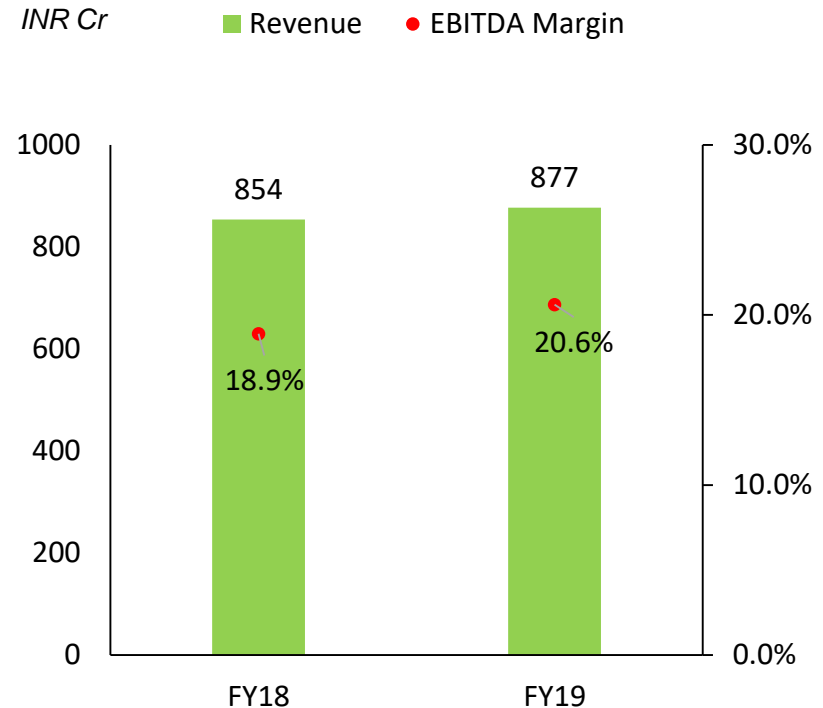


# Diagnostic Business – FY2019

- Net Operating revenue at INR 877 Cr, +2.7% (*like for like growth ~3%*)
- Operating EBITDA margin stood at 20.6% compared to 18.9% in FY18

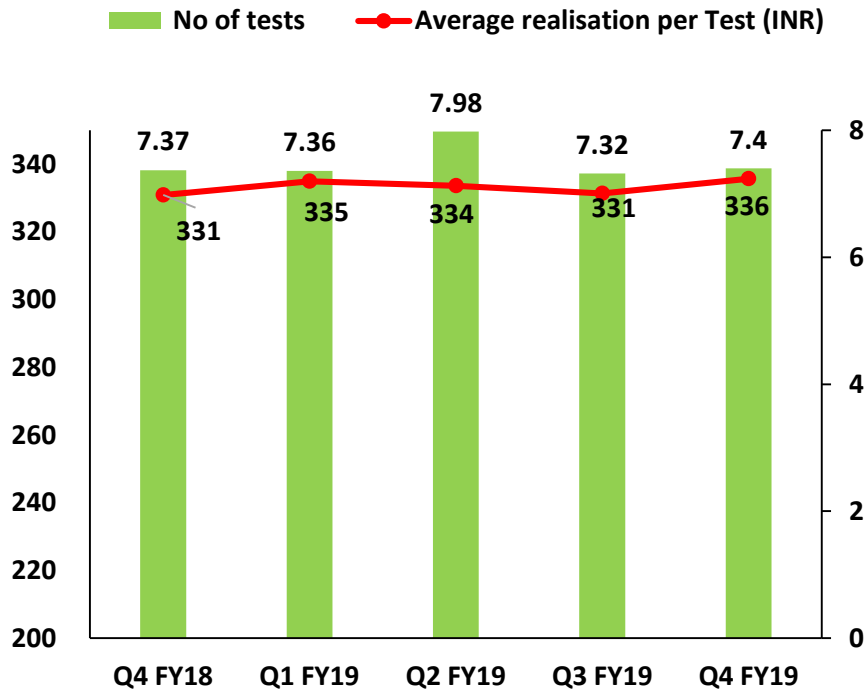
## FUTURE GROWTH DRIVERS

- Focus on expansion of franchisee and owned collection center network and driving revenue through initiatives to increase revenue contribution from the existing network
- Enhanced product offerings in preventive packages portfolio and focus on key lifestyle diseases
- Introduction of new tests and technologies driven by central R&D efforts
- Digital initiatives such as mobile app and CRM have started yielding results

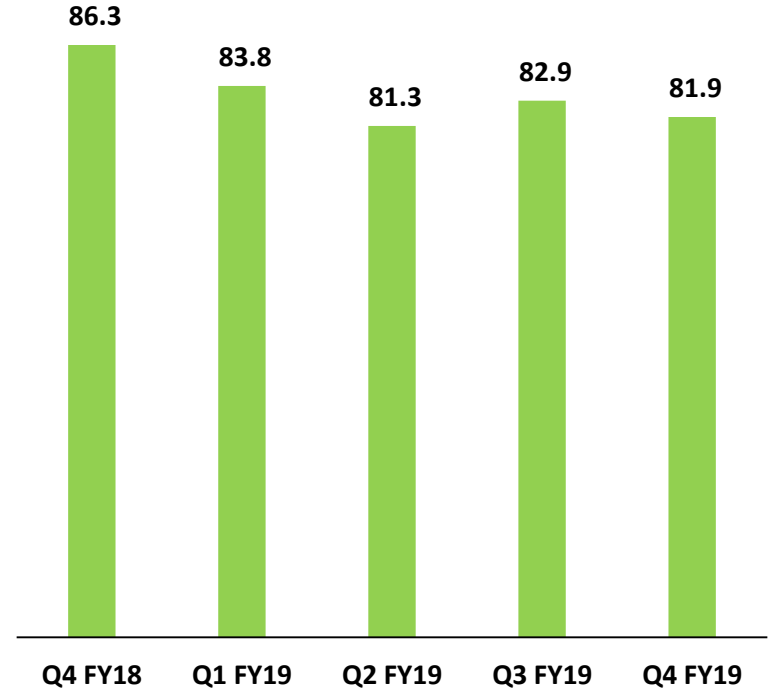


# Key Performance Metrics

Number of Tests and Average Realizations\*



Direct Cost per test (INR)



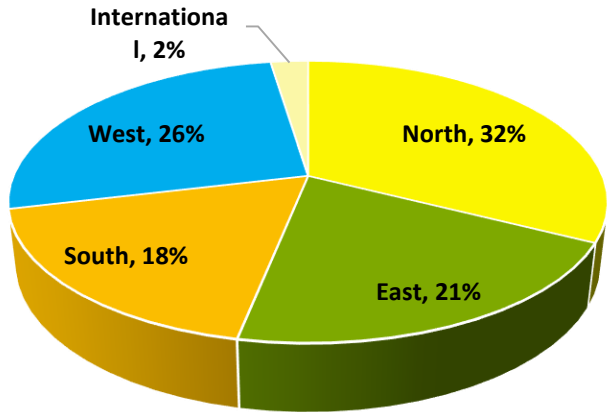
\*excluding joint ventures



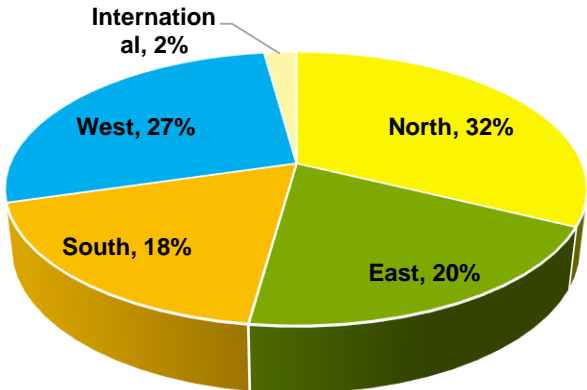
# Revenue Mix

## Geographic Mix

FY2019

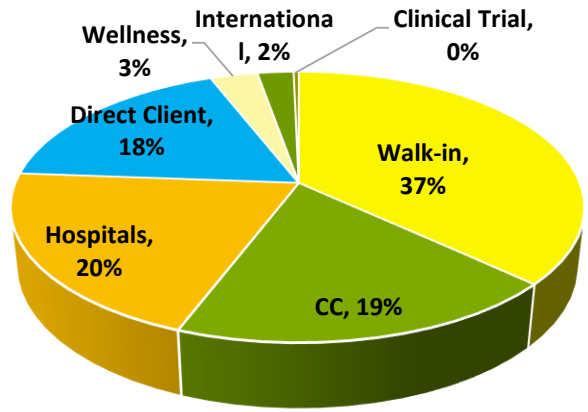


FY2018

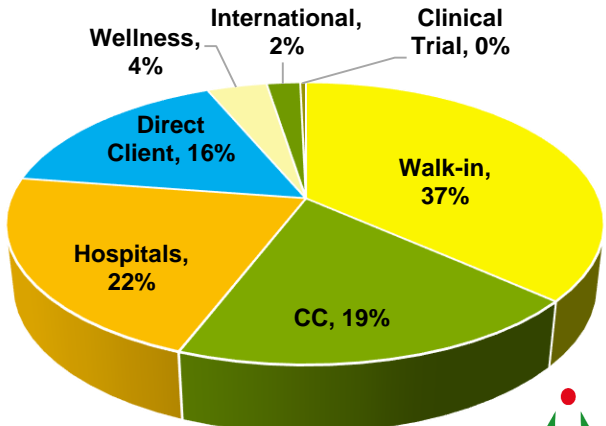


## Customer Mix

FY2019



FY2018



## 6. Appendix

# India Consolidated P&L – Q4 FY2019

Particulars	Q4FY18	Q3FY19	Q4FY19	QoQ % Change
	(INR Cr)	(INR Cr)	(INR Cr)	
<b>Operating Revenue</b>	1,080.4	1,098.2	1,135.3	5.1%
<b>Operating EBITDAC*</b>	<b>138.2</b>	<b>136.3</b>	<b>156.2</b>	<b>13.0%</b>
<b>Operating EBITDAC margin</b>	<b>12.8%</b>	<b>12.4%</b>	<b>13.8%</b>	
Net BT Costs	63.3	68.3	15.1	-76.1%
<b>Operating EBITDA</b>	<b>75.0</b>	<b>68.0</b>	<b>141.1</b>	<b>88.2%</b>
Other Income	1.0	44.4	10.4	
<b>EBITDA</b>	<b>75.9</b>	<b>112.4</b>	<b>151.6</b>	<b>99.6%</b>
Finance Costs ^^	63.9	110.6	64.7	
Depreciation & Amortization	60.2	60.1	59.9	
<b>PBT before Forex</b>	<b>(48.2)</b>	<b>(58.3)</b>	<b>27.0</b>	
Foreign Exchange (Loss)/ Gain	(2.9)	(1.4)	(7.3)	
<b>PBT before Exceptional Item</b>	<b>(51.1)</b>	<b>(59.7)</b>	<b>19.7</b>	
Exceptional (Loss)/ Gain^	(805.7)	(157.9)	(45.5)	
Tax Expense	(4.5)	(21.1)	177.7	
<b>PAT before minority interest and share in associates</b>	<b>(852.3)</b>	<b>(196.6)</b>	<b>(203.5)</b>	
Share in Associates**	3.2	14.1	329.9	
<b>PAT after minority interest and share in associates</b>	<b>(866.8)</b>	<b>(199.5)</b>	<b>110.9</b>	

\*EBITDAC refers to EBITDA before net business trust costs

^Exceptional items primarily pertain to impairments related to the goodwill and of certain assets. These in addition, also include certain one off financial and legal expenses related to advisory fees for corporate transactions completed. ^^ Higher finance cost in Q3FY19 due to one off costs related to pre closure/other charges for high cost debts. \*\*Higher Share in Associate in Q4FY19 is mainly due to RHT's profit on divestment of assets to Fortis in January 2019.

# India Consolidated P&L – FY2019

Particulars	FY18	FY19	% Change
	(INR Cr.)	(INR Cr.)	
<b>Operating Revenue</b>	4,536.9	4,404.1	-2.9%
<b>Operating EBITDAC*</b>	<b>661.7</b>	<b>516.5</b>	<b>-21.9%</b>
<b>Operating EBITDAC margin</b>	<b>14.6%</b>	<b>11.7%</b>	
Net BT Costs	265.6	215.8	-18.8%
<b>Operating EBITDA</b>	<b>396.2</b>	<b>300.8</b>	<b>-24.1%</b>
Other Income	106.3	79.4	
<b>EBITDA</b>	<b>502.5</b>	<b>380.2</b>	<b>-24.3%</b>
Finance Costs	256.5	335.7	
Depreciation & Amortization	237.4	232.6	
<b>PBT before Forex</b>	<b>8.6</b>	<b>(188.1)</b>	
Foreign Exchange (Loss)/ Gain	(22.2)	(2.2)	
<b>PBT before Exceptional Item</b>	<b>(13.5)</b>	<b>(190.3)</b>	
Exceptional (Loss)/ Gain^	(858.1)	(316.4)	
Tax Expense	24.8	107.7	
<b>PAT before minority interest and share in associates</b>	<b>(896.4)</b>	<b>(614.4)</b>	
Share in Associates**	46.0	353.1	
<b>PAT after minority interest and share in associates</b>	<b>(925.2)</b>	<b>(336.6)</b>	

\*EBITDAC refers to EBITDA before net business trust costs

^Exceptional items primarily pertain to impairments related to the goodwill and of certain assets. These in addition, also include certain one off financial and legal expenses related to advisory fees for corporate transactions completed

\*\*Higher Share in Associate in FY19 is mainly due to RHT's profit on divestment of assets to Fortis in January 2019.



# Group Consolidated P&L – Q4 FY2019

Particulars	Q4FY18	Q3FY19	Q4FY19	QoQ % Change
	(INR Cr.)	(INR Cr.)	(INR Cr.)	
<b>Operating Revenue</b>	1,086.4	1,103.3	1,184.1	9.0%
<b>Operating EBITDAC*</b>	<b>138.3</b>	<b>136.6</b>	<b>182.2</b>	<b>31.7%</b>
<b>Operating EBITDAC margin</b>	<b>12.7%</b>	<b>12.4%</b>	<b>15.4%</b>	
Net BT Costs	63.3	68.3	15.1	-76.1%
<b>Operating EBITDA</b>	<b>75.1</b>	<b>68.3</b>	<b>167.1</b>	<b>122.5%</b>
Other Income	(22.8)	45.3	10.5	
<b>EBITDA</b>	<b>52.2</b>	<b>113.6</b>	<b>177.5</b>	<b>239.8%</b>
Finance Costs ^^	64.1	111.0	64.8	1.1%
Depreciation & Amortization	60.3	60.1	60.0	
<b>PBT before Forex</b>	<b>(72.2)</b>	<b>(57.5)</b>	<b>52.7</b>	
Foreign Exchange (Loss)/ Gain	0.4	(2.1)	(6.8)	
<b>PBT before Exceptional Item</b>	<b>(71.8)</b>	<b>(59.6)</b>	<b>45.9</b>	
Exceptional (Loss)/ Gain ^	(854.7)	(157.9)	(45.5)	
Tax Expense	(9.2)	(20.4)	182.6	
<b>PAT before minority interest and share in associates</b>	<b>(917.4)</b>	<b>(197.1)</b>	<b>(182.1)</b>	
Share in Associates **	3.1	17.0	333.3	
<b>PAT after minority interest and share in associates</b>	<b>(932.0)</b>	<b>(197.0)</b>	<b>135.6</b>	

\*EBITDAC refers to EBITDA before net business trust costs

^Exceptional items primarily pertain to impairments related to the goodwill and of certain assets. These in addition, also include certain one off financial and legal expenses related to advisory fees for corporate transactions completed. ^^Higher finance cost in Q3FY19 due to one off costs related to pre closure/other charges for high cost debts. \*\*Higher Share in Associate in Q4FY19 is mainly due to RHT's profit on divestment of assets to Fortis in January 2019.

# Group Consolidated P&L – FY2019

Particulars	FY18	FY19	% Change
	(INR Cr.)	(INR Cr.)	
Operating Revenue	4,560.8	4,469.4	-2.0%
Operating EBITDAC*	<b>654.7</b>	<b>541.3</b>	<b>-17.3%</b>
Operating EBITDAC margin	<b>14.4%</b>	<b>12.1%</b>	
Net BT Costs	265.6	215.8	-18.8%
Operating EBITDA	<b>389.1</b>	<b>325.6</b>	<b>-16.3%</b>
Other Income	84.7	80.4	
<b>EBITDA</b>	<b>473.8</b>	<b>406.0</b>	<b>-14.3%</b>
Finance Costs	257.8	336.8	
Depreciation & Amortization	239.0	232.9	
<b>PBT before Forex</b>	<b>(23.0)</b>	<b>(163.8)</b>	
Foreign Exchange (Loss)/ Gain	(34.8)	5.7	
<b>PBT before Exceptional Item</b>	<b>(57.8)</b>	<b>(158.1)</b>	
Exceptional (Loss)/ Gain ^	(907.2)	(316.4)	
Tax Expense	22.6	113.6	
<b>PAT before minority interest and share in associates</b>	<b>(987.6)</b>	<b>(588.1)</b>	
Share in Associates **	53.2	364.4	
<b>PAT after minority interest and share in associates</b>	<b>(1,009.2)</b>	<b>(298.9)</b>	

\*EBITDAC refers to EBITDA before net business trust costs

^Exceptional items primarily pertain to impairments related to the goodwill and of certain assets. These in addition, also include certain one off financial and legal expenses related to advisory fees for corporate transactions completed.

\*\*Higher Share in Associate in Q4FY19 is mainly due to RHT's profit on divestment of assets to Fortis in January 2019.

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**Thank You**