Fortis Healthcare Limited
Tower-A, Unitech Business Park, Block-F,
South City 1, Sector – 41, Gurgaon,
Haryana – 122 001 (India)
Tel : 0124 492 1033
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Email : secretarial@fortishealthcare.com
Website : www.fortishealthcare.com

FHL/SEC/2021-22 **February 11, 2022**

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
Scrip Symbol: FORTIS

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip Code:532843

Sub: Outcome of the Board Meeting and disclosure under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Madam / Sir,

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, this is to inform you that the Board of Directors of the Company at its meeting held today i.e. February 11, 2022, *inter-alia*, considered and approved standalone and consolidated un-audited financial results of the Company for the period ended on December 31, 2021.

Accordingly, please find enclosed standalone and consolidated un-audited financial results along with limited review report given by the Statutory Auditor of the Company for period ended on December 31, 2021. Further, a copy of the press release and investor presentation being issued in this regard is also enclosed.

The meeting commenced at 1200 Hours IST and concluded at 1910 Hours IST.

This is for your information and records please.

Thanking you,
Yours faithfully,
For **Fortis Healthcare Limited**

SUMIT GOEL
Digitally signed by SUMIT GOEL
Date: 2022.02.11 19:12:01 +05'30'

Sumit Goel
Company Secretary
ICSI Membership: F6661

Encl: a/a

B S R & Co. LLP

Chartered Accountants

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

Telephone: +91 124 719 1000
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Limited Review Report on unaudited standalone financial results of Fortis Healthcare Limited for the three months ended 31 December 2021 and year-to-date standalone financial results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Fortis Healthcare Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Fortis Healthcare Limited ("the Company") for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above , nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to following Notes in the Statement:

    a. Note 6 and 7 of the Statement which deal with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") and ongoing adjudication proceedings by Securities and Exchange Board of India ("SEBI") on Fortis Healthcare Limited and its subsidiaries ("the Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 (including matters relating to remuneration paid to managerial personnel) and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control by reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and the Company has responded to the SEBI notice and is also cooperating in the regulatory investigations/ proceedings.

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

b. Note 5 of the of the Statement relating to the order dated 15 November 2019 of the Hon'ble Supreme Court, where it is stated that the Hon'ble Supreme Court has issued suo- moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of its order dated 14 December 2018. In this respect, the Hon'ble Supreme Court has sought an enquiry, into (i) whether the subscription by Northern TK Venture Pte Ltd., Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia, to the shares of the Company was undertaken after the status quo order was issued by the Hon'ble Court on December 14, 2018 and accordingly, if such subscription was in violation of this status quo order; and (ii) the consummation of the acquisition of healthcare assets from RHT Health Trust by the Company. As also explained in the said note, the management believes that it has a strong case on merits and as per the current position of the case, the liability, if any, arising out of this contingency cannot be determined at this stage. Accordingly, at present, no adjustment is required in the Statement.

c. As explained in Note 4 and Note 5 of the Statement, a Civil Suit claiming Rs. 25,344 lacs was filed by a Third Party against various entities including the Company and certain entities within the Group relating to "Fortis, SRL and La-Femme" brands. The matter is currently sub-judice. Further, the tenure of brand license agreement entered by the Company has expired and the Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of company name, brand and logo.

   As also explained in Note 4, another party claiming to be one of the assignee of Third Party has filed a case against the Company and other defendants in the United States District Court, District of New Jersey, USA. Notice of the case has not yet been served on the Company. The Company has sought legal advice and will pray for dismissal of this case, as and when served.

   Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable.

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

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

Rajesh Arora
Partner
Membership No.: 076124
UDIN:22076124ABHRKZ3919

Gurugram
11 February 2022

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rupees in lacs)

Particulars	Standalone					
	Quarter ended			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Revenue from operations	22,796	22,087	18,436	65,235	43,805	63,287
2. Other income	3,505	3,345	5,655	10,199	16,460	19,198
3. Total income (1+2)	**26,301**	**25,432**	**24,091**	**75,434**	**60,265**	**82,485**
4. Expenses						
(a) Purchases of medical consumable and drugs	5,120	5,047	4,431	15,783	10,316	14,919
(b) Changes in inventories of medical consumable and drugs	37	192	29	(256)	123	139
(c) Employee benefits expense	3,880	3,736	3,944	11,711	10,776	14,765
(d) Finance costs	3,156	3,206	3,582	9,634	10,729	14,145
(e) Hospital service fee expense	1,567	1,522	1,299	4,482	3,117	4,482
(f) Professional charges to doctors	4,266	4,015	3,003	11,782	7,330	10,580
(g) Depreciation and amortisation expense	2,823	2,798	2,810	8,414	8,285	11,078
(h) Other expenses	4,094	4,287	3,020	12,131	9,007	15,610
Total expenses	**24,943**	**24,803**	**22,118**	**73,681**	**59,683**	**85,718**
5. Net profit / (loss) from continuing operation before exceptional items and tax (3-4)	**1,358**	**629**	**1,973**	**1,753**	**582**	**(3,233)**
6. Exceptional gain / (loss) (refer note 3)	-	-	1,268	-	6,340	5,646
7. Profit / (loss) before tax from continuing operations (5-6)	**1,358**	**629**	**3,241**	**1,753**	**6,922**	**2,413**
8. Tax expense / (credit)	503	212	1,116	654	2,392	1,993
9. Net profit / (loss) for the period from continuing operations (7-8)	**855**	**417**	**2,125**	**1,099**	**4,530**	**420**
10. Profit / (loss) before tax from discontinued operations	-	-	-	-	-	-
11. Tax expense of discontinued operations	-	-	-	-	-	-
12. Net profit / (loss) for the period from discontinued operations (10-11)	-	-	-	-	-	-
13. Net profit / (loss) for the period (9+12)	**855**	**417**	**2,125**	**1,099**	**4,530**	**420**
14. Other Comprehensive Income / (loss) (after tax)	25	(7)	(26)	(6)	11	86

Fortis Healthcare Limited

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rupees in lacs)

Particulars	Standalone					
	Quarter ended			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
15. Total comprehensive income / (loss) for the period (13+14)	880	410	2,099	1,093	4,541	506
16. Paid-up equity share capital (Face Value Rupees 10 per Share)	75,496	75,496	75,496	75,496	75,496	75,496
17. Other equity as per the audited balance sheet						812,657
18. Earnings per equity share for continuing operations (not annualised)						
Basic earnings / (loss) per share - In Rupees	0.11	0.05	0.28	0.15	0.60	0.06
Diluted earnings / (loss) per share - In Rupees	0.11	0.05	0.28	0.15	0.60	0.06
19. Earnings per equity share for discontinued operations (not annualised)						
Basic earnings / (loss) per share - In Rupees	-	-	-	-	-	-
Diluted earnings / (loss) per share - In Rupees	-	-	-	-	-	-
20. Earnings per equity share from continuing and discontinued operations (not annualised)						
Basic earnings / (loss) per share - In Rupees	0.11	0.05	0.28	0.15	0.60	0.06
Diluted earnings / (loss) per share - In Rupees	0.11	0.05	0.28	0.15	0.60	0.06
21. Earnings before depreciation and amortisation expense, finance costs, exceptional items and tax expense (EBITDA) (refer note 2)	7,337	6,633	8,365	19,801	19,596	21,990

Notes to the results

1. The above-unaudited Standalone Financial Results of Fortis Healthcare Limited ("the Company") for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 10, 2022 and February 11,

Fortis Healthcare Limited

2022 respectively. The unmodified limited review report of the Statutory Auditors is being filed with BSE Limited and National Stock Exchange of India Limited. For more details on standalone results, visit investors section of our website at www.fortishealthcare.com and Financial Results at Corporate Section of www.nseindia.com and www.bseindia.com.

2. The Company has presented Earnings before finance costs, tax, depreciation and amortization (EBITDA) additionally in the financial results. In its measurement, the Company includes other income, but does not include depreciation and amortization expense, finance costs, exceptional items and tax expense.

3. Exceptional gain / (loss) included in the above unaudited Standalone Financial Results include:

(Rupees in lacs)

Particulars	Quarter ended			Six months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
a) Allowance for investment in Subsidiary Company	-	-	-	-		(694)
b) Concession received due to COVID-19 (refer note 12)	-	-	1,268	-	6,340	6,340
Net exceptional gain	**-**	**-**	**1,268**	**-**	**6,340**	**5,646**

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

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 Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party has approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation Act, 1996. This Third party had also filed a claim for damages and injunctive reliefs against the Company before International Chamber of Commerce (ICC). The Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the nine months ended December 31, 2021, signatories of Third Party to the Term Sheet have also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Company before them nor did it ever come in force.

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

In addition, in the year 2018, the Company had received four notices from the Plaintiff 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 were responded to by the Company denying any liability whatsoever.

Separately, the Third 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.

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

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

5. The Board of Directors, after seeking inputs from reputed investment bankers, 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 (NTK) ("Acquirer"), 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 which constituted 31.1% share capital of the Company. The shareholders of the Company 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, had appointed 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 Limited to Malaysian IHH Healthcare Berhad be maintained, the Mandatory Open offer was kept in abeyance and continues to be in abeyance as on date, and remains subject to further orders by the Hon'ble Court. The Company had accordingly filed an application seeking for modification of the said order.

Vide its judgement dated November 15, 2019, the Hon'ble Supreme Court has issued suo- moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of the its order dated December 14, 2018. In this respect, the Hon'ble Supreme Court has sought an enquiry, into (i) whether the subscription by the Acquirer to the shares of the Company was undertaken after the status quo order was issued by the Hon'ble Court on December 14, 2018 and accordingly, if such subscription was in violation of this status quo order; and (ii) the consummation of the acquisition of healthcare assets from RHT Health Trust by the Company.

The Company has filed a detailed reply to the show cause notice issued in the suo- moto contempt, praying inter alia, that the suo- moto contempt proceedings be dropped and ex- parte status quo order dated December 14, 2018 be modified/ vacated such that Open Offer may proceed.

Further, at the request of SEBI by way of an application seeking impleadment, the Hon'ble Supreme Court of India has impleaded SEBI as a party in the petition pending before it. SEBI has prayed for allowing the Mandatory Open Offer. Further, the Hon'ble Supreme Court of India has issued notice on

Fortis Healthcare Limited

application filed by a public shareholder of the Company seeking impleadment. NTK has also filed an application for impleadment, modification of the status quo order and for proceeding with Mandatory Open Offer.

While the matter is currently *sub-judice* and we await the orders/ directions of the Hon'ble Supreme Court in this regard, in view of the legal positions/claim(s) made and defence(s) raised by the Company, basis external legal advice, the management believes that it has a strong case on merits. It is the view of the Company these transactions were, at all times, conducted in a fair and transparent manner after obtaining all relevant regulatory and shareholder's approval and only after making all due disclosures to public shareholders of the Company and to the regulatory authorities, in a timely manner. As per the current position of the case, liability, if any, arising out of this contingency cannot be determined at this stage. Accordingly, at present, no adjustment is required in the unaudited Standalone Financial Results.

Further during the quarter ended September 30, 2020,in view of the aforesaid suo moto contempt notice, for abundant caution, an application was filed by the Company before the Hon'ble Supreme Court of India, praying for permission to it and its subsidiaries for changing their respective names, brands and logos; and for continued usage of the same if the said application was not disposed of prior to expiry of the term of the Brand License Agreements to allow adequate time for smooth Brand transition without any disruption to business. Subsequent to the year ended March 31, 2021, the Brand License Agreements have expired. The Company is awaiting order(s) of the Hon'ble Supreme court.

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

A. Background

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

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

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

(ii) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were

Fortis Healthcare Limited

identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up to March 31, 2018. Therefore, the possibility could not have been ruled out that there may have been additional related parties whose relationship may not have been disclosed and, hence, not known to the Management. While such references could not be fully analyzed during the initial investigation, the nature of these references raised certain concerns.

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

B. Additional procedures/enquiries by the reconstituted Board

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

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

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

C. Key findings during the investigation by the external legal firm and during the Additional Procedures/Enquiries by independent experts

(i) 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. 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 was reduced to 0.77%. In terms of agreements dated September 30, 2017, FHsL assigned the outstanding ICDs to a third party. Such assignment was subsequently terminated on January 5, 2018. On February 28, 2018, these ICDs were secured by way of a duly registered charge on the present and future assets of the Borrowers. 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 outstanding amount was fully provided during the year ended March 31, 2018.

The Investigation Report indicated that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done without following the normal treasury operations and treasury mandate; and without specific authorization by the Board of FHsL. (Also refer note 7 on SEBI Order).

As per the Additional Procedures/Enquiries by independent experts, the borrowers were potentially linked to the erstwhile promoters and also potentially linked to each other. FHsL has filed a civil suit on August

Fortis Healthcare Limited

26, 2019 for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the Borrowers and few other entities. Further, in the complaint filed with the Economic Offence Wing, New Delhi (EOW) in November 2020 for certain other matters as mentioned subsequently, reference has been made of certain queries being put by SFIO in relation to this transaction, and the Company having responded thereto. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

(ii) 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 / MOUs were either terminated by the Company or expired during the financial year 2017-18. 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 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 has not yet yielded any results. Further, Company has filed claim before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor. IRP is currently adjudicating the claims of various creditors of the Lessor including that of the Company.

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

SFIO has sought information in respect of this transaction and the same has been duly provided by the Company. Further, as stated above, a complaint has been filed with the EOW in November 2020 by the Company for certain other matters in which a reference has been made to such SFIO enquiries as well as to the Company's responses thereto and EOW is investigating the matter. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

(iii) 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, balance of Rupees 2,375 lacs was outstanding to be received back. 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. However, in line with applicable accounting norms, interest thereon for the period subsequent to March 31, 2018 was not accrued considering the uncertainties around ultimate realization of the amounts.

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 year ended March 31, 2018

One of the directors of the entity, post summoning in the legal proceedings initiated by the Company has settled disputes for himself and the entity by paying Rupees 2,300 lacs during the year ended March 31, 2020 towards full and final settlement.

Considering full and final settlement already done and the transaction having been legally concluded no further action is being taken.

(iv) During the year ended March 31, 2018, the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited ("EHIRCL")), purchased further 71% equity interest in Fortis Healthstaff Limited("Healthstaff") at an aggregate consideration of Rupees 3.46 lacs from erstwhile promoter group companies. Subsequently, EHIRCL advanced a loan to Healthstaff which was used to repay the outstanding unsecured loan amount of Rupees 794.50 lacs to an erstwhile promoters group company. Certain documents suggest that the loan repayment by Healthstaff and some other payments to the erstwhile promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to FHsL / Company. Further, Healthstaff was not in a position to repay loan to the erstwhile promoter group company. EHIRCL also could not directly takeover the loan, as EHIRCL (holding 29%) could not have taken over the burden of the entire debt of

Healthstaff. Therefore, this transaction was in a way to help the erstwhile promoter group companies(71% shareholders) to avoid making payment for its share, and place EHIRCL in a situation where it would find it hard to recover from its own now wholly owned subsidiary. Further, the said loan advanced by EHIRCL to Healthstaff was impaired in the books of account of EHIRCL due to anticipated chances of non-recovery during the year ended March 31, 2019.

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

(v) During the year ended March 31, 2018, the Company through its subsidiary (i.e. Fortis Hospitals Limited ("FHsL")), purchased further 51% equity interest in Fortis Emergency Services Limited (FESL) at an aggregate consideration of Rupees 0.255 lacs from erstwhile promoter group company. Subsequently, FHsL advanced a loan to FESL, which was used to repay the outstanding unsecured loan amount of Rupees 215 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by FESL 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, FESL was not in a position to repay loan to the erstwhile promoter group company. FHsL also could not directly takeover the loan, as FHsL (holding 49%) could not have taken over the burden of the entire debt of FESL. Therefore, this transaction was in a way to help the erstwhile promoter group company (51% shareholders) to avoid making payment for its share, and place FHsL in a situation where it would find it hard to recover from its own now wholly owned subsidiary Further, the said loan advanced by FHsL to FESL was impaired in the books of account of FHsL due to anticipated chances of non-recovery.

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

(vi) Remuneration to ex-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. Since the LoA was treated as non-est, the Company received legal advice from its counsels that the amount paid under the aforesaid LoA (amounting to Rupees 1,768 lacs) appears to be an arrangement designed to circumvent the managerial remuneration limits under Section 197 of the Companies Act, 2013 read with relevant Central Government approvals and thus was wrongfully paid. Thus, as per the legal advice, the payments made to him under this LoA for the role of 'Lead: Strategic Initiatives' ought to be considered and characterized as payments which are in the nature of managerial remuneration, as regulated and governed in section 197 of the Companies Act, 2013. An amount of Rupees 234 lacs that was reimbursed in relation to expenses incurred was in excess of the amounts approved by the Central Government under Section 197 of the Companies Act, 2013.Accordingly, the Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him over and above the managerial remuneration limit, as specified under the Companies Act, 2013 read with the relevant government approvals in this regard. 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 replied to the same through its legal counsel denying any liability and stated that the demand was not payable being illegal. Subsequently, Company filed a complaint against the erstwhile Executive Chairman before EOW. The Company has received back vehicles which were being used by him. However, IT assets and excess amounts paid are yet to be received.

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 was recognized 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 in the Standalone Financial Results for the year ended March 31, 2018. The Company has filed a complaint against the erstwhile Executive Chairman before EOW on account of both of the above payments and EOW is investigating the matter.

An addendum to the complaint already filed with the EOW has been filed in November 2020 with the EOW including certain other findings during Additional Procedures/Enquiries by independent experts as below:

(a) Payments were made to the erstwhile Executive Chairman from a foreign wholly owned subsidiary of the Company as one-time bonus in February 2016 of equivalent Rupees 846 lacs and managerial remuneration was paid for the period January 2016 to May 2016, amounting to equivalent Rupees 349 lacs. Further, remuneration paid in excess of Central Govt. approval by the Company for FY 2014-15 & FY 2015-16 amounting to Rupees 528 lacs was refunded by erstwhile executive chairman in March 2016 to FHL. It is possible that the amounts recovered towards excess remuneration paid from the company to erstwhile executive chairman of Rupees 528 lacs was compensated through the foreign wholly owned subsidiary.

(b) Payments were made to an ex-promoter entity from another foreign wholly owned subsidiary of the Company under an investment advisory agreement amounting to equivalent Rupees 344 lacs for the period June 2016 to September 2016. However, there was nothing on record to suggest that any services were rendered by the ex- promoter entity under this agreement.

(vii) During the financial year 2014-15, the Company through its subsidiary (i.e. Fortis Hospitals Limited ("FHsL")), acquired 100% stake in Birdie & Birdie Realtors Pvt; Ltd. ("Birdie") from certain persons related to the erstwhile promoters, wherein Rupees 12,275 lacs were paid towards ICDs at a rate of interest of 14% per annum and Rupees 7,725 lacs were paid for the shares acquired. The total enterprise value of Birdie was projected at Rupees 20,000 lacs based on the valuation report of land and building by an independent valuer. However, the equity valuation of Rupees 7,725 lacs was arrived based on a land and building valuation report by another valuer of Rupees 23,700 lacs and on assumption that the Land has to be sold in 6-8 months, which in reality did not happen. Also, the "subject property photographs" used in the mentioned two valuation reports were identical. Also, the ICD's of Rupees 12,275 lacs were utilized to repay/replace the then existing debts including that of erstwhile promoters and person/entities related/known to the erstwhile promoters. It is possible that the erstwhile promoters acted in order to make excess money to repay the loans availed by Birdie from them, persons related to them and entities related/known to them.

There have been certain queries raised on this transaction by the SFIO. The Company has responded to the said queries. Further, in the above referred Complaint filed with the EOW in November 2020 against erstwhile promoters, SFIO enquiries and the Company's responses have been mentioned and EOW is investigating the matter. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

(viii) 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, an overseas fund. It was observed in the earlier investigation that there were significant fluctuations in the NAV of the investments during a short span of time. Further, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During year ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10%.

There is no further finding in additional procedures/enquiries by independent experts on this matter. Further, the investigation by the external legal firm done also mentioned that it appeared that GDOF was not related to Fortis based on the procedures performed by them. Accordingly, no further action is being taken.

(ix) In respect of certain other matters found during the Additional Procedures/Enquiries by independent experts no actions were recommended since there were no sufficient evidences on those matters. However, there is no impact of those matters on the financials.

(D) Based on investigation carried out by the external legal firm and the additional procedures/enquiries by independent experts, all identified/required adjustments/provisions/disclosures have been made in

Fortis Healthcare Limited

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

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

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

7. **Matters in relation to Regulatory Authorities:**

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

In furtherance of the above, subsequently on October 17, 2018 SEBI passed an *ex-parte* Interim Order ("Order") whereby it observed that certain transactions were structured by some identified entities over a certain duration, and undertaken through the 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 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 had also directed the said entities that pending completion of investigation and till further order, they shall not dispose of or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day-to-day business operations, without the prior permission of SEBI. Erstwhile-promoters were also directed not to associate themselves with the affairs of the 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 March 19, 2019, ("Confirmatary Order") SEBI confirmed the directions issued vide ad interim ex-parte order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the 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 had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and various other entities to the Company and FHsL. SEBI vide its letter dated June 14, 2019 has stated that provisions of Section 28A of SEBI Act, 1992 cannot be invoked at this stage hence, Company and FHsL may take necessary steps to comply with SEBI's direction. Accordingly, FHsL has filed a civil suit for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

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

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

On April 09, 2021, SEBI issued another Show cause notice to various noticees including Escorts Heart Institute and Research Centre Limited ("EHIRCL"). In the said show cause notice, with respect to EHIRCL, it has been alleged that Rupees 567 crore was lent by the Company to EHIRCL in 2011, which was subsequently transferred by EHIRCL to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the Company through its subsidiary EHIRCL and another entity Lowe, was then transferred to RHC Holdings Private Limited ("RHC Holdings"). It has been stated in the said Show cause notice that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchase of land had been paid back with interest in the year 2011. It is alleged that the Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the Company and FHsL funds were allegedly routed through

Fortis Healthcare Limited

various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

In the Show cause Notice dated April 9, 2021 EHIRCL has been clubbed along with the other noticees, and has been painted with the same brush as the other notices in alleging that certain noticees, including EHIRCL, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. FHL, amounting to approximately Rupees 397.12 crore for the ultimate benefit of RHC Holdings and the erstwhile promoters. Thereby, it is alleged, that EHIRCL has aided and abetted the routing of funds from the Company, ultimately to RHC Holdings, for the benefit of the promoter entities.

Based on legal advice received from external counsel, given the merits of the case, the likelihood of financial penalty being imposed against the Company, FHsL and EHIRCL for the acts of the erstwhile promoters is low, especially given the fact that the erstwhile promoters are no longer involved in the affairs of the Company, FHsL and EHIRCL in any manner. The Company believes that EHIRCL as well as the Company is a victim of the wrongdoings of the erstwhile promoters and not the perpetrator. The Company has suffered financial and reputational harm due to the acts of the erstwhile promoters and entities directly or indirectly owned/controlled by them. SEBI has itself noted that the frauds committed by the erstwhile promoters were deliberate and that they derived benefit at the cost of FHL, FHsL and EHIRCL. The acts alleged in the show cause notice dated April 9, 2021 were actions done under the control and direction of the erstwhile promoters, who are no longer connected to EHIRCL in any manner. Further, EHIRCL is a wholly owned subsidiary of FHL and it has not caused any loss to it. In response to the said show cause notice a reply was filed by EHIRCL in June 2021 praying for quashing of the SCN. Oral submissions were made in a personal hearing before the Chief General Manager and Adjudicating Officer, SEBI and written submissions were filed. Order of SEBI is awaited.

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

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

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

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.

Based on management's analysis, a provision has been made and recognised in the quarter ended March 31, 2021 for any contingency that may arise from the aforesaid issues. This is not to be regarded as admission in any manner whatsoever by the Company of any of the violations, as alleged by any of the authorities or otherwise, against it. Further, as per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.

Fortis Healthcare Limited

8. Corporate Social Responsibility (CSR) activities of the Company and its subsidiaries during earlier years were carried out through Fortis Charitable Foundation (FCF) (erstwhile promoter entity) with whom dealings have been stopped.

Amounts were paid by the Company and its subsidiaries to FCF for CSR activities. FCF was required to utilize the money so received strictly in various CSR programs.

However, there are unutilized amounts lying with FCF which have not been spent and neither refunded by FCF despite several reminders and notices. Accordingly, civil recovery action has been initiated for recovery of unutilized amount of Rupees 61 lacs.

9. 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'.

10. The main object of the Company is to carry on the business of healthcare and other related activities either directly or through its subsidiaries. During the year ended March 31, 2020, due to significant amount of dividend received by the Company from a wholly owned overseas subsidiary, the Company's 'income from financial assets' constituted more than 50 per cent of the gross income for the financial year ended March 31, 2020. Further, the 'financial assets' of the Company were also more than 50 per cent of its total assets as at March 31, 2020 (mainly investment and financing in wholly owned subsidiaries). Accordingly, the Company technically met 'Principal business' test as per the press release by Reserve Bank of India ("RBI") vide No. 1998-99/1269 dated April 8, 1999 for being classified as a Non-Banking Financial Company (NBFC) from April 1, 2020. However, the significant amount of dividend in the year ended March 31, 2020 was largely on account of a one-off transaction which led to dividend payment and the Company does not expect dividend of such a significant amount to be recurring in future. The Board has also noted and confirmed that such dividend does not represent income from ordinary activities of the Company and that the Company does not intend to carry on the business as an NBFC. The Company has made a representation to the RBI in November 2019 that while the Company technically would meet the Principal Business Test due to this significant dividend on account of the one-off transaction, it does not, and does not intend to, carry on the business as an NBFC and hence keeping in view the objective behind the test, its registration as a NBFC should not be required. As per the RBI's 'Master Direction- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016', on the issue of NBFC registration, the statutory auditor is to examine whether the Company has obtained a Certificate of Registration from the RBI when the "company is engaged in the business of nonbanking financial institution as defined in section 45-I(a) of the RBI Act and meeting the Principal Business Criteria (Financial Asset/ income pattern)". Subsequent to the completion of audit of the financial statements of the Company for the year ended March 31, 2020, the statutory auditor of the Company has also intimated the RBI regarding the Company technically meeting the Principal Business Test and regarding the above referred representation by the Company to the RBI which inter alia stated that the Company is primarily engaged in the healthcare business and that the Company has represented to the RBI that it does not presently or in future intend to undertake the business of non-banking financial institution. Further, during the quarter ended September 30, 2020 the Company wrote a letter to RBI with a request to confirm that no such registration as a NBFC is required. It also requested for a meeting to give an opportunity to the Company to explain its position on the matter. During the quarter ended March 31, 2021 RBI advised the Company to submit to it the financial results for the quarter ended June 30 2020, September 30, 2020 and December 31, 2020 which was duly submitted. Further, as evident from those financial results, the criteria for principal business test is not met as at March 31, 2021.

Fortis Healthcare Limited

11. During the current quarter, the operational performance of the Company further improved as compared to previous quarter. As at December 31, 2021, the Company has funds available of Rupees 74 lacs and unutilized borrowing facilities sanctioned by banks amounting to Rupees 10,069 lacs. Further, in respect of the cash put option issued to minority shareholder of subsidiary, in accordance with the amendment agreement to the shareholders' agreement entered between the parties which also incorporated the new proposed exit rights, the minority shareholders of subsidiary have agreed not to exercise the cash put option for a further period of 36 months from the relevant date (February 5 2021) as defined in the amendment agreement in lieu of the new proposed exit rights. The Company's current liabilities are higher than its current assets by Rupees 9,627 lacs. Further, the Company also has sufficient unencumbered assets that can be utilized for any additional funding requirements n future. Additionally, as explained in note 5, the ongoing litigation at the Hon'ble Supreme Court has delayed the ability of the Group to carry out planned restructuring activities, which could further strengthen the financial position of the Company.

    Considering the above factors, continuous improved business performance and expected positive cash flows in foreseeable future periods, the management believes that the going concern assumption in these unaudited standalone financial results is appropriate. In view of the aforesaid, the management has considered it appropriate to prepare these unaudited standalone financial results on a going concern basis.

12. During the early part of the previous year, the COVID – 19 pandemic impacted the revenues and profitability of the Company. The Company took various initiatives to support operations and optimize the cost. With a slew of these measures, the Company was able to significantly reduce the negative impact on its business and moved towards its normalization.

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

    As a part of its strategy to counter the impact of COVID-19 pandemic, with cost saving measures the Company got approval from its shareholders to seek waiver of fixed service fee payable to its certain subsidiaries under the Hospital & Medical Service Agreements (HMSA) entered with the said subsidiaries for at least two quarters (April-June 2020 and July-Sep 2020) assuming that the hospital operations, occupancy and footfall will return to normalcy by October 2020. However, if the business did not recover to normal levels by October 2020, then the waiver period could be extended until business became normal with the consent of both the Company and its subsidiaries. Accordingly, 50% waiver of fixed service fee for the third quarter (Oct-Dec 2020) was approved by the subsidiaries keeping in view the continued exceptional and unforeseen circumstances. In line with guidance on accounting for such concessions that are a direct consequence of the COVID-19 pandemic, the Company has recognised an exceptional gain of Rupees 6,340 lacs for the year ended March 31, 2021.

    Going forward, the actual impact of the Covid-19 pandemic may still be different from that what has been estimated. However, the Company is and will continue to closely monitor any material changes to future economic conditions.

13. During the quarter ended March 31, 2021, the Shareholders' of the Company approved the postal ballot resolution on March 14, 2021 to acquire additional 50% stake equivalent to 2,50,000 equity shares in 'DDRC SRL Diagnostics Private Limited' (DDRC SRL) by SRL Limited, a material subsidiary, for a cash consideration of Rs 350 crores. The said transaction was consummated on April 5, 2021. The acquisition has been made by SRL Limited, which is in the same line of business as that of entity being acquired. Post this acquisition DDRC SRL has become 100% subsidiary of SRL Group.

Fortis Healthcare Limited

14. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period classification.

Date: February 11, 2022

Place: Gurugram

For and on behalf of the Board of Directors

Ashutosh

Fortis Healthcare Limited

Dr. Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637

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Limited Review Report on unaudited consolidated financial results of Fortis Healthcare Limited for the quarter ended 31 December and year-to-date results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Fortis Healthcare Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Fortis Healthcare Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its associates and joint ventures for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under 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. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Parent:
(i) Fortis Healthcare Limited

Subsidiaries:
(i) Escorts Heart Institute and Research Centre Limited ("EHIRCL")
(ii) Fortis Hospitals Limited
(iii) Fortis Asia Healthcare Pte Limited
(iv) Fortis Healthcare International Limited
(v) Fortis Global Healthcare (Mauritius) Limited
(vi) Fortis Malar Hospitals Limited
(vii) Malar Stars Medicare Limited
(viii) Fortis Health Staff Limited
(ix) Fortis Cancer Care Limited
(x) Fortis La Femme Limited
(xi) Fortis Health Management (East) Limited
(xii) Hiranandani Healthcare Private Limited
(xiii) SRL Limited
(xiv) SRL Diagnostics Private Limited

(xv) SRL Reach Limited
(xvi) SRL Diagnostics FZ- LLC
(xvii) Fortis Healthcare International Pte Limited ('FHIPL')
(xviii) Birdie and Birdie Realtors Private Limited
(xix) Stellant Capital Advisory Services Private Limited
(xx) RHT Health Trust Manager Pte Limited
(xxi) Fortis Emergency Services Limited
(xxii) Fortis Hospotel Limited
(xxiii) Escort Heart and Super Speciality Hospital Limited
(xxiv) International Hospital Limited
(xxv) Hospitalia Eastern Private Limited
(xxvi) Fortis Health Management Limited
(xxvii) Medical Management Company Limited
(xxviii) Mena Healthcare Investment Company Limited
(xxix) DDRC SRL Diagnostics Private Limited (with effect from 5 April 2021)

Joint ventures:
(i) Fortis Cauvery
(ii) Fortis C- Doc Healthcare Limited
(iii) SRL Diagnostics (Nepal) Private Limited
(iv) DDRC SRL Diagnostics Private Limited (till 4 April 2021)

Associates:
(i) Sunrise Medicare Private Limited (till 17 August 2021)
(ii) Lanka Hospitals Corporate Plc
(iii) THR Infrastructure Pte Ltd
(iv) RHT Health Trust

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to the following Notes in the Statement:

   a. Note 5 and 6 of the Statement which deal with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") and ongoing adjudication proceedings by Securities and Exchange Board of India ("SEBI") on Fortis Healthcare Limited and its subsidiaries regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 (including matters relating to remuneration paid to managerial personnel) and SEBI laws and regulations. These transactions and non- compliances relate to or originated prior to take over of control by reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and the Company has responded to the SEBI notice and is also cooperating in the regulatory investigations/ proceedings.

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

   b. Note 11 of the Statement relating to the order dated 15 November 2019 of the Hon'ble Supreme Court, where it is stated that the Hon'ble Supreme Court has issued suo-moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of its order dated 14 December 2018. In this respect, the Hon'ble Supreme Court has sought an enquiry, into (i) whether the subscription by Northern TK Venture Pte Ltd., Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia, to the shares of the Company was undertaken after the status quo order was issued by the Hon'ble Court on 14 December 2018 and accordingly, if such subscription was in violation of this status quo order; and (ii) the consummation of the acquisition of healthcare assets from RHT Health Trust by the Company. As also explained in the said note, the management believes that it has a strong case on merits and as per the current position of the case, the liability, if any, arising out of this contingency cannot be determined at this stage. Accordingly, at present, no adjustment is required in the Statement.

c. As explained in Note 10 and Note 11 of the Statement, a Civil Suit claiming Rs. 25,344 lacs was filed by a Third Party against various entities including the Company and certain entities within the Group relating to "Fortis, SRL and La-Femme" brands. The matter is currently sub-judice. Further, the tenure of brand license agreement entered by the Company has expired and the Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of company name, brand and logo.

   As also explained in Note 10, another party claiming to be one of the assignee of Third Party has filed a case against the Company and other defendants in the United States District Court, District of New Jersey, USA. Notice of the case has not yet been served on the Company. The Company has sought legal advice and will pray for dismissal of this case, as and when served.

   Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable.

d. We draw attention to Note 7(a) and 7(c) of the Statement, relating to the outcome of civil suit with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and the matter related to non-compliance with the order of the Hon'ble High Court of Delhi in relation to provision of free treatment/ beds to poor by EHIRCL. Based on the advice given by external legal counsel, no provision / adjustment has been considered necessary by the management with respect to the above matters in the Statement, considering the uncertainty relating to the outcome of these matters.

e. Note 8 of the Statement, which describes in detail the matter relating to the termination of hospital lease agreement by Navi Mumbai Municipal Corporation vide order dated 18 January 2017 of Hiranandani Healthcare Private Limited ("HHPL"), one of the subsidiaries in the Group. HHPL has filed a writ petition before the Hon'ble Supreme Court of India challenging the Termination Order, which is pending hearing and disposal. Based on the opinion obtained from the legal counsel, the management is confident that HHPL will be able to successfully defend the termination order. However, due to uncertainties involved, the ultimate outcome will be ascertained on disposal of the said petition.

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

7. The Statement includes the interim financial information of sixteen subsidiaries which have not been reviewed, whose interim financial information reflects total revenue of Rs. 1,930 lacs and Rs. 3,528 lacs, total net profit/ (loss) after tax of Rs. 881 lacs and Rs. (2,401) lacs and total comprehensive income/ (loss) of Rs. 879 lacs and Rs. (2,406) lacs for the quarter ended 31 December 2021 and for the period from 1 April 2021 to 31 December 2021 respectively (before intercompany elimination and consolidation adjustments), as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 515 lacs and Rs. 1,729 lacs and total comprehensive income of Rs. 515 lacs and Rs. 1,729 lacs for the quarter ended 31 December 2021 and for the period from 1 April 2021 to 31 December 2021 respectively (before intercompany elimination and consolidation adjustments) as considered in the unaudited consolidated financial results, in respect of four associates and three joint ventures, based on their interim financial information which have not been reviewed. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

B S R & Co. LLP

Our conclusion is not modified in respect of this matter.

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

Rajesh Arora
Partner
Membership No.: 076124
UDIN:22076124ABHSLF6030

Gurugram
11 February 2022

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rupees in lacs)

Particulars	Consolidated					
	Quarter Ended			Nine Month Ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Revenue from operations	146,665	146,254	117,703	433,951	277,768	403,012
2. Other income	669	802	1,017	2,135	4,022	4,656
3. Total income (1+2)	**147,334**	**147,056**	**118,720**	**436,086**	**281,790**	**407,668**
4. Expenses						
(a) Purchases of medical consumable and drugs	33,390	33,974	28,227	107,063	68,301	97,448
(b) Changes in inventories of medical consumable and drugs	(27)	1,110	317	(3,656)	(339)	142
(c) Employee benefits expense	25,110	23,566	22,531	73,506	62,945	84,901
(d) Finance costs	3,806	4,034	4,210	11,683	12,526	16,588
(e) Professional charges to doctors	29,735	27,757	22,068	81,973	56,869	80,897
(f) Depreciation and amortisation expense	7,611	7,454	7,311	22,356	21,909	29,060
(g) Other expenses	29,764	31,412	25,515	90,292	69,276	99,180
Total expenses	**129,389**	**129,307**	**110,179**	**383,217**	**291,487**	**408,216**
5. Net profit / (loss) from continuing operations before share in profit / (loss) of associates and joint ventures, exceptional items and tax (3-4)	**17,945**	**17,749**	**8,541**	**52,869**	**(9,697)**	**(548)**
6. Add:Share in profit of associate companies and joint ventures	508	424	1,772	1,782	2,883	4,756
7. Net profit / (loss) before exceptional items and tax (5+6)	**18,453**	**18,173**	**10,313**	**54,651**	**(6,814)**	**4,208**
8. Exceptional gain (refer note 4)	839	30	-	31,483	106	121
9. Profit / (loss) before tax from continuing operations (7+8)	**19,292**	**18,203**	**10,313**	**86,134**	**(6,708)**	**4,329**
10. Tax expense / (credit)	5,121	5,143	4,925	15,842	5,145	9,946
11. Net profit / (loss) for the period from continuing operations (9-10)	**14,171**	**13,060**	**5,388**	**70,292**	**(11,853)**	**(5,617)**
12. Profit / (loss) before tax from discontinued operations	-	-	-	-	-	-
13. Tax expense of discontinued operations	-	-	-	-	-	-
14. Net profit / (loss) for the period from discontinued operations (12-13)	-	-	-	-	-	-
15. Net profit / (loss) for the period (11+14)	**14,171**	**13,060**	**5,388**	**70,292**	**(11,853)**	**(5,617)**

Fortis Healthcare Limited

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rupees in lacs)

Particulars	Consolidated					
	Quarter Ended			Nine Month Ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
16. Profit / (loss) from continuing operations attributable to:						
Owners of the Company	11,674	10,686	2,990	48,715	(15,293)	(10,976)
Non-Controlling Interest	2,497	2,374	2,398	21,577	3,440	5,359
17. Profit / (loss) from discontinuing operations attributable to:						
Owners of the Company	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	-	-
18. Other Comprehensive Income (including OCI relating to associates and joint venture) (after tax)	803	(294)	611	401	1,882	1,034
19. Other comprehensive Income/(Loss) attributable to:						
Owners of the Company	819	(273)	616	449	1,865	1,002
Non Controlling interest	(16)	(21)	(5)	(48)	17	32
20. Total comprehensive Income/(Loss) (15+18)	**14,974**	**12,766**	**5,999**	**70,693**	**(9,971)**	**(4,583)**
21. Total comprehensive Income/(Loss) attributable to:						
Owners of the Company	12,493	10,413	3,606	49,164	(13,428)	(9,974)
Non-Controlling interest	2,481	2,353	2,393	21,529	3,457	5,391
22. Paid-up equity share capital (Face Value Rupees 10 per Share)	75,496	75,496	75,496	75,496	75,496	75,496
23. Other equity as per the audited balance sheet						536,485
24. Earnings per equity share for continuing operations (not annualised)						
Basic earnings per share - In Rupees	1.55	1.42	0.40	6.45	(2.03)	(1.45)
Diluted earnings per share - In Rupees	1.55	1.42	0.40	6.45	(2.03)	(1.45)

Fortis Healthcare Limited

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rupees in lacs)

Particulars	Consolidated					
	Quarter Ended			Nine Month Ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
25. Earnings per equity share for discontinued operations (not annualised)						
Basic earnings per share - In Rupees	-	-	-	-	-	-
Diluted earnings per share - In Rupees	-	-	-	-	-	-
26. Earnings per equity share from continuing and discontinued operations						
Basic earnings per share - In Rupees	1.55	1.42	0.40	6.45	(2.03)	(1.45)
Diluted earnings per share - In Rupees	1.55	1.42	0.40	6.45	(2.03)	(1.45)
27. 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 3)	29,362	29,237	20,062	86,908	24,738	45,100

Notes to the results

1. The above unaudited Consolidated Financial Results of Fortis Healthcare Limited ("the Company") and its subsidiaries (Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 10, 2022 and February 11, 2022. The unmodified review report of the Statutory Auditors is being filed with BSE Limited and National Stock Exchange of India Limited. For more details on consolidated results, visit investors section of our website at www.fortishealthcare.com and Financial Results at Corporate Section of www.nseindia.com and www.bseindia.com.

2. **Segment Reporting**

   The Group has presented healthcare and diagnostics as two separate reportable segments in accordance with Ind AS 108 – "Operating segments". Consequently, numbers for all periods presented in the unaudited Consolidated Financial Results conform to current period presentation.

(Rupees in lacs)

S.No	Particulars	Quarter ended			Nine months ended		Year Ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment value of sales and services (revenue)**						
	- Healthcare	111,812	109,843	90,682	322,286	214,157	312,368
	-Diagnostics	38,845	40,270	30,618	123,257	72,891	103,463

Fortis Healthcare Limited

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rupees in lacs)

S.No	Particulars	Quarter ended			Nine months ended		Year Ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Gross value of sales and services	150,657	150,113	121,300	445,543	287,048	415,831
	Less : inter segment sales and services	(3,992)	(3,859)	(3,597)	(11,592)	(9,280)	(12,819)
	Revenue from operations	**146,665**	**146,254**	**117,703**	**433,951**	**277,768**	**403,012**
2	**Segment results**						
	- Healthcare	13,172	12,871	6,432	35,074	(8,630)	(865)
	-Diagnostics	7,910	8,110	5,303	27,342	7,438	12,250
	Total segment profit / (loss) before interest and tax	21,082	20,981	11,735	62,416	(1,192)	11,385
	(i) Finance cost	(3,806)	(4,034)	(4,210)	(11,683)	(12,526)	(16,588)
	(ii) Exceptional items and unallocable expenditure (net of unallocable income)	1,508	832	1,016	33,619	4,127	4,776
	(iii) Share of profit / (loss) of associates and joint ventures (net)	508	424	1,772	1,782	2,883	4,756
	Profit / (loss) before tax	**19,292**	**18,203**	**10,313**	**86,134**	**(6,708)**	**4,329**
3	**Segment assets**						
	- Healthcare	864,477	874,834	878,594	864,477	878,594	871,304
	-Diagnostics	181,892	179,972	114,673	181,892	114,673	110,455
	-Unallocable assets	140,069	137,123	136,508	140,069	136,508	147,679
	Total assets	1,186,438	1,191,929	1,129,775	1,186,438	1,129,775	1,129,438
	Less : inter segment assets	(3,577)	(2,758)	(16,059)	(3,577)	(16,059)	(13,970)
	Total segment assets	**1,182,861**	**1,189,171**	**1,113,716**	**1,182,861**	**1,113,716**	**1,115,468**
4	**Segment liabilities**						
	- Healthcare	324,115	301,999	248,783	324,115	248,783	273,473
	-Diagnostics	33,528	35,870	26,593	33,528	26,593	27,367
	-Unallocable liabilities	139,988	164,155	166,091	139,988	166,091	156,817
	Total liabilities	497,631	502,024	441,467	497,631	441,467	457,657
	Less : inter segment liabilities	(3,577)	(2,758)	(16,059)	(3,577)	(16,059)	(13,970)
	Total segment liabilities	**494,054**	**499,266**	**425,408**	**494,054**	**425,408**	**443,687**

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

4. Exceptional gain included in the above unaudited Consolidated Financial Results include:

(Rupees in lacs)

S. No.	Particulars	Quarter ended			Nine Month Ended		Year ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a)	Concession received due to Covid-19	-	-	-	-	106	121
(b)	Gain on remeasurement of previously held equity interest (refer note 15)	-	-	-	30,614	-	-
(c)	Reversal of allowance for loan given to C-Doc Healthcare Limited	30	30	-	60	-	-
(d)	Profit on sale of land and building (net of goodwill written off Rs 1,231 lacs)	809	-	-	809	-	-
	Net exceptional gain / (loss)	**839**	**30**	**-**	**31,483**	**106**	**121**

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

A. Background

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

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

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

(ii) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors 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

Fortis Healthcare Limited

shareholding pattern in the entities up to March 31, 2018. Therefore, the possibility could not have been ruled out that there may have been additional related parties whose relationship may not have been disclosed and, hence, not known to the Management. While such references could not be fully analyzed during the initial investigation, the nature of these references raised certain concerns.

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

B. Additional procedures/enquiries by the reconstituted Board

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

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

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

C. Key findings during the investigation by the external legal firm and during the Additional Procedures/Enquiries by independent experts

(I) 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. 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 was reduced to 0.77%. In terms of agreements dated September 30, 2017, FHsL assigned the outstanding ICDs to a third party. Such assignment was subsequently terminated on January 5, 2018. On February 28, 2018, these ICDs were secured by way of a duly registered charge on the present and future assets of the Borrowers. 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 outstanding amount was fully provided during the year ended March 31, 2018.

The Investigation Report indicated that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done without following the normal treasury operations and treasury mandate; and without specific authorization by the Board of FHsL. (Also refer note 6 on SEBI Order).

Fortis Healthcare Limited

As per the Additional Procedures/Enquiries by independent experts, the borrowers were potentially linked to the erstwhile promoters and also potentially linked to each other. FHsL has filed a civil suit on August 26, 2019 for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the Borrowers and few other entities. Further, in the complaint filed with the Economic Offence Wing, New Delhi (EOW) in November 2020 for certain other matters as mentioned subsequently, reference has been made of certain queries being put by SFIO in relation to this transaction, and the Company having responded thereto. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

(ii) The Company and its subsidiary SRL Limited ('SRL') 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 financial year 2017-18. SRL Limited attempted to encash the cheques issued by the Lessor for refund of the advance paid but the same were returned unpaid. Additionally, expenditure aggregating to Rupees 2,843 lacs was incurred towards capital work-in-progress on the premises proposed to be taken 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. The subsidiary, SRL Limited, has filed criminal complaint in Mumbai against the private company under Section 138 of the Negotiable Instruments Act wherein its Directors and authorized representatives were directed to appear before District Court. The Hon'ble District Court has directed the Directors of Lessor to deposit 20% of the cheque amount. SRL has also initiated arbitration proceeding against the Lessor for recovery of Rupees 460 lacs paid towards Security Deposit and Rupees 304 lacs incurred pertaining to the office space. Vide order dated February 20, 2019 Hon'ble Delhi High Court appointed an arbitrator before whom SRL has filed its claim. Further, Company and SRL have filed their respective claims before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor. IRP is currently adjudicating the claims of various creditors of the Lessor including that of the Company and SRL Limited.

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 and a further provision of Rupees 186 lacs was made in respect of expenditure accrued during the quarter ended June 30, 2018.

SFIO has sought information in respect of this transaction and the same has been duly provided by the Company. Further, as stated above, a complaint has been filed with the EOW in November 2020 by the Company for certain other matters, in which a reference has been made to such SFIO enquiries as well as to the Company's responses thereto and EOW is investigating the matter. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

(iii) 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, balance of Rupees 2,375 lacs was outstanding to be received back. 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. However, in line with applicable accounting norms, interest thereon for the period subsequent to March 31, 2018 was not accrued considering the uncertainties around ultimate realization of the amounts.

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 year ended March 31, 2018

One of the directors of the entity, post summoning in the legal proceedings initiated by the Company has settled disputes for himself and the entity by paying Rupees 2,300 lacs during the year ended March 31, 2020 towards full and final settlement.

Fortis Healthcare Limited

Considering full and final settlement already done and the transaction having been legally concluded no further action is being taken.

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

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

(v) During the year ended March 31, 2018, the Company through its subsidiary (i.e. Fortis Hospitals Limited ("FHsL")), purchased further 51% equity interest in Fortis Emergency Services Limited (FESL) at an aggregate consideration of Rupees 0.255 lacs from erstwhile promoter group company. Subsequently, FHsL advanced a loan to FESL, which was used to repay the outstanding unsecured loan amount of Rupees 215 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by FESL 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, FESL was not in a position to repay loan to the erstwhile promoter group company. FHsL also could not directly takeover the loan, as FHsL (holding 49%) could not have taken over the burden of the entire debt of FESL. Therefore, this transaction was in a way to help the erstwhile promoter group company(51% shareholders) to avoid making payment for its share, and place FHsL in a situation where it would find it hard to recover from its own now wholly owned subsidiary Further, the said loan advanced by FHsL to FESL was impaired in the books of account of FHsL due to anticipated chances of non-recovery.

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

(vi) Remuneration to ex-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. Since the LoA was treated as non-est, the Company received legal advice from its counsels that the amount paid under the aforesaid LoA (amounting to Rupees 1,768 lacs) appears to be an arrangement designed to circumvent the managerial remuneration limits under Section 197 of the Companies Act, 2013 read with relevant Central Government approvals and thus was wrongfully paid. Thus, as per the legal advice , the payments made to him under this LoA for the role of 'Lead: Strategic Initiatives' ought to be considered and characterized as payments which are in the nature of managerial remuneration, as regulated and governed in section 197 of the Companies Act, 2013. An amount of Rupees 234 lacs that was reimbursed in relation to expenses incurred was in excess of the amounts approved by the Central Government under Section 197 of the Companies Act, 2013. Accordingly, the Company sent a letter to the

Fortis Healthcare Limited

erstwhile Executive Chairman seeking refund of the excess amounts paid to him over and above the managerial remuneration limit, as specified under the Companies Act, 2013 read with the relevant government approvals in this regard. 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 replied to the same through its legal counsel denying any liability and stated that the demand was not payable being illegal. Subsequently, Company filed a complaint against the erstwhile Executive Chairman before EOW. The Company has received back vehicles which were being used by him. However, IT assets and excess amounts paid are yet to be received.

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 was recognised 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 in the Consolidated Financial Results for the year ended March 31, 2018. The Company has filed a complaint against the erstwhile Executive Chairman before EOW on account of both of the above payments and EOW is investigating the matter.

An addendum to the complaint already filed with the EOW has been filed in November 2020 with the EOW including certain other findings during Additional Procedures/Enquiries by independent experts as below:

(a) Payments were made to the erstwhile Executive Chairman from a foreign wholly owned subsidiary of the Company as one-time bonus in February 2016 of equivalent ~ Rupees 846 lacs and managerial remuneration was paid for the period January 2016 to May 2016, amounting to equivalent ~ Rupees 349 lacs. Further, remuneration paid in excess of Central Govt. approval by the Company for FY 2014-15 & FY 2015-16 amounting to ~ Rupees 528 lacs was refunded by erstwhile executive chairman in March 2016 to FHL. It is possible that the amounts recovered towards excess remuneration paid from the company to erstwhile executive chairman of ~ Rupees 528 lacs was compensated through the foreign wholly owned subsidiary.

(b) Payments were made to an ex-promoter entity from another foreign wholly owned subsidiary of the Company under an investment advisory agreement amounting to equivalent ~ Rupees 344 lacs for the period June 2016 to September 2016. However, there was nothing on record to suggest that any services were rendered by the ex- promoter entity under this agreement.

(vii) During the financial year 2014-15, FHsL acquired 100% stake in Birdie & Birdie Realtors Pvt Ltd. ("Birdie") from certain persons related to the erstwhile promoters, wherein Rupees 12,275 lacs were paid towards ICDs at a rate of interest of 14% per annum and Rupees 7,725 lacs were paid for the shares acquired. The total enterprise value of Birdie was projected at Rupees 20,000 lacs based on the valuation report of land and building by an independent valuer. However, the equity valuation of Rupees 7,725 lacs was arrived based on a land and building valuation report by another valuer of Rupees 23,700 lacs and on assumption that the Land has to be sold in 6-8 months, which in reality did not happen. Also, the "subject property photographs" used in the mentioned two valuation reports were identical. Also, the ICD's of Rupees 12,275 lacs were utilized to repay/replace the then existing debts including that of erstwhile promoters and person/entities related/known to the erstwhile promoters. It is possible that the erstwhile promoters acted in order to make excess money to repay the loans availed by Birdie from them, persons related to them and entities related/known to them. Further, out of total goodwill generated on consolidation amounting to Rupees 10,661 lacs, goodwill to the extent of Rupees 9,430 lacs was impaired in earlier years to bring the investment value in line with the market value of the property.

There have been certain queries raised on this transaction by the SFIO. The Company has responded to the said queries. Further, in the above referred Complaint filed with the EOW in November 2020 against erstwhile promoters, SFIO enquiries and the Company's responses have been mentioned and EOW is investigating the matter. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

Fortis Healthcare Limited

(viii) 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, an overseas fund. It was observed in the earlier investigation that there were significant fluctuations in the NAV of the investments during a short span of time. Further, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During year ended March 31, 2018, 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 investments 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.

There is no further finding in additional procedures/enquiries by independent experts on this matter. Further, the investigation by the external legal firm done also mentioned that it appeared that GDOF was not related to Fortis based on the procedures performed by them. Accordingly, no further action is being taken.

(ix) In respect of certain other matters found during the Additional Procedures/Enquiries by independent experts no actions were recommended since there were no sufficient evidences on those matters. However, there is no impact of those matters on the financials.

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

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

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

6. Matters in relation to Regulatory Authorities:

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

Fortis Healthcare Limited

In furtherance of the above, subsequently on October 17, 2018 SEBI passed an *ex-parte* Interim Order ("Order") whereby it observed that certain transactions were structured by some identified entities over a certain duration, and undertaken through the 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 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 had also directed the said entities that pending completion of investigation and till further order, they shall not dispose of or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day-to-day business operations, without the prior permission of SEBI. Erstwhile-promoters were also directed not to associate themselves with the affairs of the 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 March 19, 2019, ("Confirmatary Order") SEBI confirmed the directions issued vide ad interim ex-parte order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the 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 had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and varisous other entities to the Company and FHsL. SEBI vide its letter dated June 14, 2019 has stated that provisions of Section 28A of SEBI Act, 1992 cannot be invoked at this stage hence, Company and FHsL may take necessary steps to comply with SEBI's direction. Accordingly, FHsL has filed a civil suit for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

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

By an order dated November 12, 2020, SEBI revoked its Interim orders read with Confirmatory Order qua Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd. and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Company and FHsL were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN, it was inter-alia alleged that the consolidated financials of the Company at the relevant period were untrue and misleading for the shareholders of the Company and the Company had circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Company and FHsL on December 28, 2020 praying for quashing of the SCN by inter alia reiterating that the Company and FHsL, were in fact victims of the schemes of the Erstwhile Promoters (Malvinder Mohan Singh and Shivinder Mohan Singh) and justice, equity and fairness demands that the victim ought not be punished for the offences of the wrongdoers. All acts

Fortis Healthcare Limited

impugned in the SCN relate to the period when the Erstwhile Promoters controlled the affairs of Company and FHsL and the erstwhile Promoters are no longer involved in the affairs of the Company and FHsL. The Erstwhile Promoters were responsible for financial misrepresentation and not the Company and FHsL. Post resignation of the Erstwhile Promoters in February 2018, the Board of Directors of the Company, solely comprising independent Directors looked after its welfare until a new promoter, invested and took control of the Company, till such time as the new promoters of the Company (i.e. NTK Venture Pte. Ltd.) assumed control of the Company pursuant to a preferential allotment which was approved by the Competition Commission of India and SEBI which approved the open offer which was triggered by such preferential allotment. Any adverse orders against the Company and FHsL would harm their existing shareholders, employees and creditors. The Company and FHsL have taken substantial legal actions against the Erstwhile Promoters and significant steps to recover the diverted amounts. Oral submissions in response to the SCN were made in a personal hearing before the SEBI Whole Time Member on January 20, 2021 and written submissions were filed. Order of SEBI against the above SCN is awaited.

On April 09, 2021, SEBI issued another Show cause notice to various noticees including Escorts Heart Institute and Research Centre Limited ("EHIRCL"). In the said show cause notice, with respect to EHIRCL, it has been alleged that INR 567 crore was lent by the Company to EHIRCL in 2011, which was subsequently transferred by EHIRCL to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the Company through its subsidiary EHIRCL and another entity Lowe, was then transferred to RHC Holdings Private Limited ("RHC Holdings"). It has been stated in the said Show cause notice that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchase of land had been paid back with interest in the year 2011. It is alleged that the Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the Company and FHsL funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

In the Show cause Notice dated April 9, 2021 EHIRCL has been clubbed along with the other noticees, and has been painted with the same brush as the other noticees in alleging that certain noticees, including EHIRCL, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. FHL, amounting to approximately Rupees 397.12 crore for the ultimate benefit of RHC Holdings and the erstwhile promoters. Thereby, it is alleged, that EHIRCL has aided and abetted the routing of funds from the Company, ultimately to RHC Holdings, for the benefit of the promoter entities.

Based on legal advice received from external counsel, given the merits of the case, the likelihood of financial penalty being imposed against the Company, FHsL and EHIRCL for the acts of the erstwhile promoters is low, especially given the fact that the erstwhile promoters are no longer involved in the affairs of the Company, FHsL and EHIRCL in any manner. The Company believes that EHIRCL as well as the Company is a victim of the wrongdoings of the erstwhile promoters and not the perpetrator. The Company has suffered financial and reputational harm due to the acts of the erstwhile promoters and entities directly or indirectly owned/controlled by them. SEBI has itself noted that the frauds committed by the erstwhile promoters were deliberate and that they derived benefit at the cost of FHL, FHsL and EHIRCL. The acts alleged in the show cause notice dated April 9, 2021 were actions done under the control and direction of the erstwhile promoters, who are no longer connected to EHIRCL in any manner. Further, EHIRCL is a wholly owned subsidiary of FHL and it has not caused any loss to it. In response to the said show cause notice a reply was filed by EHIRCL in June 2021 praying for quashing of the SCN. Oral submissions were made in a personal hearing before the Chief General Manager and Adjudicating Officer, SEBI and written submissions were filed. Order of SEBI is awaited.

The Board of Directors continue to be fully committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid context, proper and sufficient care has also been taken for the maintenance of adequate accounting records in

Fortis Healthcare Limited

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities on a going forward basis.

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

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

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.

Based on management's analysis, a provision has been made and recognised in the quarter ended March 31, 2021 for any contingency that may arise from the aforesaid issues. This is not to be regarded as admission in any manner whatsoever by the Company of any of the violations, as alleged by any of the authorities or otherwise, against it. Further, as per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.

7. 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. The matter is currently pending before the Hon'ble High Court of Delhi. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. The eviction proceedings initiated before the Estate Officer were challenged before the Hon'ble Supreme Court. Supreme Court vide its order dated November 14, 2019 has quashed the Show Cause Notice for eviction proceedings. Based on the external legal counsel advice, the Company believes that EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments are required to the unaudited Consolidated Financial Results.

b) Further, there was tax demand against EHIRCL of Rupees 6,657 lacs [(after adjusting Rupees 16,312 lacs as at December 31, 2021) {As at March 31, 2021 Rupees 7,064 lacs (after adjustment Rupees 15,905 lacs as at March 31, 2021)} 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 2,219 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 had filed an appeal before Income Tax Appellate Tribunal (ITAT) and during the year ended March 31, 2020, ITAT decided the case in favour of EHIRCL.

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

c) In relation to the judgement of the Hon'ble High Court of Delhi relating to provision of free treatment/ beds to patients of economic weaker section, 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 gave an intimation basis the calculation of the appointed Firm, which as per their method of calculations was Rupees 73,266 lacs for the period 1984-85 to 2011-12 and sought hospital's comments and inputs, if any. EHIRCL responded to the said intimation

Fortis Healthcare Limited

explaining errors and raised objections to the said calculations. During the year ended March 31, 2016, EHIRCL received another 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 EHIRCL again responded explaining errors and raised 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 off the petition of EHIRCL. DoHS agreed to grant hearing to EHIRCL. Hearings were held before DoHS and order dated May 28, 2018 was passed imposing a demand of Rupees 50,336 lacs. This order was challenged by EHIRCL 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 deposited Rupees 500 lacs on June 20, 2018. Matter is sub judice before Delhi High Court. 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 patients of economic weaker section and has a good case for success and expects the demand to be set aside. Accordingly, no adjustment is required to the unaudited Consolidated Financial Results.

8. 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 a 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 unaudited Consolidated Financial Results.

9. Corporate Social Responsibility (CSR) activities of the company and its subsidiaries during earlier years were carried out through Fortis Charitable Foundation (FCF) (erstwhile promoter entity) with whom dealings have been stopped.

Amounts were paid by the Company and its subsidiaries to FCF for CSR activities. FCF was required to utilize the money so received strictly in various CSR programs.

However, there are unutilized amounts lying with FCF which have not been spent and neither refunded by FCF despite several reminders and notices. Accordingly, civil recovery action has been initiated for recovery of unutilized amount of Rupees 182 lacs.

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

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 Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party has approached Delhi High Court for seeking certain interim reliefs against the Company

Fortis Healthcare Limited

under the provisions of The Arbitration and Conciliation Act, 1996. This Third party had also filed a claim for damages and injunctive reliefs against the Company before International Chamber of Commerce (ICC). The Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the nine month ended December 31, 2021, signatories of Third Party to the Term Sheet have also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Company before them nor did it ever come in force.

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

In addition, in the year 2018, the Company had received four notices from the Plaintiff 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 were responded to by the Company denying any liability whatsoever.

Separately, the Third 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.

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

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

11. The Board of Directors, after seeking inputs from reputed investment bankers, 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 (NTK) ("Acquirer"), 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 which constituted 31.1% share capital of the Company. The shareholders of the Company 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, had appointed 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, the Mandatory Open offer was kept in abeyance and

Fortis Healthcare Limited

continues to be in abeyance as on date, and remains subject to further orders by the Hon'ble Court. The Company had accordingly filed an application seeking for modification of the said order.

Vide its judgement dated November 15, 2019, the Hon'ble Supreme Court has issued suo- moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of the its order dated December 14, 2018. In this respect, the Hon'ble Supreme Court has sought an enquiry, into (i) whether the subscription by the Acquirer to the shares of the Company was undertaken after the status quo order was issued by the Hon'ble Court on December 14, 2018 and accordingly, if such subscription was in violation of this status quo order; and (ii) the consummation of the acquisition of healthcare assets from RHT Health Trust by the Company.

The Company has filed a detailed reply to the show cause notice issued in the suo- moto contempt, praying inter alia, that the suo- moto contempt proceedings be dropped and ex- parte status quo order dated December 14, 2018 be modified/ vacated such that Open Offer may proceed.

Further, at the request of SEBI by way of an application seeking impleadment, the Hon'ble Supreme Court of India has impleaded SEBI as a party in the petition pending before it. SEBI has prayed for allowing the Mandatory Open Offer. Further, the Hon'ble Supreme Court of India has issued notice on application filed by a public shareholder of the Company seeking impleadment.NTK has also filed an application for impleadment, modification of the status quo order and for proceeding with Mandatory Open Offer.

While the matter is currently *sub-judice* and we await the orders/ directions of the Hon'ble Supreme Court in this regard, in view of the legal positions/claim(s) made and defence(s) raised by the Company, basis external legal advice, the management believes that it has a strong case on merits. It is the view of the Company these transactions were, at all times, conducted in a fair and transparent manner after obtaining all relevant regulatory and shareholders approval and only after making all due disclosures to public shareholders of the Company and to the regulatory authorities, in a timely manner. As per the current position of the case, liability, if any, arising out of this contingency cannot be determined at this stage. Accordingly at present, no adjustment is required in the unaudited Consolidated Financial Results.

Further during the quarter ended September 30, 2020, in view of the aforesaid suo moto contempt notice, for abundant caution, an application was filed by the Company before the Hon'ble Supreme Court of India, praying for permission to it and its subsidiaries for changing their respective names, brands and logos; and for continued usage of the same if the said application was not disposed of prior to expiry of the term of the Brand License Agreements to allow adequate time for smooth Brand transition without any disruption to business. Subsequent to the year ended on March 31, 2021, the Brand License Agreements have expired. The Company is awaiting order(s) of the Hon'ble Supreme court.

12. The main object of the Company is to carry on the business of healthcare and other related activities either directly or through its subsidiaries. During the year ended March 31, 2020, due to significant amount of dividend received by the Company from a wholly owned overseas subsidiary, the Company's 'income from financial assets' constituted more than 50 per cent of the gross income for the financial year ended March 31, 2020. Further, the 'financial assets' of the Company were also more than 50 per cent of its total assets as at March 31, 2020 (mainly investment and financing in wholly owned subsidiaries). Accordingly, the Company technically met 'Principal business' test as per the press release by Reserve Bank of India ("RBI") vide No. 1998-99/1269 dated April 8, 1999 for being classified as a Non-Banking Financial Company (NBFC) from April 1, 2020. However, the significant amount of dividend in the year ended March 31, 2020 was largely on account of a one-off transaction which led to dividend payment and the Company does not expect dividend of such a significant amount to be recurring in future. The Board has also noted and confirmed that such dividend does not represent income from ordinary activities of the Company and that the Company does not intend to carry on the business as an NBFC. The Company has made a representation to the RBI in November 2019 that while the Company technically would meet the Principal Business Test due to this significant dividend on account of the one-off transaction, it

Fortis Healthcare Limited

does not, and does not intend to, carry on the business as an NBFC and hence keeping in view the objective behind the test, its registration as a NBFC should not be required. As per the RBI's '*Master Direction- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016*', on the issue of NBFC registration, the statutory auditor is to examine whether the company has obtained a Certificate of Registration from the RBI when the "*company is engaged in the business of nonbanking financial institution as defined in section 45-I(a) of the RBI Act* ***and*** meeting the Principal Business Criteria (Financial Asset/ income pattern)" Subsequent to the completion of audit of the financial statements of the Company for the year ended March 31, 2020, the statutory auditor of the Company has also intimated the RBI regarding the Company technically meeting the Principal Business Test and regarding the above referred representation by the company to the RBI which inter alia stated that the Company is primarily engaged in the healthcare business, and that the Company has represented to the RBI that it does not presently or in future intend to undertake the business of non-banking financial institution. Further, during the quarter ended September 30, 2020 the Company wrote a letter to RBI with a request to confirm that no such registration as a NBFC is required. It also requested for a meeting tos give an opportunity to the Company to explain its position on the matter. During the quarter ended March 31, 2021 RBI advised the Company to submit to it the financial results for the quarter ended June 30 2020, September 30 2020 and December 31 2020 which was duly submitted. Further, as evident from those financial statements, the criteria for principal business test is not met as at March 31, 2021.

13. As at December 31, 2021, the Group has funds available of Rupees 37,159 lacs and unutilized borrowing facilities sanctioned by banks amounting to Rupees 63,635 lacs. Further, in respect of the cash put option issued to minority shareholder of subsidiary, in accordance with the amendment agreement to the shareholders' agreement entered between the parties which also incorporated the new proposed exit rights the minority shareholders of subsidiary have agreed not to exercise the cash put option for a further period of 36 months from a relevant date (February 5, 2021) as defined in the amendment agreement in lieu of the new proposed exit rights. Accordingly, the financial liability for cash put option was classified as non-current liability as at March 31 2021 and as at December 31, 2021 and the Group's current liabilities are higher than its current assets by Rupees 15,757 lacs. Further, the Group also has sufficient unencumbered assets that can be utilized for any additional funding requirements in future. Additionally, as explained in note 11, the ongoing litigation at the Hon'ble Supreme Court has delayed the ability of the Group to carry out planned restructuring activities which could further strengthen the financial position of the Group.

    Considering the above factors, continuous improved business performance and expected positive cash flows in foreseeable future periods, the management believes that the going concern assumption in these unaudited consolidated financial results is appropriate. In view of the aforesaid, the management has considered it appropriate to prepare these unaudited consolidated financial results on a going concern basis.

14. During the earlier part of the previous year, the COVID – 19 pandemic impacted the revenues and profitability of the Group. The Group took various initiatives to support operations and optimize the cost. With a slew of these measures, the Group was able to significantaly reduce the negative impact on its business and moved towards its normalization.

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

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

15. During the quarter ended March 31, 2021, the Shareholders' of the Company approved the postal ballot resolution on March 14, 2021 to acquire additional 50% stake equivalent to 2,50,000 equity shares in 'DDRC SRL Diagnostics Private Limited' (DDRC SRL) by SRL Limited, a material subsidiary, for a cash consideration of Rs. 350 crores. The said transaction was consummated on April 5, 2021. The acquisition has been made by SRL Limited which is in the same line of business as that of entity being acquired. Post this acquisition DDRC

Fortis Healthcare Limited

SRL has become 100% subsidiary of SRL Group. Accordingly post consummation of the transaction the income and expenses of DDRC SRL forms part of the unaudited consolidated results for the quarter and nine months ended December 31, 2021, hence the figures for the quarter and nine months ended December 31, 2020 and for the year ended March 31, 2021 are not strictly comparable with the current periods.

The Group remeasured its previously held equity interest in DDRC SRL at its fair value on acquisition of the additional 50% stake and recognised the resultant gain as an exceptional item during the previous quarter in accordance with the applicable Indian Accounting Standard. Purchase price allocation of the purchase consideration has been done at the acquisition date and adjusted in the unaudited consolidated financial results.

16. Previous period figures have been regrouped/ reclassified whereever necessary to conform to current period classification.

Date: February 11, 2022

Place: Gurugram

For and on behalf of the Board of Directors

Ashutosh

Fortis Healthcare Limited

Dr. Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637

Press Release

February 11, 2022

Fortis Healthcare reports Q3 FY22 Financial Results

Q3 earnings reflect a continuing strong trend in both hospitals and diagnostics business

- **Consolidated Revenues for Q3FY22 at INR 1,467 Crs, up 25%**
- **EBITDA at INR 294 Crs versus INR 201 Crs, up 46%. EBITDA margins at 20%, up 300bps**
- **PAT at INR 142 Crs versus INR 54 Crs in Q3FY21, up 163%**

Consolidated Financial Snapshot

Particulars (INR Crs)	Q3FY22	Q3FY21	Q2FY22	% Change YoY	9M FY22	9M FY21	% Change YoY
Revenue	1,466.7	1,177	1,462.5	24.6%	4,339.5	2,777.7	56.2%
EBITDA	293.6	200.6	292.4	46.4%	869.1	247.4	251.3%
EBITDA margin	**20.0%**	**17.0%**	**20.0%**	**-**	**20.0%**	**8.9%**	**-**
Profit Before Tax *(Before exceptional item)*	**184.5**	**103.1**	**181.7**	**78.9%**	**546.5**	**(68.2)**	**-**
Profit After Tax*	141.7	53.9	130.6	163%	702.9	(118.5)	-
Profit After Tax after Minority Interest *	116.7	29.9	106.9	290.6%	487.2	(152.9)	-
Earnings Per Share (INR)	1.55	0.40	1.42	290.6%	6.45	(2.03)	-

** Includes an exceptional gain of INR 314.8 Crs in 9M FY22, primarily as a result of the remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.*

Gurugram, February 11, 2022: Fortis Healthcare Ltd. ("Fortis" or the "Company"), one of India's leading healthcare delivery companies, today announced its unaudited consolidated financial results for the quarter and nine months ended December 31, 2021.

FINANCIAL HIGHLIGHTS

- Q3FY22 hospital business revenues grew 23.3% YoY to INR 1,118.2 Crs versus INR 906.9 Crs in Q3FY21. Revenues in Q2FY22 were at INR 1,098.5 Crs.

- Non-covid revenues contributed 98% to the overall hospital revenues in the quarter, similar to trailing quarter and compared to 81% in Q3 FY21.

- The hospital business EBITDA grew 46% to INR 190.2 Crs versus INR 130.7 Crs in Q3FY21. EBITDA in Q2FY22 stood at 189.1 Crs. This was due to higher surgical volumes witnessed in select key medical specialties.

    - EBITDA Margins stood at 17.0% in Q3FY22 versus 14.4% in Q3 FY21 and 17.2% in Q2 FY22

- Q3 FY22 diagnostics business gross revenues grew 26.9% YoY to INR 388.5 Crs versus INR 306.2 Crs in Q3FY21. Revenues in Q2FY22 were at INR 402.7 Crs.

    - Non-covid revenues grew 33.8% versus Q3FY21. Covid contribution to overall diagnostics revenues was at 19.1% versus 24.1% in Q3FY21 and 17.7% in Q2FY22.

- The diagnostics business EBITDA was at INR 103.4 Crs versus INR 73 Crs in Q3 FY21. This was similar to the EBITDA in Q2FY22.

    - Margins improved to 26.6% in Q3 FY22 versus 23.9% in Q3 FY21 and 25.7% in Q2 FY22

- Net debt to EBITDA was at 0.53x for Q3FY22 versus 1.3x for Q3FY21. This was despite the acquisition of the balance 50% stake in the DDRC – SRL JV in April 2021, which was funded entirely through internal accruals.

- Net debt as of 31 December 2021 was at INR 621 Crs, lower by INR 248 Crs compared to Q2FY22 (INR 869 Crs) and reflecting a net debt to equity of 0.09x.

- For the period ended nine months December 2021 (YTD FY22), hospital business revenues grew 50.5% to reach INR 3,223.3 Crs. EBITDA stood at INR 528.9 Crs versus INR 123.9 Crs in Q3FY21. Margins stood at 16.4% versus 5.8% in the corresponding previous period.

- For the period ended nine months December 2021 (YTD FY22), diagnostic business gross revenues grew 69.1% to reach INR 1,232.6 Crs. EBITDA stood at INR 341.6 Crs versus INR 133 Crs in Q3FY21. Margins stood at 27.7% versus 18.2% in the corresponding previous period.

HOSPITAL BUSINESS HIGHLIGHTS

- Overall occupancy for the quarter was at 65.4% versus 63.8% in Q3FY21. This was marginally better compared to the occupancy in Q2FY22 which stood at 64.2%.

- Higher complex procedure volumes across key medical specialties led to a robust ARPOB of INR 1.86 Crs witnessed in the quarter. ARPOB grew 18% versus Q3FY21 and was similar to the ARPOB of INR 1.87 Crs in Q2 FY22. Oncology, Neuro-Sciences and the Cardiology specialties contributed 40.5% to overall revenues versus 37.3% in Q2 FY22.

- Further augmenting its medical infrastructure, the Company introduced state of the art medical equipment such as neuro surgical microscopes, neuro navigation systems, Cath labs and endoscopy units in facilities such as Mulund, Shalimar Bagh and Vashi; with plans afoot to expand these in select other facilities. Medical oxygen generating plants were commissioned in FEHI, FMRI and Faridabad with a few more facilities to shortly commission these as well.

- The Company strengthened its clinical talent pool with the induction of eminent clinicians in specialties of cardiology and surgical oncology in select facilities.

- Revenues from the international business regained traction with a healthy growth in the quarter. Revenues stood at INR 65.7 Crs, a growth of 45% and 58.7% versus the corresponding and trailing quarters respectively.

- Revenues from digital channels viz website, mobile application and digital campaigns witnessed a robust growth with a YoY increase of 125%. Compared to Q2 FY22 revenues from digital channels grew 24%.

DIAGNOSTIC BUSINESS HIGHLIGHTS

- SRL conducted approx. 11.25 Mn tests in Q3 FY22, a growth of 69% versus Q3 FY21 and similar to Q3 FY22. Non-covid test volumes grew 63% while covid test volumes grew 129% versus Q3FY21. However, the average revenue per test (ARPT) witnessed a decline largely as a result of the significant reduction in pricing of covid tests as compared to Q3 FY21.
- The Company added 284 net customer touch points to its network in Q3 FY22 taking the total number of touch points to 2,232. SRL has been aggressively expanding its network having opened approx.100 such touch points each month since August 2021.
- Aided by its customer touch points expansion and the acquisition of the DDRC – SRL JV, SRL's B2C: B2B revenue mix strengthened to 52 : 48 in the quarter *(Q3 FY 21 at 46 : 54).* Revenues from walk in patients in the B2C segment have increased 1.75x as compared to the corresponding previous quarter.
- SRL's revenue from preventive healthcare packages grew 23% over the corresponding previous quarter.

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, "Our efforts to drive operations both in terms of revenue accretion and cost optimization initiatives have yielded positive results as witnessed in the Q3 performance and over the last few quarters. Strategic plans for further strengthening clinical specialties, medical programs and infrastructure are actively being pursued. Investments in brownfield bed expansion should see the Company add close to 250-300 beds each year for the next few years, taking our operational bed capacity to over 5000 beds. Consistent endeavours towards improving patient experience, led by technology and digital enablers such as enhanced websites and apps have seen good traction and are being further evaluated for a larger healthcare platform. The Company's healthy Balance Sheet and cash flows also allow it to partake in growth and consolidation prospects in the industry. All these should augur well for future business growth and profitability."

Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, "Q3 continues to build on the business momentum we witnessed in Q2. Despite it being a festive season in some of our larger geographies, both the hospital and the diagnostics businesses have performed well. Hospital occupancy was at 65.4% in the quarter versus approx. 64% in both the trailing and corresponding quarters. Higher complex procedure surgical volumes resulted in the ARPOB increasing 18% versus Q3 FY21. Further augmenting our medical infrastructure along with strengthening our clinical talent base continue to be high priority areas. Led by a higher B2C revenue component, the diagnostics business recorded robust margins; higher than both the trailing and corresponding quarters. The third wave of covid has had an impact primarily in the month of January though we are now seeing a gradual recovery in business which we expect should accelerate going forward. This would hopefully enable us to end FY22 on a sound note."

About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics, and day care specialty facilities. Currently, the company operates 27 healthcare facilities (including JVs and O&M facilities). The Company's network comprises approximately 4,100 operational beds and 422 diagnostics centres.

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FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION – Q3 FY22 & 9M FY22

February 11, 2022

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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. Performance Highlights
    - Earnings and Financial Summary – Q3FY22 & 9MFY22
2. Performance Review - Hospital Business
3. Performance Review - Diagnostics Business
4. Appendix

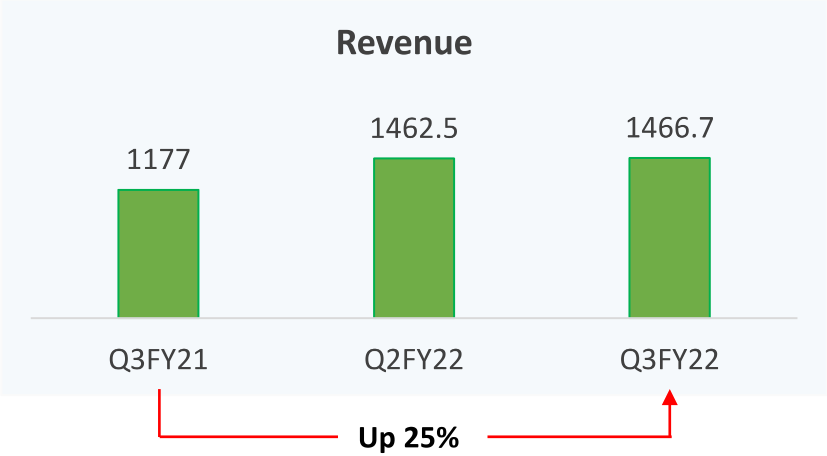
Fortis

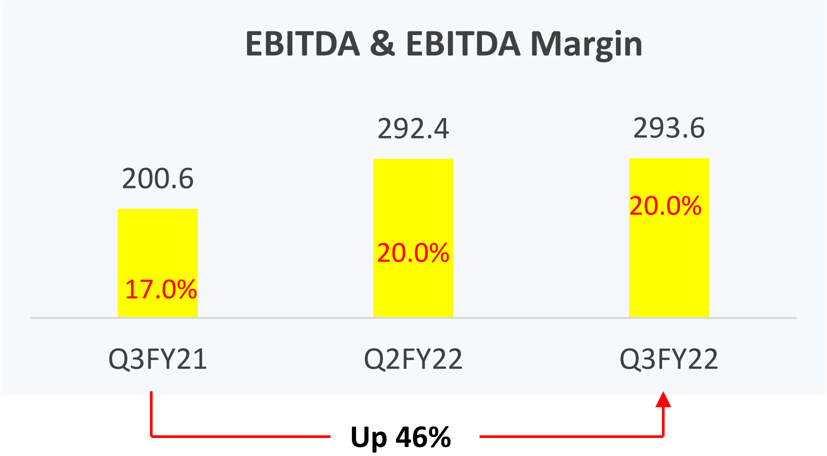
Q3FY22 & 9MFY22

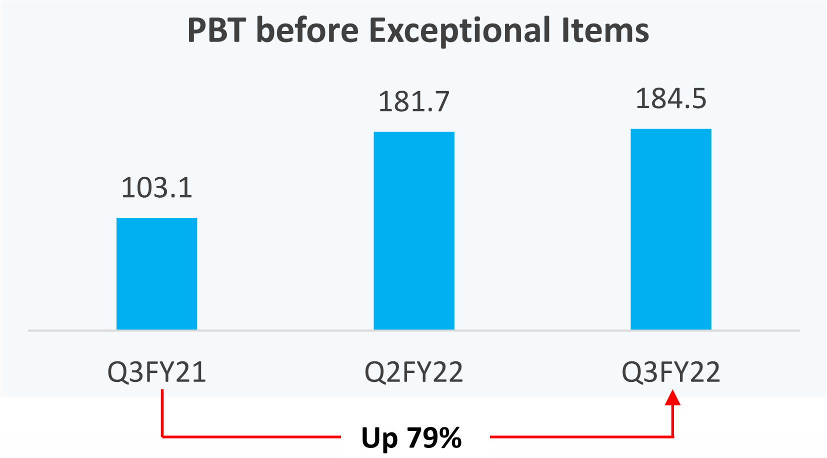
PERFORMANCE HIGHLIGHTS

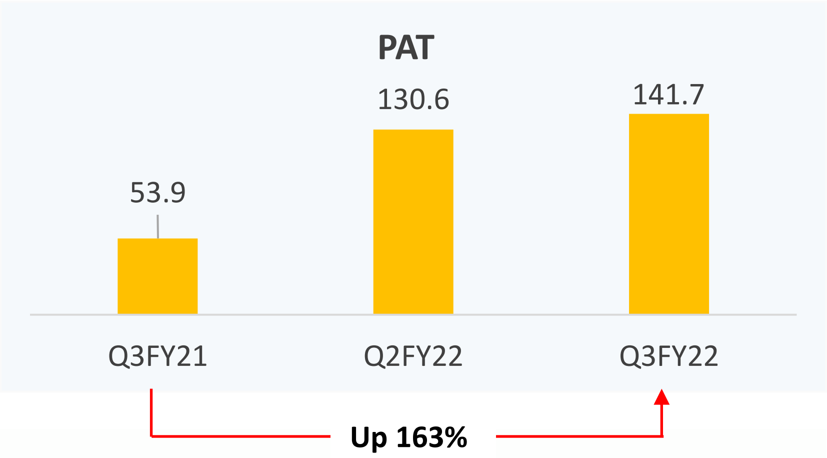
CONSOLIDATED EARNINGS SUMMARY – Q3FY22

All figures in INR Crs.



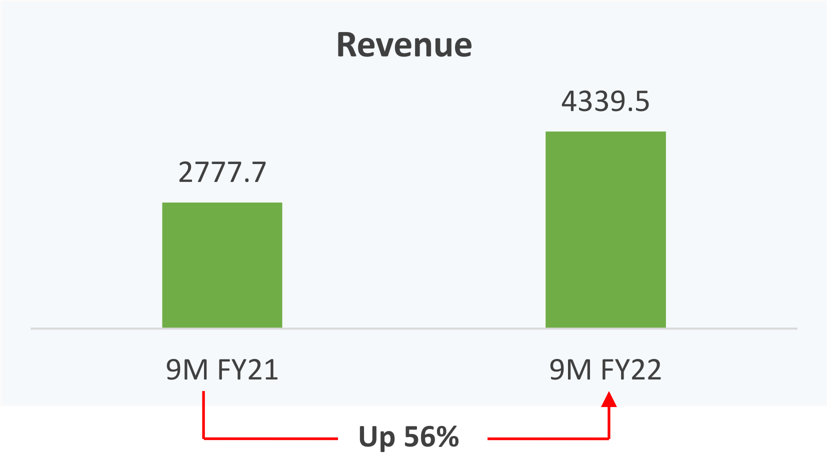


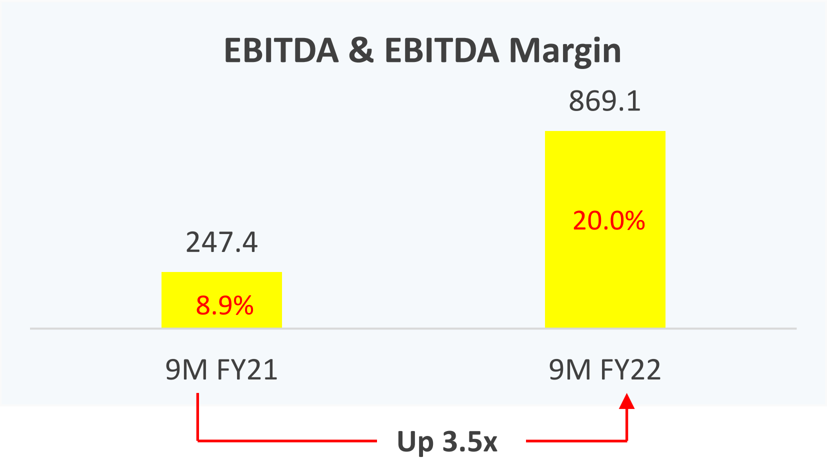


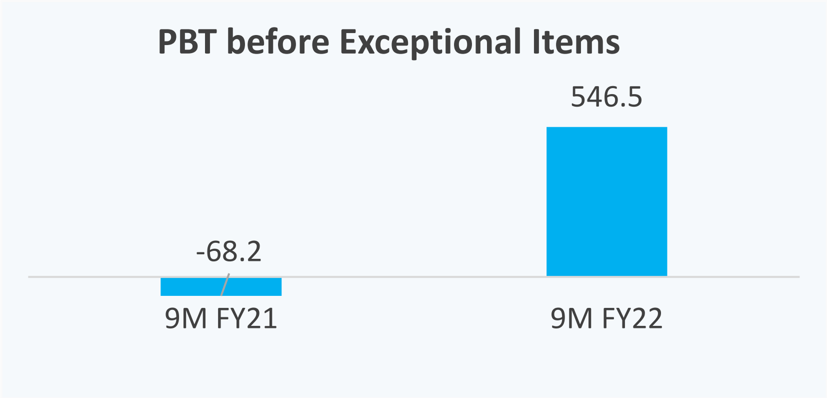


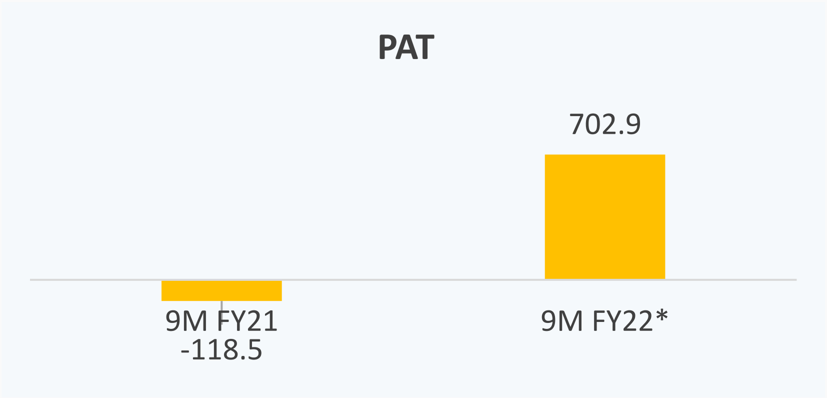
CONSOLIDATED EARNINGS SUMMARY – 9MFY22

All figures in INR Crs.





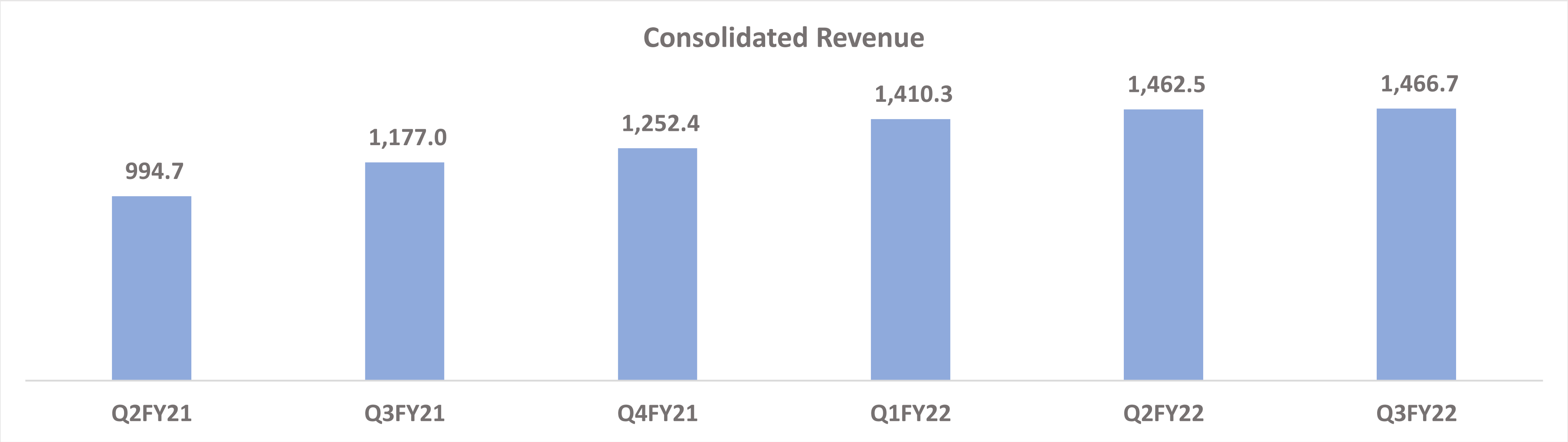


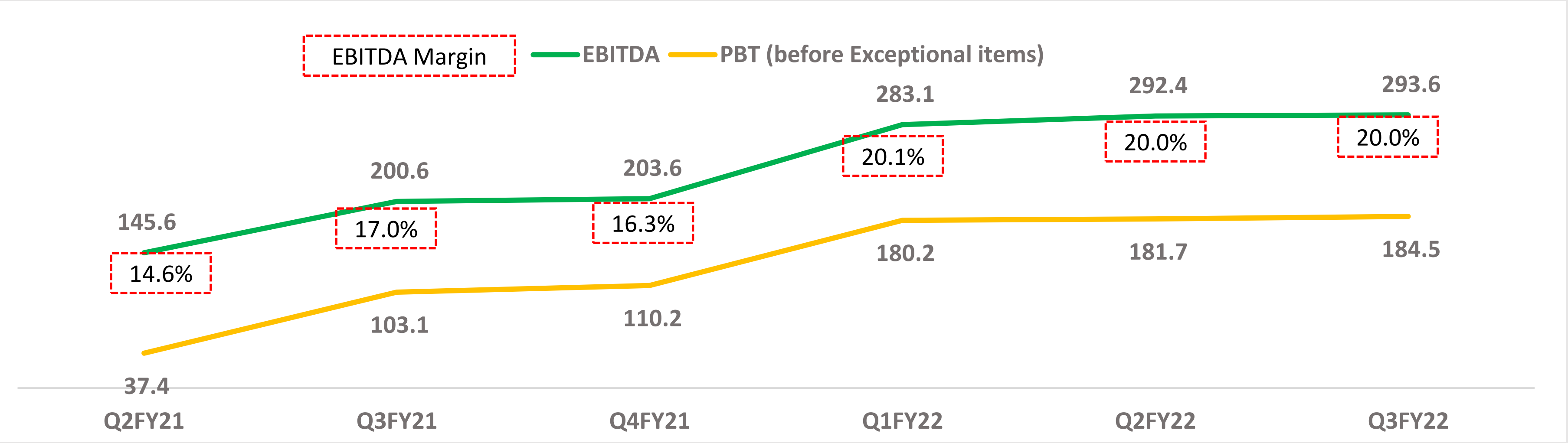


- 9M FY22 PAT includes exceptional gain of INR 314.8 Crs primarily related to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

CONSOLIDATED EARNINGS SUMMARY

All figures in INR Crs.





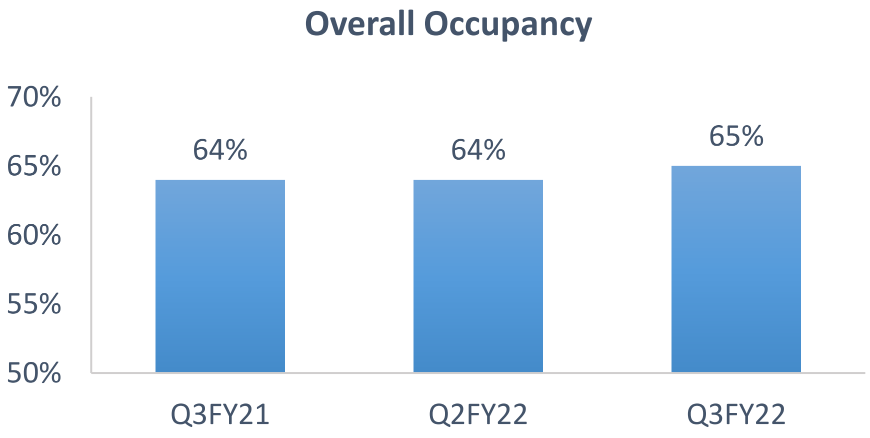
EBITDA includes other income and forex gain / (loss)

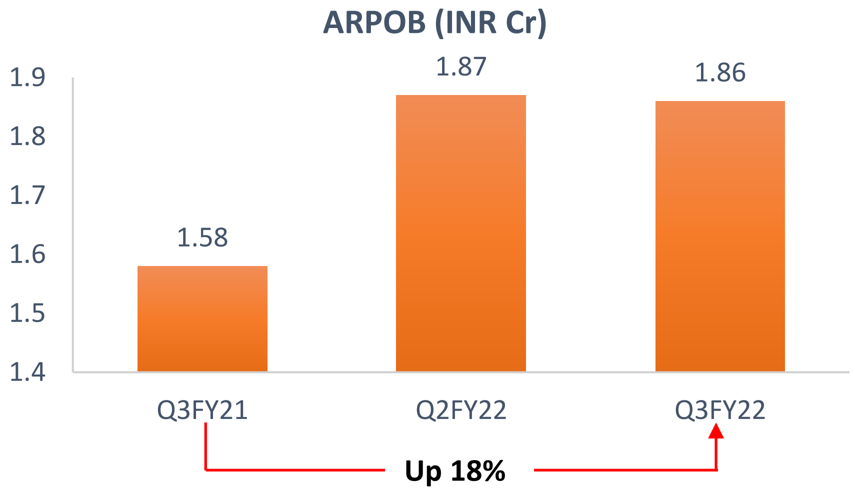
Q3FY22

HOSPITAL BUSINESS HIGHLIGHTS

- Revenues grew 23% to INR 1,118 Cr versus INR 907 Cr in Q3FY21. Revenues for Q2 FY22 stood at INR 1,098.5 Cr.
- EBITDA was at INR 190.2 Cr versus INR 130.7 Cr in Q3FY21 and INR 189.1 Cr in Q2FY22. Margins at 17.0% in Q3 FY22 versus 14.4% in Q3 FY21 and 17.2% in Q2FY22
- Non-covid business continues to witness traction as Covid cases declined further in Q3. Non-covid occupancy improved to 64% in Q3FY22 versus 62% in Q2FY22.
- Higher complex procedure volumes across key medical specialties led to a healthy ARPOB of INR 1.86 Crs witnessed in the quarter. Oncology, Neuro-sciences and Cardiology specialties contributed 40.5% to overall revenues versus 37.3% in Q2FY22.

Key Performance Indicators





Q3FY22

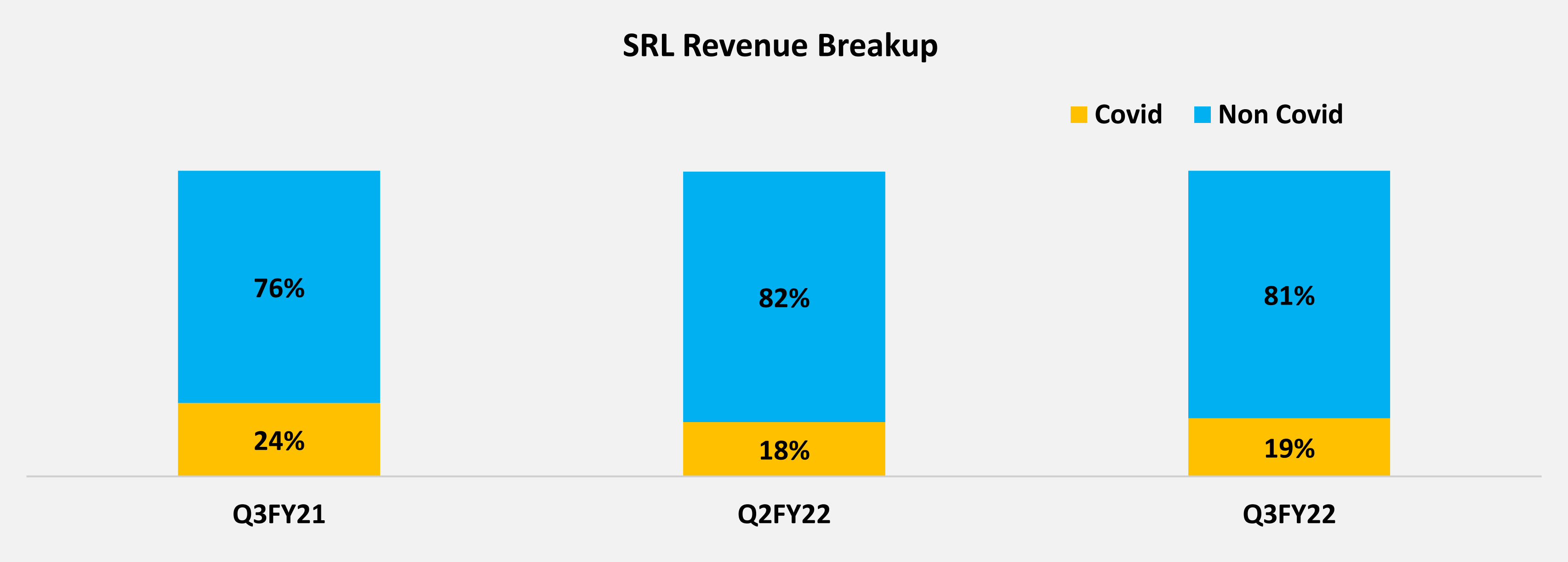
HOSPITAL BUSINESS HIGHLIGHTS (CONT.)

- Select hospitals such as FMRI, BG Road, Noida, Jaipur, Amritsar, Mohali witnessed an increase in occupancy versus Q2FY22
- The Company further strengthened its clinical talent pool with the induction of eminent clinicians in specialties of cardiology and surgical oncology in the quarter.
- The company continues to augment its service offerings with the installation of state-of-the-art medical equipment such as Neuro Surgical Microscopes, Neuro Navigation Systems, Cath labs and Endoscopy units at select facilities.
- Medical oxygen generating plants were commissioned at FEHI, FMRI and Faridabad facilities with a few more facilities to witness commissioning of such plants in the near future
- Medical tourism revenue contribution to overall hospital business revenues improved to 5.9% versus 3.8% in Q2FY22 due to relaxation in travel restrictions. For 9MFY22 the revenue contribution increased to 4.5% versus 3.4% in 9MFY21.

Q3FY22

DIAGNOSTIC BUSINESS HIGHLIGHTS

- SRL revenues grew 27% to INR 388.5 Cr versus INR 306.2 Cr in Q3FY21. Revenues for Q2 FY22 were at INR 402.7 Cr.
- EBITDA for the quarter stood at INR 103.4 Cr versus INR 73 Cr in Q3FY21 and was similar to Q2FY22. EBITDA Margins improved to 26.6% in Q3FY22 versus 23.9% in Q3FY21 and 25.7% in Q2FY22.
- Non Covid revenues grew 33.8% in Q3FY22 to INR 311 Cr vs the corresponding previous quarter



Note: Q2FY22 & Q3FY22 financials include DDRC SRL

OPERATING PERFORMANCE

HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business				
	Q3FY21	Q2FY22	Q3FY22	9MFY21	9MFY22
Operating Revenue	906.9	1,098.5	1,118.2	2,141.7	3,223.3
Revenue Growth vs LY	**-**	**47.2%**	**23.3%**	**-**	**50.5%**
Reported EBITDA	130.8	189. 2	190.2	123.9	528.8
EBITDA growth vs LY		**141.8%**	**45.5%**		**326.8%**
Margin	**14.4%**	**17.2%**	**17.0%**	**5.8%**	**16.4%**
Adj: Other Income	6.6	5.3	3.4	30.4	13.1
Operating EBITDA	124.1	183.9	186.8	93.6	515.7
Margin	13.7%	16.7%	16.7%	4.4%	16.0%

- Above financials includes financials of International entities which are part of Fortis group; mainly RHTTM.
- Adjusted for the newly commissioned hospital in Chennai, reported EBITDA margin in Q3Y22 stood at 17.9% vs 18.0% in Q2FY22

OPERATING PERFORMANCE

DIAGNOSTIC BUSINESS

Particulars (INR Cr)	Diagnostic Business				
	Q3FY21	Q2FY22	Q3FY22	9MFY21	9MFY22
Operating Revenue*	306.2	402.7	388.5	728.9	1,232.6
Revenue Growth vs LY		**42.6%**	**26.9%**		**69.1%**
Reported EBITDA	73.0	103.3	103.4	133.0	341.6
EBITDA growth vs LY		**46.5%**	**41.6%**		**156.9%**
Margin	**23.9%**	**25.7%**	**26.6%**	**18.2%**	**27.7%**
Adj: Other Income incl FX	6.9	2.9	3.8	20.2	9.6
Operating EBITDA	66.1	100.4	99.7	112.8	332.0
Margin	21.6%	24.9%	25.7%	15.5%	26.9%

- Diagnostics business revenue is on Gross Basis; Diagnostic business Q3FY22 net revenue (net of inter company elimination) stood at INR 348.4 Cr versus INR 270.1 Cr in Q3FY21 and INR 364 Crs in Q2FY22.
- Q2FY22, Q3FY22 & 9MFY22 financials include DDRC SRL.

BALANCE SHEET

December 31, 2021

Balance Sheet (INR Cr)	Dec 31, 2020	Mar 31, 2021	Dec 31, 2021
Shareholder’s Equity	6,883	6,718	6,888
Debt	1,359	1,271	1,001
Lease Liabilities (Ind AS 116)*	251	260	282
Total Capital Employed	**8,493**	**8,249**	**8,171**
Net Fixed Assets (including intangibles & CWIP)	5,285	5,242	5,451
Goodwill	3,721	3,722	4,123
Investments	193	186	153
Cash and Cash Equivalents	318	422	380
Net Other Assets	(1,024)	(1,323)	(1,936)
Total Assets	**8,493**	**8,249**	**8,171**
Net Debt / (cash)	**1,041**	**849**	**621**
Net Debt to Equity	**0.15x**	**0.13x**	**0.09x**

- *Pertains to lease liability on account of adoption of new accounting standard on leases w.e.f. April 1, 2019.
- Net debt excludes lease liabilities.
- Increase in net Fixed Assets and Goodwill primarily due to DDRC acquisition by SRL during Q1FY22
- Net debt to EBITDA was at 0.53x versus 1.30x in Q3 FY21 and 0.74x in Q2FY22 (on annualized basis)

PERFORMANCE REVIEW

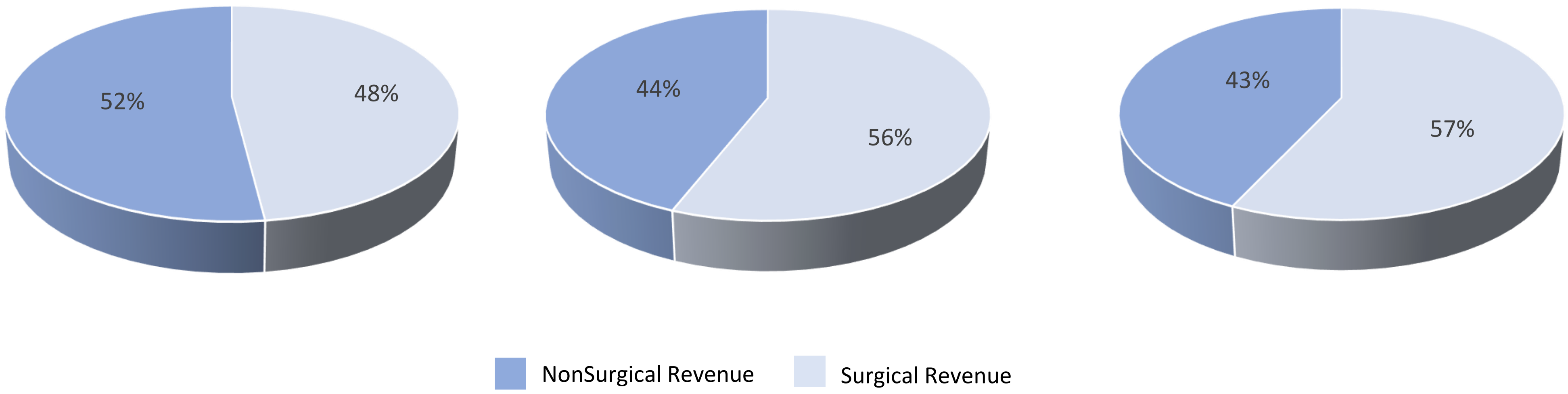
HOSPITALS BUSINESS

STRENGTHENING MEDICAL PROGRAMS

- Fortis further strengthened its clinical talent with the onboarding of certain eminent clinicians in the field of **Oncology** and **Cardiology.**
- **Fortis Shalimar Bagh** and **Fortis Mulund** augmented their Neuro-Sciences Program with the installation of High-End Neuro Navigation system.
- **Fortis Mulund** bolstered its service offerings with the installation of Neuro Surgical Microscope and a new Cath lab.
- **Fortis Escorts (FEHI)**, **FMRI** and **Fortis Faridabad** commissioned medical oxygen generating plants; additional plants under installation at select other facilities.
- **Fortis Vashi** installed a new Endoscopy system during the quarter.

REVENUE MIX

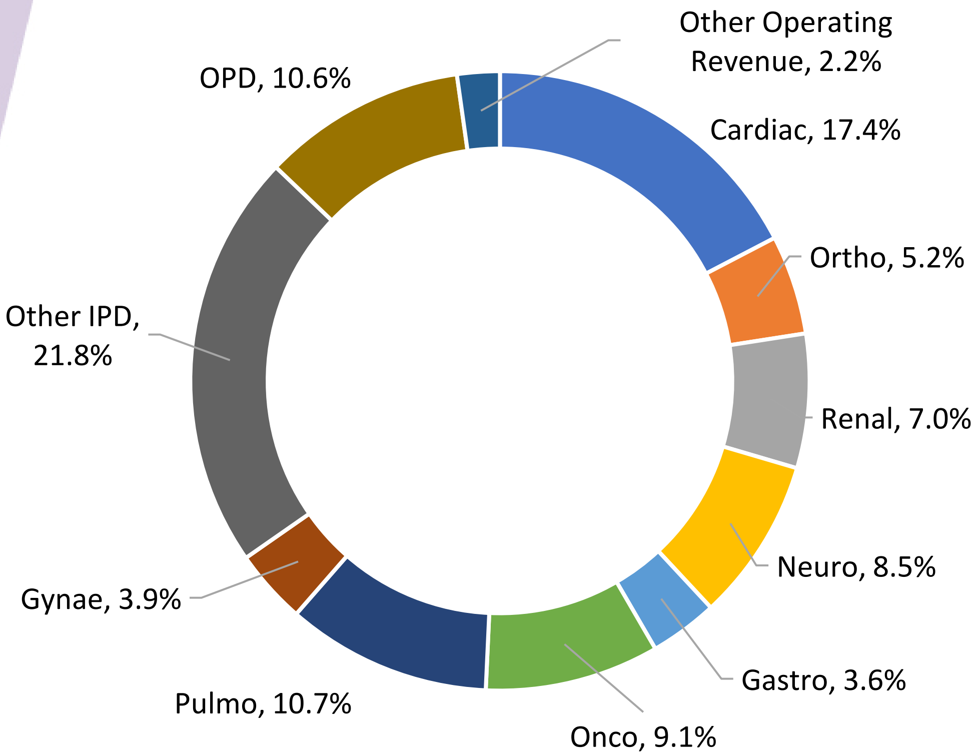
Q3 FY21	Q2 FY22	Q3 FY22
Gross Revenue : INR 955 CR	Gross Revenue : INR 1160 CR	Gross Revenue : INR 1179 CR



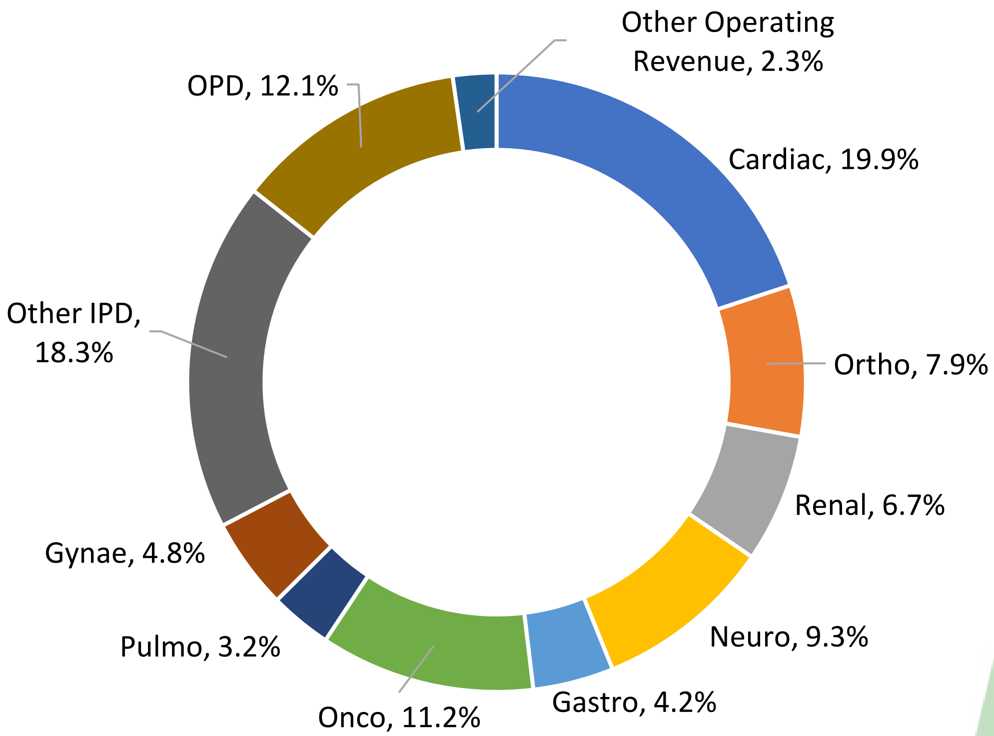
- Business continued to witness healthy traction in surgical procedures in Q3FY22.
- Contribution from surgical revenue stood at 57% compared to 48% in Q3FY21 & 56% in Q2FY22

SPECIALTY MIX

Q3 FY21

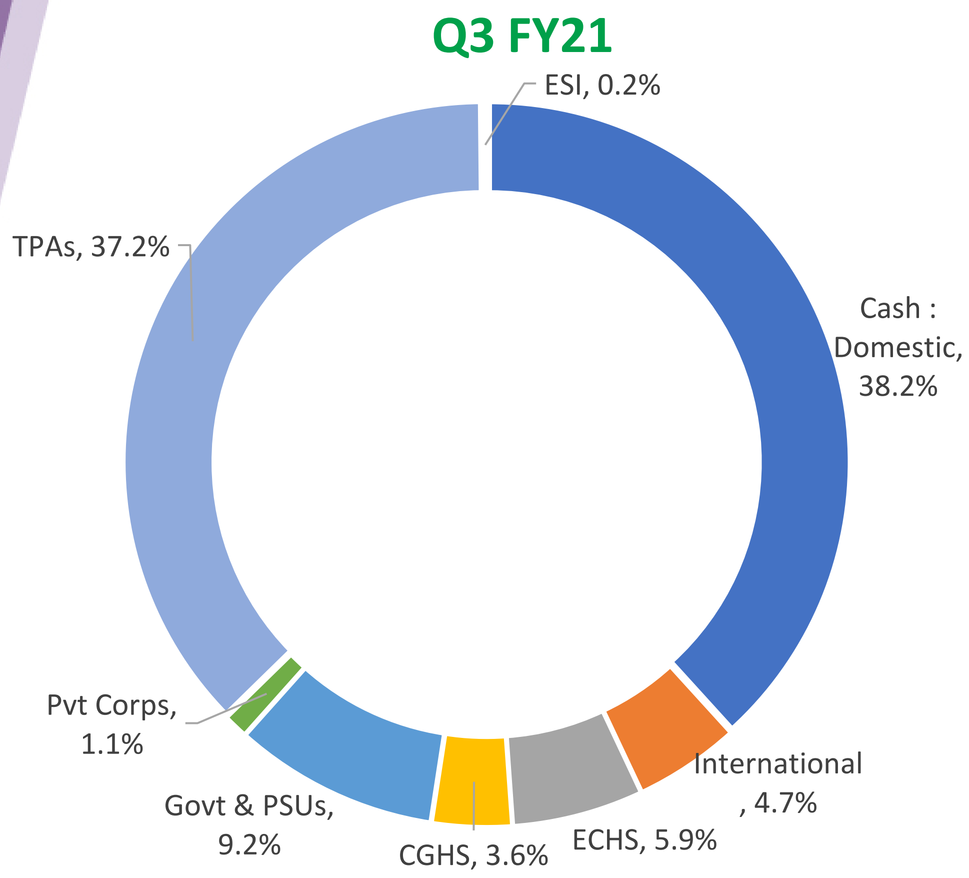


Q3 FY22

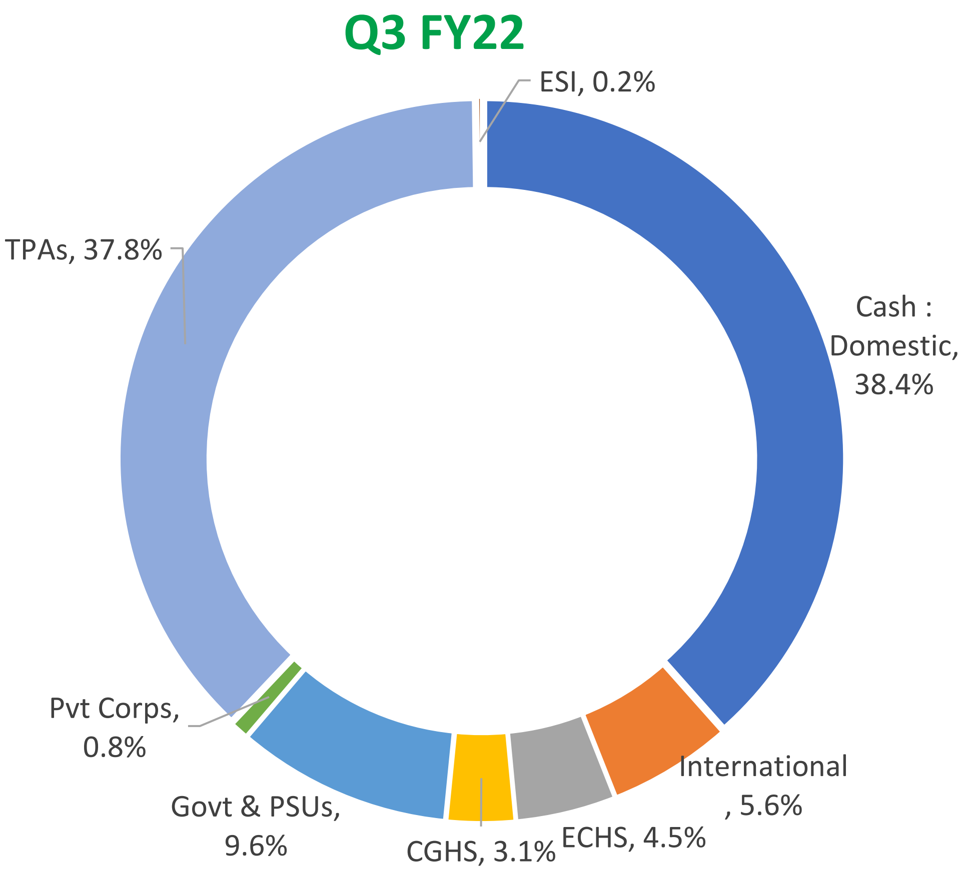


Fortis

PAYOR MIX



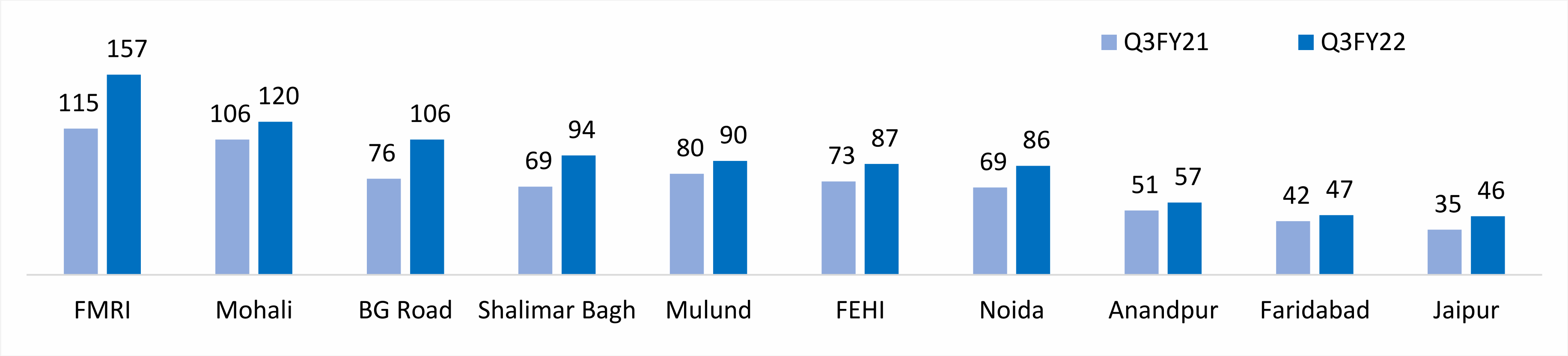
Q3 FY21
ESI, 0.2%
Cash : Domestic, 38.2%
International, 4.7%
ECHS, 5.9%
CGHS, 3.6%
Govt & PSUs, 9.2%
Pvt Corps, 1.1%
TPAs, 37.2%

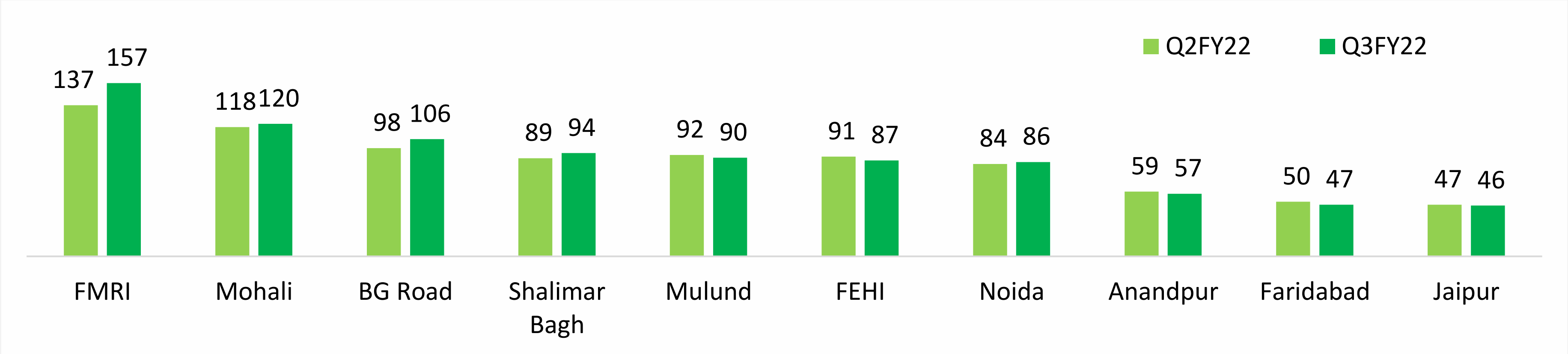


Q3 FY22
ESI, 0.2%
Cash : Domestic, 38.4%
International, 5.6%
ECHS, 4.5%
CGHS, 3.1%
Govt & PSUs, 9.6%
Pvt Corps, 0.8%
TPAs, 37.8%

HOSPITAL BUSINESS PERFORMANCE

Facilities across the network witnessed a healthy growth in revenues





All figures in INR Crs.

HOSPITAL MARGIN MATRIX

Q3 FY22

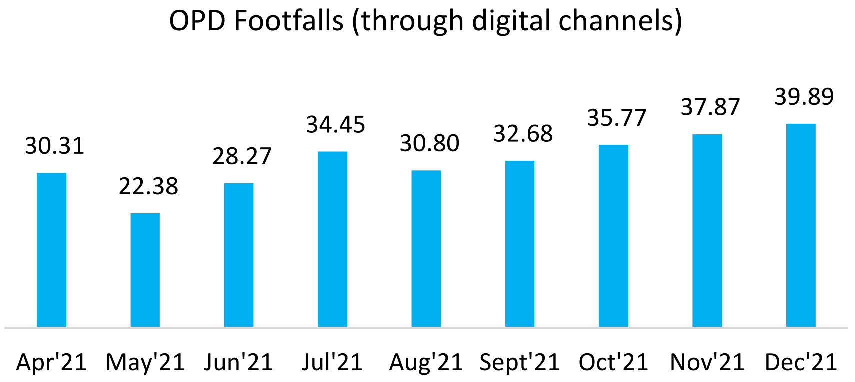
EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	6	33%	1,154	1.96	68%
20% - 25%	5	32%	1,091	1.98	70%
15% - 20%	4	6%	299	1.53	63%
10% - 15%	2	11%	355	2.12	66%
<10%	6	18%	982	1.52	57%

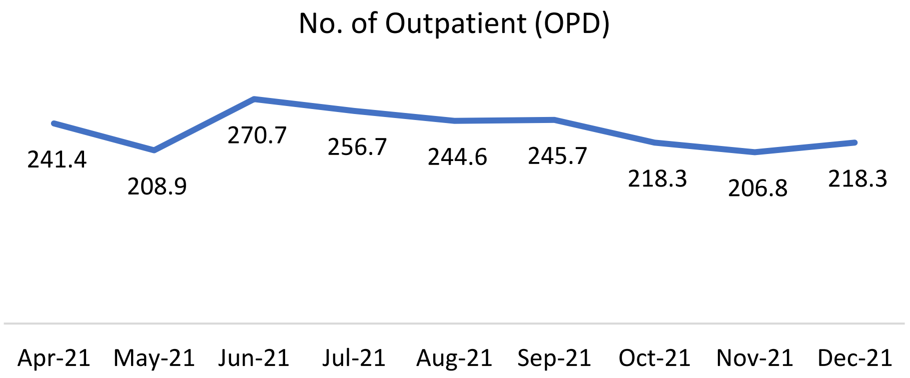
Q2 FY22

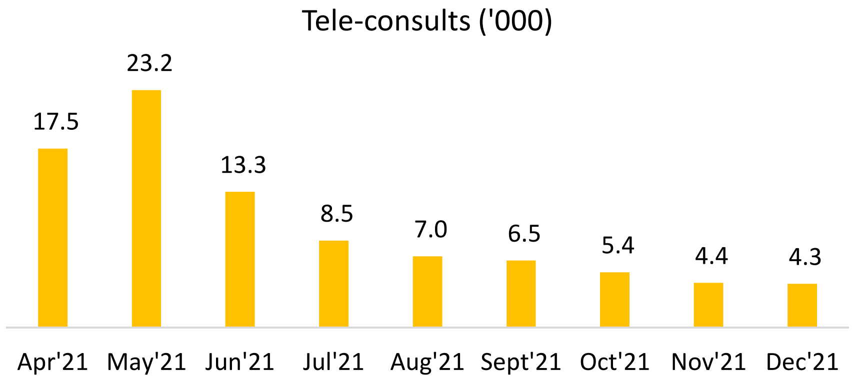
EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	6	39%	1,288	2.13	66%
20% - 25%	5	14%	722	1.21	73%
15% - 20%	3	17%	490	2.40	67%
10% - 15%	4	22%	805	1.98	64%
<10%	5	8%	553	1.39	47%

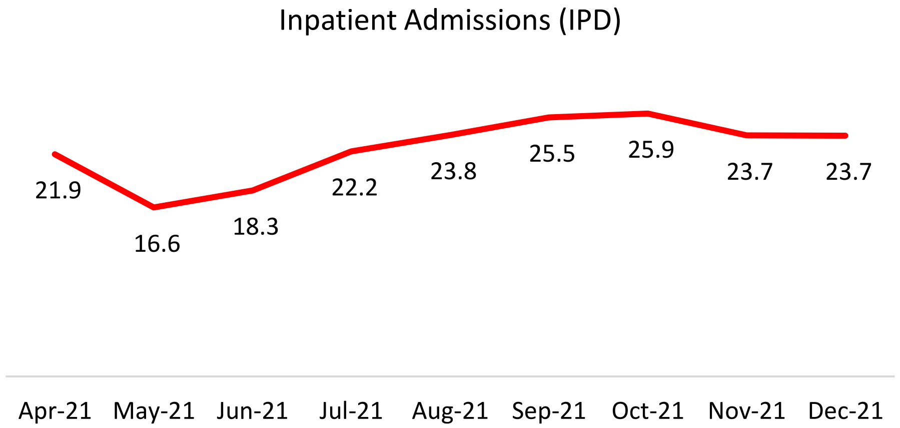
- EBITDA margins are prior to corporate cost allocation and IndAS adjustments

HOSPITAL BUSINESS – PATIENT VOLUME









Fortis

CLINICAL EXCELLENCE

- First in India: Doctors at **Fortis Noida** perform a rare and complex procedure to explant artificial heart from 56-year-old Iraqi patient's chest. This is the first such procedure reported in India
- The world's largest chest tumour, bigger than a football, was removed from a patients at **Fortis Memorial and Research Institute, Gurugram**
- A rare lung transplant surgery at **Fortis Vadapalani, Chennai**, gives a new lease of life to a 34-year-old
- A 34-yr-old patient's inability to swallow food cured after incisionless endoscopic surgery at **Fortis Escorts, Okhla Road**

AWARDS AND ACCREDITATIONS

- **Fortis Mohali** receives AHPI Award 2021 for 'Quality Beyond Accrediation' for the fourth time
- **Fortis hospitals** across the country won 8 National and Regional level awards at the Economic Times Healthcare Awards 2021.
- **Fortis Mohali** gets NABH-Nursing Excellence Certification for the third time in a row
- **Fortis La Femme,** GK-2, New Delhi, receives National Neonatology Forum Level III-A accreditation

NABL

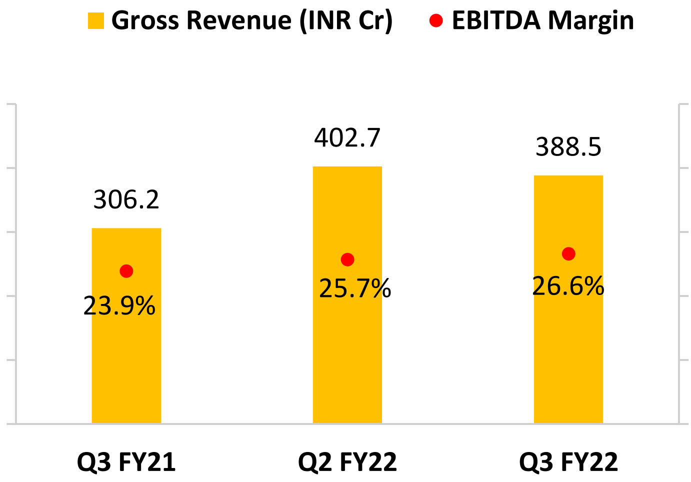
Fortis

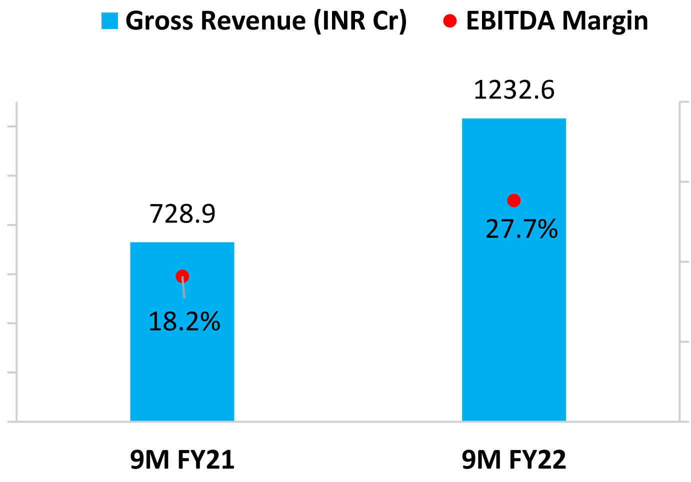
PERFORMANCE REVIEW

DIAGNOSTICS BUSINESS

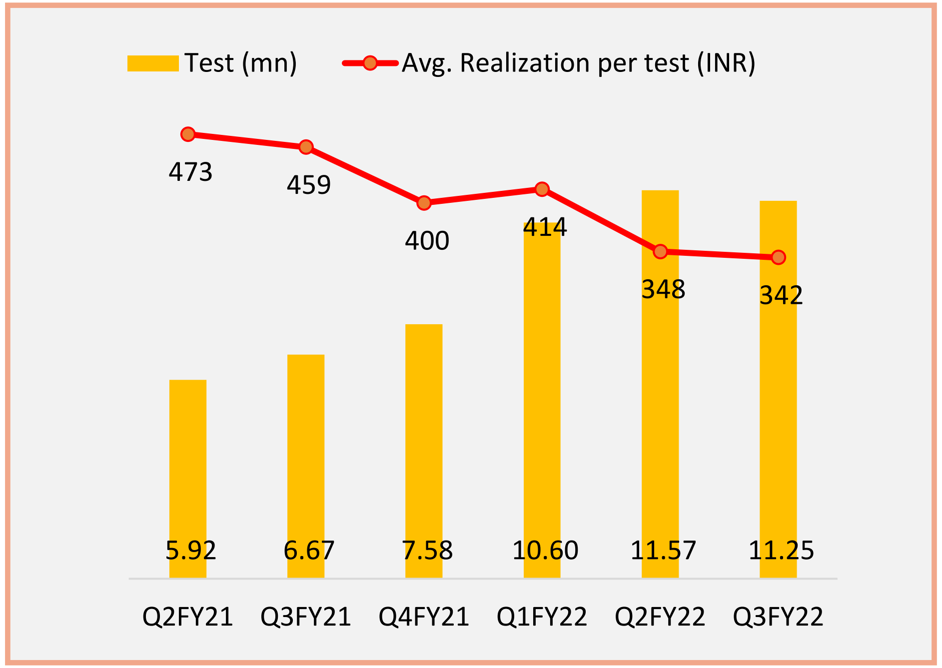
DIAGNOSTICS BUSINESS

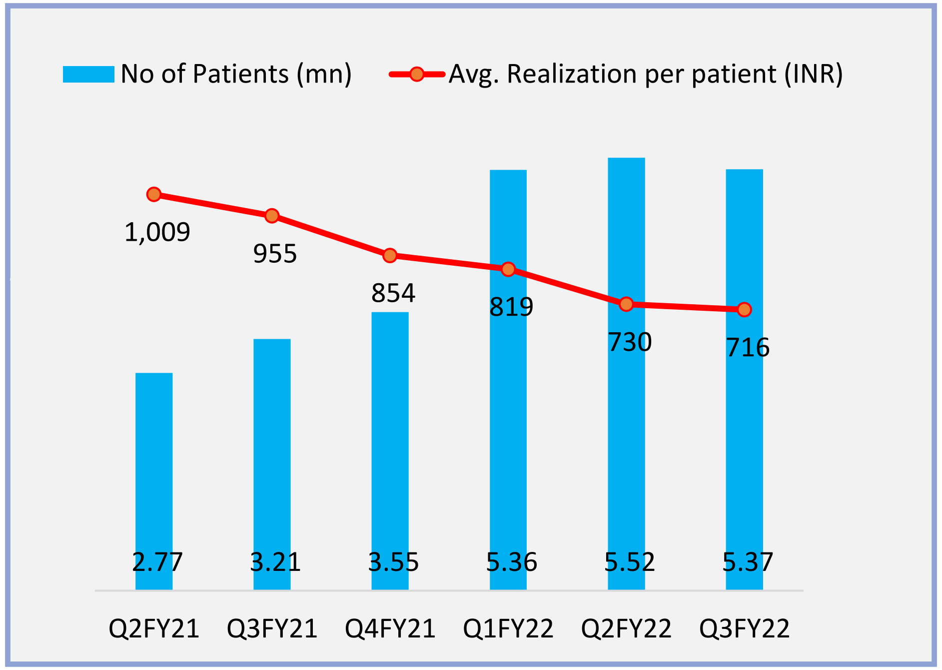
- During Q3FY22, SRL conducted approx. 11.25 Mn tests, a growth of 69% versus Q3 FY21 and similar to Q3 FY22.
- SRL added 284 net new customer touch points to its network in Q3 FY22 taking the total number of touch points to 2,232. SRL has been aggressively expanding its network having opened approximately 100 such touch points each month since August 2021
- SRL's B2C: B2B revenue mix strengthened to 52 : 48 in the quarter compared to 46 : 54 in Q3 FY 21, driven by expansion of customer touch points and acquisition of DDRC-SRL JV. SRL witnessed 1.75x jump in its 'Walk in' patient's revenue in Q3FY22 versus Q3FY21
- SRL's revenue from preventive healthcare package grew 23% over Q3 FY21.





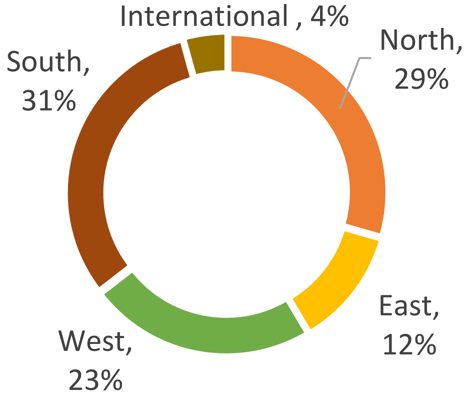
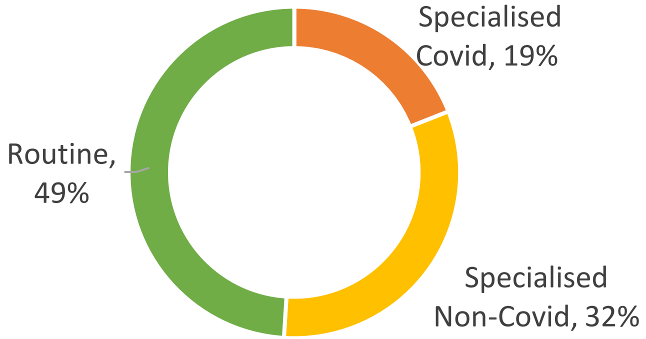
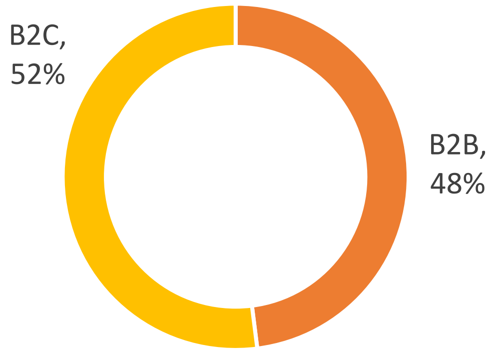
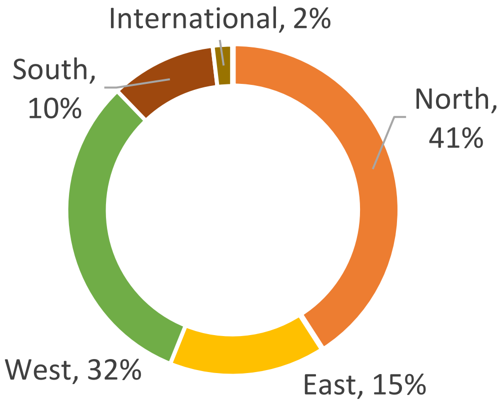
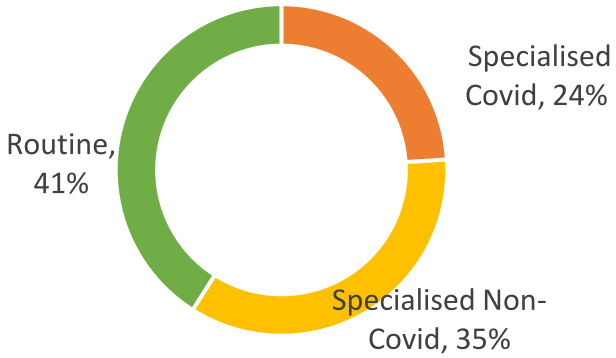
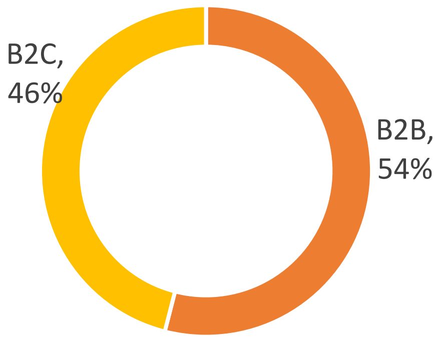
KEY PERFORMANCE METRICS





Significant decline in covid test pricing resulted in decline in overall average realisation per test and average realisation per patient in Q3FY22 versus Q3FY21

REVENUE MIX

	Geographic mix	Product Mix	Segment Mix
Q3 FY22			
Q3 FY21			

APPENDIX

GROUP CONSOLIDATED P&L – Q3 FY22

Particulars (INR Cr)	Q3FY21	Q2FY22	Q3FY22
Revenue from operations	**1,177.0**	**1,462.5**	**1,466.7**
Other income	10.2	8.0	6.7
Total income	**1,187.2**	**1,470.6**	**1,473.3**
Expenses	986.6	1,178.2	1,180
EBITDA*	**200.6**	**292.4**	**293.6**
Margin	**17.0%**	**20.0%**	**20.0%**
Finance costs	42.1	40.3	38.1
Depreciation and amortisation expense	73.1	74.5	76.1
PBT	**85.4**	**177.5**	**179.5**
Share of profit / (loss) of associates and joint ventures (net)	17.7	4.2	5.1
Net profit / (loss) before exceptional items and tax	**103.1**	**181.7**	**184.5**
Exceptional gain	0.0	0.3	8.4
Profit / (loss) before tax from continuing operations	**103.1**	**182.0**	**192.9**
Tax expense / (credit)	49.3	51.4	51.2
Net profit / (loss) for the period from continuing operations	**53.9**	**130.6**	**141.7**
Profit / (loss) from continuing operations attributable to Owners of the company	**29.9**	**106.9**	**116.7**

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- Exceptional gain of INR 8.4 Crs in Q3FY22 primarily pertains to the gain arising on sale of a land & building (non core asset) from one of the company's WOS subsidiaries.

GROUP CONSOLIDATED P&L – 9M FY22

Particulars (INR Cr)	9MFY21	9MFY22
Revenue from operations	**2,777.7**	**4,339.5**
Other income	40.2	21.4
Total income	**2,817.9**	**4,360.9**
Expenses	2,570.5	3,491.8
EBITDA*	**247.4**	**869.1**
Margin	**8.9%**	**20.0%**
Finance costs	125.3	116.8
Depreciation and amortisation expense	219.1	223.6
PBT	**-97.0**	**528.7**
Share of profit / (loss) of associates and joint ventures (net)	28.8	17.8
Net profit / (loss) before exceptional items and tax	**-68.1**	**546.5**
Exceptional gain	1.1	314.8
Profit / (loss) before tax from continuing operations	**-67.1**	**861.3**
Tax expense / (credit)	51.5	158.4
Net profit / (loss) for the period from continuing operations	**-118.5**	**702.9**
Profit / (loss) from continuing operations attributable to Owners of the company	**-152.9**	**487.2**

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- Exceptional gain of INR 314.8 Crs in 9MFY22 primarily pertains to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

THANK YOU