

**Fortis Healthcare Limited**

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

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FHL/SEC/2022-23

November 11, 2022

The National Stock Exchange of India Ltd.
Scrip Symbol: FORTIS

BSE Limited
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. November 11, 2022, inter-alia, considered and approved standalone and consolidated un-audited financial results of the Company for the quarter and period ended on September 30, 2022.

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 the quarter and period ended on September 30, 2022. Further, a copy of the press release and investor presentation being issued in this regard is also enclosed.

The meeting commenced at 0900 Hours IST and concluded at 1800 Hours IST.

This is for your information and record.

Thanking You
For Fortis Healthcare Limited


Marlee Manohar Jain
Company Secretary & Compliance Officer
ICSI Membership: F9598

Encl: a/a

FORTIS HEALTHCARE LIMITED

Regd. Office : Fortis Hospital, Sector 62, Phase – VIII, Mohali – 160062
Tel : 0172-5096001 Fax : 0172-5096221 CIN : I 85110PR1996PI C045933

B S R & Co. LLP

Chartered Accountants

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

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Limited Review Report on unaudited standalone financial results of Fortis Healthcare Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 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 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 ("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 7 and 8 of the Statement which deal with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") 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). 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 is also cooperating in the regulatory investigations.

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 year ended 31 March 2021 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.

Registered Office

B S R & Co. LLP

- b. Note 6 of the Statement relating to the order dated 22 September 2022 of the Hon'ble Supreme Court whereby it has directed the Hon'ble High Court of Delhi inter alia that it may also consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between the Company and RHT Health Trust and other related transactions. The above mentioned Note also states that the Hon'ble Supreme Court has observed that prima facie, it appears to be acquisition of proprietary interest of RHT Health Trust by the Company are to subserve the business structure of the Company.

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

Gurugram

11 November 2022

Membership No.: 076124

UDIN:22076124BCUHQP3872

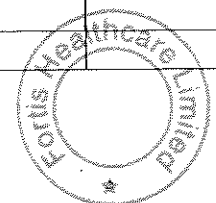
FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(Rupees in lacs)

| Particulars | Standalone | | | | | |
|--|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | Quarter ended | | | Six months ended | | Year ended |
| | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. Revenue from operations | 26,606 | 24,715 | 22,087 | 51,321 | 42,439 | 86,261 |
| 2. Other income | 5,484 | 3,169 | 3,345 | 8,653 | 6,694 | 13,410 |
| 3. Total income (1+2) | 32,090 | 27,884 | 25,432 | 59,974 | 49,133 | 99,671 |
| 4. Expenses | | | | | | |
| (a) Purchases of medical consumable and drugs | 6,743 | 6,306 | 5,047 | 13,049 | 10,663 | 20,930 |
| (b) Changes in inventories of medical consumable and drugs | (19) | (163) | 192 | (182) | (293) | (501) |
| (c) Employee benefits expense | 4,484 | 4,213 | 3,736 | 8,697 | 7,831 | 15,423 |
| (d) Finance costs | 2,810 | 2,791 | 3,206 | 5,601 | 6,478 | 12,958 |
| (e) Hospital service fee expense | 1,868 | 1,734 | 1,522 | 3,602 | 2,915 | 5,911 |
| (f) Professional charges to doctors | 5,000 | 4,853 | 4,015 | 9,853 | 7,516 | 16,081 |
| (g) Depreciation and amortisation expense | 2,869 | 2,843 | 2,798 | 5,712 | 5,591 | 11,263 |
| (h) Other expenses | 4,768 | 4,580 | 4,287 | 9,348 | 8,037 | 16,877 |
| Total expenses | 28,523 | 27,157 | 24,803 | 55,680 | 48,738 | 98,942 |
| 5. Net profit / (loss) from continuing operation before exceptional items and tax (3-4) | 3,567 | 727 | 629 | 4,294 | 395 | 729 |
| 6. Exceptional gain / (loss) (refer note 3) | 5,121 | (1,233) | - | 3,888 | - | (1,628) |
| 7. Profit / (loss) before tax from continuing operations (5-6) | 8,688 | (506) | 629 | 8,182 | 395 | (899) |
| 8. Tax expense / (credit) | 447 | 257 | 212 | 704 | 151 | 426 |
| 9. Net profit / (loss) for the period from continuing operations (7-8) | 8,241 | (763) | 417 | 7,478 | 244 | (1,325) |
| 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) | 8,241 | (763) | 417 | 7,478 | 244 | (1,325) |
| 14. Other Comprehensive Income / (loss) (after tax) | (141) | 47 | (7) | (94) | (31) | 28 |
| 15. Total comprehensive income / (loss) for the period (13+14) | 8,100 | (716) | 410 | 7,384 | 213 | (1,297) |



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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX
MONTHS ENDED SEPTEMBER 30, 2022

(Rupees in lacs)

| Particulars | Standalone | | | | | |
|---|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | Quarter ended | | | Six months ended | | Year ended |
| | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 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 | | | | | | 8,11,360 |
| 18. Earnings per equity share for continuing operations (not annualised) | | | | | | |
| Basic earnings / (loss) per share - In Rupees | 1.09 | (0.10) | 0.05 | 0.99 | 0.03 | (0.18) |
| Diluted earnings / (loss) per share - In Rupees | 1.09 | (0.10) | 0.05 | 0.99 | 0.03 | (0.18) |
| 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 | 1.09 | (0.10) | 0.05 | 0.99 | 0.03 | (0.18) |
| Diluted earnings / (loss) per share - In Rupees | 1.09 | (0.10) | 0.05 | 0.99 | 0.03 | (0.18) |
| 21. Earnings before depreciation and amortisation expense, finance costs, exceptional items and tax expense (EBITDA) (refer note 2) | 9,246 | 6,361 | 6,633 | 15,607 | 12,464 | 24,950 |

Notes to the results

- The above-unaudited Standalone Financial Results of Fortis Healthcare Limited ("the Company") for the quarter and six months ended September 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 10, 2022 and November 11, 2022 respectively. The unqualified 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.
- 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.



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

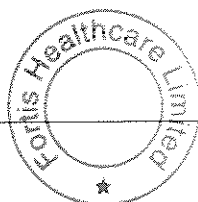
(Rupees in lacs)

| Particulars | Quarter ended | | | Six months ended | | Year ended |
|--|--------------------|----------------|--------------------|--------------------|--------------------|----------------|
| | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| a) Reversal of impairment / (impairment) of investment in Subsidiary Company | 5,121 | (1,233) | - | 3,888 | - | (1,628) |
| Net exceptional gain/(loss) | 5,121 | (1,233) | - | 3,888 | - | (1,628) |

4. Statement of Assets and Liabilities:

(Rupees in lacs)

| Particulars | Standalone | |
|-----------------------------------|--------------------------|----------------------|
| | As at September 30, 2022 | As at March 31, 2022 |
| | Unaudited | Audited |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 28,972 | 28,128 |
| (b) Capital work-in-progress | 607 | 633 |
| (c) Right-of-Use Assets | 41,533 | 45,142 |
| (d) Goodwill | 2,722 | 2,722 |
| (e) Other intangible assets | 864 | 1,036 |
| (f) Financial assets | | |
| (i) Investments in subsidiaries | 8,80,302 | 8,84,529 |
| (ii) Loans | 20,566 | 22,493 |
| (iii) Other financial assets | 253 | 217 |
| (g) Deferred tax assets (net) | 6,441 | 6,454 |
| (h) Non-current tax assets (net) | 12,185 | 10,540 |
| (i) Other non-current assets | 221 | 158 |
| Total non-current assets | 9,94,666 | 10,02,052 |
| Current assets | | |
| (a) Inventories | 1,562 | 1,380 |
| (b) Financial assets | | |
| (i) Trade receivables | 11,031 | 7,569 |
| (ii) Cash and cash equivalents | 873 | 107 |
| (v) Other financial assets | 34,506 | 30,519 |
| (c) Other current assets | 956 | 994 |
| Total current assets | 48,928 | 40,569 |
| Total assets | 10,43,594 | 10,42,621 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 75,496 | 75,496 |
| (b) Other equity | 8,18,744 | 8,11,360 |
| Total equity | 8,94,240 | 8,86,856 |



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MONTHS ENDED SEPTEMBER 30, 2022

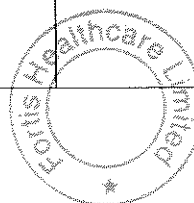
(Rupees in lacs)

| Particulars | Standalone | |
|--|-----------------------------|-------------------------|
| | As at September 30, 2022 | As at March 31, 2022 |
| | Unaudited | Audited |
| Liabilities | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 42,481 | 58,552 |
| (ii) Lease liabilities | 45,624 | 48,992 |
| (iii) Other financial liabilities | 130 | 141 |
| (b) Provisions | 2,124 | 1,805 |
| Total non-current liabilities | 90,359 | 1,09,490 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 10,026 | 5,681 |
| (ii) Trade payables | | |
| -Total outstanding dues of micro enterprises and small enterprises | 787 | 1,112 |
| -Total outstanding dues other than micro enterprises and small enterprises | 34,870 | 26,550 |
| (iii) Lease liabilities | 6,563 | 6,036 |
| (iv) Other financial liabilities | 2,472 | 2,650 |
| (b) Provisions | 2,282 | 2,289 |
| (c) Other current liabilities | 1,995 | 1,957 |
| Total current liabilities | 58,995 | 46,275 |
| Total liabilities | 1,49,354 | 1,55,765 |
| Total equity and liabilities | 10,43,594 | 10,42,621 |

5. Statement of Cash flows:

(Rupees in lacs)

| Particulars | Six Months ended | |
|--|--------------------|--------------------|
| | September 30, 2022 | September 30, 2021 |
| | Unaudited | Unaudited |
| Cash flows from operating activities | | |
| (Loss) / Profit before tax | 8,182 | 395 |
| Adjustments for: | | |
| Exceptional (Gain) / Loss (net) | (3,888) | - |
| Finance cost | 5,601 | 6,478 |
| Interest income | (8,426) | (6,614) |
| (Profit) / Loss on disposal of property, plant and equipment (net) | 3 | 12 |
| Allowance for bad and doubtful trade receivables | 323 | 272 |
| Allowance for bad and doubtful advances | 16 | 86 |
| Depreciation and amortisation expense | 5,712 | 5,591 |
| Provision / liability no longer required written back | (4) | (64) |



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MONTHS ENDED SEPTEMBER 30, 2022

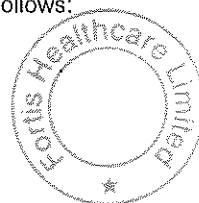
(Rupees in lacs)

| Particulars | Six Months ended | |
|--|--------------------|--------------------|
| | September 30, 2022 | September 30, 2021 |
| | Unaudited | Unaudited |
| Financial guarantee income | (211) | (62) |
| Dividend income | (2,149) | - |
| Sub Total | (3,022) | 5,699 |
| Operating profit before changes in following assets and liabilities | 5,159 | 6,094 |
| Changes in operating assets and liabilities | | |
| (Increase) in trade and other receivables | (3,786) | (925) |
| (Increase) in inventories | (182) | (293) |
| (Increase) / Decrease in loans, other assets and other financial assets | (96) | 961 |
| Increase / (Decrease) in other financial liabilities, provisions, other liabilities and trade payables | 8,094 | (2,058) |
| Cash generated from operations | 9,189 | 3,779 |
| Income taxes paid (net) | (2,285) | (1,739) |
| Net cash generated from operating activities (A) | 6,904 | 2,040 |
| Cash flows from investing activities | | |
| Interest received | 4,458 | 4,847 |
| Amount received against investments | 8,115 | 2,954 |
| Purchase of property, plant and equipment and intangible asset | (2,633) | (812) |
| Proceeds from sale of property, plant and equipment | 2 | 4 |
| Maturity of bank deposits (net) | - | 31 |
| Loan / advances received back from subsidiaries | 1,927 | 3,625 |
| Dividend received | 2,149 | - |
| Net cash generated from investing activities (B) | 14,018 | 10,649 |
| Cash flows from financing activities | | |
| Payment of lease liability | (2,841) | (2,403) |
| Proceeds from non-current borrowings | 1,429 | 845 |
| Repayment of non-current borrowings | (17,500) | (1,568) |
| Proceeds/ (Repayments of) from short-term borrowings (net) | 4,164 | (4,000) |
| Finance cost paid | (5,590) | (6,311) |
| Net cash (used in) financing activities (C) | (20,338) | (13,437) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 584 | (748) |
| Cash and cash equivalents at the beginning of the period | (1,975) | (1,416) |
| Cash and cash equivalents at the end of the period | (1,391) | (2,164) |

**Including interest on lease liability Rupees 3,009 lacs and Rupees 3,290 lacs for the period ended September 30, 2022 and September 30, 2021 respectively.

Cash and cash equivalents

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



(Rupees in lacs)

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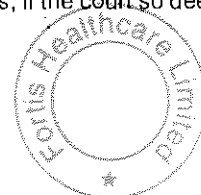
| Particulars | Six Months ended | |
|---|--------------------|--------------------|
| | September 30, 2022 | September 30, 2021 |
| | Unaudited | Unaudited |
| (a) Balances with banks | | |
| - on current accounts | 837 | - |
| (b) Cash on hand | 36 | 88 |
| Cash and cash equivalents as per balance sheet | 873 | 88 |
| Bank overdrafts | (2,264) | (2,252) |
| Cash and cash equivalents as per statement of cash flows | (1,391) | (2,164) |

6. 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. The Company had accordingly filed an application seeking for modification of the said order which has been disposed of pursuant to the judgement of the Hon'ble Supreme Court dated September 22, 2022. Vide its judgement dated November 15, 2019, the Hon'ble Supreme Court had 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 had 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 had 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 ("Status Quo Order") 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 had impleaded SEBI as a party in the petition pending before it. SEBI had prayed for allowing the Mandatory Open Offer. Further, the Hon'ble Supreme Court of India had issued notice on application filed by a public shareholder of the Company seeking impleadment. NTK had also filed an application for impleadment, modification of the status quo order and for proceeding with Mandatory Open Offer.

Vide judgment dated 22nd September 2022 ("Judgement"), the Hon'ble Supreme Court of India disposed of Special Leave Petition (Civil) No. 20417 of 2017, Contempt Petition No. 2120 of 2018 in SLP (C) No. 20417 of 2019 and Sua Motu Contempt Petition (C) No. 4 of 2019, which includes the Petition in which the Status Quo Order dated December 14, 2018 had been issued. It has directed the Hon'ble High Court of Delhi inter alia that it may also consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between FHL and RHT and other related transactions. In so far as the acquisition of proprietary interests of RHT Health Trust by the Company is concerned, the Hon'ble Supreme Court has observed that prima facie, it appears to be acquisition of proprietary interest to subserve the business structure of the Company, as suggested by IHH/NTK while observing that it is a matter to be enquired into and facts to be assessed in light of any forensic analysis, if the court so deems appropriate.



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MONTHS ENDED SEPTEMBER 30, 2022

Pursuant to the Judgement, Hon'ble High Court of Delhi vide its order dated 18th October 2022 has directed Decree Holder to file an application defining contours of the forensic audit sought, which could thereafter be considered by the Delhi High Court.

In view of the legal positions/claim(s) and defence(s) available to the Company and basis external legal advice, the management believes that it has a strong case on merits. It is of the view that these transactions were 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 the requisite manner. Therefore, 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 grant of 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. During the current year, the Brand License Agreements have expired. As mentioned above, the Judgment has disposed of the Petitions and all applications thereunder, and the Company is evaluating the path ahead in consultation with its legal advisors with regard to the aforesaid brand transition.

7. 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 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

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("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 8 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 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 w.r.t. 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 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. 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.



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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.

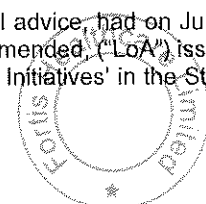
Complaint has been filed in this regard, with the EOW in November 2020 against erstwhile promoters / erstwhile promoters Group Company and EOW is investigating the matter. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

- (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



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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 erstwhile 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 erstwhile 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%.



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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 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.

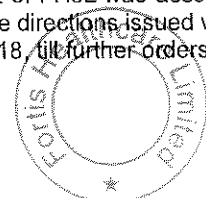
Accordingly, the Board has taken necessary actions in consultation with the legal counsels in this regard. The investigations in so far as these issues involving the erstwhile promoters/ erstwhile promoter group companies is concerned are still pending with the regulatory authorities. The management 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.

8. 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, ("Confirmatory 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



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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.

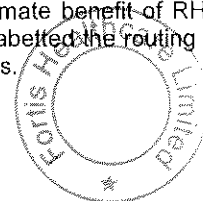
Company and FHsL had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and various other entities to the Company 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-1) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN-1, 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-1 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-1 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. SEBI passed an order dated April 19, 2022 w.r.t SCN -1 and directed the Company & FHsL to pursue the measures taken to recover the amount of INR 397.12 Crores (approx.) along with the interest from erstwhile Promoters; & Audit Committee to regularly monitor the progress of such measures and report the same to Board of Directors at regular intervals. SEBI imposed a penalty of Rupees 100 lacs and Rupees 50 lacs on Company and FHsL respectively. The Company and FHsL have filed an appeal against the order dated April 19, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai which is sub-judice. On August 25, 2022, SEBI filed its affidavit in reply in the matter. Thereafter, the Company and FHsL have filed a rejoinder to SEBI's reply and the matter has been adjourned to November 17, 2022.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various noticees including Escorts Heart Institute and Research Centre Limited ("EHIRCL"). In the said SCN-2, 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 SCN-2 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 SCN-2, 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.



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SEBI w.r.t SCN-2 has passed an order dated May 18, 2022 imposing penalty against several erstwhile promoters entities and certain individuals. Based on the aforesaid allegations and actions taken by the Company against the erstwhile promoters and related entities, it has also imposed a penalty of Rs. 100 lacs on EHIRCL. EHIRCL filed an appeal against the order dated May 18, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai which is sub-judice. SEBI has been directed to file its response to the said appeal and the matter has been adjourned to November 17, 2022.

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.

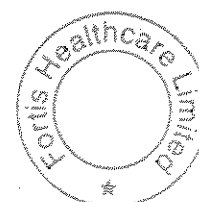
Based on management's analysis, a provision has been made and recognised in the quarter ended March 31, 2021 for any contingency that may arise from the aforesaid issues. This is not to be regarded as admission in any manner whatsoever by the Company of any of the violations, as alleged by any of the 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.

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 61 lacs.

10. 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'.
11. 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% indirect subsidiary of SRL Limited (subsidiary of 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 SIX
MONTHS ENDED SEPTEMBER 30, 2022


12. During the previous year, the Board and the shareholders of the Company approved the merger of few wholly owned non-operational entities of the group with Fortis Hospitals Limited (one of the wholly owned subsidiaries of the Company). This is subject to other regulatory approvals.

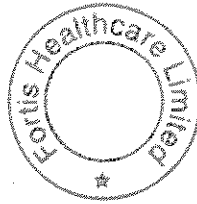
Further, the Board and the shareholders of the Company approved the merger of two wholly owned international subsidiaries of the company. This is subject to other regulatory approvals.

Date: November 11, 2022

Place: Gurugram

For and on behalf of the Board of Directors


Dr. Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637





B S R & Co. LLP

Chartered Accountants

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Gurugram – 122 002, India

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

Limited Review Report on unaudited consolidated financial results of Fortis Healthcare Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 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 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 ("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

B S R & Co. LLP

- (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 Limited

Joint ventures:

- (i) Fortis Cauvery
- (ii) Fortis C- Doc Healthcare Limited
- (iii) SRL Diagnostics (Nepal) Private Limited

Associates:

- (i) Lanka Hospitals Corporate Plc
- (ii) THR Infrastructure Pte Ltd
- (iii) RHT Health Trust ('RHT')

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 7 and 8 of the Statement which deal with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") 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). 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 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 year ended 31 March 2021 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 12 of the Statement relating to the order dated 22 September 2022 of the Hon'ble Supreme Court whereby it has directed the Hon'ble High Court of Delhi inter alia that it may also consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between Fortis Healthcare Limited ('FHL') and RHT and other related transactions. The above mentioned Note also states that the Hon'ble Supreme Court has observed that prima facie, it appears to be acquisition of proprietary interest of RHT Health Trust by FHL are to subserve the business structure of FHL.

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 assets of Rs. 35,210 lacs as at 30 September 2022 and total revenues of Rs. 639 lacs and Rs. 1,176 lacs, total net loss after tax of Rs. 495 lacs and Rs. 1,473 lacs and total comprehensive loss of Rs. 494 lacs and Rs 1,472 lacs, for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash outflows (net) of Rs. 278 lacs for the period from 1 April 2022 to 30 September 2022, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 750 lacs and Rs. 1,752 lacs and total comprehensive income of Rs. 750 lacs and Rs. 1,752 lacs, for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively as considered in the unaudited consolidated financial results, in respect of three 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.

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

Gurugram

11 November 2022

Membership No.: 076124

UDIN:22076124BCUIJG9286

FORTIS HEALTHCARE LIMITED

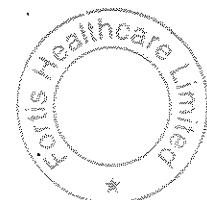
CIN: L85110PB1996PLC045933

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(Rupees in lacs)

| Particulars | Consolidated | | | | | |
|---|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | Quarter Ended | | | Period Ended | | Year Ended |
| | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. Revenue from operations | 160,720 | 148,785 | 146,254 | 309,505 | 287,285 | 571,761 |
| 2. Other income | 1,553 | 2,070 | 802 | 3,623 | 1,586 | 2,734 |
| 3. Total income (1+2) | 162,273 | 150,855 | 147,056 | 313,128 | 288,871 | 574,495 |
| 4. Expenses | | | | | | |
| (a) Purchases of medical consumable and drugs | 36,497 | 34,651 | 33,974 | 71,148 | 73,673 | 140,337 |
| (b) Changes in inventories of medical consumable and drugs | (7) | 265 | 1,110 | 258 | (3,629) | (4,614) |
| (c) Employee benefits expense | 26,810 | 25,527 | 23,566 | 52,337 | 48,396 | 97,294 |
| (d) Finance costs | 3,280 | 3,120 | 4,034 | 6,400 | 7,877 | 14,685 |
| (e) Professional charges to doctors | 33,112 | 30,970 | 27,757 | 64,082 | 52,238 | 110,130 |
| (f) Depreciation and amortisation expense | 7,692 | 7,429 | 7,454 | 15,121 | 14,745 | 30,084 |
| (g) Other expenses | 34,015 | 32,262 | 31,412 | 66,277 | 60,647 | 121,718 |
| Total expenses | 141,399 | 134,224 | 129,307 | 275,623 | 253,947 | 509,634 |
| 5. Net profit / (loss) from continuing operations before share in profit / (loss) of associates and joint ventures, exceptional items and tax (3-4) | 20,874 | 16,631 | 17,749 | 37,505 | 34,924 | 64,861 |
| 6. Add: Share in profit of associate companies and joint ventures | 750 | 1,002 | 424 | 1,752 | 1,274 | 2,415 |
| 7. Net profit / (loss) before exceptional items and tax (5+6) | 21,624 | 17,633 | 18,173 | 39,257 | 36,198 | 67,276 |
| 8. Exceptional gain (refer note 6) | 5,160 | - | 30 | 5,160 | 30,644 | 31,503 |
| 9. Profit / (loss) before tax from continuing operations (7+8) | 26,784 | 17,633 | 18,203 | 44,417 | 66,842 | 98,779 |
| 10. Tax expense / (credit) | 4,960 | 4,202 | 5,143 | 9,162 | 10,721 | 19,784 |
| 11. Net profit / (loss) for the period from continuing operations (9-10) | 21,824 | 13,431 | 13,060 | 35,255 | 56,121 | 78,995 |
| 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) | 21,824 | 13,431 | 13,060 | 35,255 | 56,121 | 78,995 |



FORTIS HEALTHCARE LIMITED

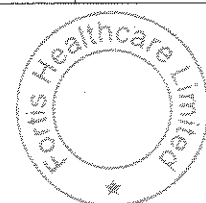
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Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(Rupees in lacs)

| Particulars | Consolidated | | | | | |
|---|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | Quarter Ended | | | Period Ended | | Year Ended |
| | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 16. Profit / (loss) from continuing operations attributable to: | | | | | | |
| Owners of the Company | 20,437 | 12,225 | 10,686 | 32,662 | 37,041 | 55,512 |
| Non-Controlling Interest | 1,387 | 1,206 | 2,374 | 2,593 | 19,080 | 23,483 |
| 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) | (1485) | (2319) | (294) | (3804) | (401) | (4650) |
| 19. Other comprehensive Income/(Loss) attributable to: | | | | | | |
| Owners of the Company | (1498) | (2324) | (273) | (3822) | (369) | (4640) |
| Non Controlling interest | 13 | 5 | (21) | 18 | (32) | (10) |
| 20. Total comprehensive Income/(Loss) (15+18) | 20,339 | 11,112 | 12,766 | 31,451 | 55,720 | 74,345 |
| 21. Total comprehensive Income/(Loss) attributable to: | | | | | | |
| Owners of the Company | 18,940 | 9,901 | 10,413 | 28,841 | 36,672 | 50,872 |
| Non-Controlling interest | 1,399 | 1,211 | 2,353 | 2,610 | 19,048 | 23,473 |
| 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 | | | | | | 542,328 |
| 24. Earnings per equity share for continuing operations (not annualised) | | | | | | |
| Basic earnings per share - In Rupees | 2.71 | 1.62 | 1.42 | 4.33 | 4.91 | 7.35 |
| Diluted earnings per share - In Rupees | 2.71 | 1.62 | 1.42 | 4.33 | 4.91 | 7.35 |
| 25. Earnings per equity share for discontinued | | | | | | |



FORTIS HEALTHCARE LIMITED

CIN: L85110PB1996PLC045933

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(Rupees in lacs)

| Particulars | Consolidated | | | | | |
|---|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | Quarter Ended | | | Period Ended | | Year Ended |
| | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 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 | 2.71 | 1.62 | 1.42 | 4.33 | 4.91 | 7.35 |
| Diluted earnings per share - In Rupees | 2.71 | 1.62 | 1.42 | 4.33 | 4.91 | 7.35 |
| 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) | 31,846 | 27,180 | 29,237 | 59,026 | 57,546 | 109,630 |

Notes to the results

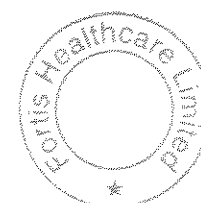
1. The above unaudited Consolidated Financial Results of Fortis Healthcare Limited ("the Company") and its subsidiaries (Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures for the quarter and six months ended September 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 10, 2022 and November 11, 2022. 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 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".

(Rupees in lacs)

| S.No | Particulars | Quarter ended | | | Six months ended | | Year Ended |
|------|---|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment value of sales and services (revenue) | | | | | | |
| | - Healthcare | 129,688 | 119,236 | 109,843 | 248,924 | 210,473 | 426,364 |
| | -Diagnostics | 35,115 | 33,264 | 40,270 | 68,379 | 84,412 | 160,491 |
| | Gross value of sales and services | 164,803 | 152,500 | 150,113 | 317,303 | 294,885 | 586,855 |



FORTIS HEALTHCARE LIMITED

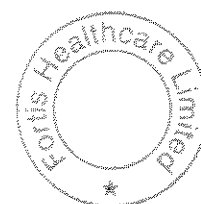
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Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

| (Rupees in lacs) | | | | | | | |
|------------------|--|------------------------------|-------------------------|------------------------------|------------------------------|------------------------------|------------------------|
| S.No | Particulars | Quarter ended | | | Six months ended | | Year Ended |
| | | September 30, 2022 Unaudited | June 30, 2022 Unaudited | September 30, 2021 Unaudited | September 30, 2022 Unaudited | September 30, 2021 Unaudited | March 31, 2022 Audited |
| | Less : inter segment sales and services | (4,083) | (3,715) | (3,859) | (7,798) | (7,600) | (15,094) |
| | Revenue from operations | 160,720 | 148,785 | 146,254 | 309,505 | 287,285 | 571,761 |
| 2 | Segment results | | | | | | |
| | - Healthcare | 18,164 | 13,805 | 12,871 | 31,969 | 21,783 | 43,648 |
| | -Diagnostics | 4,437 | 3,876 | 8,110 | 8,313 | 19,432 | 33,164 |
| | Total segment profit / (loss) before interest and tax | 22,601 | 17,681 | 20,981 | 40,282 | 41,215 | 76,812 |
| | (i) Finance cost | (3,280) | (3,120) | (4,034) | (6,400) | (7,877) | (14,685) |
| | (ii) Exceptional items and unallocable expenditure (net of unallocable income) | 6,713 | 2,070 | 832 | 8,783 | 32,230 | 34,237 |
| | (iii) Share of profit / (loss) of associates and joint ventures (net) | 750 | 1,002 | 424 | 1,752 | 1,274 | 2,415 |
| | Profit / (loss) before tax | 26,784 | 17,633 | 18,203 | 44,417 | 66,842 | 98,779 |
| 3 | Segment assets | | | | | | |
| | - Healthcare | 880,835 | 873,278 | 874,834 | 880,835 | 874,834 | 866,083 |
| | -Diagnostics | 197,339 | 183,400 | 179,972 | 197,339 | 179,972 | 181,751 |
| | -Unallocable assets | 152,840 | 148,198 | 137,123 | 152,840 | 137,123 | 143,386 |
| | Total assets | 1,231,014 | 1,204,876 | 1,191,929 | 1,231,014 | 1,191,929 | 1,191,220 |
| | Less : inter segment assets | (3,176) | (3,225) | (2,758) | (3,176) | (2,758) | (2,745) |
| | Total segment assets | 1,227,838 | 1,201,651 | 1,189,171 | 1,227,838 | 1,189,171 | 1,188,475 |
| 4 | Segment liabilities | | | | | | |
| | - Healthcare | 275,099 | 318,331 | 301,999 | 275,099 | 301,999 | 320,993 |
| | -Diagnostics | 43,081 | 33,705 | 35,870 | 43,081 | 35,870 | 34,225 |
| | -Unallocable liabilities | 134,034 | 140,891 | 164,155 | 134,034 | 164,155 | 135,177 |
| | Total liabilities | 452,214 | 492,927 | 502,024 | 452,214 | 502,024 | 490,395 |
| | Less : inter segment liabilities | (3,176) | (3,225) | (2,758) | (3,176) | (2,758) | (2,745) |
| | Total segment liabilities | 449,038 | 489,702 | 499,266 | 449,038 | 499,266 | 487,650 |

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.



FORTIS HEALTHCARE LIMITED

CIN: L85110PB1996PLC045933

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

4. Statement of Assets and Liabilities

(Rupees in lacs)

| Particulars | Consolidated | |
|---|-----------------------------|-------------------------|
| | As at September 30, 2022 | As at March 31, 2022 |
| | Unaudited | Audited |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 385,398 | 383,232 |
| (b) Capital work-in-progress | 23,728 | 19,343 |
| (c) Right-of-use | 111,412 | 111,794 |
| (d) Goodwill | 413,285 | 412,321 |
| (e) Other intangible assets | 45,426 | 34,223 |
| (f) Intangible assets under development | 11 | 6 |
| (g) Financial assets | | |
| (i) Investments in associates/Joint venture | 15,141 | 10,360 |
| (ii) Loans | 37 | 29 |
| (iii) Other financial assets | 6,890 | 4,963 |
| (h) Non current tax assets (Net) | 64,320 | 54,267 |
| (i) Deferred tax assets (Net) | 35,557 | 36,911 |
| (j) Other non-current assets | 8,202 | 7,699 |
| Total non-current assets | 1,109,407 | 1,075,148 |
| Current assets | | |
| (a) Inventories | 12,033 | 12,290 |
| (b) Financial assets | | |
| (i) Trade receivables | 62,694 | 51,217 |
| (ii) Cash and cash equivalents | 12,696 | 14,323 |
| (iii) Bank balances other than (ii) above | 22,405 | 26,947 |
| (iv) Loans | 151 | 149 |
| (v) Other financial assets | 2,594 | 2,113 |
| (c) Other current assets | 5,721 | 5,997 |
| | 118,294 | 113,036 |
| (d) Assets classified as held for sale | 138 | 291 |
| Total current assets | 118,432 | 113,327 |
| Total assets | 1,227,839 | 1,188,475 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 75,496 | 75,496 |
| (b) Other equity | 619,270 | 542,328 |
| Equity attributable to owners of the Company | 694,766 | 617,824 |
| Non-controlling interests | 84,035 | 83,001 |
| Total equity | 778,801 | 700,825 |
| Non-current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 76,370 | 77,910 |
| (ii) Lease liability | 25,557 | 25,364 |
| (iii) Other financial liabilities | 163,256 | 207,839 |
| (b) Provisions | 12,070 | 11,471 |



FORTIS HEALTHCARE LIMITED

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

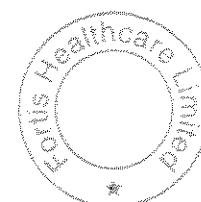
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(Rupees in lacs)

| Particulars | Consolidated | |
|---|-----------------------------|-------------------------|
| | As at September 30, 2022 | As at March 31, 2022 |
| | Unaudited | Audited |
| (c) Deferred tax liabilities (Net) | 39,508 | 38,122 |
| Total non-current liabilities | 316,761 | 360,706 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 17,605 | 18,657 |
| (ii) Lease liability | 3,607 | 3,562 |
| (iii) Trade payables | | |
| -Total outstanding dues of micro enterprises and small enterprises | 8,688 | 6,365 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 62,338 | 59,728 |
| (iv) Other financial liabilities | 20,853 | 16,526 |
| (b) Provisions | 7,348 | 6,839 |
| (c) Current tax liabilities (Net) | 346 | 245 |
| (d) Other current liabilities | 11,339 | 14,894 |
| | 132,124 | 126,816 |
| (e) Liabilities directly associated with assets classified as held for sale | 153 | 128 |
| Total current liabilities | 132,277 | 126,944 |
| Total liabilities | 449,038 | 487,650 |
| Total equity and liabilities | 1,227,839 | 1,188,475 |

5. Statement of Cash Flows

| Particulars | Period ended | Year ended |
|--|--|------------------------------------|
| | September 30, 2022 (Rupees in Lacs) | March 31, 2022 (Rupees in Lacs) |
| Cash flows from operating activities | | |
| Profit before tax for the year | 44,417 | 98,779 |
| Adjustments for: | | |
| Exceptional gain (net) | (5,160) | (31,503) |
| Finance cost | 6,400 | 14,685 |
| Interest income | (880) | (2,155) |
| Profit on disposal of property, plant and equipment (net) | (988) | (352) |
| Allowance for bad and doubtful trade receivables | 1,975 | 3,447 |
| Allowance for bad and doubtful advances | 24 | 1,171 |
| Depreciation and amortisation expense | 15,121 | 30,084 |
| Bad debts written off | 26 | 374 |
| Share of profit of equity accounted investees (net of tax) | (1,752) | (2,415) |
| Provisions/ liabilities no longer required written back | (558) | (3,262) |
| Unrealised foreign exchange loss | (1,311) | (153) |
| Operating profit before changes in following assets and liabilities | 57,314 | 108,700 |



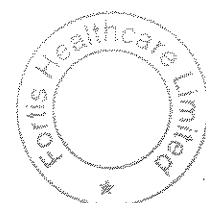
FORTIS HEALTHCARE LIMITED

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

| Particulars | Period ended September 30, 2022 (Rupees in Lacs) | Year ended March 31, 2022 (Rupees in Lacs) |
|--|--|--|
| Changes in operating assets and liabilities | | |
| Increase in trade and other receivables | (13,478) | (8,464) |
| (Increase)/ decrease in inventories | 258 | (3,822) |
| Increase in loans, other assets and other financial assets | (420) | (1,292) |
| Increase in trade payables | 5,491 | 13,830 |
| Increase/ (decrease) in provisions | 670 | (140) |
| Increase in other liabilities and other financial liabilities | (5,396) | (1,136) |
| Cash generated from operations | 44,439 | 107,676 |
| Income taxes paid (net of refunds) | (16,366) | (21,137) |
| Net cash generated by operating activities | 28,073 | 86,539 |
| Cash flows from investing activities | | |
| Interest received | 790 | 2,059 |
| Investment in bank deposits (net) | 2,751 | (11,274) |
| Payments for property, plant and equipment & intangible assets | (22,147) | (21,549) |
| Proceeds from disposal of property, plant and equipment | 1,325 | 10,022 |
| Proceeds from repayment of loan by body corporate | (10) | 54 |
| Dividends received from associates | 280 | 1,750 |
| Payment on acquisition of business operations (refer note 13) | - | (32,500) |
| Net cash used in investing activities | (17,011) | (51,438) |
| Cash flows from financing activities | | |
| Proceeds from long-term borrowings | 22,881 | 30,643 |
| Repayment of lease liability | (1,880) | (3,066) |
| Repayments of long-term borrowings | (23,909) | (60,155) |
| Repayments of from short-term borrowings (net) | (5,077) | (4,449) |
| Dividend Payment | (1,576) | - |
| Interest paid (including interest on lease liability of Rupees 2,955 lacs (March 31, 2021 Rupees 2,670 lacs) | (6,396) | (14,704) |
| Net cash used in financing activities | (15,957) | (51,731) |
| Effect of exchange rate changes | (245) | 6 |
| Net (decrease)/ increase in cash and cash equivalents | (5,140) | (16,624) |
| Cash and cash equivalents at the beginning of the year | 6,660 | 21,912 |
| Add: Cash and cash equivalents in respect of subsidiaries acquired during the period | - | 1,372 |
| Cash and cash equivalents at the end of the year | 1,520 | 6,660 |



FORTIS HEALTHCARE LIMITED

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(Rupees in lacs)

| Particulars | September 30, 2022 | March 31, 2022 |
|---|--------------------|----------------|
| (a) Balances with banks | | |
| - on current accounts | 6,013 | 6,750 |
| - deposits with original maturity of less than three months | 6,259 | 7,154 |
| (b) Cheques, drafts on hand | 7 | 4 |
| (c) Cash on hand | 417 | 415 |
| Cash and cash equivalents as per balance sheet | 12,696 | 14,323 |
| Bank overdrafts and cash credit facility | (11,176) | (7,663) |
| Cash and cash equivalents as per statement of cash flows | 1,520 | 6,660 |

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

(Rupees in lacs)

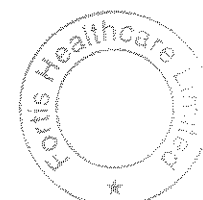
| S. No. | Particulars | Quarter ended | | | Six months ended | | Year Ended |
|--------|--|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| (a) | Gain on remeasurement of previously held equity interest (refer note 13) | - | - | - | - | 30,614 | 30,614 |
| (b) | Reversal of allowance for loan given to C-Doc Healthcare Limited | - | - | 30 | - | 30 | 80 |
| (c) | Profit on sale of land & building | - | - | - | - | - | 809 |
| (d) | Reversal of impairment in a associate Company | 5,160 | - | - | 5,160 | - | - |
| | Net exceptional gain / (loss) | 5,160 | - | 30 | 5,160 | 30,644 | 31,503 |

7. 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



STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

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 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.

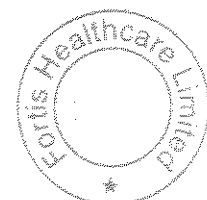
In order to overcome the above, additional procedures/ enquiries were initiated as below.

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.



**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS
ENDED SEPTEMBER 30, 2022**

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 8 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 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 w.r.t. 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. This complaint is sub-judice. One of the directors of Lessor has approached the High Court of Bombay challenging the summoning in the said criminal complaint. 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.

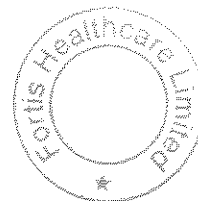
SFIO has sought information in respect of this transaction and the same has been duly provided by the Company. Further, as stated above, a complaint has been filed with the EOW in November 2020 by the Company for certain other matters, in which a reference has been made to such SFIO enquiries as well 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.

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



STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS
ENDED SEPTEMBER 30, 2022

- (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 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



STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

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:

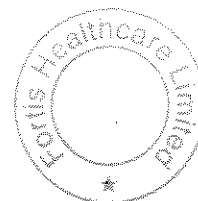
- (a) Payments were made to the erstwhile Executive Chairman from a foreign wholly owned subsidiary of the Company as one-time bonus in February 2016 of equivalent ~ Rupees 846 lacs and managerial remuneration was paid for the period January 2016 to May 2016, amounting to equivalent ~ Rupees 349 lacs. 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 erstwhile 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 erstwhile 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.

- (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



**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS
ENDED SEPTEMBER 30, 2022**

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.

8. 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, ("Confirmatory 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.



**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS
ENDED SEPTEMBER 30, 2022**

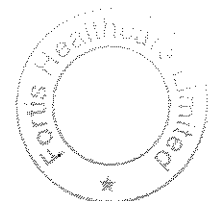
The Investigation Report of the external legal firm was submitted by the Company to the SEBI and SFIO on June 12, 2018. Further, the Company has submitted a copy of the complaint filed with the EOW and a copy of the report of the additional procedures/ enquiries done by the independent expert to SEBI 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 Modian 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-1) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN-1, 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-1 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-1 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-1 were made in a personal hearing before the SEBI Whole Time Member on January 20, 2021 and written submissions were filed. SEBI passed an order dated April 19, 2022 w.r.t SCN -1 and directed the Company & FHsL to pursue the measures taken to recover the amount of INR 397.12 Crores (approx.) along with the interest from erstwhile Promoters; & Audit Committee to regularly monitor the progress of such measures and report the same to Board of Directors at regular intervals. Based on the aforesaid allegations and actions taken by the Company against the erstwhile promoters and related entities, SEBI imposed a penalty of Rs 100 lacs and Rs 50 lacs on Company and FHsL respectively. The Company and FHsL have filed an appeal against the order dated April 19, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. On August 25, 2022, SEBI filed its affidavit in reply in the matter. Thereafter, the Company and FHsL have filed a rejoinder to SEBI's reply and the matter has been adjourned to November 17, 2022.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various noticees including Escorts Heart Institute and Research Centre Limited ("EHIRCL"). In the said SCN-2, 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 SCN-2 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 SCN-2, 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.

SEBI w.r.t SCN-2 has passed an order dated May 18, 2022 imposing penalty against several erstwhile promoters entities and certain individuals. Based on the aforesaid allegations and actions taken by the Company against the erstwhile promoters and related entities, it has also imposed a penalty of Rs 100 lacs on EHIRCL. EHIRCL filed an appeal against the order dated May 18, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. SEBI has been directed to file its response to the said appeal and the matter has been adjourned to November 17, 2022.



STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

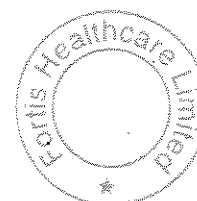
The Board of Directors continue to be fully committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid 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.

9. 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) 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 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.



STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022**10. 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

11. 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.

12. 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. The Company had accordingly filed an application seeking for modification of the said order which has been disposed of pursuant to the judgement of the Hon'ble Supreme Court dated September 22, 2022.

Vide its judgement dated November 15, 2019, the Hon'ble Supreme Court had 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 had 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 had 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 ("status Quo Order") 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 had impleaded SEBI as a party in the petition pending before it. SEBI had prayed for allowing the Mandatory Open Offer. Further, the Hon'ble Supreme Court of India had issued notice on application filed by a public shareholder of the Company seeking impleadment. NTK had also filed an application for impleadment, modification of the status quo order and for proceeding with Mandatory Open Offer.

Vide judgment dated 22nd September 2022 ("Judgement"), the Hon'ble Supreme Court of India disposed of Special Leave Petition (Civil) No. 20417 of 2017, Contempt Petition No. 2120 of 2018 in SLP (C) No. 20417 of 2019 and Sua Motu Contempt



**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS
ENDED SEPTEMBER 30, 2022**

Petition (C) No. 4 of 2019, which includes the Petition in which the Status Quo Order dated December 14, 2018 had been issued. It has directed the Hon'ble High Court of Delhi inter alia that it may also consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between FHL and RHT and other related transactions. In so far as the acquisition of proprietary interests of RHT Health Trust by the Company is concerned, the Hon'ble Supreme Court has observed that prima facie, it appears to be acquisition of proprietary interest to subserve the business structure of the Company, as suggested by IHH/NTK while observing that it is a matter to be enquired into and facts to be assessed in light of any forensic analysis, if the court so deems appropriate.

Pursuant to the Judgement, Hon'ble High Court of Delhi vide its order dated 18th October 2022 has directed Decree Holder to file an application defining contours of the forensic audit sought, which could thereafter be considered by the Delhi High Court.

In view of the legal positions/claim(s) and defence(s) available to the Company and basis external legal advice, the management believes that it has a strong case on merits. It is of the view that these transactions were 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 the requisite manner. Therefore, 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 grant of 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. During the previous year ended March 31, 2022, the Brand License Agreements have expired. As mentioned above, the Judgment has disposed of the Petitions and all applications thereunder, and the Company is evaluating the path ahead in consultation with its legal advisors with regard to the aforesaid brand transition.

13. During the year 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% indirect subsidiary of SRL Limited (subsidiary of Fortis Healthcare Limited).

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 six months ended 30 September 2021 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.

14. The Board and the shareholders of the Company approved the merger of few wholly owned non-operational entities of the group with Fortis Hospitals Limited (one of the wholly owned subsidiaries of the Company). This is subject to other regulatory approvals.

Further, the Board and the shareholders of the Company approved the merger of two wholly owned international subsidiaries of the company. This is subject to other regulatory approvals.

FORTIS HEALTHCARE LIMITED

CIN: L85110PB1996PLC045933

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS
ENDED SEPTEMBER 30, 2022

15. During the current quarter, the Group has entered into agreements with certain individuals towards business acquisition/ business continuity amounting to Rupees 13,100 lacs (excluding applicable taxes). The accounting effect to these agreements has given in current quarter.

Date: November 11, 2022

Place: Gurugram

For and on behalf of the Board of Directors

Ashutosh
Dr. Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637



[Handwritten signatures]



FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION— Q2 FY23 & H1 FY23

November 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 – Q2 FY23 & H1 FY23
2. Performance Review - Hospital Business
3. Performance Review - Diagnostics Business
4. Appendix





Q2FY23 & H1FY23

PERFORMANCE HIGHLIGHTS

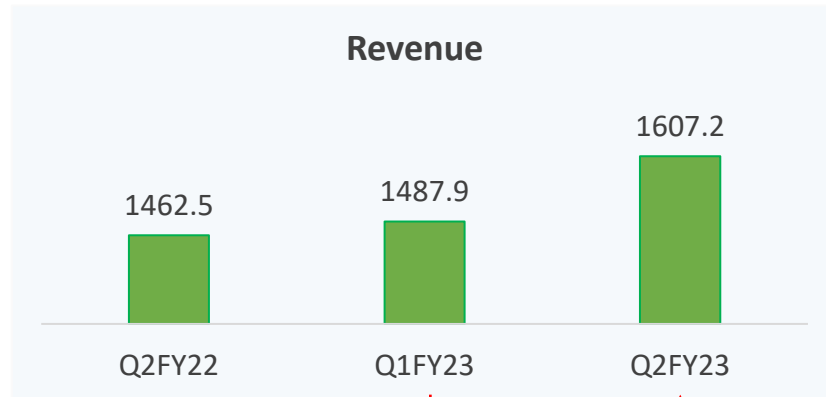
Q2FY23 SNAPSHOT

- Consolidated revenues of the company grew 9.9% versus Q2FY22 and 8.0% versus Q1 FY23
- Hospital business records robust performance - revenues grow 18.1% versus Q2FY22 and 8.8% versus Q1FY23
- Hospital Business EBITDA[^] up 30% YoY to INR 246 Crs, EBITDA margin of 18.9%.
- Hospital business EBITDA contribution to consolidated EBITDA increased to ~77% versus 65% in Q2 FY22
- ARPOB grew 5.3% to INR 1.97 Cr vs INR 1.87 Cr in Q2FY22; Surgical : non-surgical mix stood at 59 :41
- Adjusted for covid volumes, diagnostics business revenues grew 5.3% and 5.6% versus Q2FY22 and Q1 FY23 respectively. The overall diagnostics revenues were impacted due to lower covid volumes versus the corr. previous period.
- Net debt to EBITDA strengthened to 0.44x versus 0.74x in the corr. previous period, net debt was at INR 565 Crs, lower by ~INR 304 Crs

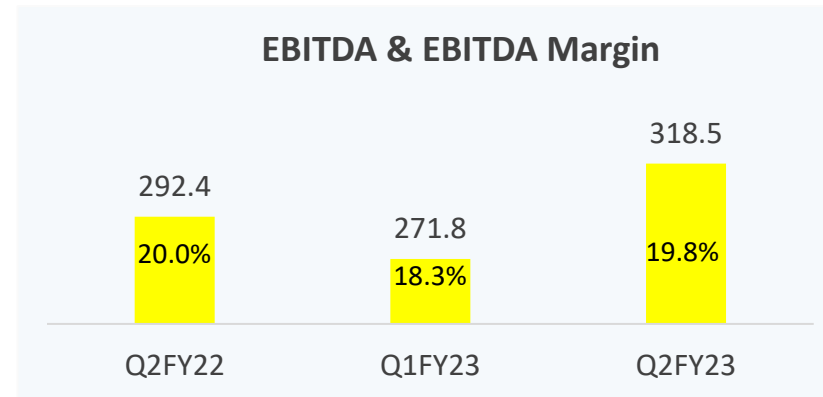
[^] Excludes dividend income received from SRL for the Company's 57% stake in SRL

CONSOLIDATED EARNINGS SUMMARY – Q2FY23

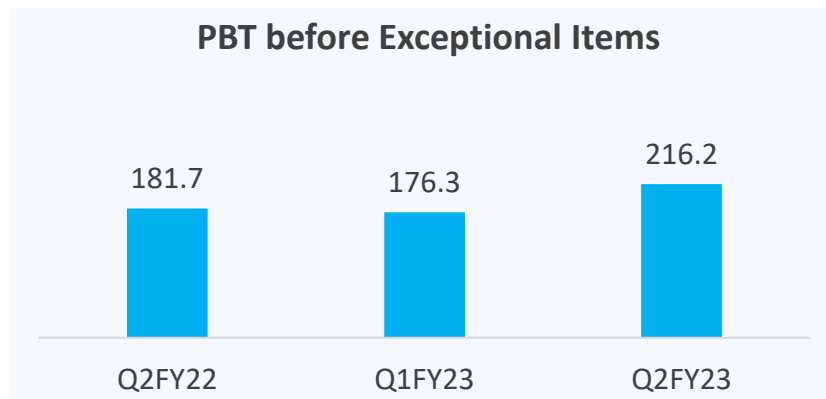
All figures in INR Crs.



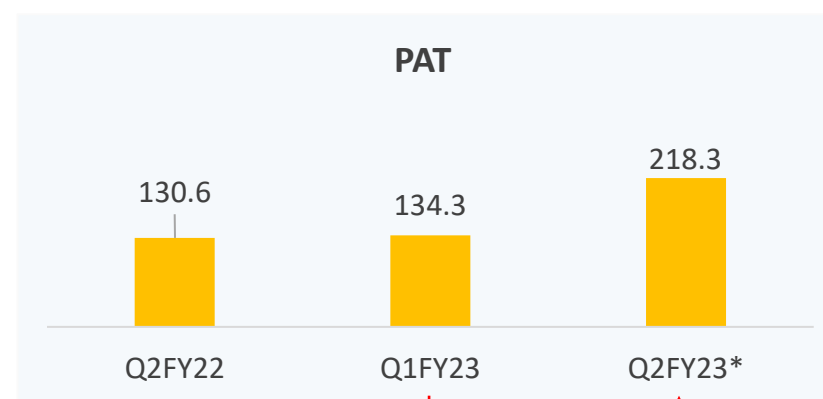
Up 8.0%



Up 17.2%



Up 22.6%

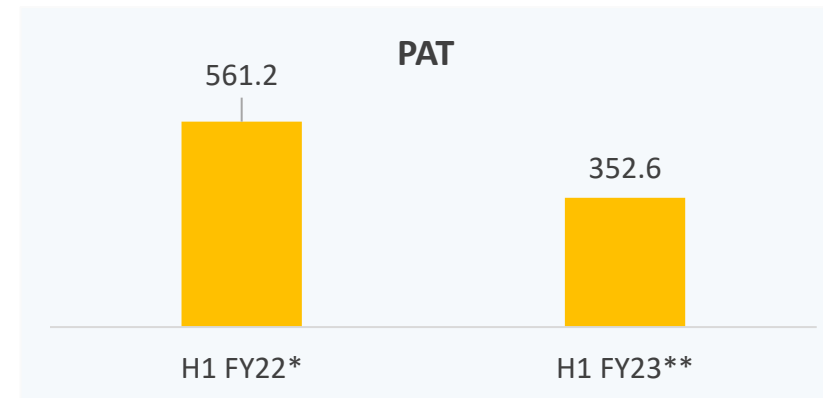
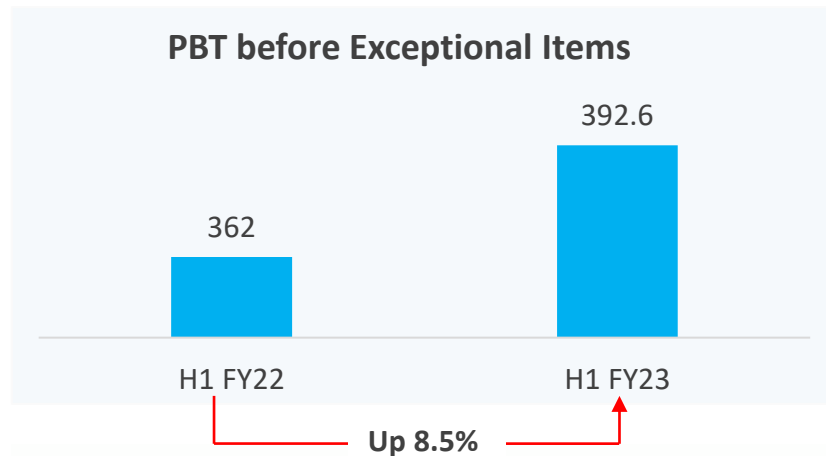
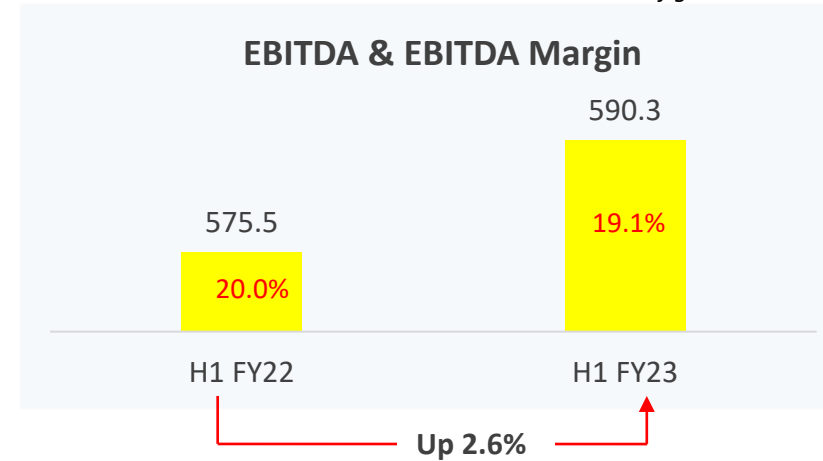
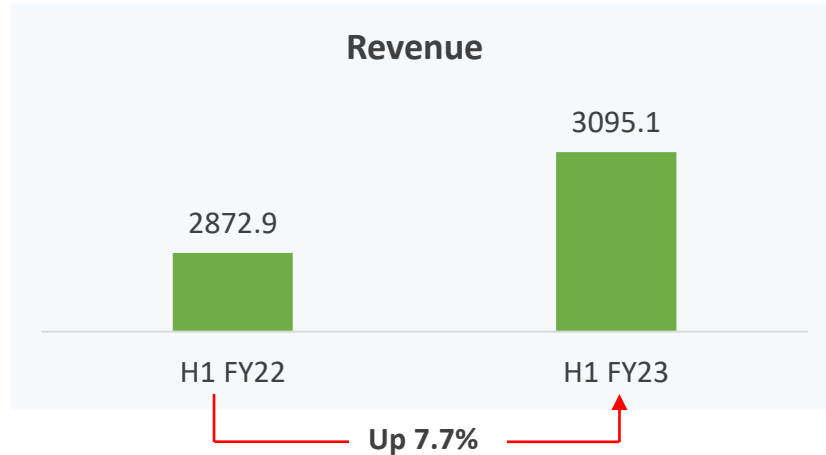


Up 62.5%

*Q2FY23 includes an exceptional gain of INR 51.6 Cr which pertains to reversal of impairment in an associate Company

CONSOLIDATED EARNINGS SUMMARY – H1FY23

All figures in INR Crs.

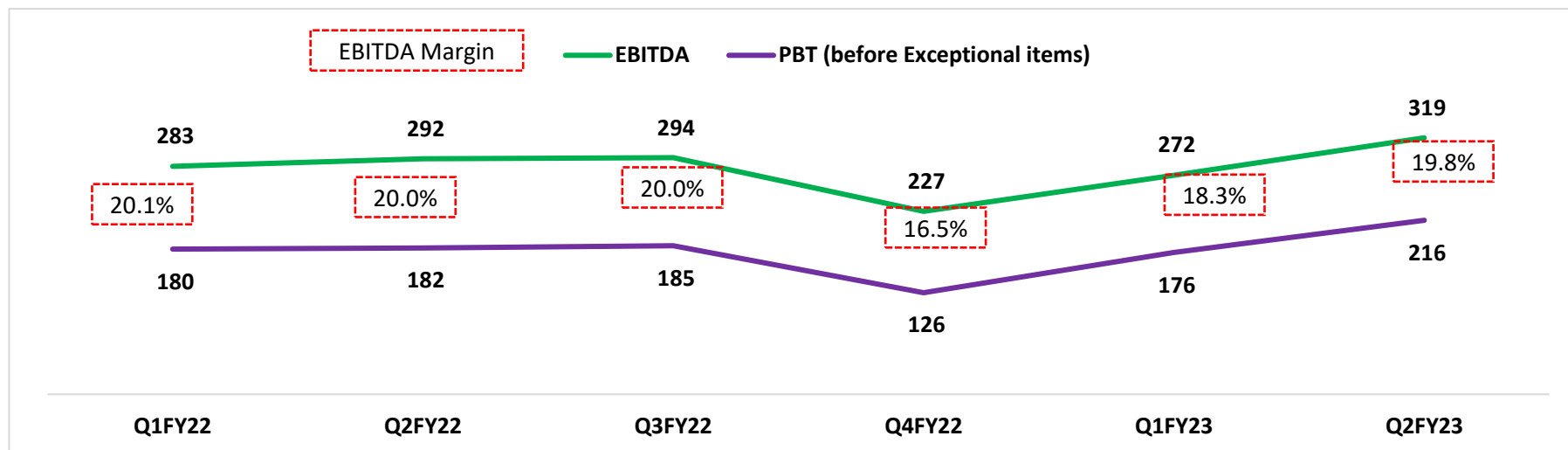
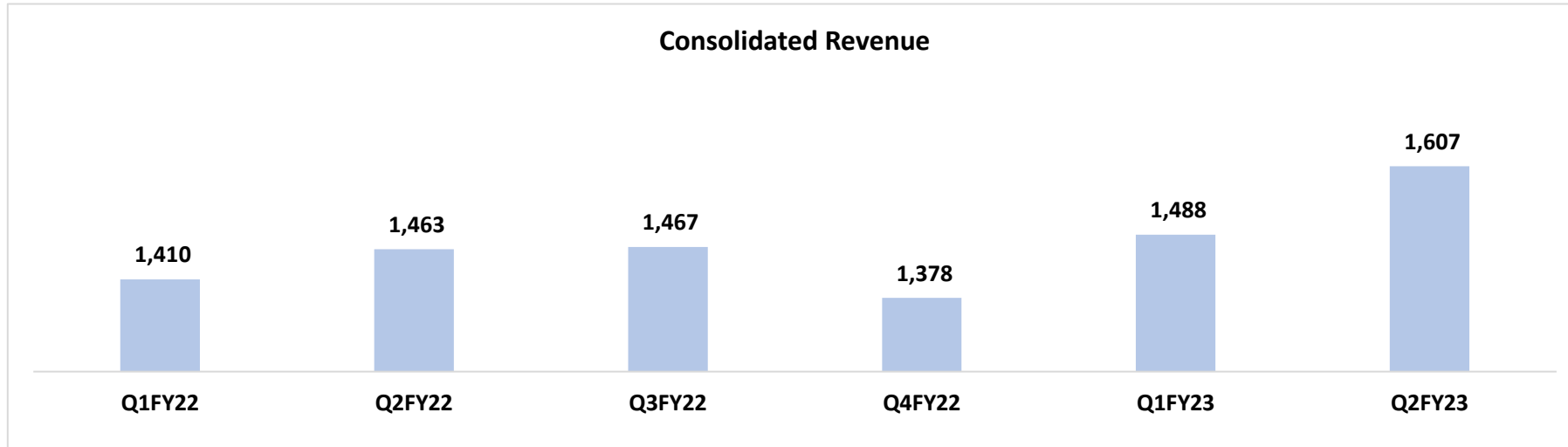


- H1 FY22 PAT includes exceptional gain of ~INR 306 Cr related to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

** H1FY23 includes an exceptional gain of INR 51.6 Cr which pertains to reversal of impairment in an associate Company

CONSOLIDATED EARNINGS SUMMARY

All figures in INR Crs.



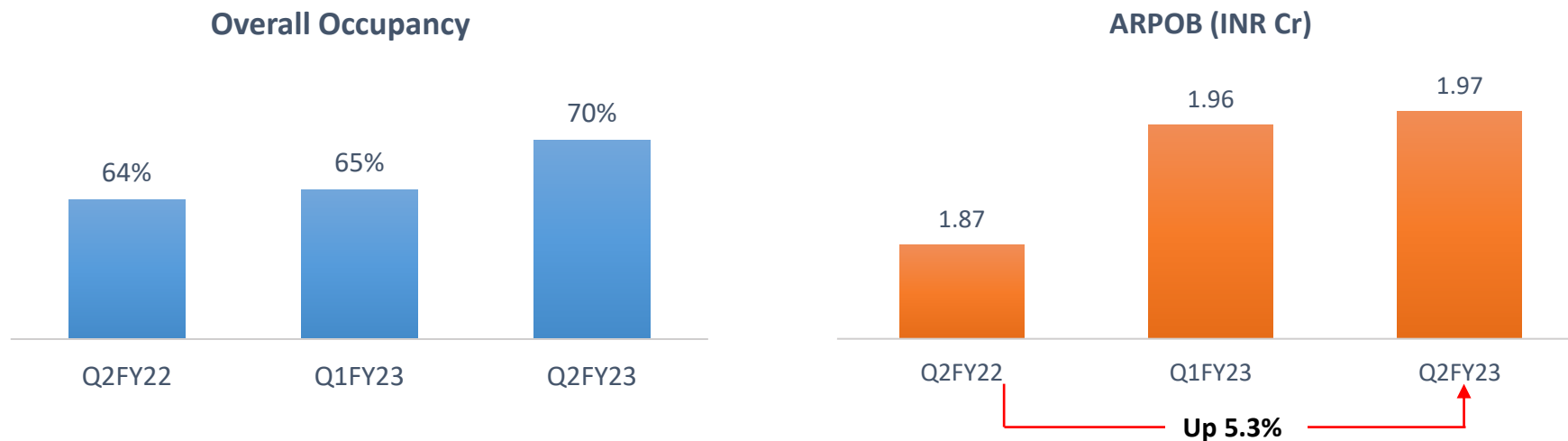
EBITDA includes other income and forex gain / (loss)

Q2FY23

HOSPITAL BUSINESS HIGHLIGHTS

- Revenues grew 18.1% to INR 1,297 Cr versus INR 1,098.5 Cr in Q2FY22. Revenues for Q1 FY23 stood at INR 1,192.4 Cr.
- EBITDA was at INR 245.7 Cr versus INR 189.1 Cr in Q2FY22 and INR 207.8 Cr in Q1FY23. Margins were at 18.9% in Q2 FY23 versus 17.2% in Q2FY22 and 17.4% in Q1FY23; (Q2FY23 EBITDA excludes dividend income of INR 21.5 Crs received from the Company's majority owned (57%) subsidiary SRL Limited)
- Revenue growth during Q2FY23 versus the trailing and corresponding quarters was led by higher occupancy, a better product mix and the pick-up witnessed in international patient revenues

Key Performance Indicators



Q2FY23

HOSPITAL BUSINESS HIGHLIGHTS (CONT.)

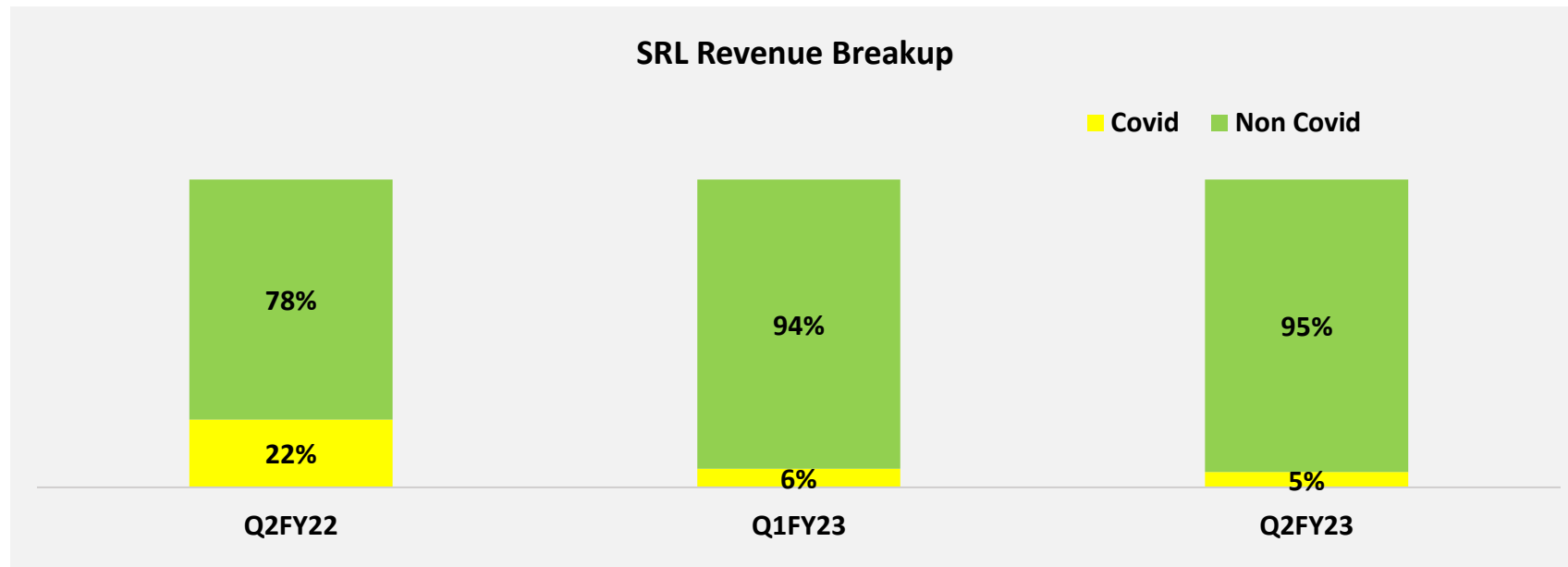
- Q2FY23 occupancy stood at 70% versus 64% Q2FY22 and 65% in Q1FY23. ARPOB for Q2FY23 was at INR 1.97 Crs, + 5.3% versus INR 1.87 Crs in Q2FY22
- Revenue contribution from Company's focus specialties comprising Oncology, Gastroenterology, Neurosciences, Renal Sciences, Orthopaedics and Cardiac Sciences grew 25% and contributed 60% to overall hospital revenues. (Q2FY22 : 57%)
- Many of the Company's key facilities i.e. FMRI, Noida, BG Road and Mohali recorded healthy growth in revenues and witnessed margin expansion both versus the corresponding and trailing quarter
- International Patient revenues grew 164% to INR 109 Crs in Q2FY23 vs Q2FY22. The business contributed 8.4% to overall hospital business revenues versus 3.8% in Q2FY22 and 7.5% in Q1FY23.



Q2FY23

DIAGNOSTIC BUSINESS HIGHLIGHTS

- SRL reported revenue of INR 351.2 Cr in Q2FY23 as compared to INR 402.7 Cr in Q2FY22. The decline was largely as a result of the drop in Covid test volumes from Q2FY22 due to the pandemic. Revenues for Q1 FY23 were at INR 332.6 Cr.
- EBITDA for the quarter stood at INR 72.7 Cr versus INR 103.3 Cr in Q2FY22 and INR 64 Cr in Q1FY23. EBITDA Margins were better than trailing quarter (20.7% versus 19.3%), however lower versus Q2FY22 at 25.7%.



OPERATING PERFORMANCE

HOSPITAL BUSINESS

| Particulars (INR Cr) | Hospital Business | | | | |
|------------------------------------|-------------------|--------------|--------------|--------------|--------------|
| | Q2FY22 | Q1FY23 | Q2FY23 | H1FY22 | H1FY23 |
| Operating Revenue | 1,098.5 | 1,192.4 | 1,297.0 | 2,105.0 | 2,489.3 |
| Revenue Growth vs LY | | 18.5% | 18.1% | | 18.3% |
| Reported EBITDA[^] | 189.1 | 207.8 | 267.2 | 338.7 | 475.0 |
| EBITDA growth vs LY | | 38.9% | 41.3% | | 40.3% |
| Margin | 17.2% | 17.4% | 20.6% | 16.1% | 19.1% |
| Adj: Other Income [^] | 5.2 | 14.5 | 30.5 | 11.4 | 45.0 |
| Operating EBITDA | 183.9 | 193.3 | 236.7 | 327.2 | 429.9 |
| Margin | 16.7% | 16.2% | 18.2% | 15.5% | 17.3% |

• Above financials includes financials of International entities which are part of Fortis group; mainly RHTTM.

• [^]Hospital business reported EBITDA for Q2FY23 includes other income primarily as a result of the dividend income received from the Company's majority owned (57%) subsidiary SRL Limited.

OPERATING PERFORMANCE

DIAGNOSTIC BUSINESS

| Particulars (INR Cr) | Diagnostic Business | | | | |
|---------------------------|---------------------|--------------|--------------|--------------|--------------|
| | Q2FY22 | Q1FY23 | Q2FY23 | H1FY22 | H1FY23 |
| Operating Revenue* | 402.7 | 332.6 | 351.2 | 844.1 | 683.8 |
| Revenue Growth vs LY | | -24.6% | -12.8% | | -19.0% |
| Reported EBITDA | 103.3 | 64.0 | 72.7 | 238.2 | 136.8 |
| EBITDA growth vs LY | | -52.5% | -29.6% | | -42.6% |
| Margin | 25.7% | 19.3% | 20.7% | 28.2% | 20.0% |
| Adj: Other Income incl FX | 2.8 | 6.2 | 6.5 | 5.8 | 12.7 |
| Operating EBITDA | 100.5 | 57.8 | 66.3 | 232.4 | 124.1 |
| Margin | 25.0% | 17.4% | 18.9% | 27.5% | 18.1% |

- Diagnostics business revenue is on Gross Basis; Diagnostic business Q2FY23 net revenue (net of inter company elimination) stood at INR 310 Cr versus INR 364 Cr in Q2FY22 and INR 295 Crs in Q1FY23.

BALANCE SHEET

Sept 30, 2022

| Balance Sheet (INR Cr) | Sept 30, 2021 | March 31, 2022 | Sept 30, 2022 |
|---|---------------|----------------|---------------|
| Shareholder's Equity | 6,899 | 7,008 | 7,788 |
| Debt | 1,239 | 966 | 940 |
| Lease Liabilities (Ind AS 116)* | 284 | 289 | 292 |
| Total Capital Employed | 8,422 | 8,263 | 9,020 |
| Net Fixed Assets (including intangibles & CWIP) | 5,546 | 5,486 | 5,660 |
| Goodwill | 4,136 | 4,123 | 4,133 |
| Investments | 145 | 104 | 151 |
| Cash and Cash Equivalents | 369 | 416 | 375 |
| Net Other Assets | (1,774) | (1,866) | (1,299) |
| Total Assets | 8,422 | 8,263 | 9,020 |
| Net Debt / (cash) | 869 | 549 | 565 |
| Net Debt to Equity | 0.13x | 0.08x | 0.07x |

- *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.
- Net debt to EBITDA was at 0.44x vs 0.74x (basis annualized EBITDA of Q2FY23 & annualized EBITDA Q2FY22, respectively)



PERFORMANCE REVIEW

HOSPITALS BUSINESS

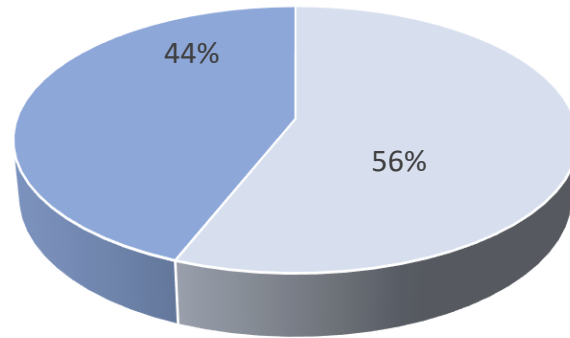
STRENGTHENING MEDICAL INFRASTRUCTURE

- During the quarter, **Fortis Escorts Hospital, Jaipur**, launched a state-of-the-art Lung Transplant Clinic and Pulmonary Medicine Unit to cater to serious patients requiring lung transplant
- **Fortis Mulund** witnessed commissioning of a new LINAC during the quarter.
- **Fortis Mohali** and **Fortis Faridabad** launched the Bone Marrow Transplant (BMT) program during the quarter
- A new Cath Lab was installed at **Fortis Mohali** Hospital; the hospital also witnessed the launch of a Sports medicine program in the quarter.
- **Fortis BG Road**, Bengaluru commissioned an Ortho Robot in the quarter.
- Installation of a neuro navigation system was completed at **Fortis Amritsar** during Q2FY23

REVENUE MIX

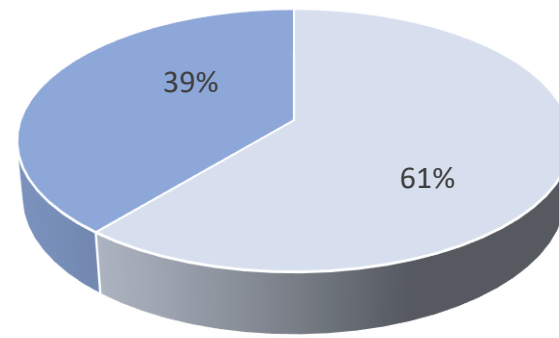
Q2 FY22

Gross Revenue : INR 1,160 CR



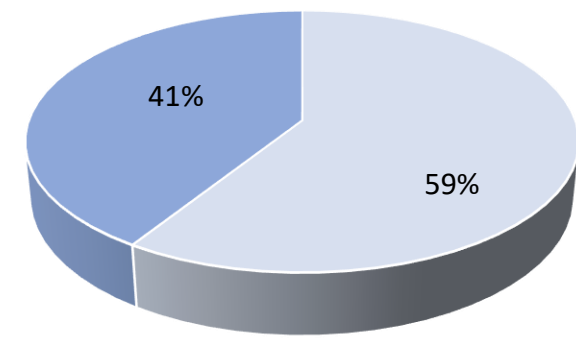
Q1 FY23

Gross Revenue : INR 1,248 CR



Q2 FY23

Gross Revenue : INR 1,365 CR

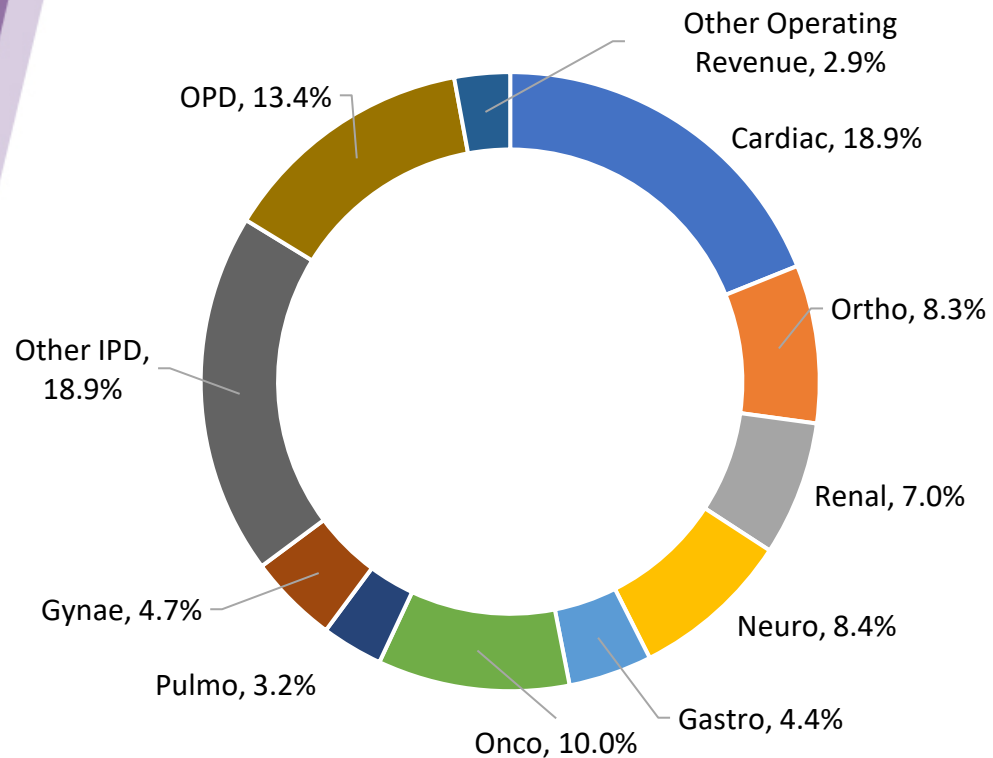


■ NonSurgical Revenue ■ Surgical Revenue

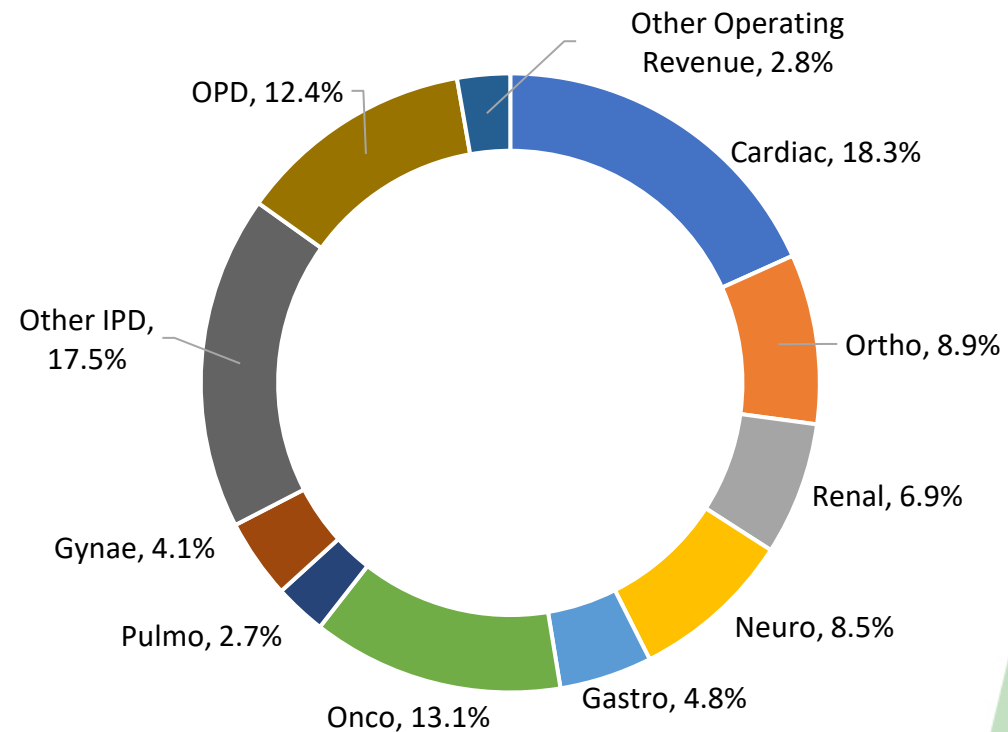
- Contribution from surgical revenue stood at 59% compared to 56% in Q2FY22 and 61% in Q1FY23

SPECIALTY MIX

Q2 FY22

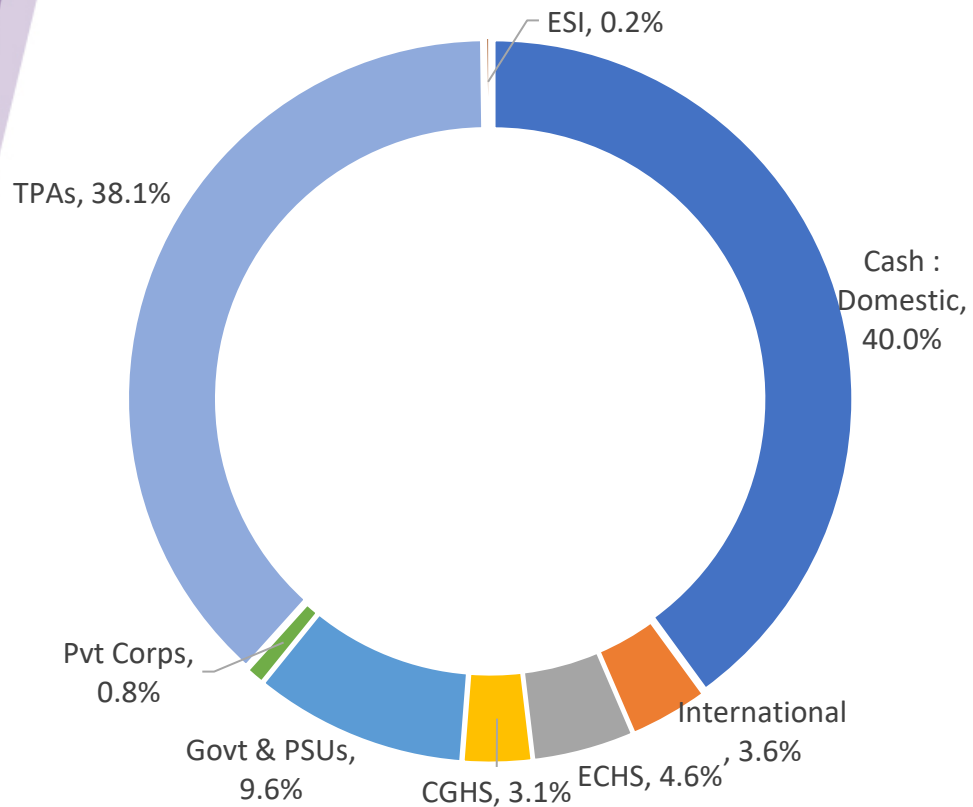


Q2 FY23

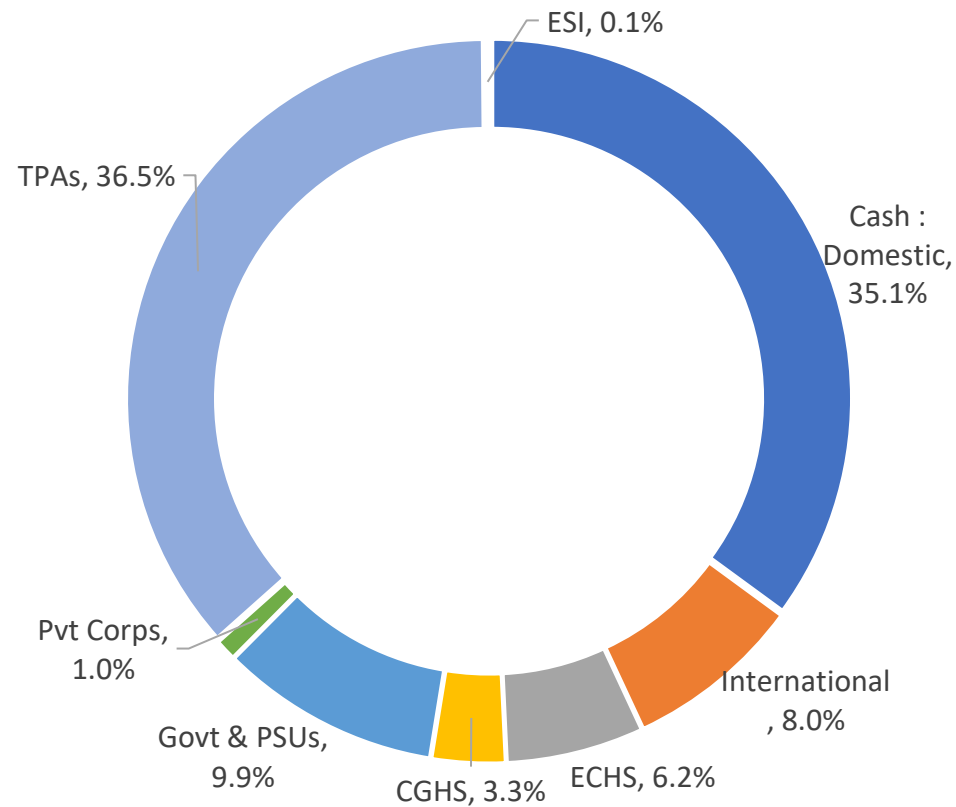


PAYOR MIX

Q2 FY22

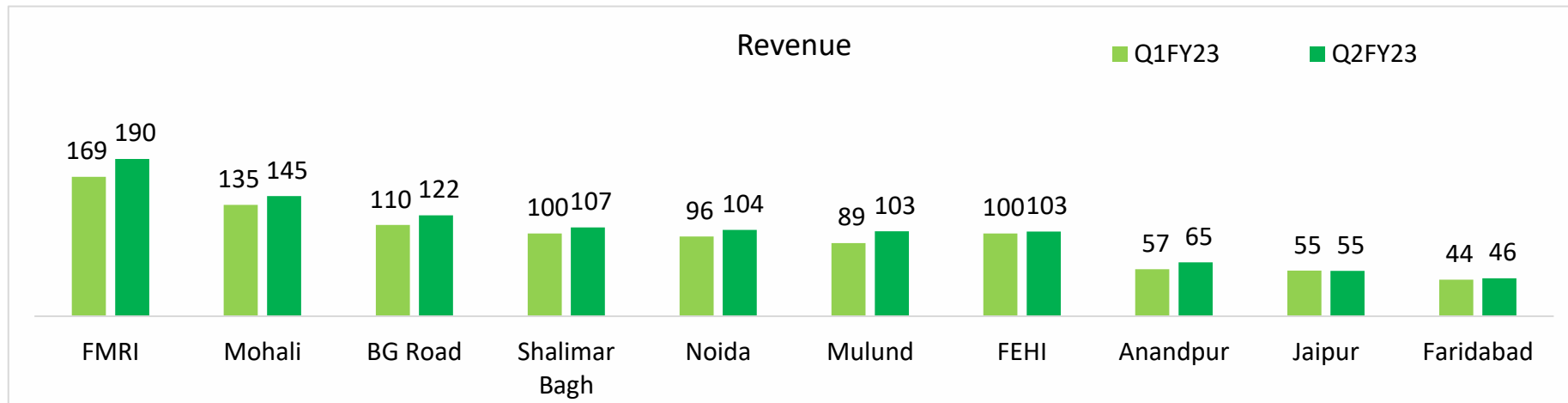
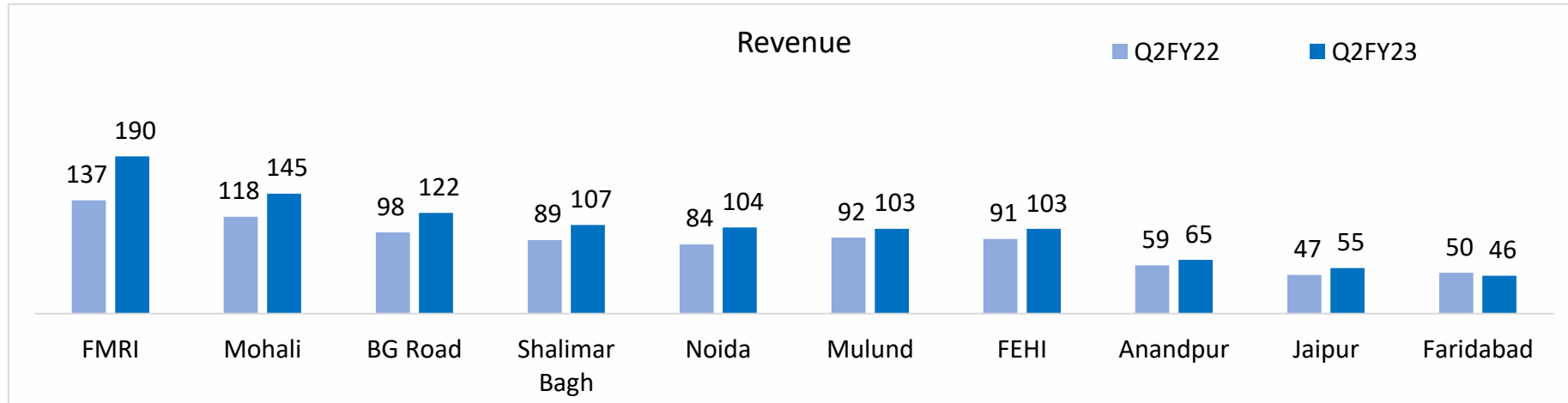


Q2 FY23



HOSPITAL BUSINESS PERFORMANCE

Most of the facilities across the network continue to witness a strong traction in revenues



All figures in INR Crs.

HOSPITAL MARGIN MATRIX

Q2 FY23

| EBITDA | No of Facilities | Revenue Contribution | Operational beds | ARPOB (INR Cr) | Occupancy |
|-----------|------------------|----------------------|------------------|----------------|-----------|
| >25% | 4 | 34% | 1,176 | 2.13 | 73% |
| 20% - 25% | 7 | 30% | 1,003 | 2.21 | 73% |
| 15% - 20% | 5 | 19% | 774 | 1.78 | 72% |
| 10% - 15% | 1 | 8% | 310 | 2.02 | 71% |
| <10% | 5 | 10% | 716 | 1.37 | 55% |

FY22

| EBITDA | No of Facilities | Revenue Contribution | Operational beds | ARPOB (INR Cr) | Occupancy |
|-----------|------------------|----------------------|------------------|----------------|-----------|
| >25% | 3 | 20% | 679 | 1.96 | 67% |
| 20% - 25% | 7 | 44% | 1,544 | 1.87 | 68% |
| 15% - 20% | 3 | 5% | 266 | 1.28 | 63% |
| 10% - 15% | 2 | 9% | 283 | 2.23 | 65% |
| <10% | 8 | 22% | 1,159 | 1.57 | 55% |

- EBITDA margins are prior to corporate cost allocation and IndAS adjustments; Total number of facilities in Q1 FY23 & Q2FY23 stands at 22 due to the exit from the Dehradun facility

CLINICAL EXCELLENCE

- In a rare feat, a team of doctors at **Fortis Escorts, Okhla, New Delhi**, removed the world's largest floating loose body weighing about 400 gm, from the knee joint of a 77-year-old patient.
- A 104-year-old man's hip fracture was successfully treated through Complex Primary Revision Hip Replacement Surgery at **Fortis Anandapur, Kolkata**.
- Doctors at **Fortis Escorts, Faridabad**, saved the life and voice of a 28-year-old kite string injury victim. The sharp string had caused grievous injuries to the neck blood vessels and the voice box.
- A rare case of Adult Congenital Bochdalek Diaphragmatic Hernia was treated laparoscopically at **Fortis Escorts, New Delhi**

**Above data pertains to Q2FY23*





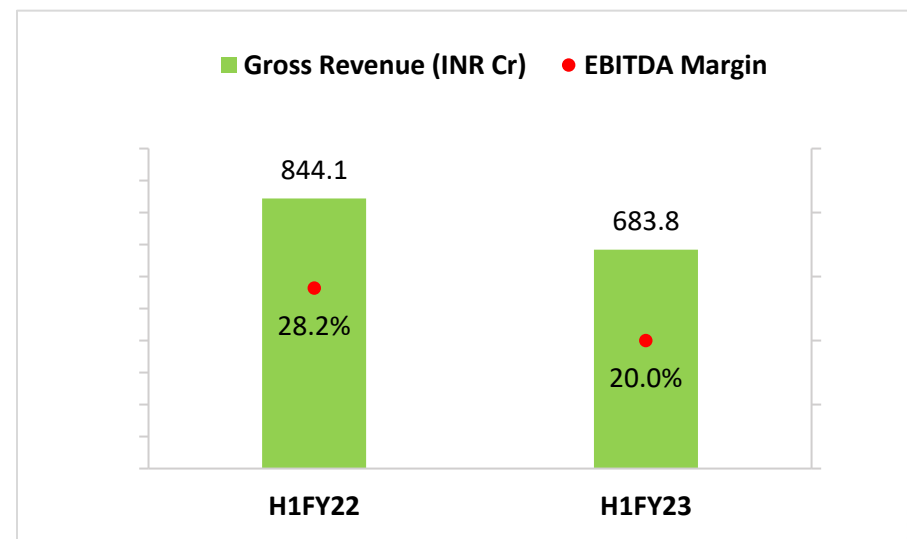
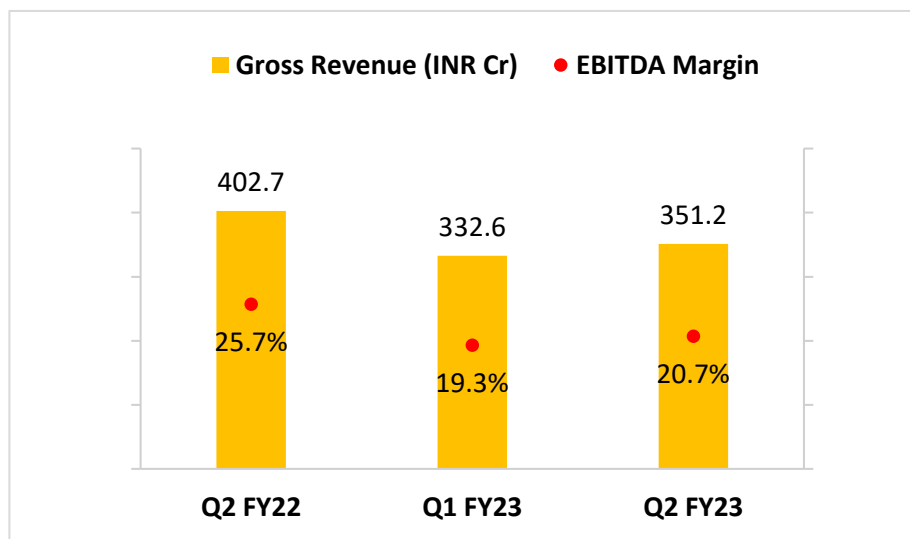
PERFORMANCE REVIEW

DIAGNOSTICS BUSINESS

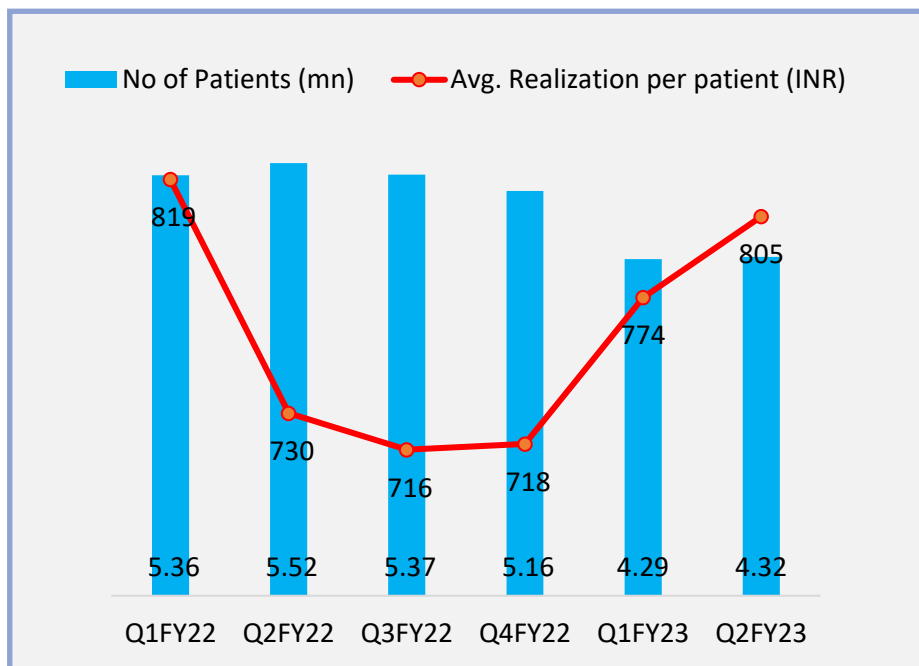
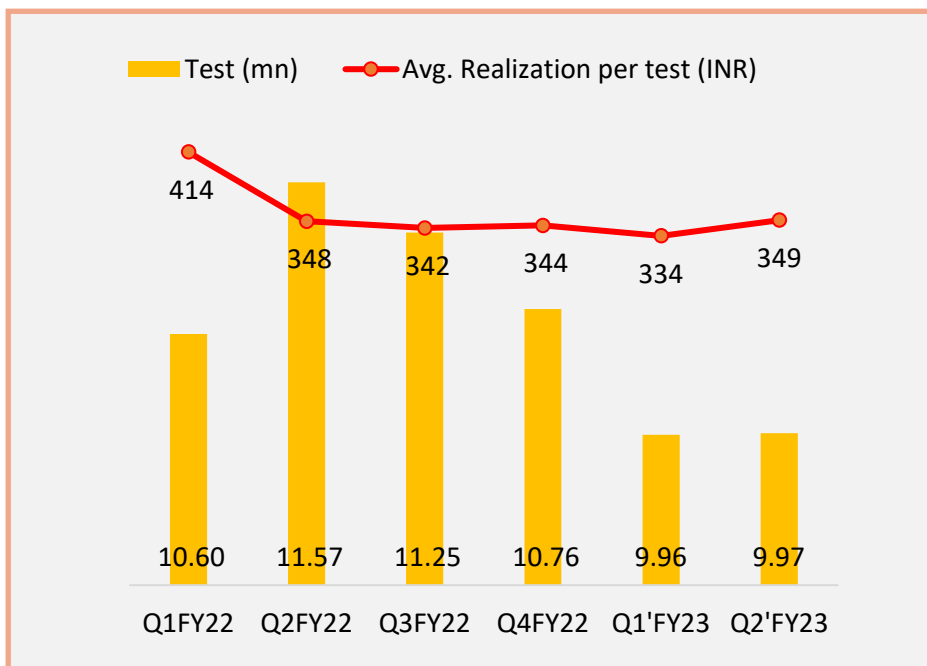


DIAGNOSTICS BUSINESS

- During Q2'FY23, SRL conducted approx. 9.97 Mn tests, a de-growth of 14% versus Q2'FY22 due to change in volume mix .In Q1'FY23 SRL conducted 9.95 Mn tests.
- SRL added 207 Customer Touch Points (CTP's) to its network in Q2'FY23.
- SRL's B2C: B2B revenue mix stood at 55 : 45 in the quarter similar to Q2 FY22.
- Covid & CAT revenue contribution was at 5% in Q2'FY23 compared to 22% in Q2'FY22 & 6% in Q1'23.
- Non Covid revenue grew by 5.3% in Q2'FY23 compared to Q2'FY22 & 5.6% compared to Q1'FY23.
- Non Covid revenue grew by 15.5% in H1 FY23 compared to H1 FY22



KEY PERFORMANCE METRICS

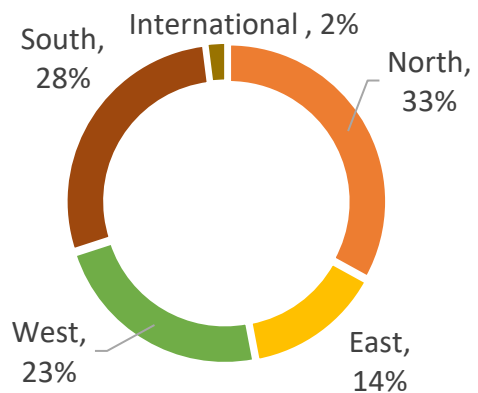


Average realisation per test and average realisation per patient witnessing an uptrend primarily due to change in test mix

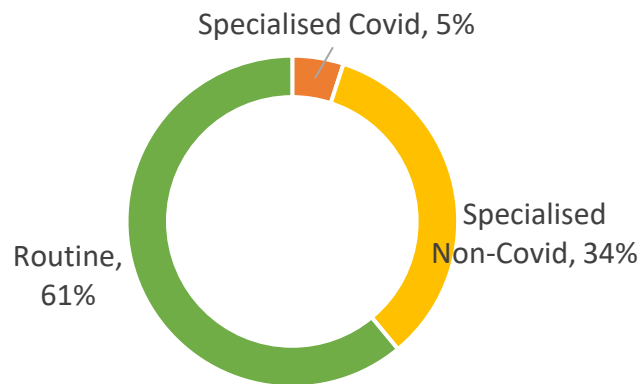
REVENUE MIX

Q2FY23

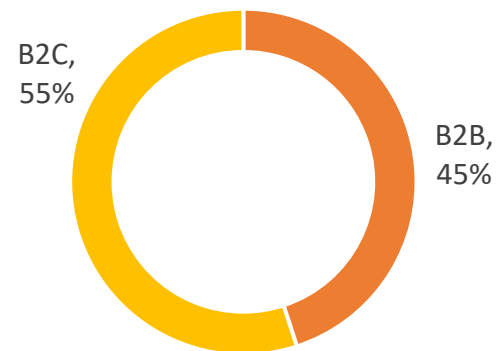
Geographic mix



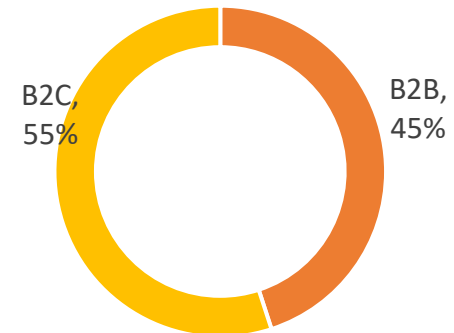
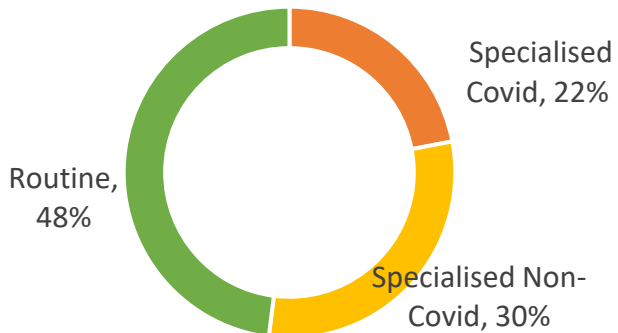
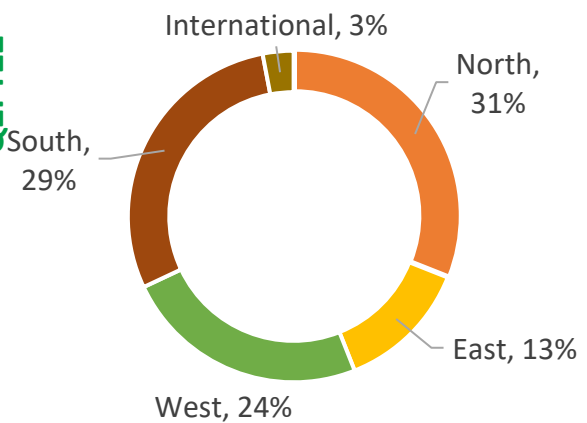
Product Mix



Segment Mix



Q2FY22





APPENDIX



GROUP CONSOLIDATED P&L – Q2FY23

| Particulars (INR Cr) | Q2FY22 | Q1FY23 | Q2FY23 |
|---|----------------|----------------|----------------|
| Revenue from operations | 1,462.5 | 1,487.9 | 1,607.2 |
| Other income | 8.0 | 20.7 | 15.5 |
| Total income | 1,470.6 | 1,508.6 | 1,622.7 |
| Expenses | 1,178.2 | 1,236.8 | 1,304.3 |
| EBITDA* | 292.4 | 271.8 | 318.5 |
| Margin | 20.0% | 18.3% | 19.8% |
| Finance costs | 40.3 | 31.2 | 32.8 |
| Depreciation and amortisation expense | 74.5 | 74.3 | 76.9 |
| PBT | 177.5 | 166.3 | 208.7 |
| Share of profit / (loss) of associates and joint ventures (net) | 4.2 | 10.0 | 7.5 |
| Net profit / (loss) before exceptional items and tax | 181.7 | 176.3 | 216.2 |
| Exceptional gain** | 0.3 | 0.0 | 51.6 |
| Profit / (loss) before tax from continuing operations | 182.0 | 176.3 | 267.8 |
| Tax expense / (credit) | 51.4 | 42.0 | 49.6 |
| Net profit / (loss) for the period from continuing operations | 130.6 | 134.3 | 218.2 |
| Profit / (loss) from continuing operations attributable to Owners of the company | 106.9 | 122.3 | 204.4 |

*EBITDA includes other income, forex and exceptional/non-recurring expenses

**Q2FY23 includes an exceptional gain of INR 51.6 Cr which pertains to reversal of impairment in an associate Company

GROUP CONSOLIDATED P&L – H1 FY23

| Particulars (INR Cr) | H1 FY22 | H1 FY23 |
|---|----------------|----------------|
| Revenue from operations | 2,872.9 | 3,095.1 |
| Other income | 15.9 | 36.2 |
| Total income | 2,888.7 | 3,131.3 |
| Expenses | 2,313.3 | 2,541.0 |
| EBITDA* | 575.5 | 590.3 |
| Margin | 20.0% | 19.1% |
| Finance costs | 78.8 | 64.0 |
| Depreciation and amortisation expense | 147.5 | 151.2 |
| PBT | 349.2 | 375.0 |
| Share of profit / (loss) of associates and joint ventures (net) | 12.7 | 17.5 |
| Net profit / (loss) before exceptional items and tax | 362.0 | 392.6 |
| Exceptional gain** | 306.4 | 51.6 |
| Profit / (loss) before tax from continuing operations | 668.4 | 444.2 |
| Tax expense / (credit) | 107.2 | 91.6 |
| Net profit / (loss) for the period from continuing operations | 561.2 | 352.6 |
| Profit / (loss) from continuing operations attributable to Owners of the company | 370.4 | 326.6 |

- *EBITDA includes other income, forex and exceptional/non-recurring expenses;
- Exceptional gain of INR 306.4 Cr in H1FY22 is 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.

**H1FY23 includes an exceptional gain of INR 51.6 Cr which pertains to reversal of impairment in an associate Company



THANK YOU





Fortis Healthcare reports healthy Q2 FY23 Financial Results

Consolidated Revenues at INR 1,607 Crs; EBITDA at INR 319 Crs, 19.8% margin

Hospital business records robust growth with occupancy reaching 70%.

Revenues up 18% to INR 1,297 Crs and EBITDA up 30% to at INR 246 Crs.

(EBITDA margins at 18.9% vs 17.2% in Q2 FY22)

Adjusted for covid volumes, diagnostic business revenues grew 5.3% vs Q2 FY22

Net Debt to EBITDA strengthens to 0.44x against 0.74x in corr. previous period

- Consolidated Revenues for Q2FY23 at INR 1,607 Crs, up 9.9%
- EBITDA at INR 319 Crs, 19.8% margin vs 20.0% in Q2FY22
- PBT prior to exceptional items at INR 216 Crs versus INR 182 Crs in Q2 FY22
- PAT at INR 218 Crs versus INR 131 Crs in Q2FY22

Consolidated Financial Snapshot

| Particulars (INR Crs) | Q2FY23 | Q2FY22 | % Change YoY | H1FY23 | H1 FY22 | % Change YoY |
|---------------------------|----------------|----------------|--------------|----------------|----------------|--------------|
| Revenue - Hospitals | 1,297.0 | 1,098.5 | 18.1% | 2,489.3 | 2,105.0 | 18.3% |
| - Diagnostics (net) | 310.2 | 364.0 | (14.8%) | 605.7 | 767.8 | (21.1%) |
| Consolidated | 1,607.2 | 1,462.5 | 9.9% | 3,095.1 | 2,872.9 | 7.7% |
| EBITDA - Hospitals^ | 245.7 | 189.1 | 30.0% | 453.5 | 338.7 | 33.9% |
| - Diagnostics | 72.7 | 103.3 | (29.6%) | 136.8 | 236.8 | (42.2%) |
| Consolidated | 318.5 | 292.4 | 8.9% | 590.3 | 575.5 | 2.6% |
| EBITDA Margin - Hospitals | 18.9% | 17.2% | | 18.2% | 16.1% | |
| - Diagnostics | 23.4% | 28.4% | | 22.6% | 30.8% | |
| Consolidated | 19.8% | 20.0% | | 19.1% | 20.0% | |

| | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Profit Before Tax (Before exceptional item) | 216.2 | 181.7 | 19% | 392.6 | 362.0 | 8.5% |
| Profit After Tax (Before exceptional item) | 166.6 | 130.3 | 27.9% | 301.0 | 254.8 | 18.1% |
| Reported Profit After Tax* | 218.3 | 130.6 | 67.1% | 352.6 | 561.2 | (37.2%) |

November 11, 2022



| | | | | | | |
|---|-------|-------|-------|-------|-------|---------|
| Reported Profit After Tax after Minority Interest and Share in Associates * | 204.4 | 106.9 | 91.3% | 326.6 | 370.4 | (11.8%) |
| Earnings per share (EPS) | 2.71 | 1.42 | 91.3% | 4.33 | 4.91 | (11.8%) |

* Includes an exceptional gain of INR 306 Crs in H1 FY22 on 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. Q2FY23 & H1FY23 includes an exceptional gain of INR 51.6 Cr which pertains to reversal of impairment in an associate Company.

^ Excludes dividend income received from the Company's majority owed (57%) subsidiary SRL Limited as a result of inter-company elimination. Hospital business reported EBITDA with dividend income was INR 267.2 Crs.

Gurugram, November 11, 2022: Fortis Healthcare Ltd. ("Fortis" or the "Company"), amongst India's leading healthcare delivery companies, today announced its unaudited consolidated financial results for the quarter and half year ended September 30, 2022.

- Q2FY23 hospital business revenues were at INR 1,297 Crs versus INR 1,098.5 Crs in Q2FY22 and INR 1,192.4 Crs in Q1FY23.
- Hospital revenues increased 18.1% and 8.8% versus the corresponding and trailing quarters, respectively; led by higher occupancy, a better product mix and a 164% increase in international patient revenues versus the corresponding previous quarter.
- Occupancy and ARPOB were higher versus Q2 FY22 and were also better versus the trailing quarter.

| KPIs | Q2 FY23 | Q2 FY22 | Q1 FY23 | H1 FY23 | H1 FY22 |
|----------------|---------|---------|---------|---------|---------|
| Occupancy | 69.6% | 64.2% | 65.4% | 67.5% | 64.8% |
| ARPOB (INR Cr) | 1.97 | 1.87 | 1.96 | 1.96 | 1.73 |
| ALOS (Days) | 3.75 | 3.51 | 3.58 | 3.67 | 3.95 |

- Covid revenue contribution to overall hospital revenues stood at 2.5% in Q2 FY22. Q2 FY23 and Q1 FY23 had negligible covid revenue contribution.
- Q2 FY23 diagnostics business gross revenues stood at INR 351.2 Crs versus INR 402.7 Crs in Q2 FY22, primarily impacted by lower covid volumes (including covid allied test volumes). Revenues for the quarter (excluding covid and covid allied tests) stood at INR 329 Crs versus INR 312.5 Crs for Q2FY22 and INR 311.8 Crs in Q1 FY23.
- Net debt to EBITDA was at 0.44 vs 0.74 (basis annualized EBITDA of Q2 FY23 and Q2 FY 22, respectively). Net debt was at INR 565 Crs as on Sept 30, 2022 versus INR 549 Crs as on March 31, 2022.



HOSPITAL BUSINESS HIGHLIGHTS

- The revenue contribution from the Company's key medical specialties viz. Oncology, Orthopaedics, Renal Sciences, Cardiac Sciences, Neurosciences and Gastroenterology to overall hospital revenues increased to 60.5% in Q2 FY23 from 56.9% in Q2 FY22.
- Many of the Company's key facilities i.e. FMRI, Noida, BG Road and Mohali recorded healthy growth in revenues and witnessed margin expansion both versus the corresponding and trailing quarter.
- Q3 saw a strong momentum in international patient revenues which stood at INR 109.3 Crs, a growth of 164% over Q2 FY22 and 23.0% over Q1 FY23. International patient revenue contribution increased to 8.4% of hospital revenues versus 3.8% and 7.5% in Q2 FY22 and Q1 FY23 respectively.
- Revenues from digital channels such as websites, My Fortis app and online campaigns increased 48% over Q2 FY22 and 11% over Q1 FY23. Digital revenues contribution to overall hospital revenues stood at 22.6% (Q2 FY22: 16.7% and Q1 FY23: 23.8%).
- During the quarter, the Company onboarded eminent clinicians in the medical specialties of Oncology, Cardiology, Gastroenterology and Neuro-Sciences.

DIAGNOSTICS BUSINESS HIGHLIGHTS

- During Q2FY23, SRL conducted approx. 9.97 Mn tests similar to the trailing quarter and versus 11.57 Mn tests in Q2FY22.
- Non covid revenues (excluding Covid and Covid allied tests) grew 5.3% versus Q2FY22 and 5.6% versus Q1FY23. However, the overall diagnostics revenues declined primarily due to lower covid volumes as compared to Q2 FY22 which witnessed a severe Covid wave. For H1 FY23, non-covid revenues grew by 15.5% vs H1 FY22.
- SRL's revenue contribution from the specialized test portfolio (non-covid) increased to 34% from 30% in Q2 FY22.
- SRL added 207 new customer touch points (CTP's) to its network during the quarter, taking the total number of CTP's to 2,955 as on September 30, 2022.
- The customer touch points i.e. CTP / Lab ratio strengthened to 18.6 in Q2 FY23 versus 12.1 in Q2 FY22, signifying the increase in network optimization.



Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, “Our Q2 FY23 consolidated results reflect the robust performance of our hospital business that now contributes ~77% to our consolidated EBITDA and has seen healthy margin expansion. The hospital business performance has enabled us to maintain our consolidated margins at around 20% despite covid volumes significantly impacting the diagnostics business. I’m also pleased that for the first time ever, SRL, our majority 57% held diagnostics subsidiary has declared a dividend. This shows our commitment towards efforts on augmenting shareholder returns and reflects the growing confidence we have in our future expansion and growth prospects. Our brownfield expansion plans in facilities like Mulund, BG Road and Anandpur are progressing well. Simultaneously, digital transformation efforts such as implementation of Electronic Medical Records (EMR), ERP implementation and improving patient experience through website and apps are being worked upon. EMR implementation specifically, would significantly enhance patient care allowing quick access to healthcare records and faster diagnosis and treatment. Portfolio rationalization coupled with a well chalked out inorganic expansion strategy focusing on our key existing clusters will further drive our operational performance.”

Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, “We have witnessed a strong set of earnings for the quarter with consolidated revenues growing ~10% to INR 1,607 Crs. Hospital business revenues grew 18% led by a better specialty mix and robust traction in our international patient revenues. Our occupancy increased to 70% versus 65% in Q2 FY22, while ARPOB grew 5% to INR 1.97 Crs. Our diagnostics business revenues and EBITDA have grown 5% and 14%, respectively versus the trailing quarter reflecting early but encouraging signs of pick-up in business post the covid impact seen previously. Efforts are ongoing to ensure that as our hospital bed expansion plans fructify, we have the requisite medical talent and infrastructure to support such expansion. Medical equipment, the likes of cath labs, neuro navigation systems, ortho robots, LINACs have been commissioned in select facilities during the quarter. Clinical talent in medical specialties vis cardiac, oncology, neuro sciences and gastroenterology have been further augmented. On SRL, the focus is on strengthening the business’s growth drivers by expanding our geographic footprint and channel network with further additions of Stat Labs and Customer Touch Points. We remain hopeful of a progressively improving performance as we go through the remaining of FY23.”

November 11, 2022



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 400 diagnostics centres.

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This press release may contain forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company may alter, modify or otherwise change in any manner the content of this press release, without obligation to notify any person of such revision or changes.

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